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SENKO CSR REPORT 2021

Environmental Measures;
Safety Initiatives; Health
Initiatives; Social Initiatives



Feature 1

Food Logistics—supporting people in their daily lives with "Food"



Feature 2

CSR initiatives in Trading & Commerce



Feature 3

Supporting the sense of fulfillment and motivation for employees



Easier to read and understand with the use of universal design font.

Go Beyond Logistics, Make the World Go Round, Revolutionize Business

SENKO Group Holdings

Moving Global



Message from the President

Helping contribute to developing a sustainable society as a corporate group that supports people in their daily lives

In April 2017, the SENKO Group made the transition to a holding company structure, and is currently focusing on "Senko Innovation Plan 2021 (SIP21)," the five-year medium-term business plan in its final year in FY2021.

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 while clarifying the relationship with "sustainable development goals (SDGs)."

We implemented numerous initiatives throughout FY2020. "Environmental measures" involved greater effort to move away from carbon such as continuing existing modal shifts and introducing the use of environmentally friendly vehicles, which have been praised as successful efforts for environmental conservation by the Ministry of Land, Infrastructure, Transport and Tourism and other organizations.

Our "Safety initiatives" continued our efforts for safety training and education, including remote meetings in response to the COVID-19 pandemic, as well as rolling out new types of technology like installing obstacle detection sonars on trucks.

Our "Health initiatives" not only focused on improving lifestyles and actively encouraged club activities, but also resulted in being selected as a "2021 Certified Health and Productivity Management Outstanding Organization" for the fourth consecutive year.

For our "Social activities," we continued running traffic safety classes for children and cleanup activities while also making every effort to prevent the spread of COVID-19. And the "Pear Owner System" that we are implementing in Tottori Prefecture was awarded by the Ministry of Agriculture, Forestry and Fisheries as the best case study for maximizing the potential of

agricultural villages.

Our group signed up with the "UN Global Compact," an initiative advocated by the United Nations that aims to achieve sustainable growth worldwide, and we were registered as a participating company in October 2020.

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 contribute to developing a sustainable society.

SENKO Group Holdings Co., Ltd.
President and Representative Director
CSR Promotion Committee Chairman

Yasuhisa Fukuda

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Contents

Message from the President	1
Business overview	3
Medium-term management plan and CSR policy	5
Relationship between business activities and SDGs	7
Feature ① Food Logistics—supporting people in their daily lives with "Food"	9
Feature ② CSR initiatives in Trading & Commerce	12
Feature ③ Supporting the sense of fulfillment and motivation for employees	15
Environmental measures	
Environmental measures digest	17
Environmental Report	19
Safety initiatives	
Safety initiatives digest	23
Safety Report	25
Health initiatives	
Health initiatives digest	27
Social activities	
Social activities digest	29
Social Report	31
Corporate Governance	33
ESG highlights	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 2020 through March 2021, with some covering activities conducted after April 2021.
- (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.

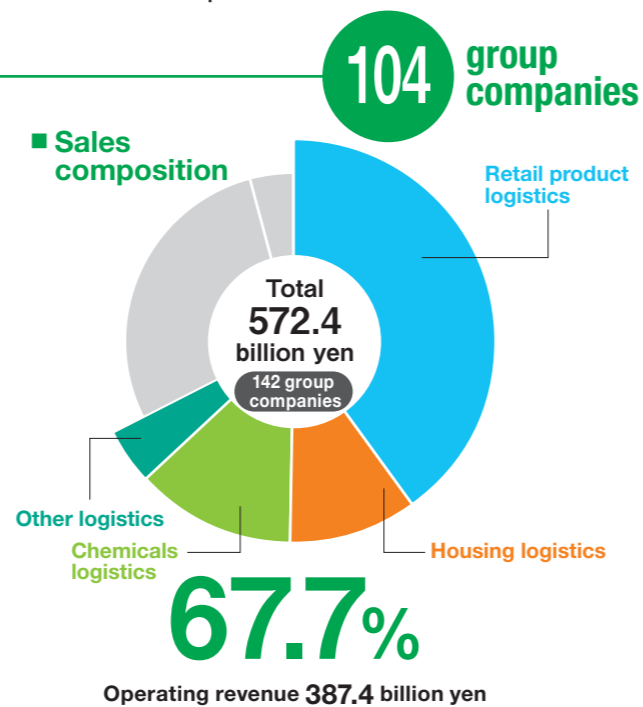
* Number of group companies current as of end of March 2021

Logistics Group

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

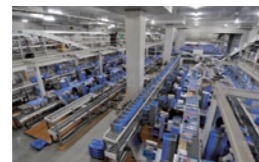
SENKO Co., Ltd. / Runtec Corporation / Tokyo Nohin Daiko Co., Ltd. / SENKO A LINE AMANO Co., LTD. / ACROSS TRANSPORT Co., Ltd., etc.

