

SENKO

CSR REPORT

2020

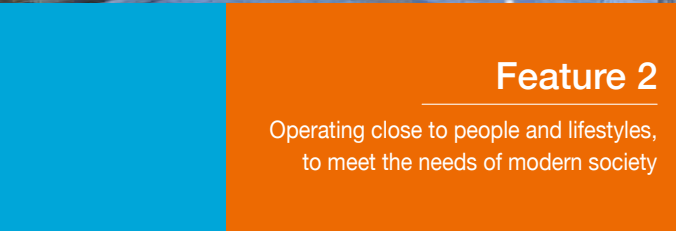
Environmental Measures; Safety Initiatives; Health Initiatives; Social Initiatives

SENKO Group – nurturing people and supporting their daily lives



Feature 1

Green logistics developed with customer cooperation



Feature 2

Operating close to people and lifestyles, to meet the needs of modern society



Feature 3

Designing a better future for local communities through agriculture





Moving

Message from the President

SENKO Group—nurturing people

In April 2017, the SENKO Group made the transition to a holding company structure, and is currently focusing on a five-year medium-term business plan dubbed "Senko Innovation Plan 2021 (SIP21)."

One of the management policies of SIP21 is to "emphasize corporate social responsibility (CSR)," with initiatives being put in place for the environment, safety, health and society. Since FY2019, we have been better outlining the relationship between the SENKO Group's business activities and the UN's "Sustainable Development Goals (SDGs)," and presenting our vision within and outside the Group.

As part of FY2019 initiatives, our efforts for further advancing modal shift for our "Environmental measures" led to SENKO receiving two "Special Awards" in the 20th Logistics Environment Awards, and four awards as "Excellent Business Entities Working on Modal Shift" from the Japan Association for Logistics and Transport. We will continue our efforts towards reducing our environmental

Contents

Message from the President	1
Business overview	3
Medium-term management plan and CSR policy	5
Relationship between business activities and SDGs	7
Features	
SENKO Group—nurturing people and supporting their daily lives	
① Green logistics developed with customer cooperation	9
② Operating close to people and lifestyles, to meet the needs of modern society	11
③ Designing a better future for local communities through agriculture	15

Global

Go Beyond Logistics Make the World Go Round Revolutionize Business

and supporting their daily lives

impact, as well as implementing environmental conservation activities including the new initiatives we have started for biodiversity conservation.

For our "Safety initiatives," we have introduced eye tracking systems and other advanced technologies to enhance our safety management systems. Continuing to ensure that our workplaces are safe for our employees to work in is in line with our goal of becoming a corporate group that attracts people.

Our "Health initiatives" have us being selected as a "2020 Certified Health and Productivity Management Outstanding Organization for the third consecutive year. And following on from last year, two of our Group companies were certified in the SME Category. Moving forward, we will continue focusing on initiatives aimed at promoting health so that employees can work in a healthy and lively manner.

For our "Social activities," we have rolled out a range of constructive activities like promoting sports and culture

through judo, golf, Go and much more. We are also continuing to operate our daycare centers and run blood donation drives, as well as developing closer links to local communities through a range of interactive ideas like traffic safety classes for children, workplace tours and agricultural visits.

As a corporate group that nurtures people and supports them in their daily lives, the SENKO Group as a whole will continue to promote CSR management to gain the trust of all our stakeholders, and also strengthen our long-term initiatives of meeting SDGs through our businesses.

**Senko Group Holdings Co., Ltd.
President and Representative Director
CSR Promotion Committee Chairman:**

Yasuhisa Fukuda
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Environmental measures	
Environmental measures digest	17
Environmental Report	19
Safety initiatives	
Safety initiatives digest	23
Safety Report	25
Health initiatives	
Health initiatives digest	29
Social activities	
Social activities digest	31
Social Report	33
Corporate Governance	35
Corporate data	37

■ Editing policy and scope of reporting

The SENKO Group established the CSR Promotion Committee and since FY2008, has published the "CSR Report" covering topics such as "environmental conservation" and "road safety" that have always been given top managerial priority.

The editing policy is as outlined below.

- (1) CSR activities characteristic to the SENKO Group during the reporting period are presented as "Features."
- (2) The scope of the report covers activities of the SENKO Group.
- (3) Reports cover activities conducted from April 2019 through March 2020, with some covering activities conducted after April 2020.
- (4) Environmental reports are made in accordance with the "Environmental Report Guidelines (2018)" issued by the Japanese Ministry of the Environment.

4 core business domains of SENKO Group

As a corporate group which nurtures people and supports them in their daily lives, the SENKO Group is always determined to create new trends in services and products.

* Number of group companies current as of end of March 2020

Logistics Group

96 group companies

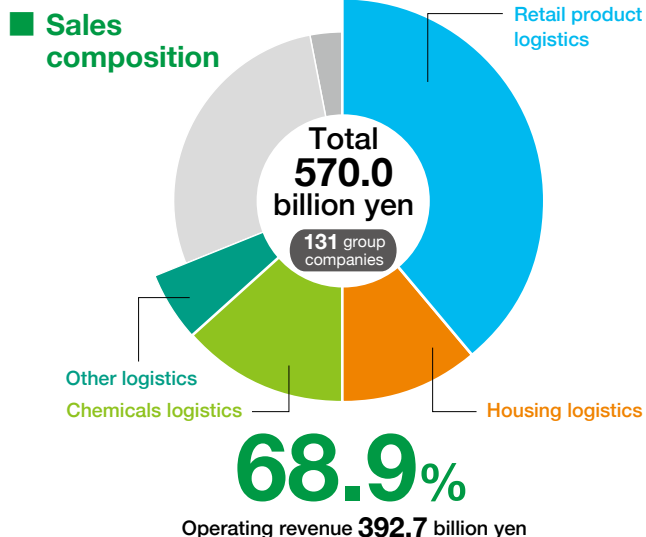
We have expanded our logistics to support customers in industries relating to housing and construction materials and chemical products, in addition to retail industries encompassing general supermarkets, drugstores, home improvement stores, and apparel.

Furthermore, for the food sector we have freezing and refrigeration warehouses as well as a nationwide low-temperature (both chilled and frozen) logistics network which uses methods including refrigerated trucks and railway containers.

We also have business centers outside Japan (local companies, etc.) to create a multimodal transportation system between Japan and the world, and for our global logistics center business.

[Major companies]

SENKO Co., Ltd. / RUNTEC Co., Ltd. / Tokyo Nohin Daiko Co., Ltd. / SENKO A LINE AMANO Co., LTD. / ACROSS TRANSPORT Co., Ltd., etc.



Retail product logistics

Sales composition **39.1%**

Operating revenue **222.6** billion yen



Mass merchandisers, retailers, food, fashion, etc.

Housing logistics

Sales composition **11.1%**

Operating revenue **63.2** billion yen



Homebuilder products, associated materials, etc.

Chemicals logistics

Sales composition **13.4%**

Operating revenue **76.6** billion yen



Resin materials, resin molded products, processed goods, etc.

Other logistics

Sales composition **5.3%**

Operating revenue **30.2** billion yen



Logistics other than distribution, residential and chemicals

Trading & Commerce Business Group

13 group companies

We are involved in business related to oil sales, commercial trading, and international trade. We sell fuel, logistics-related commercial materials like logistics equipment and supplies, everyday items, packaging materials, foodstuff, liquor, and more.

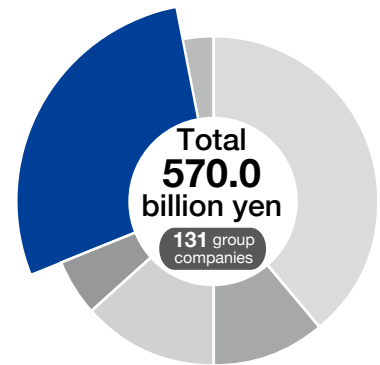
We also cover international trade, such as importing and exporting customers' raw materials and products, as well as other international transactions.

[Major companies]

SENKO SHOJI CO., LTD. / AST CORPORATION / SMILE CORP. / Marufuji Co., Ltd., etc.



Sales composition



28.3%

Operating revenue **161.3** billion yen

Other business groups

Business Support

12 group companies

We operate a logistics consulting business and an information system business for developing and managing IT solution systems, to create an optimum logistics system to meet the diverse needs of our customers.

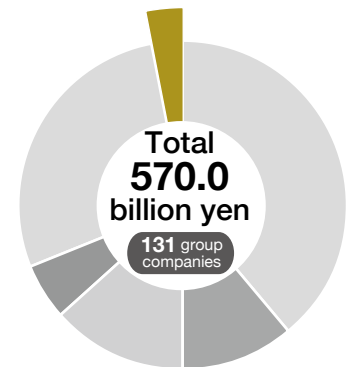
We also have a contact center business serving our customers in the real-estate development and personnel service sectors, as well as online shopping businesses.

[Major companies]

Logi Solution Co., Ltd. / SENKO INFORMATION SYSTEM Co., Ltd. / Senko Real Estate Co., Ltd. / S-TAFF Co., Ltd. / Senko Business Support Co., Ltd., etc.



Sales composition



2.8%

Operating revenue **16.0** billion yen

Living Support

10 group companies

We have developed businesses to support the everyday life of consumers, such as nursing care, fitness, housework services, and moving services.

"SENKO School Farm TOTTORI" also uses closed-down schools for welfare-based agriculture to grow and sell leafy vegetables and mushrooms.

[Major companies]

KEIHANNA helper station Co., Ltd. / Blue Earth Japan Co., Ltd. / Venus Co. Ltd. / Senko Living Plaza Co., Ltd. / SENKO School Farm TOTTORI Co., Ltd., etc.



Enhancing corporate value and helping to create a better future society

Implementing CSR management as a united group
SENKO Group growth strategy

“SIP21”

The SENKO Group launched the five-year medium-term business plan "SIP21" in April 2017.

One of those policies was "Emphasize corporate social responsibility (CSR)."

Group Strategy Direction

"SIP21" (Senko Innovation Plan 2021) is our growth strategy for supporting industry and daily living, to challenge ourselves to create new trends while unlocking another 100 years of business.



Realization of Moving Global

Go beyond logistics, Make the world go round, Revolutionize business

Unite as a group to drive economic and social innovation in and out of Japan.

Group Medium-Term Business Targets

FY2021 Goal

●	Operating revenue	700.0 billion yen
●	Operating income	28.0 billion yen
●	Ratio of operating profit	4.0%
●	Return on equity (ROE)	10.5%
●	Equity ratio	40.2%

Medium-Term Business Plan

1 Expand business areas

Accelerate international business expansion, further enhance existing domestic businesses, and enter new business areas, such as Living Support and Business Support. Also, actively promote business partnerships and M&As to support the above.

2 Enhance brand value

Consolidate the Group's overall strength, deliver "services that surprise and delight," and evolve from "customer satisfaction" (CS) to "customer delight" (CD).

3 Improve employee satisfaction (ES)

Through the creation and active utilization of diverse programs, boost employee satisfaction to attract diverse personnel, help them to grow, and increase the value of their working environment.

4 Emphasize corporate social responsibility (CSR)

Grow alongside society, while preserving and fostering industry, culture, and nature in each area.

5 Gain trust from capital markets

Work to maximize the corporate value of the entire Group, while strengthening financial soundness.

