

**SENKO Group Holdings
Medium-term Management Plan
for the period from FY2022 to FY2026**

1. Review of the previous medium-term management plan (1) **SENKO**

[Main Medium-term Management Targets]

		FY 3/2017 (1) Actual	FY 3/2022		Change	
			(2) Mid-term targets	(3) Actual	(3)-(1)	(3)-(2)
Operating revenue	Billion yen	455.40	700.00	668.10	212.60	- 31.90
					46.7%	
Operating profit	Billion yen	17.08	28.00	24.77	7.69	- 3.23
					45.0%	
Operating profit ratio	%	3.8	4.0	3.7	-0.1	-0.3
Logistics center storage area	million m ²	3.22	4.00	4.06	0.84	0.06
Number of in-house vehicles (trailer heads)	Vehicles	4,426	6,700	6,727	2,301	27
ROE	%	9.5	10.5	10.8	1.3	0.3
Net D/E ratio	Times	0.58	0.64	0.95	0.37	0.31
Equity ratio	%	35.1	40.2	30.6	-4.5	-9.6

*The actual figures for the FY ending March 31, 2022 are the figures before the application of the accounting standard for revenue recognition.

2. Review of the previous medium-term management plan (2)



[Targets by Segment]

(Billion yen, %, PT)

		FY 3/2017 (1) Actual	FY 3/2022		Change		
			(2) Mid-term targets	(3) Actual	(3)-(1)	%	(3)-(2)
Logistics	Operating revenue	318.00	455.00	436.84	118.90	37.4	- 18.20
	Operating profit	13.42	20.03	23.01	9.59	71.5	2.98
	Operating profit ratio	4.2	4.4	5.3	1.1	—	0.9
Trading & Commerce	Operating revenue	132.90	185.00	192.70	59.80	45.0	7.70
	Operating profit	3.21	4.80	2.91	- 0.30	-9.5	- 1.90
	Operating profit ratio	2.4	2.6	1.5	- 0.9	—	- 1.1
Others	Operating revenue	4.60	60.00	38.50	34.00	741.0	- 21.50
	Operating profit	0.87	3.47	0.10	- 0.77	-88.6	- 3.37
	Operating profit ratio	19.0	5.8	0.3	- 18.7	—	- 5.5

*The actual figures for the FY ending March 31, 2022 are the figures before the application of the accounting standard for revenue recognition.

**Medium-term management plan for
the period from FY 2022 to FY 2026**

We deliver new value to people and society and aim for sustainable growth through the deepening and creation of businesses.

2. Important Tasks

- 1. Expansion and deepening of existing businesses**
- 2. Creation and development of growing businesses**
- 3. Initiatives for ESG+H (health) management**
- 4. Upgrading group management**
- 5. Achievement of job satisfaction and personal growth**

3. Slogan

SENKO



Connecting supply chains

Go beyond logistics

Connecting supply chains

by moving beyond the framework of conventional logistics businesses

Connecting the world



Make the world go round

Becoming an international business that **connects the world** by undertaking businesses activities worldwide

Connectedness



Connecting all businesses

Revolutionize business

Connecting all businesses in the world so that we can provide new value

Connecting to the next generation



Passing the baton

Becoming a business where the next generation of employees, who will be responsible for the future, **can grow and flourish professionally**

4-1. Overall Numerical Targets



[Revenue plan]

(Billion yen)

	Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating revenue	623.1	1,000.0	376.9	60.5%
Operating profit	24.8	45.0	20.3	81.8%
Operating profit ratio	4.0%	4.5%	0.5PT	—

ROE	10.8%	Equal or more than 10%
Net D/E ratio	0.95 times	Less than 1 time

4-2. Overall Numerical Targets



[Investment plan]

(Billion yen)

Logistics and commercial facilities, vehicles and cargo-handling facilities, etc.	200.0
Strategic investment (M&A, IT, environment)	90.0
Total	290.0

[Production system]

	Actual of FY 2021	Target for FY 2026	Increase
Logistics center storage area	4.06 million m ²	5 million m ²	0.94 million m ²
Number of in-house vehicles (trailer heads)	6,727 vehicles	10,000 vehicles	3,273 vehicles

5-1. Targets and Prioritized Measures by Segment



(1) Logistics

(Billion yen)

		Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating revenue	Domestic logistics	321.7	450.0	128.3	39.9%
	Cold chain logistics	58.2	80.0	21.8	37.4%
	International logistics	36.6	70.0	33.4	91.4%
	Maritime transport	24.1	45.0	20.9	87.0%
Total		440.6	645.0	204.4	46.4%
Operating profit		23.8	34.6	10.8	45.2%
Operating profit ratio		5.4%	5.4%		—

5-2. Targets and Prioritized Measures by Segment



(Domestic logistics): Consists of 52 companies such as SENKO Co., Ltd.