Retail product logistics

Sales composition

40.1%

Operating revenue **229.5 billion yen**



Mass merchandisers, retailers, food, fashion, etc.

Housing logistics

Sales composition

10.2%

Operating revenue **58.3 billion yen**



Homebuilder products, associated materials, etc.

Chemicals logistics

Sales composition

12.8%

Operating revenue **73.5 billion yen**



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

Other logistics

Sales composition

4.6%

Operating revenue **26.1 billion yen**



Logistics other than distribution, residential and chemicals

Trading & Commerce Business Group

16 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.

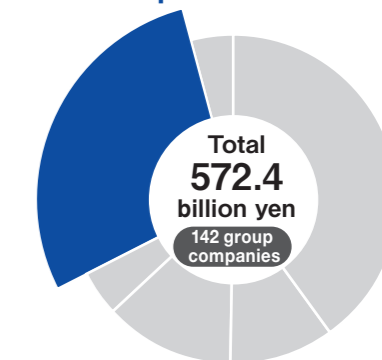
We also cover international trade, such as importing and exporting customers' raw materials and products, as well as other international transactions.

Major companies

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



Sales composition



28.3%

Operating revenue **161.8 billion yen**

Other business groups

21 group companies

Living Support 10 group companies

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

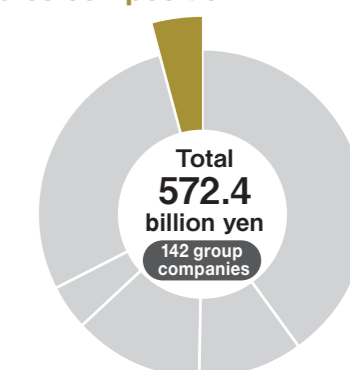
"SENKO School Farm TOTTORI" also uses closed-down schools for welfare-based agriculture to grow and sell leafy vegetables and mushrooms.

Major companies

KEIHANNA helper station Co., Ltd. / Blue Earth Japan Co., Ltd. / Venus Co. Ltd. / Terauchi Co., Ltd. / Procure Co., Ltd. / SENKO School Farm Tottori Co., Ltd., etc.



Sales composition



4.0%

Operating revenue **23.2 billion yen**

Business Support 11 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, hotel sectors, personnel service sectors, and 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. / SENKO Creative Management 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 profit 28.0 billion yen
- Operating profit ratio 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.

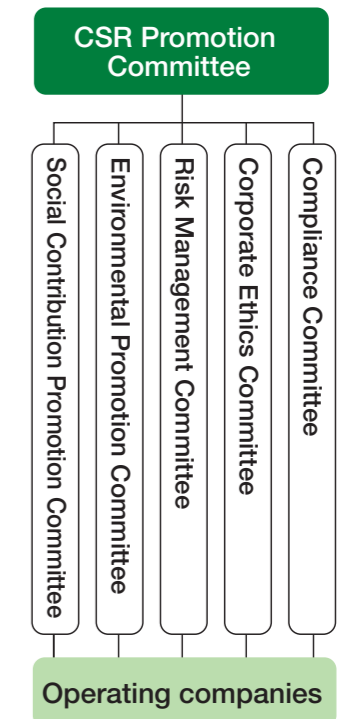
4 Social Activities

- 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.

Committee Chairman: President



Signing the UN Global Compact

SENKO Group Holdings Co., Ltd. signed up with the "UN Global Compact (UNGC)" initiative, and was registered as a participating company in October 2020.