Medium-Term Policy of SENKO Group CSR

The SENKO Group as well as its suppliers and business partners are striving to place a greater emphasis on compliance and CSR.

Priority Measures

1 Environmental Measures

- ① Focus on meeting energy-saving targets as a Specified Corporation
- ② Make improvements related to "Reduce with energy-saving," "Recycling rate" and "Green product procurement rate" and contribute to a recycling-oriented society.
- ③ Organize environment-related information of group companies, and aim to achieve the same environmental targets.
- ④ Actively install fixtures with a low environmental impact, such as LED lighting and low-emission vehicles.
- ⑤ Increase use of alternative energy sources, such as installing solar panels on new facilities and increasing the number of large CNG vehicles.
- ⑥ Actively promote modal shift to customers as a way of implementing green logistics.

2 Safety Initiatives

- ① Establish a health and safety management system that caters to the characteristics of group companies.
- ② Utilize big data to centralize various types of safety-related systems.
- ③ Actively install (active safety) technologies to prevent accidents from occurring.
- ④ Create opportunities to share and learn about safety technologies.

3 Health activities

- ① Manage the health information of all group employees to promote the importance of staying healthy.
- ② Enhance health management to eliminate accidents caused by health problems.
- ③ Conduct stress checkups to develop management systems for preventing mental health problems.
- ④ Work with health insurance unions to strengthen health promotion activities.

4 Social activities

- ① Hold traffic safety classes and local clean-up drives to contribute to the local community.
- ② Organize volunteer activities, such as education support programs outside Japan.

Promotion System of CSR

Individual committees for "Compliance," "Corporate Ethics," "Risk Management," "Environmental Promotion" and "Social Contribution Promotion" are in charge of running various CSR activities in order to fulfill our social responsibility across a broad scope.

The CSR Promotion Committee, which is chaired by the president of SENKO Group Holdings Co., Ltd., supervises each of these committees.



Nurturing people and supporting them in their daily lives

SENKO Group business activities and SDGs

Priority themes of SENKO Group's SDGs

- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 13 CLIMATE ACTION
- 17 PARTNERSHIPS FOR THE GOALS



Trading & Commerce

Commerce / Oil sales / Sales of daily commodities, foodstuff, alcohol, etc.

Business Support

Logistics consulting / IT solutions / Contact center / Staffing services / Hotels / Real estate, etc.

Economic level

Providing new value to society through our businesses

Businesses that nurture people and support their daily lives

Harnessing business activities with the aim of resolving social challenges through initiatives linked to CSR policies, as well as contributing to greater barrier-free accessibility in society.



Promoting green logistics by cooperating with customers



Providing services that are highly resilient to natural disasters



Developing the Living Support business that covers nursing and health services and more



SENKO School Farm Tottori Co., Ltd. that aims to achieve community development through agriculture

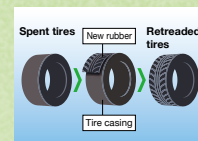
Global environment sustainability



Solar power generation and energy-efficient facilities installed at PD centers



Lower energy and lower carbon use of transportation infrastructure (use of CNG vehicles, electric trucks)



Using retreaded tires



Cooperation with the Osaka Bay Environment Restoration Project

The SENKO Group aims to resolve social challenges and create new value through its businesses, based on the core approach that "economic activities" can be achieved with a "healthy global environment" and a "good relationship with local communities."

Crefeel Koto

Traffic safety / Human resources training / Children's Traffic Park, etc.

Living Support

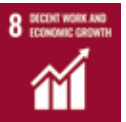
Nursing & housework services / Fitness / Moving services / Restaurants / Agriculture, etc.

Logistics

Transportation / Storage / Logistics processing / In-factory operations / International logistics, etc.



Priority themes of SENKO Group's SDGs



Society level

Promote dialog and cooperation with the local community and various stakeholders associated with the SENKO Group, to build a good relationship with society.

Human resources and organization as the foundation

Cooperation with society

CSR

Safety Programs
Health Initiatives
Social Activities



Promote health management throughout the entire group



SENKO University for nurturing people and business



Traffic safety class for children at business sites



Logistics safety education and professional driver training at Crefeel Koto

Environmental level

Minimizing the environmental impact of business activities

Recognizing the responsibility for "energy consumption" and "greenhouse gas emissions" as a logistics company, and working to maximize understanding and related reductions.

CSR

Environmental Initiatives

SENKO Group—nurturing people and supporting their daily lives

Green logistics developed with customer cooperation

Relationship
with SDGs

We are utilizing electric trucks free of CO₂ emissions as part of measures to reduce CO₂ emissions generated with truck transportation. We are also working with customers to promote green logistics, such as switching to electric trucks for deliveries thanks to the cooperation of customers.



Tokyo Nohin Daiko Co., Ltd.
President and Representative
Director

Hiroyuki Ito

Tokyo Nohin Daiko's electric trucks in the fashion streets of Tokyo

European luxury brand group LVMH Moët Hennessy Louis Vuitton Japan KK ("Louis Vuitton") is placing a great emphasis on addressing environmental issues, and asked us to "provide an environmentally friendly logistics service" from early on. In response to this, we were one of the first in the industry to begin using zero-CO₂ emission electric trucks (light freight vehicles) in 2014. With the resulting effects so positive, we added two of the world's first production model electric truck "e-Canter" to our fleet in 2019. From July that year, we began operating electric trucks in the Ginza and Omotesando districts of Tokyo specifically for Louis Vuitton.



Japan's first hanger-rack body type electric truck

The main feature of our e-Canters is that they are of a hanger-rack body type, the first of its type for an electric truck in Japan. The body type is ideally suited to apparel-related logistics, as garments can be loaded as-is on hangers to prevent wrinkles caused by packing them in boxes. Another initiative led by the SENKO Group is the inclusion of lifesaving devices on board, with the latest AED mounted behind the passenger seat.

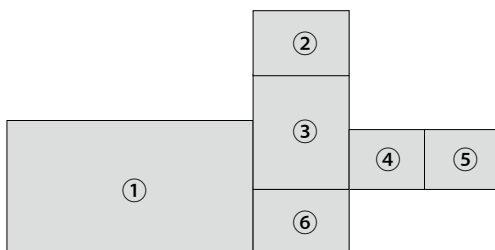
Electric trucks have a range of around 100 km from a single charge, which takes seven to eight hours using a 200 V charger. With the addition of these trucks, we have installed chargers at our operating sites and also went to considerable effort to plan efficient delivery routes with charging locations along the way in case trucks need to recharge during deliveries.



Reduce environmental impact and helping to boost corporate value for customers

In Europe, where Louis Vuitton's headquarters is based, there is a high level of demand for environmentally friendly operations, and the response that companies take affects brands significantly. Working with customers to develop environmentally friendly logistics on a global scale like this not only helped to reduce the amount of CO₂ emissions, but also helped to boost the customer's corporate value and strengthen our relationship of trust with them. We are planning to roll out collaborative deliveries with the customer's group of brands, and ultimately achieve emission-free deliveries for the fashion sector with more efficient transportation. We are also hoping to make the switch to using electric trucks for deliveries of other shippers.

We have also embarked on new partnerships aimed at addressing other social challenges with customers. One we are involved in is the "BRING Project," an initiative where various companies work together to collect and recycle used clothing. Staff uniforms that customers no longer use are collected in bulk via our delivery network and transported to recycling plants, as part of our goals to make recycling clothing more efficient and reduce the impact on the environment. As a logistics company using public roads for business operations, we will continue working with shippers to develop "Green Logistics" and help achieve these SDGs.



- ① Deliveries to stores in Omotesando, home to many elegant brand outlets
- ② Design on a special electric truck highlighting the partnership with Louis Vuitton
- ③ Electric truck in the delivery entrance at the side of the store
- ④ Garments loaded into trucks as-is on hangers
- ⑤ Garments on hanger rails move automatically to the delivery entrance
- ⑥ 200 V charger installed at the Higashi Nihon SCM Terminal logistics site

SENKO Group—nurturing people and supporting their daily lives

Operating close to people and lifestyles, to meet the needs of modern society

Relationship with SDGs

We have branched out into the Living Support Business as our challenge for paving the way for the next 100 years. Operating sports clubs and providing nursing and welfare brings us closer to the health and lifestyles of locals, helping us to support local communities for living in with peace of mind.



Branching out into the Living Support Business that supports people in their daily lives

As a "corporate group that supports people in their daily lives," we have branched out into the Living Support Business with the aim of creating a new business segment that brings us closer to consumers. We have welcomed to our group local-community based companies with exceptional motivation and growth prospectives to drive business that contributes to the health, lifestyle, dietary and other aspects of so many people. Our future goals will be to harness the synergy created with each Living Support Business company to help open more new stores and create new services provided by each company and expand business. With the prospect of facing a super-aging society, we are aiming to resolve social challenges like longer healthy lifespans and more extensive nursing and welfare services by operating business that are closer to peoples' health and lifestyles, as a way of contributing to society.

SENKO Group Holdings Co., Ltd.
Director and Managing Executive Officer
General Manager of Living Support Business
Promotion HQ

Kenichi Shiraki



Providing comfortable homes and affluent lifestyles for seniors

Visiting care & nursing homes

Nursing homes for enjoying a safe and comfortable lifestyle

KEIHANNA helper station Co., Ltd. has been providing visiting care, visiting nursing, day-care and other services mainly in the northwestern areas of Nara Prefecture. In addition to providing lifestyle support services, it is also committed to the operation and management of nursing homes with the aim of supporting the lifestyles of the elderly at "homes." The know-how it has developed by providing more than 20 years of nursing care services is the company's forte. Highly skilled staff with a mind for hospitality are on hand to provide a variety of nursing care services and respond to a range of needs to ensure a safe and comfortable lifestyle.

Building on its strengths as part of the SENKO Group, KEIHANNA helper station is also currently increasing the number of nursing homes it operates. In addition to its three existing facilities, a new nursing home was opened in April 2020 in Shiga Prefecture based on a partnership between SENKO and homebuilders. In June 2020, it opened a new serviced apartment for the elderly in Ikoma City in Nara Prefecture. The residence includes a multi-purpose room coupled with a comprehensive range of activities for an exciting and meaningful lifestyle, which are available to both residents and members of the local community alike. The community-based facility cherishes the bond between residents and society, and will ideally play a key for providing the elderly with an affluent livelihood.

Securing and training nursing care staff for enhancing the welfare of the elderly in the local community

As the aged population continues to grow, the nursing and welfare sector has long suffered from a lack of staff capable of providing services. KEIHANNA helper station operates a nursing staff training and development business to enhance the skills and certifications of its own nursing care staff, and is also focused on increasing the number of nursing care staff and lifting the level of services provided industry-wide. It was based on this same line of thinking that it decided to open daycare centers within its business sites. Making these services available for the wider community helps people to secure both employment and child-raising needs, and also leads to an increase in nursing care staff.

Future plans include more facilities that meet the diverse requirements of the elderly, and increasing the scope of services by providing greater coverage across the southern areas of Nara Prefecture and the whole Kansai region. As a comprehensive nursing care service provider, KEIHANNA helper station remains committed to enhancing the level of welfare for the elderly in local communities.



KEIHANNA helper station Co., Ltd.