- **Expansion of orders based on our capability for making comprehensive proposals, as well as stability of our businesses achieved by our own asset (vehicle, storage capacity, human resources, etc)**
- **Reinforcement of logistics facilities and vehicle system, as well as promotion of M&A**

(Cold chain logistics): Consists of 4 companies such as Runtec Corporation

- **Acceleration of establishing sites and further expansion of the Fresh Delivery**

(International logistics): Consists of 34 companies in and outside of Japan such as Senko Forwarding Co., Ltd.

- **Establishment of global network by increasing number of our sites**

(Maritime transport): Consists of 12 companies such as Nippon Marine Co., Ltd.

- **Promotion of improving our shares by increasing capacity of maritime transport**

5-3. Targets and Prioritized Measures by Segment



(2) Trading & Commerce

(Billion yen)

		Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating revenue	Trading & commerce & sales	45.5	60.0	14.5	31.8%
	Household paper wholesale	81.8	110.0	28.2	34.5%
	International trade	18.8	25.0	6.2	33.0%
	Total	146.1	195.0	48.9	33.4%
Operating profit		2.5	3.8	1.4	54.4%
Operating profit ratio		1.7%	2.0%	0.3PT	—

5-4. Targets and Prioritized Measures by Segment



(Trading & commerce & sales): Consists of 12 companies such as Smilecorp Co., Ltd.

- Reinforcement of EC sales and expansion of variety of our original products

(Household paper wholesale): Consists of 3 companies such as Ast Corporation

- Increasing management efficiency and improving share of 3 companies

(International trade): Consists of only SENKO International Trading Co., Ltd.

- Maintenance and expansion of our commercial rights in China by conducting joint management with a Chinese electronic material company

5-5. Targets and Prioritized Measures by Segment



(3) Life Support Business

(Billion yen)

	Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating revenue	28.8	80.0	51.2	177.8%
Operating profit	-0.7	4.8	5.5	—
Operating profit ratio	-2.4%	6.0%	8.4PT	—

Consists of 10 companies comprising:

3 companies such as Venus Corporation (in health area); 4 companies such as TERAUCHI CO., LTD. (in life area);
3 companies such as Life Eat Co., Ltd. (in food area)

● Achieving early recovery from sales decline caused by COVID-19 pandemic, and increasing store openings

● Promotion of M&A in health, life and food areas

5-6. Targets and Prioritized Measures by Segment



(4) Business Support Business

(Billion yen)

	Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating revenue	7.7	30.0	22.4	292.2%
Operating profit	0.6	2.6	1.9	298.4%
Operating profit ratio	8.4%	8.5%	0.1PT	—

Consists of 15 companies in businesses such as real estate, information and staffing

- Achieving early recovery from sales decline caused by COVID-19 pandemic
- Promotion of M&A in businesses such as staffing

5-7. Targets and Prioritized Measures by Segment



(5) Others

(Billion yen)

	Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating revenue		50.0	50.0	—
Operating profit		2.0	2.0	—
Operating profit ratio		4.0%	—	—

● Entering a new business area

5-8. Targets and Prioritized Measures by Segment



(6) Target of operating revenue in each business area

(Billion yen)

		FY 2021	FY 2026	Increased amount	Ratio of increase	
Logistics	Retail product logistics	Food logistics	82.2	115.0	32.8	39.9%
		Chain store logistics	83.7	125.0	41.3	49.3%
		Fashion logistics (including EC logistics)	49.5	65.0	15.5	31.4%
		Others	39.8	75.0	35.2	88.4%
	Total		255.2	380.0	124.8	48.9%
	Chemicals logistics		84.8	130.0	45.2	53.2%
	Housing logistics		61.7	75.0	13.3	21.5%
	Others, etc.		38.8	60.0	21.2	54.6%
	Total		440.6	645.0	204.4	46.4%
	Trading & Commerce		146.1	195.0	48.9	33.4%
Life Support Business		28.8	80.0	51.2	177.8%	
Business Support Business		7.7	30.0	224.0	292.2%	
Others			50.0	50.0	—	
Total		623.1	1,000.0	376.9	60.5%	

*Global logistics included in the above

Global logistics	Logistics	43.6	77.0	33.4	76.8%
	Trading & Commerce	32.1	43.0	11.0	34.2%
	Total	75.6	120.0	44.4	58.7%

6. Prioritized Measures for ESG and Group Management



[Overall numerical targets]

CO ₂ emission intensity (land transport business)	Reduced by 10% in comparison with FY 2020
Ratio of female managers	Equal or more than 15%

- Promotion of our environmental measures and modal shift
- Reforming our systems for utilizing various human resources and expanding job opportunities
- Introduction of cutting-edge technologies for automation and labor saving
- Implementing healthy business management through sports and cultural activities

7. Medium-term Dividend Policy



Our company intends to improve shareholder returns by providing stable dividend payouts, making performance-linked dividend payouts and aiming to improve dividend payout ratio.

SENKO

Moving Global

Go beyond logistics, make the world go round, and revolutionize business.