The UNGC is an initiative advocated by the United Nations that aims to achieve sustainable growth worldwide, and participating companies support its principles related to protecting human rights, eliminating improper labor practices, conserving the environment and preventing corruption with activities that contribute to achieving those goals. By signing up to the initiative, we will be placing a greater emphasis on these activities throughout the SENKO Group, and through our businesses aim to resolve social problems and create new value, and help contribute to developing a sustainable society.

WE SUPPORT



SENKO Group – nurturing people and supporting them in their daily lives – business activities and SDGs

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."

Living Support

Nursing & housework services / Fitness / General Wholesale and Retail / Childcare / Restaurants / Agriculture, etc.

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

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

Trading & Commerce
Commerce / Oil sales / Sales of daily commodities, food-stuff, alcohol, etc.

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

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

Priority themes of SENKO Group's SDGs

- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 17 PARTNERSHIPS FOR THE GOALS

Economic level

Delivering new value to society through 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.

Feature 1
Food Logistics – supporting people in their daily lives with "Food"



See P9 for details ▶


Promoting green logistics by cooperating with customers



Providing logistics services that are highly resilient to natural disasters



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



Feature 2
CSR initiatives in Trading & Commerce



See P12 for details ▶

Society level

CSR
Safety Initiatives
Health Initiatives
Social Initiatives

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

Promote health management throughout the entire group



Feature 3
Supporting the sense of fulfillment and motivation for employees



See P15 for details ▶

Cooperation with society

Traffic safety class for children at business sites




Logistics safety education and professional driver training




Global environment sustainability

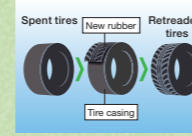
Solar power generation and energy efficient facilities installed at PD centers



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



CSR
Environmental Measures

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.



Feature 1

Food Logistics—supporting people in their daily lives with "Food"

Frozen and cold transportation protecting food sector infrastructure

Runtec Corporation operates transportation services for frozen and cold fresh foods and processed foods. Warehouses and logistics sites play an important role to ensure that logistics continue uninterrupted during any type of situation.

Relationship with SDGs

As a transportation specialist for frozen and cold goods, Runtec Corporation has developed a system built around warehousing and transportation services for uninterrupted logistics for the "food" sector, and supports people in their daily lives with "food."



Runtec Corporation
Director
Sales HQ. for Kansai and Chushikoku Region

Akira Tamagawa



Runtec's frozen and cold transportation, protecting food sector infrastructure and supporting people in their daily lives

Food logistics is an essential lifeline for the daily lives of so many people. Runtec recognizes the large responsibility it has for delivering "food" in a "safe and secure" manner, and places the utmost focus on maintaining quality of its products. We focus in particular on temperature management, preventing shipment and delivery mistakes, and preventing contamination by foreign objects, by implementing strict company-wide management practices. We have also developed a comprehensive system for logistics sites and transportation to ensure that logistics continue uninterrupted. As part of these efforts, we opened the new Kansai Branch in July 2019. We will continue to keep up with demand in the growing sector for food logistics as part of our goal to become the "Only one frozen and cold logistics company."

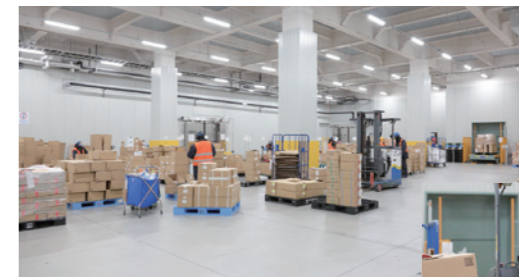


Large-scale logistics sites for 24/7 uninterrupted "Food" logistics ultimate temperature control for optimum frozen and cold goods quality

Warehouses that operate non-stop every day are continuously performing related work like loading, storage and sorting as well as transportation. The Kansai Branch has a storage capacity for 55,000 t of goods, and features all the latest equipment and technology to ensure safe and speedy loading and storage operations. Cross-docking truck berths (inbound and outbound docks) allow a simple, one-way movement of goods, and the introduction of a voice-directed picking system help to ensure that operations within the warehouse are more efficient and safer. Vibration control structure automated freezer warehouses and emergency power generator are also available in preparation of emergencies, with the aim of achieving uninterrupted logistics of "food" under any situation.