[Company overview]

Established in 1999, and provides in-home care support that includes visiting care, visiting nursing, day-care services, and management, as well as businesses such as the operation of private nursing homes. In response to demand from society, it is expanding business to include taxi operations, welfare services for people with disabilities, training for nursing care staff, and sales and rentals of welfare equipment.



Supporting independence of the elderly with exercise and rehabilitation

Day-care & visiting nursing services

Day-care, visiting nursing and rehabilitation services with a focus on exercise for a more independent lifestyle

Venus Co. Ltd. provides day-care and visiting nursing/visiting rehabilitation services with a focus on "exercise." Its aim is to help people "achieve independence" so they can do what they want by themselves—even if require assistance or primary nursing care—by preventing their physical and mental condition from worsening through the use of exercise or rehabilitation.

The key advantage of Venus is that it has developed a system that offers different stages of services to suit the physical condition of users. Step-up programs and facilities available toward achieving independence include: [Venus Visiting Care Station] for people who require nursing care or rehabilitation at home after receiving treatment at hospital; [One-day Rehabilitation & Bath Day-care] Venus Care Center or [Half-day Rehabilitation & Bath Day-care] Venus Plus for people who are able to go out for rehabilitation, bathing or dining after their conditions have improved; and increasing stamina with [Venus Club] for those who have gained further physical strength.

New services for achieving independence with enjoyable leg and brain training programs and "dining"

Of the four services outlined above, [Venus Club] is a day-care service that is specifically focused on exercise. A range of unique programs have been developed by combining exercise with cognitive tasks, including Cognicise for maintaining and enhancing cognitive abilities, and Mouthacise for maintaining and enhancing chewing and swallowing functions. Users take part in muscle training or gymnastics using aerobics machines under the supervision of staff qualified with national certifications, to build up physical and mental endurance in an enjoyable manner to achieve an independent lifestyle.

A new food delivery service was rolled out to assist elderly customers achieve independence with "dining" in addition to exercise. Furthermore, "Venus Club" began a new service called "Tan-katsu" in February 2020 that aims to increase protein intake together with exercise, as another way of increasing physical stamina effectively. The service encourages users to increase their intake of jelly-type dietary supplements that can replenish their proteins. Providing assistance to the elderly to build up physical strength from a nutritional perspective is another way Venus is helping to extend the "healthy lifespans" of people.



Venus Co. Ltd.

[Company overview]

After being founded in 2004, Venus began operating facilities and services mainly focused on exercise and rehabilitation to help users "achieve independence." In addition to "Venus Club," "Venus Plus," "Venus Care Center" and "Venus Visiting Care Station," it also operates "Venus Kids" that promotes after-school exercise and learning for children. It operates the most facilities within Osaka Prefecture and supports many people in improving their health.



Supporting peoples' healthy lifestyles through sports

General sports clubs

Contributing to local healthy activities with community-based sports facilities

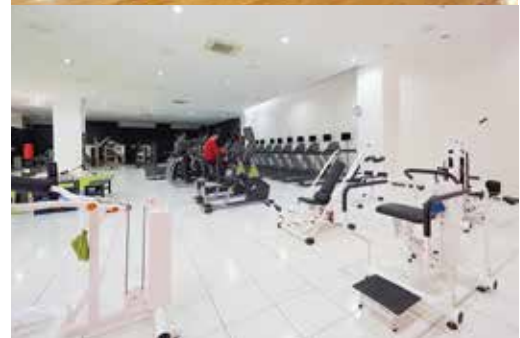
BLUE EARTH JAPAN Co., Ltd. operates sports clubs mainly in Yamanashi Prefecture with the goal of improving the health of everyone—from children to the elderly—by getting them to discover the fun of being active through sports and fitness. It operates a total of nine general sports gyms, chiefly across Yamanashi Prefecture and one in Shizuoka Prefecture, to give users an easy-to-access way to continue exercise wherever they reside in the region, and is also contracted for the operation and management of various government and public sports facilities. With the largest number of privately-owned facilities in Yamanashi Prefecture and as a community-based sports club serving the greatest area in the region, BLUE EARTH JAPAN has become a venue where members of the local community can interact and enjoy a healthy lifestyle.

With the aging population continuing to increase in number today, there are more elderly customers who are training to build their physical strength and health to live a more fulfilling life as they grow older. General sports clubs not only have weight training and machine training facilities available for use, but also provide various sports and culture programs like swimming schools, exercise and hot yoga classes, and pilates sessions to meet the needs of an increasingly diverse range of customers.

Facilities and programs to meet the broad range of needs, from children to the elderly

In 2016, BLUE EARTH JAPAN also began operating "MY-BODY," a fitness gym specializing in machine training that is open year-round, 24 hours a day, 365 days a year in response to growing demand from people wanting to use sports gyms in a more convenient manner. It opened five locations in 2019 and another new one in February 2020, making a total of 10 locations that are currently available. Outside of Yamanashi Prefecture, BLUE EARTH JAPAN is also expanding into Tokyo, Kanagawa, Shizuoka and Nagano prefectures as it opens even more locations. A new initiative aimed at expanding business overseas saw the first international branch opening on Cebu in the Philippines in August 2019. To address the social issue of the lack of playgrounds or places available for children, it is also expanding business to include sports activities like ballet and judo, and after-school classes for English and calligraphy.

BLUE EARTH JAPAN aims to continue opening more general sports clubs and "MY-BODY" locations in the future, to provide locals from Yamanashi Prefecture as well as members of other regions with venues and services to maintain their exercise regimen and stay healthy.



BLUE EARTH JAPAN Co., Ltd.

[Company overview]

Established in 1989, and operates 22 general sports clubs and fitness gyms mainly in Yamanashi Prefecture as well as Tokyo, Kanagawa, Shizuoka and Nagano prefectures. In addition to operating sports clubs and swimming school businesses, it also provides sports and educational activities for children. It is expanding into new businesses including the operation and management of private nursing homes, and childcare businesses related to kindergartens and children's classes.

SENKO Group—nurturing people and supporting their daily lives

Designing a better future for local communities through agriculture

Relationship with SDGs

SENKO School Farm Tottori Co., Ltd. is involved in sustainable agriculture operations that utilize advanced technologies like plant factories and hydroponics. Now in its tenth year, maintaining a close relationship with the local community has created employment and training opportunities for a diverse range of human resources, and contributed to creating a society with a greater sense of motivation and inspiration for all.



Developing community-based agriculture to become an indispensable part of the community

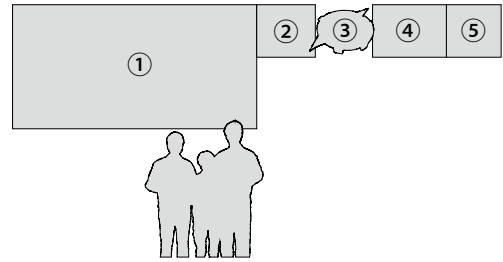
SENKO School Farm Tottori Co., Ltd. debuted in the agribusiness sector in 2010 as a new type of business that the SENKO Group is focusing on, and is developing a new style of agriculture that harnesses advanced technologies. Initiatives include utilizing the buildings of closed-down schools as plant factories or indoor mushroom bed cultivation units, as well as installing plastic hydroponics greenhouses in the school yards to produce leafy vegetables and maitake or shiitake mushrooms. This venture started out as a welfare-based agriculture employing the elderly or people with disabilities, and business has expanded to growing bamboo shoots and pears by contracting regional farm operations and partnering with local farming households. SENKO School Farm Tottori is contributing to the sustainable development of regional communities as an indispensable company for industrial promotion and employment creation in those regions.



From left:
SENKO School Farm Tottori Co., Ltd. President and Representative Director Takaki Onishi,
Farm Manager Yuko Hasegawa,
SENKO Group Holdings Co., Ltd., Living Support Business Promotion Division, Agriculture Business Promotion Division Manager Hiromu Ueda

Reliable production of safe, reassuring vegetables at plant factories that utilize cutting-edge technology

The technology that was adopted to ensure agriculture that provides a stable income was fully enclosed plant factories. Jointly developed with universities and applying know-how acquired through trial experiments, these plant factories enable artificial control of humidity, temperature, light spectrum and intensity using LEDs, CO₂ concentration, nutrient components, and other factors to achieve reliable and efficient production of safe, reassuring organic vegetables without being affected by the season or weather conditions. The vegetables are sold through channels that include local restaurants, hotels and supermarkets, and the logistics capabilities and networks of the SENKO Group are also harnessed to extend sales to Kansai-based supermarkets and "Sushi Maru" operated by restaurant chain group company Life-eat Co., Ltd.



- ① Hydroponic operations inside a greenhouse
- ② Produce on sale at local Tottori Prefecture supermarket (Ajisou)
- ③ Maitake sushi (Sushi Maru)
- ④ Harvesting a maitake crop
- ⑤ A plant factory



Promoting local production for local consumption; helping to boost local employment and industry

Developing together with the local community is in itself considered a key factor, and SENKO School Farm Tottori is making every effort to create new industry in those communities. An example of this is initiatives based on locally-produced bamboo shoot cooked in boiling water. The farm partnered with local foodstuff processing operators and developed a framework to achieve multiple goals: develop neglected bamboo forests in the region; increase harvest yields of locally-produced bamboo shoots; and increase employment and revenue of local farming households. The boiled bamboo shoots were also utilized in school lunches in the region, as a way of promoting local production for local consumption.

The issue of decreasing number of farms producing pears—considered a specialty in the region—was also addressed by partnering with local companies to work on pear cultivation. The "Pear Owner System" was launched to appeal to a broad range of owners, in an attempt to promote agriculture as well as the tourism industry.



Revitalizing pear orchards with the "Pear Owner System"

The SENKO Group and Donation to Municipality tax incentives were used to appeal to owners and revitalize the pear cultivation business.



Lawn maintenance work

Production of turf. Employment was created with weeding work contracted from Chubu Co., Ltd., a producer of turf for shipment and export to golf courses and athletic fields around Japan.

TOPICS

Education of future generations by experiencing agriculture at SENKO School Farm Tottori Co., Ltd.

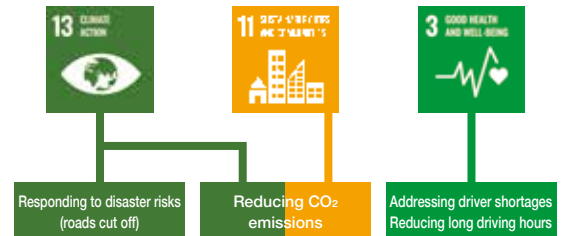
The agricultural experience planned by SENKO School Farm Tottori is an activity that local elementary school children look forward to eagerly in recent years. The activity is mainly planned during summer holidays. Participating children get to experience planting seedlings or harvesting vegetables in the plastic hydroponics greenhouses, discover the fun of cooking with harvested vegetables, and also learn about future developments in agriculture with lectures or tours of plant factories run by farm staff. Continuing to provide such experiences not only helps to foster human resources for farming, but also creates a sense of familiarity with the SENKO Group amongst members of the local community, which leads to stronger relationships with the community.