A total of 50 truck berths, 21 on the east and 29 on the west, cater to inbound and outbound goods



Spacious 2-story storage and sorting floor



Voice-directed picking system for greater work efficiency

Ultimate temperature control for optimum frozen and cold goods quality

Automatic control of temperature and humidity throughout the entire warehouse is employed to maintain the quality of frozen and cold goods. Positive pressure air-conditioning is used on the ground floor to prevent outside air flowing inside and maintain temperature at a constant +5°C, while desiccant dehumidifiers provide constant dehumidification. A -25°C automated freezer warehouse is also in operation. Automation allows for quick transfers of goods to help maintain product quality.



Automated freezer warehouse with storage for 7,000 racks

Column Initiatives

Energy-efficient initiatives with solar power generation

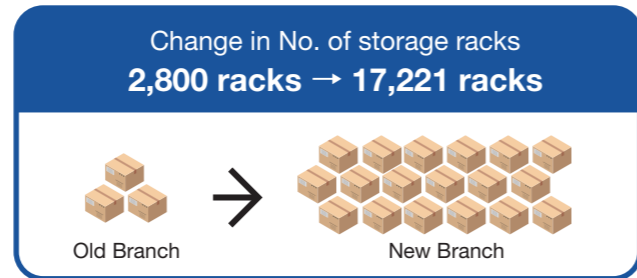
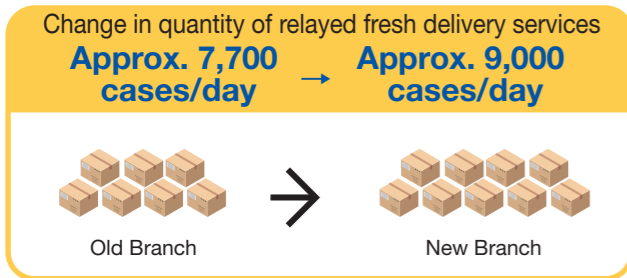
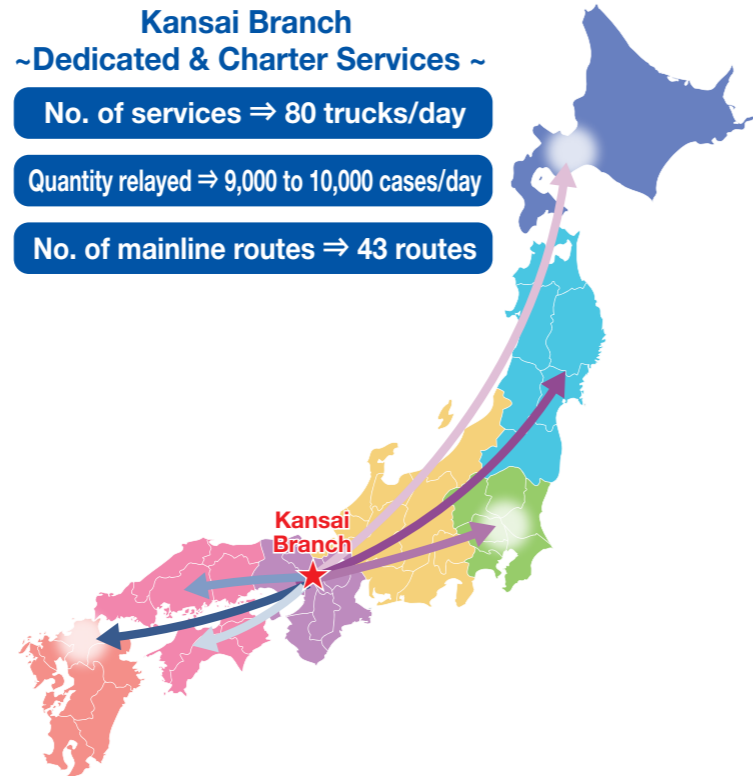
Solar panels have been installed on the roof of the Kansai Branch. With a power generation capacity of 1,000 kW, solar power covers approximately 17% of the branch's entire electricity consumption. Utilizing renewable energy reduces the amount of electricity used, and contributes to reducing our environmental impact.



Capacity for 10,000 electric movable racks throughout entire warehouse

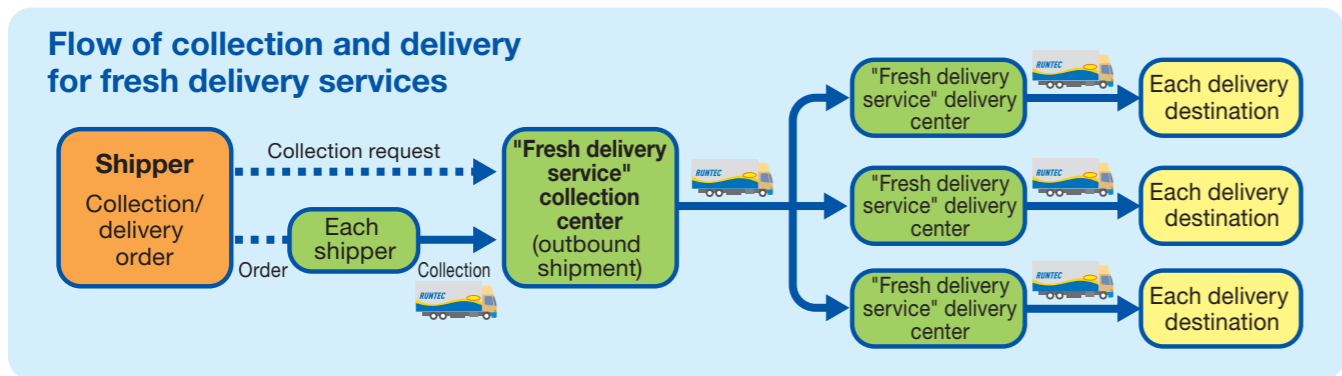
E nhanced relay functions for greater transportation efficiency

Runtec's forte is with its ability to cover every step of the process, from loading and storage at warehouses to transportation. The opening of the Kansai Branch provides enhanced functionality as a relay center connecting Kyushu to branches in the Kanto region and further north throughout Japan. Up to 10,000 cases of goods are relayed through the center every day. The Kansai Branch not only allows for a greater number of trucks to arrive and leave, but its functionality as a relay center also enhances companywide operating efficiency.



"F resh delivery service" collecting and delivering 34,000 cases of constant temperature less than container loads bound for the Kansai region

Our constant temperature less than container load service for fresh delivery was designed to meet a broad scope of requests from customers shipping goods in a range of sizes. Today, some 5,300 client companies are making use of this "fresh delivery service". The new Kansai Branch significantly increased the number of fresh delivery services operating. Around 80 trucks collect and deliver some 34,000 cases every day from across all of Hyogo Prefecture, northern Osaka Prefecture and the southern and northern areas of Kyoto Prefecture.



Feature 2

CSR initiatives in Trading & Commerce

Worldwide commercial distributor SENKO Group's responsibility for the global community

SENKO Group develops commercial distribution on a global level that extends beyond the scope of logistics. It is focusing on contributing to the global community to fulfill its responsibility as a company with businesses worldwide.

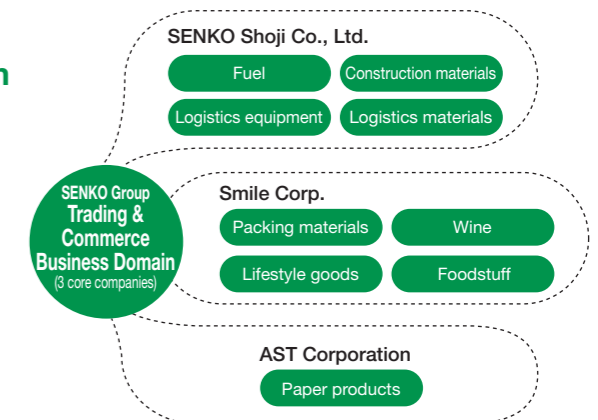
Relationship with SDGs

SENKO Group's Trading & Commerce business domain is committed to lowering the environmental impact of each of its group companies, as well as supporting children's education in poverty and conflict-affected regions.



T rading & Commerce provides goods essential for day-to-day life, from optimum sources around the world

SENKO Group's Trading & Commerce business domain comprises of core companies like SENKO Shoji Co., Ltd., AST Corporation and Smile Corp., and covers wholesale distribution of household paper items, packing materials and a wide range of other lifestyle goods, sales of fuel cards that can be used at gas stations around Japan and diesel for commercial use, as well as the business of sourcing and wholesale of affordable wines from various countries. International trade is another area that is covered, and includes importing and exporting customers' raw materials and products, as well as other international transactions.