Directly linked to SDG initiatives SENKO's "Green Logistics" contributing to global environmental conservation

As a company involved in logistics operations, the SENKO Group has developed and has been promoting "Green Logistics" from an early stage with the aim of minimizing the impact on the environment. Initiatives aimed at curbing CO₂ emissions, such as using combinations of rail and marine transportation, larger trucks and consolidating logistics sites, have been recognized by the Japan Association for Logistics and Transport (JALOT) with numerous prizes awarded to the SENKO Group. These efforts are also directly related to initiatives for SDGs, and have been praised highly by customers.

Promoting modal shift using ship and rail transportation



SENKO Group received the "Logistics Environment Special Award" from the Japan Association for Logistics and Transport.

The Logistics Environment Award is a recognition system given to organizations or companies that pioneered initiatives for environmental conservation or contributed to the development of the logistics industry. The SENKO Group received two "Special Awards" in the 20th Logistics Environment Awards.



Awards Ceremony held on June 25, 2019



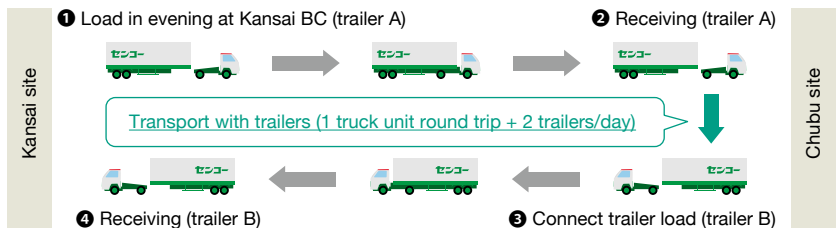
Greater transportation efficiency for residential housing interior materials by switching to larger transportation vehicles

Transportation of residential housing interior materials between Hyogo and Aichi prefectures was switched from using trucks to trailers.

The award recognized the increase in efficiency due to the reduction in the number of trucks used (50%), the lower environment impact, and the laborsaving efforts for drivers.



Reduce number of trucks by half ➡ reduce CO₂ emissions by 65 t-CO₂/year (37% reduction)

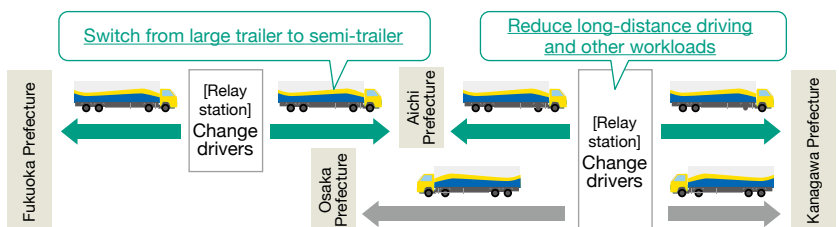


Lower environmental impact by using larger vehicles for less than container loads of foodstuff

The efficiency of frozen and cold transportation between Kyushu, Kansai, Chubu and Kanto regions was increased by switching from large trucks to semi-trailers. The award recognized the reduction in CO₂ emissions and measures to address driver shortages. Work style reforms are also being implemented, with development of this system that allows drivers to return home the same day.



Reduce number of trucks by 26% ➡ reduce CO₂ emissions by 358 t-CO₂/year (20% reduction)



Received four awards as part of "Excellent Business Entities Working on Modal Shift"

SENKO Co., Ltd. received awards in both the "Improvement Category" and "Effective Utilization Category," Runtec Co., Ltd. received an award in the "Effective Utilization Category," and Tokyo Nohin Daiko Co., Ltd. and ACROSS TRANSPORT Co., Ltd. together received a joint award in the "Effective Utilization Category."



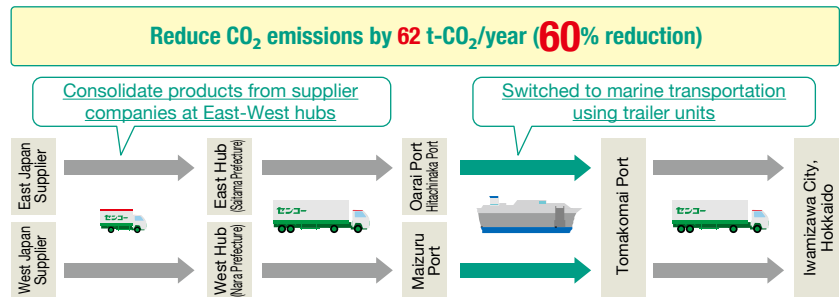
Excellent Business Entities Working on Modal Shift awards ceremony held on November 25, 2019



Consolidating sites for larger transportation volumes, to switch to marine transportation



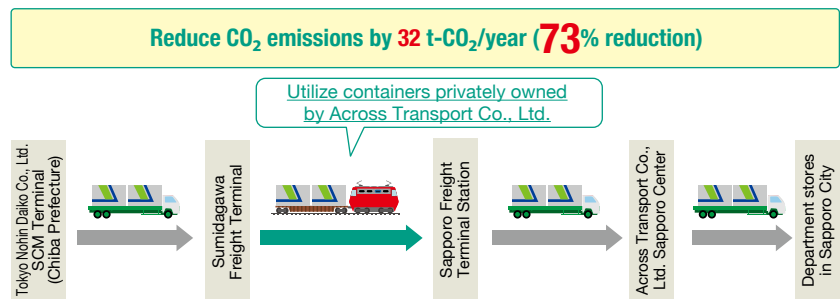
Eastern and western relay points were built for transporting residential housing materials from various regions to Hokkaido. Consolidating transportation allowed the use of marine transportation by switching from truck transportation to RORO ships and ferries.



Utilizing empty space in privately owned containers, and switching to rail transportation



Tokyo Nohin Daiko Co., Ltd. utilized empty space in containers privately owned by ACROSS TRANSPORT Co., Ltd. for transporting apparel products from Chiba Prefecture to Hokkaido. Transportation volume equivalent to 91 loads of 10 t trucks was switched to rail transportation.



C S R V O I C E



Kenji Nakabayashi

SENKO Co., Ltd.
Safety, Quality & Environment
Management Director and Environment
Promotion Group Manager

All of the SENKO Group working towards environmental conservation activities aimed at achieving SDGs

There is growing interest in the efforts taken by companies for SDGs and ESGs throughout the global society.

The SENKO Group is implementing a range of initiatives aimed at enhancing corporate value based on the keyword, "sustainable." Each company has set its own targets under the theme of "Reducing greenhouse gas (CO₂) emissions," with initiatives including switching to power companies with lower CO₂ emissions, rolling out environmentally friendly trucks, creating a recycling-oriented society, and proposing Green Logistics. Last fiscal year, we also embarked on new initiatives for the conservation of biodiversity. The SENKO Group as a whole is working on all of these initiatives together as the corporate mission of conserving and enhancing the environment, as it promotes activities aimed at achieving these SDGs.

Environmental policy of SENKO Group

Environmental Philosophy

The SENKO Group is aiming to become an "environmentally advanced corporation" to ensure that the planet we leave behind for future generations continues to be blessed with an abundance of nature. We achieve this by actively and voluntarily adopting ongoing environmental conservation measures like activities that reduce our environmental impact and that promote more efficient use of resources, as we play our role for the future and meeting our obligations toward society.

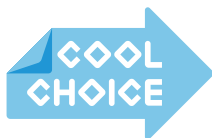
Basic Policy

1. Strive to comply with legislations, rules, agreements and internal regulation related to the environment, and implement environmental conservation activities continuously and in a proactive manner as a "good corporate citizen."
2. Top management defines its own "environmental targets," establishes an environmental activity promotion system and develops environmental management regulations, and strives to implement ongoing efforts to enhance environmental performance.
3. In addition to supporting efficient, low environmental impact logistics for customers "from procurement to disposal," strive to conduct activities that reduce environmental impact from a product life cycle perspective through trading, information and other associated businesses.
4. Strive to make all SENKO Group employees and contracted partner companies aware of these "environmental targets" and provide the relevant education. Also strive to disclose information on environmental measures to stakeholders in a proactive manner.

Endorsing the Japanese Ministry of the Environment's "COOL CHOICE" initiative and promoting environmental management systems

SENKO Co., Ltd. is endorsing the national "COOL CHOICE" movement launched by the Japanese Ministry of the Environment in FY2018 to encourage companies to make wiser decisions as part of measures to combat global warming. It is participating in the Light Down Campaign and other environmental initiatives being implemented nationwide.

It has also acquired certification under the "ISO14001" international standards for environmental management, has obtained "Green Management Certification" from the Foundation for Promoting Personal Mobility and Ecological Transportation operating under the Ministry of Land, Infrastructure, Transport and Tourism, and is developing activities to reduce the impact on the environment as required by environmental management system certifications.



ISO14001

- Certified organization
4 branches of SENKO Co., Ltd.
Sankyo Freight Co., Ltd.
- Certification No.
JQA-EM1492
- Certifying institution
JQA (Japan Quality Assurance Organization)



ISO14001

- Certified organization
SMILE CORP.
- Certification No.
YKA0772699
- LRQA (Lloyd's Register Quality Assurance)

ISO14001

- Certified organization
Harcob Co., Ltd.
- Certification No.
EMS542855
- Certifying institution
BSI Group Japan



Green Management Certification

- Certified organization
9 business sites at SENKO Co., Ltd., SENKO Line Co., Ltd.
Formerly Senko Fashion Logistics Co. Ltd.,
Atsugi Senko Transport Co., Ltd.
Minami-Osaka Senko Transport Co., Ltd.
Chushikoku Logistics Co., Ltd., Eikichi Kaiun Co., Ltd.
- Certifying institution
Foundation for Promoting Personal Mobility and Ecological Transportation

Environmental targets and achievements

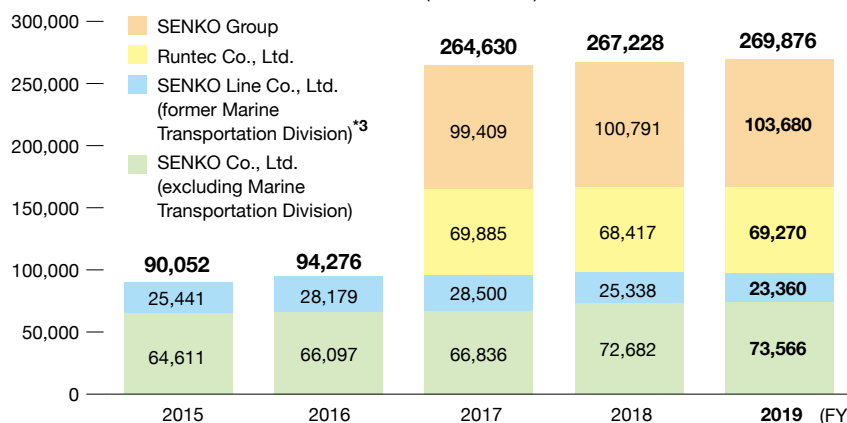
Reduce CO₂ and Achievements

We track energy consumption and CO₂ emissions from business activities of the SENKO Group, and update our environmental measures with these results. We have continued a range of measures aimed at reducing our environmental impact, and we aim achieve the CO₂ reduction targets in our five-year medium-term management plan, which began in FY2017 (a reduction of at least 8,310 tons over the five years non-consolidated by SENKO).

*1 The amount of fuel consumption is converted to crude oil (kL) *2 Excludes Nippon Marine Co., Ltd. and Eikichi Kaiun Co., Ltd. *3 Aggregate of Scope 1 and 2

[SENKO Group CO ₂ Emissions by Energy Source]	INPUT		OUTPUT		
	Electricity Consumption million kWh	Fuel Consumption kℓ	Electricity t-CO ₂	Fuel t-CO ₂	Total t-CO ₂
SENKO Co., Ltd.	73.06	14,378	35,836	37,730	73,566
Runtec Co., Ltd.	37.43	19,420	17,664	51,606	69,270
SENKO Line Co., Ltd.	0	8,624	0	23,360	23,360
Other Logistics group, Trading & Commerce, Living Support companies	29.83	33,231	15,873	87,807	103,680
Total	140.32	75,653	69,373	200,503	269,876

[SENKO Group*¹ CO₂ emissions*²] (Unit: t-CO₂)



*1 Excludes Nippon Marine Co., Ltd. and Eikichi Kaiun Co., Ltd.

*2 Amount of emissions are aggregate of Scope 1 and 2

*3 SENKO Line Co., Ltd. split from SENKO Co., Ltd. from FY2018

[FY2019 CO₂ Reduction Targets and Achievements] (SENKO Co., Ltd. non-consolidated and 59 group companies) (Unit: t)

Priority Implementation Measures		Company Category	FY2019 CO ₂ Reduction Target	FY2019 CO ₂ Reduction	Achievement rate	
Company Initiatives	Energy conservation	① Switching to power companies with low CO ₂ emissions	SENKO	2,555	2,010	79%
		② Upgrading to energy-saving equipment (LED lighting, air conditioning)	Group	625	497	80%
		③ Using renewable energy sources such as solar power generation	Group	625	497	80%
	Fuel conservation	① Upgrading facilities for advanced environmentally friendly trucks (EV, natural gas, hybrid)	SENKO	457	484	106%
		② Installing environmentally friendly devices such as idling stop assist systems	Group	946	868	92%
	Social recycling	① Promoting recycling of waste wooden pallets and waste plastic	SENKO	143	127	89%
② Promoting the use of retreaded tires		Group	189	127	67%	
CO ₂ to Customers	Total	SENKO	3,155	2,621	83%	
		Group	1,760	1,492	85%	
		Group	4,915	4,113	84%	
		Green logistics	SENKO	1,173	925	79%
		① Implementing modal shifts	Group	364	243	67%
		② Proposing environmentally friendly efficiency (larger vehicles, collaborative deliveries, consolidating sites)	Modal shift ratio	70%	70%	100%

Measures to reduce environmental impact

Measures to reduce environmental impact

Greater implementation of environmentally friendly trucks

The SENKO Group is implementing environmentally friendly trucks with lower CO₂ and NOX emissions, for facilitating the development of a low-carbon society. In FY2019, we added two electric trucks and 14 hybrid trucks to our fleet. The large hybrid truck being used at Runtec Co., Ltd. uses recovered electrical energy for the chiller unit of the cold storage device as well as the truck's drive power.



Large hybrid truck used at Runtec Co., Ltd. from FY2019



Small hybrid truck used at Tokai Senko Transport Co., Ltd. from FY2019

Greater installation and switching over to energy-saving lighting

Logistics centers are actively being switched over to high-efficiency LED lighting with 75% less energy consumption compared to conventional mercury lamps. In FY2019, four logistics sites utilized subsidies from the Ministry of Economy, Trade and Industry (METI) to switch over to LED lighting. Business sites are progressively utilizing energy more efficiently and effectively.



Urawa PD Center achieved 100% LED lighting by utilizing subsidies

Installation of energy-efficient automatic beverage vending machines with CFC-free refrigerant

Smile Corp. handles sales of CFC-free, heat pump automatic beverage vending machines. In addition to preventing destruction of the ozone layer, these machines have the benefit of reducing energy consumption by 30% compared to conventional models. In FY2019, 108 of these machines were installed mainly at SENKO Group business sites. These have a positive effect on energy-saving initiatives run at workplaces.



The energy-efficient automatic beverage vending machines with CFC-free refrigerant sold by Smile Corp. and installed at SENKO logistics centers

SENKO Group participating in the Light Down Campaign

The SENKO Group launched the Light Down Campaign on the summer solstice (June 21 in 2019) and Tanabata (July 7) to encourage illuminated facilities and household lights to be switched off. The Light Down activity was held at a total of 19 business sites over two days in FY2019. Employees were also asked to cooperate in similar activities at the homes.



Before (top photo) and after (bottom photo) switching off lights at Tokyo Nohin Daiko Co., Ltd. Tokyo Bay Fashion Arena

Utilizing rooftop area at logistics centers for the solar power generation business to supply renewable energy

The SENKO Group began its solar power generation business from FY2013 to prepare for the increasing uptake of renewable energy, and supplies power to various power companies. In FY2019, the SENKO Group's first large-scale solar power generation and on-site consumption site began operating at Runtec's Kansai Branch. This clean energy is used for the storage of customer cargo. In FY2020, Runtec's New Moji Branch (Moji-ku, Kitakyushu City) installed a 0.6 MW scale solar power generation system for on-site consumption, and a large 60 kWh storage battery system. This is used to supply clean energy even during rain or at night time.

Power output up **1.0 MW** from FY2018
 We are now generating **16.5 MW**
 from 21 sites across Japan

* Based on figures confirmed by the Ministry of Economy, Trade and Industry



Runtec's Kansai Branch opened in July 2019 (SENKO Group's first large generation and on-site consumption)

SENKO Group's Japanese sites with solar power generation (FY2020)

There will be 22 sites across Japan with solar power generation in FY2020. (of which, two have on-site consumption)

Runtec Co., Ltd.,
 New Moji Branch



Runtec's New Moji Branch began operating from April 2020

[Installation Plans for FY2020]

Site Name	Timing of Operation	Address	Generating Capacity
Runtec Co., Ltd., New Moji Branch	April 2020	Moji-ku, Kitakyushu City	618 kW (battery storage system) 60 kWh

Embarking on new initiatives for biodiversity conservation

The SENKO Group embarked on new initiatives for biodiversity conservation from FY2019. Nine branches of SENKO Co., Ltd. and four group companies joined in the "Environmental Tree Planting" initiative for planting young trees around the grounds of logistics centers. This enhanced communication in the workplace and helped to grow stronger ties with local communities, and ensures areas of "green" are available for future generations. We also cooperated with the "Osaka Bay Environment Restoration Project" together with local environmental conservation groups. As part of this project, eelgrass seaweed grown in pots was returned to the ocean to create a living environment for marine animals. In FY2019, 35 sets were handed out to be grown from seeds at employee households.



Taking part in the "Environmental Tree Planting" at a SENKO Group logistics center



Eelgrass seaweed grown at homes

Group-wide Health and Safety initiatives

To strengthen initiative aimed at ensuring compliance by logistics companies within the SENKO Group, we hold staff and manager training at 11 regional blocks around Japan, with content including regulations to be adhered to as a cargo vehicle transportation operator and internal company regulations.



Face-to-face on-site practical training for local managers

Nationwide management system for dangerous goods

"Dangerous Goods Supervisors" are assigned to 12 areas around Japan. They provide information related to dangerous goods, and work to improve associated knowledge and skills. Only drivers who have passed strict testing procedures in line with internal certification and test system are permitted to work with tanker lorries. Certified drivers also need to update their training once every five years to hone their awareness of safety and quality. In addition to a broad range of opportunities for training and learning about transportation safety when handling dangerous goods, we also focus on making environment safer.



Hands-on fluid training



Valve operation training

FY2019 internal certified workers

Technical Master (TM)	Technical Coach (TC)	Technical Pro-driver (TP)
14	15	217

New training for mid-career staff

New coaching system

Training method using the "Coaching system" rolled out nationwide in FY2019



Practical training by instructor

Introduction of advanced technologies

Line lighting

Use of line lighting at worker eye level to warn of approaching forklift



Avoids collisions between forklifts and walking workers

Eye tracking system

Eye tracking systems are being used to prevent accidents and improve skills



Detects the driver's line of sight, used for safety education and driver training

C S R V O I C E



Takami Ito

SENKO Co., Ltd.
Safety, Quality & Environment
Management Department
Health and Safety Group Manager

Trying out new initiatives to boost motivation of safety awareness at the workplace

In FY2019 we held practical training sessions for safe driver trainers in each block to prepare for the nationwide roll-out of the "Safe driver training methods for experienced drivers: coaching" skills that we ran as a trial in model areas from the year before last.

We also ran performance-style training in 11 blocks around Japan to enhance the knowledge of laws by managers and supervisors and their understanding of internal control and other systems for more appropriate management. This was organized with the aim of further improving compliance to prevent accidents and disasters attributable to work style reforms and health.

Moving forward, we aim to address these various issues to meet our CSR goals.

SENKO Group Safety Policy

Safety Philosophy

The SENKO Group will "achieve an eventual goal of zero workplace accidents" based on the spirit of respect and by prioritizing safety over everything else.

1. We can and must prevent all accidents and disasters.
2. Managers are responsible for the safety of employees.
3. Every employee must believe in "eliminating all accidents."
4. Safety ensures high quality and high productivity.

Basic Approach

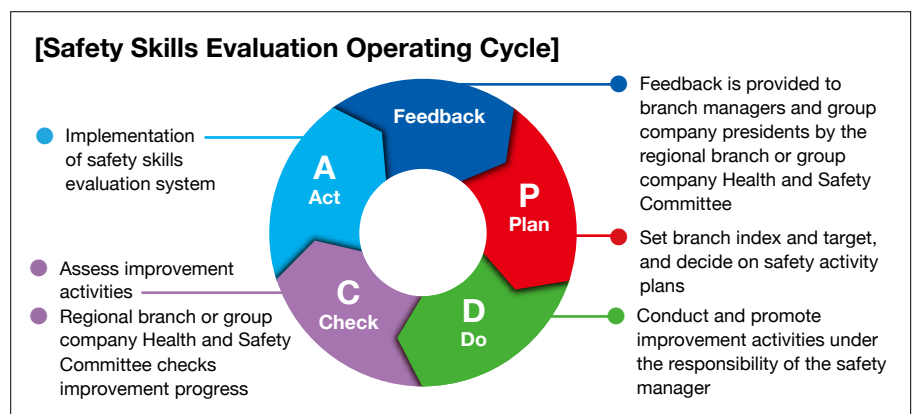
- ◎ The SENKO Group deeply recognizes the social mission of the logistics business and promotes efforts that all employees understand correctly and that contributes to the improvement of safety by ensuring safety in business activities is the basis of our business.
- ◎ The top management will actively lead the field from the bottom to the top to unite and strive to secure safety and improve safety in business activities.
- ◎ The basis of safety is to be strongly conscious of each person working in the SENKO Group to be healthy mentally and physically, to practice proper health management.

Priority Measures

1. We comply with relevant laws and regulations and fulfill our social responsibilities.
2. We thoroughly carry out risk assessment and reduce all safety risks.
3. We prevent health problems by enhancing health management system and promoting independent health.
4. We actively disclose information on safety and health initiatives.

Promotion of Safety Management System

We conduct "Safety Skills Evaluations" (internal audits) every year in accordance with legislation, and publish the progress of improvements as improvement ranking charts which are distributed to branch managers and presidents of group companies. We apply the specific results to management in each region, and run a PDCA cycle for resolving issues to ensure safety.



Achievement of Safety Goals (FY2019)

As not all goals were achieved, we will formulate and implement new measures.

	FY2019 Goal	FY2019 Achievements
Vehicle accident frequency rate	0.31 or lower	0.59
Occupational accident frequency rate	1.14 or lower	2.31



<Priority measures>

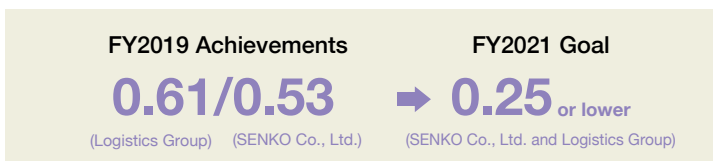
- Implement effective prevention measures based on various accident analyses
- Improve safety standards further through coordination within the logistics group
- Create an environment where safety can be substantially improved and introduce leading-edge technology based on the verification of results
- Improve implementation and increase checks of various safety management systems to strengthen safety initiatives performance systems

Medium-Term Safety Goals (FY2017–FY2021)

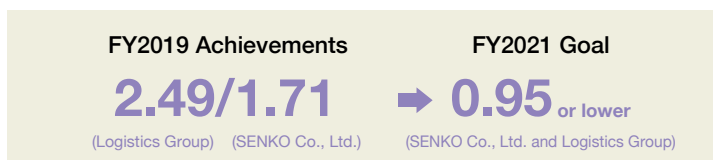
Aim to reduce by half vehicle and occupational accidents from FY2016 level



● Vehicle accident frequency rate (on-road accidents)



● Occupational accident frequency rate (occupational accidents with at least four lost workdays)



* Figures for the Logistics Group do not include recently acquired companies.

Acquiring "Safety Excellence Workplace" certification

As part of safety programs in line with the safety management system, the SENKO Group is aiming to have all workplaces acquire "Safety Excellence Workplace certification."

As of the end of March 2020, 99% of all workplaces have acquired certification (1% increase compared to previous year).

* Safety Excellence Workplace certification: Certification acquired from the Japan Trucking Association for workplaces with traffic safety and other initiatives that are deemed to meet specific standards.

99% of all SENKO Group workplaces have acquired certification



G-Mark issued by the Japan Trucking Association



SENKO Group Safety Activities

RSG program to become an Only One company

The RSG (Runtec Safety Group) program implemented by Runtec Co., Ltd. is system of activities by groups of five to 10 employees that run voluntary initiatives aimed at identifying issues like preventing accidents, increasing work efficiency and improving the workplace environment. Twelve groups are selected from some 380 groups around the country to present details of the activities they conducted throughout the year.

Various safety training and programs were also organized to achieve the FY2019 goal of "Reducing the number of accidents by 10% compared to the previous fiscal year, zero major accidents, and zero incidents of driving under the influence of alcohol."



RSG national presentation

Examples of safety training and activities

Safe driver training	5 times/year	Training for drivers who joined the company less than five years ago
Executive candidate training	5 times/year	Training for executive candidates of product management positions
Field work training	2 times/year	Training for leader and executive candidates
Training for drivers with accident records	1 time/year	Training for drivers who have accident records
Driver candidate contest*	1 time/year	Contest for outstanding staff from each business site
Traffic safety exercises, etc.	4 times/year	Held in spring, summer, autumn, and New Year
RSG national presentation contest	1 time/year	Contest for 12 groups selected from some 380 groups
Traffic safety class for children	6 times/year	Class for 1st and 2nd grade elementary school children near business sites
Kids' guidance and cleanup day activities	1 time/week	Held along commuting routes to elementary schools near business sites

* Canceled in FY2019 due to novel coronavirus



Safe driver training



Executive candidate training



Kids' guidance



Training for basic body movement

Installation of AI dash cams

Anzen Yuso Co., Ltd. has installed AI dash cams to address the issue of fleet management after drivers leave sites. The system sounds an alarm and records video when the driver brakes or turns suddenly. This allows more specific safe driver training to be conducted based on the video, even if the driver and supervisor are in different locations.



Enables ongoing training for new drivers or drivers with accident records



Sudden braking or turning can be verified, even from different locations

3-company joint area training

The location of nearby group companies was used to hold joint area training for three companies, Tokyo Nohin Daiko Co., Ltd., SENKO A Line Amano Co., Ltd., and Senko Fashion Logistics Co., Ltd. Five trainers and 13 trainees participated in training on topics such as morning meetings, essential items (eliminating accidents while reversing) and daily inspections.



Scene from area training



Special safety enhancement activities

Across Transport Co., Ltd. joined the three companies on the left to hold special safety enhancement activities for one month in July as well as December. The awareness poster includes drawings submitted by children of employees from each company.



Awareness poster

Recognized for the third consecutive year as "Certified Health and Productivity Management Outstanding Organization (White 500)"

The SENKO Group has made the "SENKO Group Holdings Health Management Declaration" available inside and outside the company and has long encouraged activities aimed at promoting health management, as the health of employees is considered a key management issue.

For the third consecutive year, we were recognized for these initiatives on March 2, 2020 with the "Certified Health & Productivity Management Outstanding Organizations Recognition Program 2020 (also called White 500)" jointly run by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi that honor outstanding enterprises engaging in efforts to advance health and productivity management.



Aiming to be a company with a healthy and lively work style

Main initiatives for health management

Promoting healthy lifestyles at all ages

Seminars on various topics are held for improving health literacy*. In FY2019, we held the "Health activities seminar for working women" aimed at female employees at three locations around Japan.

Volleyball competitions and other sports programs were also held at each workplace as healthy activities events, and employees are encouraged to participate in club activities. A tennis club was also formed in 2019 at the head office building in Tokyo.

* Health literacy: the ability to find and understand health information that suits your own conditions, and take action for your own health care or to prevent illness.



Tennis club activities

Nurses helping to improve health

We have assigned 22 nurses (occupational health and general nurses, as of April 2020) to our main business sites in 13 areas nationwide, to provide specialist health guidance and mental and physical support to employees.

The "Health management system" was introduced in FY2019 for centralized management of the results of regular health checkups and health instruction records, to ensure all group employees receive the same level of health management.



Occupational nurses assigned around Japan

SENKO Group Health Management Declaration

The SENKO Group hereby declares the following regarding the health of employees:

- ◎ Continuing to be "A corporate Group which nurtures people and supports their daily lives."
- ◎ Ensuring that every Group employee can work in a healthy and lively manner.
- ◎ Placing the utmost importance on making sure employees can live healthy and happy lives.

In line with these goals, the SENKO Group is implementing initiatives for promoting the health of employees, in order to become a truly affluent global company as a "Corporate Group Creating Future Trends."

Yasuhisa Fukuda President and Representative Director SENKO Group Holdings Co., Ltd.

Health management initiatives at group companies

Following on from 2019, Toyohashi Senko Transport Co., Ltd. and Harcob Co., Ltd. are two companies that were certified again in the SME Category of "Excellent Organization of Health & Productivity Management 2020." We also hope to continue supporting and expanding health promotion initiatives for employees at our group companies.

Company "Health management" initiatives

Companies certified in the SME Category of "Excellent Organization of Health & Productivity Management 2020"

Toyohashi Senko Transport Co., Ltd.

Boosting communication with health events

Since being certified as an "Excellent Organization of Health & Productivity Management," we have been approached by health-related companies and we have increased awareness of employee health even further. In FY2019 we aimed to increase opportunities for exercise and to boost communication by inviting trainers from sports clubs to teach us about various stretches that can be done at home and the workplace. Many people including families participated, and it was a great opportunity for everyone to better understand their body.



Sukoyaka Activities Session

Harcob Co., Ltd.

Trying new things every year!

In addition to the usual activities like regularly publishing Sukoyaka News, we are strongly encouraging employees to have a follow-up test after their medical checkup. Other efforts to boost health awareness include no-smoking programs and yoga mat exercises held from 3PM.

From FY2020, the company has also designated certain days as holidays and overtime-free days as part of efforts to implement work style reforms. As our workplace has a large number of female staff, we have organized checkups for illnesses that affect women of all ages.



Exercises from 3PM everyday

C S R V O I C E



Koichi Furuya

SENKO Group Holdings Co., Ltd.
Management Department
Health Management Division Manager

"Health management for body and mind"

Setting and achieving your own targets and courses

The novel coronavirus spread globally at the start of 2020, and I feel that it has made keeping healthy a lot more difficult. Washing hands and gargling to prevent infections. These may seem like commonsense, but are difficult to achieve without changing habits. The basics of maintaining and improving health—"Improving the workplace environment on a daily basis to create a better workplace for employees" and "Ensure that employees have a balanced diet, exercise appropriately and have sufficient sleep"—are essential for making sure that employees can work in healthy and lively manner. From this year, we are applying the "Setting and achieving your own targets and courses" approach throughout the entire group to boost awareness with each and every employee. We hope to develop various initiatives and aim to become a health management company where those promoting health are an integral part of the team.

Promoting Community and Social Contribution

Recognizing social contribution within the group and rewarding outstanding achievements

The SENKO Group established the "Social Contribution Activities Commendation" program in FY2016 to provide rewards for outstanding initiatives. In FY2018, social contribution activities submitted by group companies were screened by the "Social Contribution Promotion Committee" to select one team for the Outstanding Performance Award and two teams for the Excellence Award.

Senko Fashion Logistics Co., Ltd., Tokyo Nohin Daiko Co., Ltd. Five-company joint safety conference



"In recognition of positive approach and consistency"

Received the Outstanding Performance Award in recognition of initiatives such as the positive approach to developing "Traffic Safety Class for Children" and consistently hiring people with disabilities.



Presenting activities held over the last 12 years after being awarded the "Excellent Workplace for Hiring People with Disabilities" from both Chiba Prefecture and Funabashi City.

SENKO School Farm Tottori Co., Ltd. and the Tohoku Main Branch of SENKO Co., Ltd. were selected for the Excellence Award. SENKO School Farm Tottori Co., Ltd. was recognized for its ongoing programs providing agricultural experiences to children using mother and child living support facilities as well as local elementary school children. Tohoku Main Branch of SENKO Co., Ltd. was recognized for the diversity and consistency of activities such as collecting aluminum cans and donating wheelchairs in exchange, and participating in the tree planting festival at Millennium Hope Hills in Miyagi Prefecture to help plant 10,000 trees.



SENKO School Farm Tottori Co., Ltd.

SENKO Co., Ltd. Tohoku Main Branch



Scene of agricultural experience



Planting 10,000 trees at Millennium Hope Hills

Industry-university collaborative project

"Hotel Kaie Art Competition" held together with Tama Art University

"Hotel Kaie" opened in February 2020 in Shiomi, Tokyo, and held an exhibition featuring 65 items of textiles, dyed goods and illustrations created by students at Tama Art University. Hotel Kaie approached the university with the proposal for a student exhibition space as part of initiatives aimed at fostering the development of artists and to serve as a springboard for students embarking on future endeavors. The artwork "Echoes" (Yael Harnik, Israel) was selected for the Grand Prix, and exhibited in the 1F elevator hall.

The artwork "Echoes" (Yael Harnik, Israel) was selected for the Grand Prix, and exhibited in the 1F elevator hall. Illustrations personifying the 47 prefectures around Japan, created as a joint project with Tokyo Communication Arts, was also on display in the 2F guest room hall. Hotel Kaie will continue serving as a venue for exhibiting the works of budding artists.



Celebratory event for the "Art Competition" industry-university collaborative project held with Tama Art University



Various winning work on display in the hotel

C S R V O I C E



Makoto Yamazaki

SENKO Co., Ltd.
Executive Officer Administrative Manager

Continuing to contribute with activities for a more affluent society

Social contribution activities of the SENKO Group are aimed at creating a more affluent society by working with local communities to foster future generations and promote sports and culture, while respecting the essence of diversity. The Traffic Safety Class for Children activity common to the entire group was held again in FY2019 at 20 locations around Japan, and attracted 1,922 participants. The Children's Traffic Park also had more than 36,000 visitors—the most ever since opening on the grounds of Crefeel Koto in 2016—and played an important role in the education of traffic safety in the region. We are also taking a pro-active approach to other activities, such as operation of six daycare centers around Japan to help women play a greater role, as well as promoting sports and culture through judo, golf, Go and much more.

With Our Employees, With the Regional Community

Teleworking Days

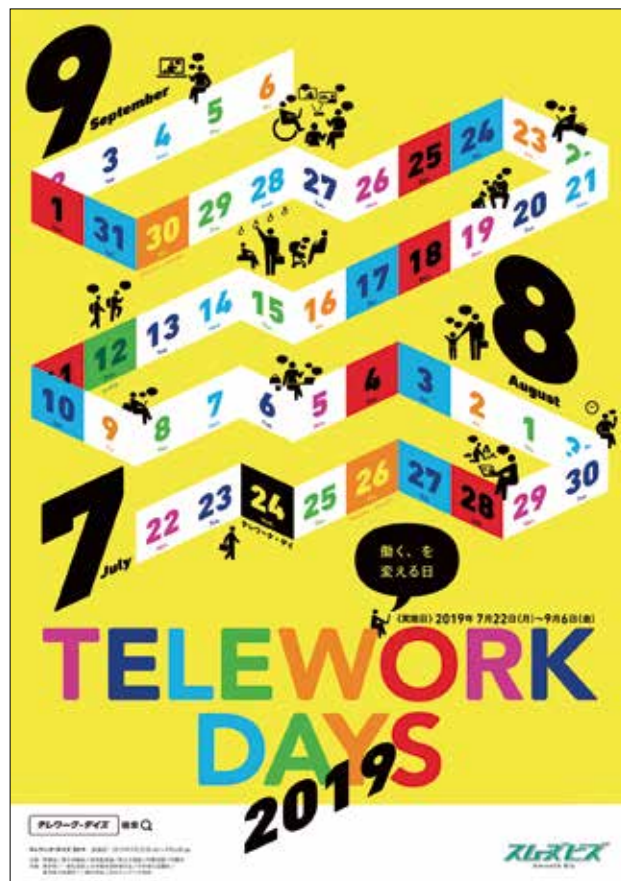
The SENKO Group continues to endorse and promote the Teleworking Days initiative put forward by the Ministry of Internal Affairs and Communications and the Ministry of Health, Labour and Welfare and other associated ministries from 2018. Teleworking has drawn increased focus as a viable method for implementing work style reform, and teleworking has been utilized mainly at the Tokyo and Osaka head offices from 2019 in particular, with a significant increase from 2018 of 130 more employees (total 331) utilizing the system.

The SENKO Group will continue to maintain a workplace environment that suits a diverse range of working styles.

No. of participating employees	130
Total number	331
No. of participating departments	36



Example of teleworking

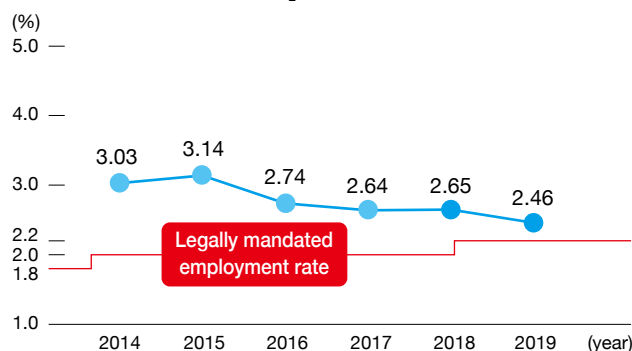


Promoting hiring of persons with disabilities

The SENKO Group is aiming to be viewed as a trustworthy company by contributing to the lifestyle of everyone in society. To achieve this, we opened the SENKO School Farm Tottori Co., Ltd. (special subsidiary company) and are focusing on hiring persons with disabilities as a company providing employment to a diverse range of employees.

We always maintain a rate of employment higher than that required by law, so that persons with disabilities can play an active role in a range of workplaces.

[Change in employment rate of persons with disabilities (data from June of every year)]



* Figures from SENKO Co., Ltd.

Working with Local Communities

Traffic safety classes around Japan

We have had countless participants in our ongoing "Traffic Safety Class for Children" held at Crefeel Koto, and have run the "School visit workshop" at worksites and elementary and junior high schools continuously since FY2014.

We are also developing programs to learn about the importance of traffic safety while having fun. School visit workshops teach children how to cross roads safely and give them the opportunity to ride in a truck and see what blind spots actually look like from the driver's perspective. These programs are entertaining for both children and their parents alike.

Held at
20 worksites,
attracting **1,922** participants



Traffic Safety Class for Children held by SENKO Co., Ltd. Higashi Kyushu Operation Center



Senko Business Support Co., Ltd. Nobeoka Police Department Traffic Division lieutenant invited to provide new employee training



Crefeel Koto Example of using crosswalks

Contributing to the community daycare centers

The SENKO Group currently operates daycare centers at six locations. These facilities are popular with local communities, as they are available for children other than those of employees, and from October 2019 began offering free childcare services for children aged three to five years old as a licensed daycare facility.



Children taking part in evacuation training



Christmas party

Actively participating in cleanup days and blood donation drives

We hold cleanup days as part of community contribution activities as a show of gratitude to the roads we use on a daily basis. A total of 14,619 employees took part in FY2019.

1,129 people donated blood, which was more than that in FY2018 and is the second largest number after the highest recorded in FY2017.



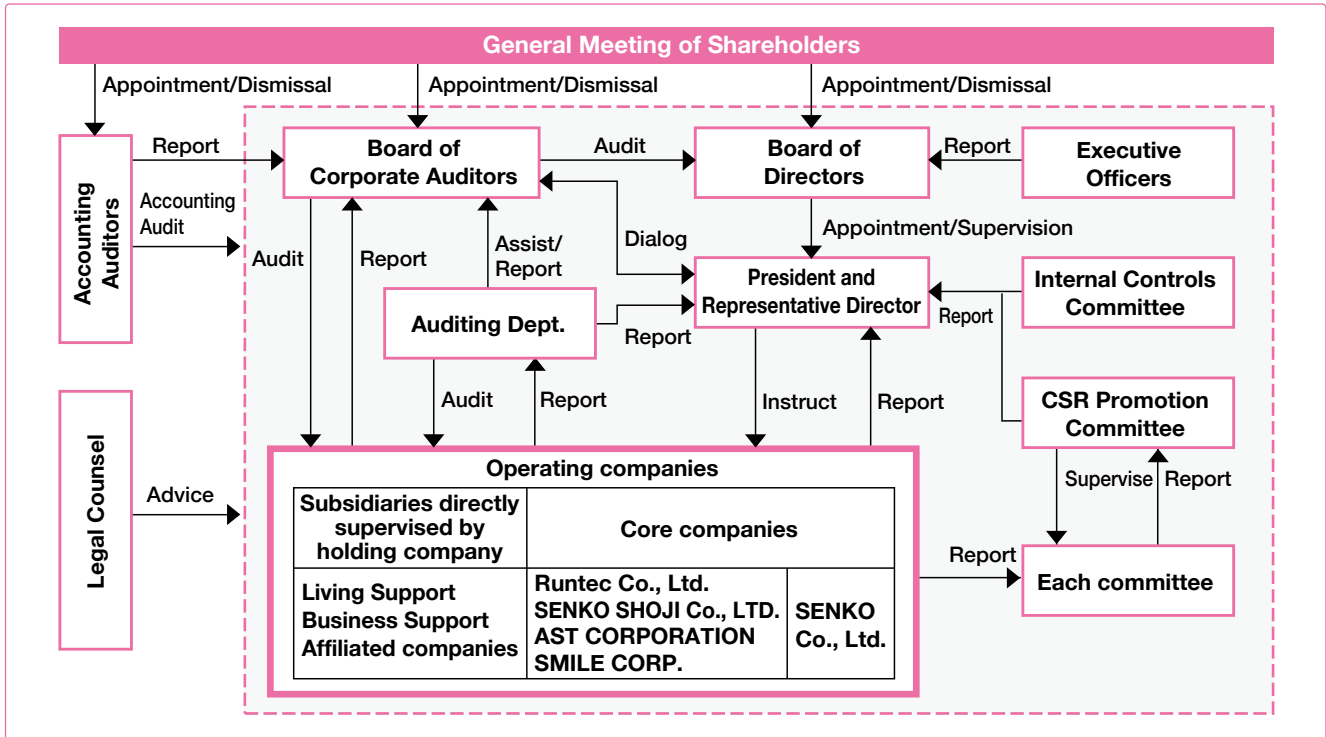
Joint blood donation drive in Kyoto-Shiga region



Cleanup day at the Tokyo head office

Corporate Governance Approach and System

As a logistics company involved in highly public work, the SENKO Group believes that all corporate activities should thoroughly comply with laws as a way of fulfilling its corporate social responsibility and earning trust from society. To achieve this, more efforts are being made to hone the system that places corporate governance as one of the highest priority for management.



Compliance with the Corporate Governance Code

The Financial Services Agency and the Tokyo Stock Exchange, Inc. released the "Japan's Corporate Governance Code" that entered into force in June 2015, incorporating the fundamental principles for corporate governance. We have disclosed all the elements of the Corporate Governance Code on the Company's website to clarify our position on working to enhance corporate governance based on this code.

See the website below for details.



- Report on Corporate Governance
- Initiatives for the Corporate Governance Code principles

<https://www.senkogrouphd.co.jp/ir/governance/>

Compliance-Based Management

Compliance-based management, which complies with laws and regulations and engages in ethical business activities, is the base for a company to fulfill its social responsibility and earn the trust of stakeholders.

The SENKO Group has established, based on a thorough understanding of the Group's social obligations, the SENKO Standards of Business Conduct which prescribes all items that executives and employees must observe for every aspect of their jobs.

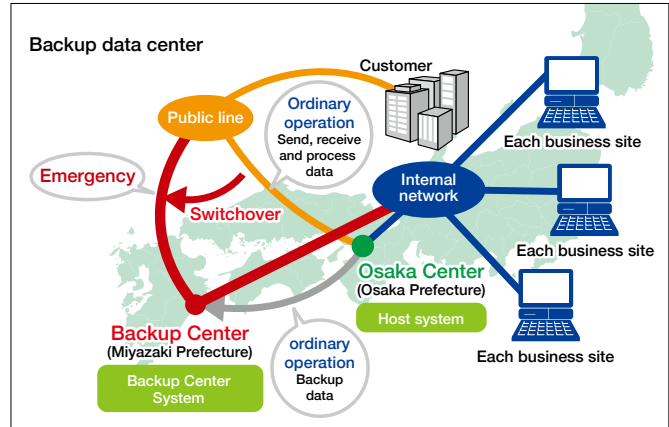
Enhancing the Risk Management System

We have developed a system for responding to possible risks associated with business, with preparations in case of emergency situations prioritizing human life, reducing physical damage, restoring business operations quickly, maintaining the trust of society, and contributing to the local community.

Development of Business Continuity Plan (BCP)

Every Group location has established a business continuity plan (BCP) in order to swiftly recover business in the event of a disaster. In an emergency, support and recovery activities will be carried out promptly under the direction of the head office and the manager of the department taking countermeasures on the ground using the BCP.

When data centers are affected by a disaster, a backup data center will restore systems within 30 minutes, even if the server shuts down to ensure that business systems can be maintained.



Tsunami Evacuation Training

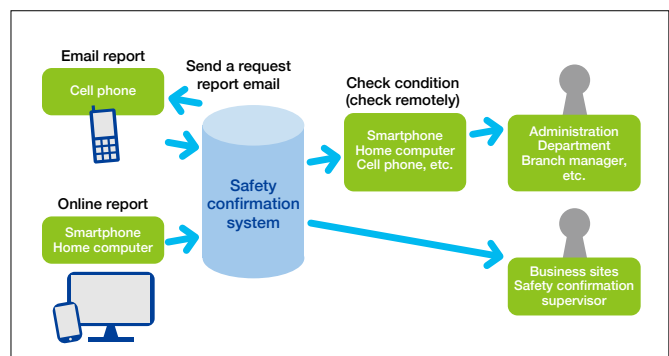
Branches near coastal areas of Kyushu held evacuation training in preparation of fires and tsunamis that are expected after an earthquake strikes. Training will continue being organized to ensure quick evacuations in the event of a disaster.



Scene from evacuation training

Development of safety confirmation system and report training

We have developed our own system so if disaster strikes, employees can use their smartphones or other devices to report on their safety, to allow us to quickly check how the disaster may have affected employees. We also hold mock training for all group employees twice a year to ensure that they can all quickly report on their status in the event of an actual disaster.



Safety confirmation overview

Delivery of emergency supplies

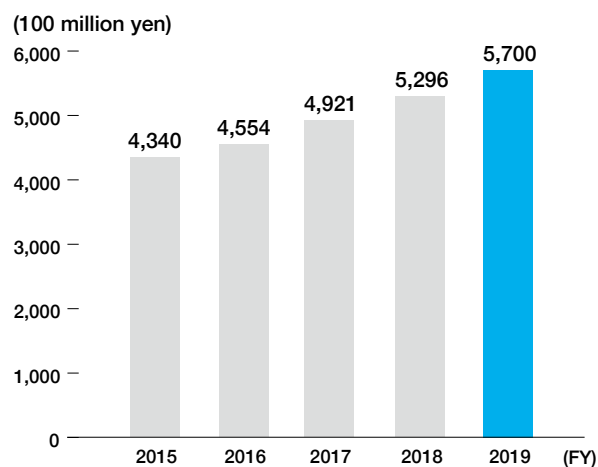
Emergency supplies (including food, water, blankets and gas cartridges) are distributed to five business sites around Japan, and we use our own delivery network so that these supplies can be transported to any affected regions within a day of a disaster striking. Food supplies that are close to expiring are donated to livelihood support organizations as part of social welfare activities.

Company overview

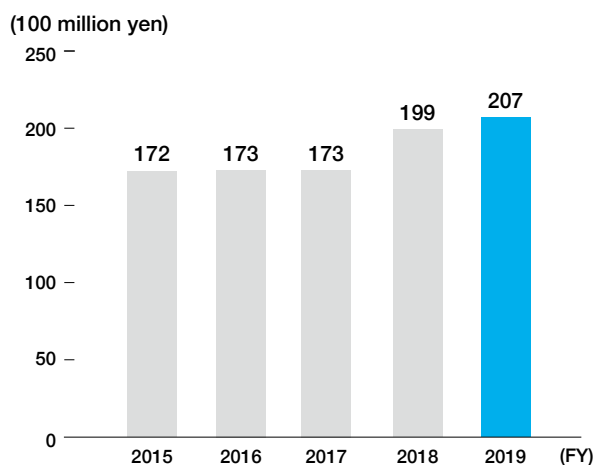
Current as of Tuesday, March 31, 2020 (Group Total)

Trade Name	SENKO Group Holdings Co., Ltd.
Capital	26,528 million yen
Established	September 1916
Incorporated	July 1946
Headquarters	Shiomi SIF Bldg., 2-8-10 Shiomi, Koto-ku, Tokyo 135-0052
Representative	Yasuhisa Fukuda, President and Representative Director
Business Sites	611 sites in Japan, 59 sites overseas
Employees	17,644
Vehicles	6,840 (including trailers)
Controlled Vessels	69
Logistics Centers	3.87 million m ²

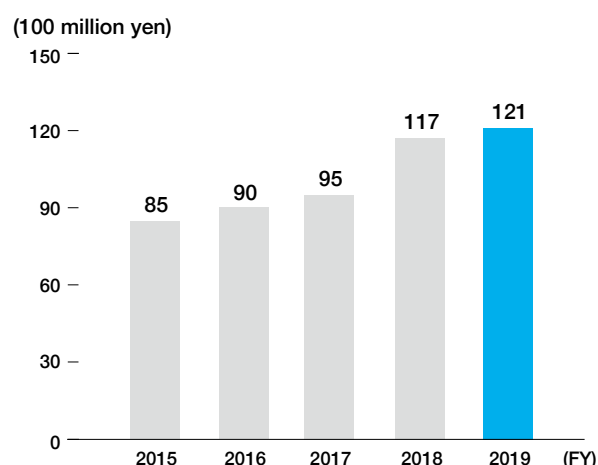
Consolidated operating revenue



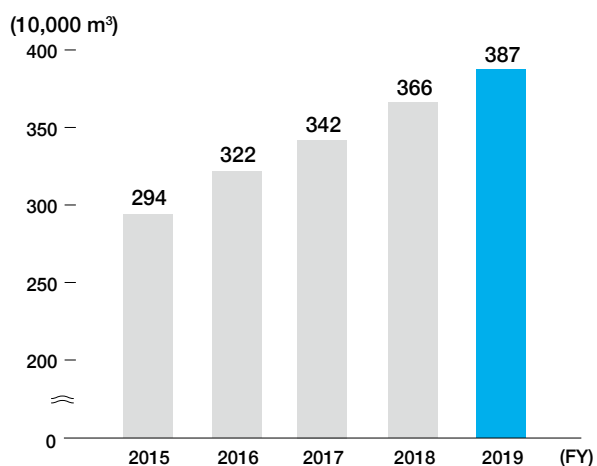
Consolidated ordinary profit



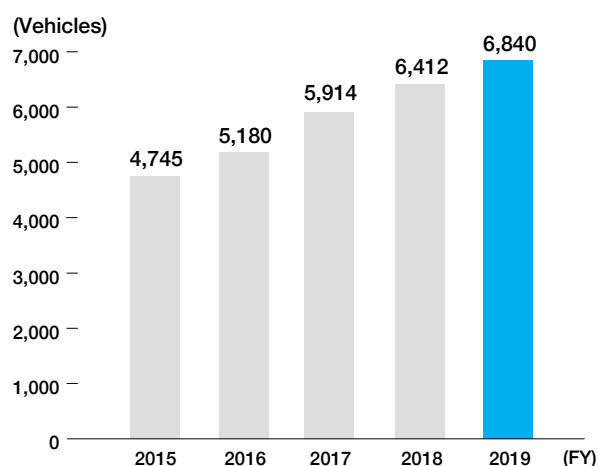
Consolidated net income



Total logistics center floor area



Vehicles (including trailers)



Business sites in Japan (611 sites)

Current as of Tuesday, March 31, 2020

Main logistics centers that began operations during FY2019



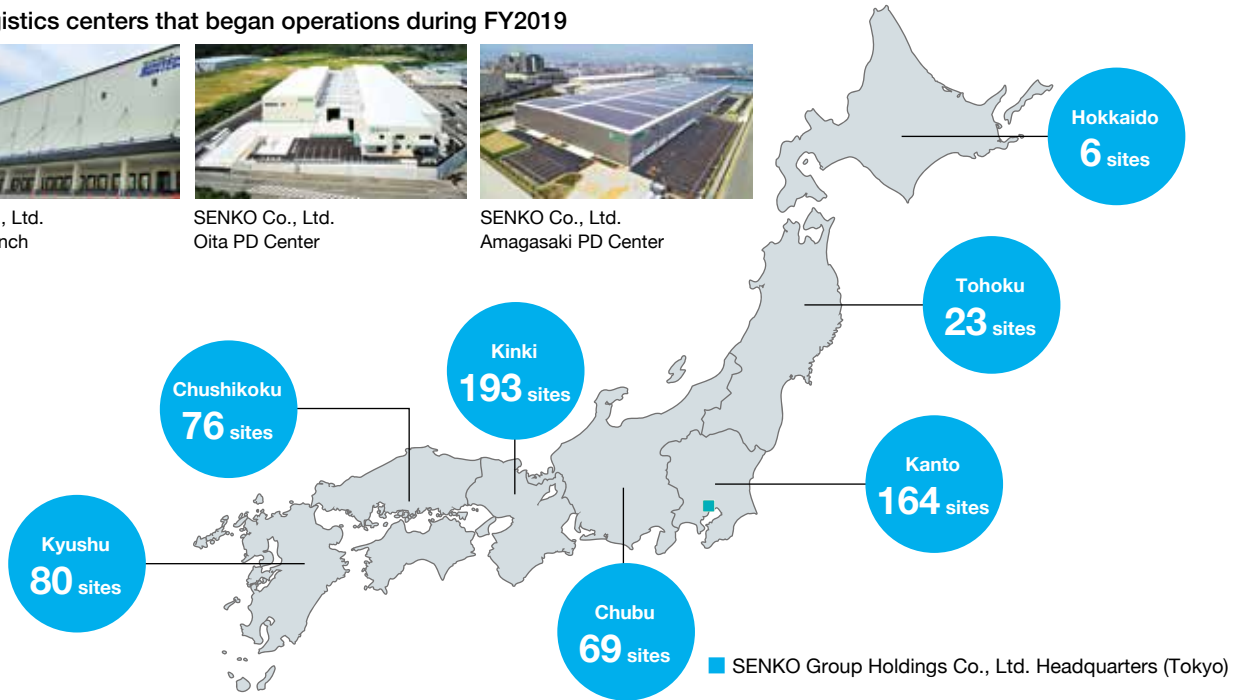
Runtec Co., Ltd.
Kansai Branch



SENKO Co., Ltd.
Oita PD Center



SENKO Co., Ltd.
Amagasaki PD Center



Business sites overseas (59 sites)

Current as of Tuesday, March 31, 2020

Main logistics centers that began operations during FY2019



M-SENKO Logistics Center



Senko Group Holdings Co., Ltd.

Contact

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