Initiative 1

Contributing to customers' plastic-free lifestyles with eggshells

Related SDGs



Turning to new materials made from eggshells to help reduce plastic

SENKO Shoji Co., Ltd. recognizes the importance of assisting customers' environmentally friendly efforts, by supplying them with eco-friendly products. Customers were seeking ways to reduce their plastic consumption, and with efforts being made to develop new products and materials, SENKO Shoji focused on innovative bio-materials made by mixing eggshells with resin or paper. Utilizing eggshells that are normally discarded as industrial waste helps to reduce the amount of plastic and paper used, and also cuts down the amount of CO₂ emissions and industrial waste.



Supplying SENKO Group with new products made with lower paper and plastic content

These efforts first began by commercializing business cards made with paper mixed with eggshells. These cards are not only used at SENKO Shoji, but are also increasingly being supplied throughout the SENKO Group. Future plans include increasing the range of products that were previously made using plastic, like printed sheet protectors. Efforts are also being made to develop new products using such bio-materials. A range of new eco-friendly products will be developed and supplied to meet the needs for customers.



Voice

Staff comment



Supplying products to help customers reduce plastic

Eiichi Sakai SENKO Shoji Co., Ltd. Director of Solutions Department

Reducing the amount of plastic we use is a challenge that the entire world is focusing on, and many of our customers are also making an effort to reduce their consumption. Our role as a trading company is to help customers run activities that are more environmentally conscious, by supplying them with new product concepts. Right now we are working with numerous partner companies to develop goods transportation pallets made of new materials using eggshell compounds. Developing new products that are functional and have a lower environmental impact over the product lifecycle is one way we are aiming to help customers reduce their plastic consumption.

Initiative 2

Delivering picture books to children in Asia

Related SDGs



Employees taking part to deliver picture books to children in Asia

SENKO Shoji Co., Ltd. considers it important that every employee thinks carefully about society and the ways they can help to make improvements. One of the social activities that employees take part in is the "Campaign to Deliver Picture Books" (organized by the Shanti Volunteer Association (SVA)) for children in Asia who had no opportunity to receive an education due to conflicts, poverty or other causes. The project involved 25 employees applying stickers with translations to 20 picture books, and delivering them to refugee camps in Myanmar and Laos through the services provided by SVA.



©Shanti Volunteer Association / Yoshifumi Kawabata
"Guri and Gura's Surprise Visitor" Written by Rieko Nakagawa. Illustrated by Yuriko Yamawaki
Published by Fukuinkan Shoten Publishers, Inc.

Boosting awareness of SDGs as issues related to everyone

After the picture books were delivered, the children who received were overjoyed, with comments like "We look forward to reading the picture books at our school library." Participating in this campaign not only played a role in enriching the children's future, but also helped to boost awareness of SDGs amongst employees as issues that they can become involved in. Employees will continue taking part in the project, with the aim of sending 30 books in FY2021.



Voice

Staff comment



Becoming more familiar with problems occurring around the world

Kasumi Ishii SENKO Shoji Co., Ltd. Corporate Management Division

I was involved in applying stickers with Burmese, Karenic and Lao language translations into Japanese picture books. Taking part in this project helped me discover more about conflicts and related problems occurring around the world, and made me realize just how lucky we are here. While I was not very familiar with conflicts and poverty around the world, this experience made me think more about how such problems are relevant to myself. I plan to become more involved in the future, and also inform people around me of the importance of these projects.



Feature 3

Supporting the sense of fulfillment and motivation for employees

SENKO Group supporting employees with their activities

We are focusing on creating a fun, healthy and fulfilling environment to work in for employees at the SENKO Group, and are helping to build an affluent community and society by providing opportunities to participate in cultural and sports activities.

Relationship with SDGs

We actively support efforts that create a sense of fulfillment and promote health for employees at the SENKO Group, by encouraging cultural and sports activities.



Promoting and supporting cultural and sports activities to improve employees' physical and mental health

We operate businesses that support people in their daily lives, and at the SENKO Group we believe that this was only possible with our skilled employees. In April 2021, the "Responsible for Culture & Sports Promotion" and "Responsible for Health Promotion" were established within the head office, and tasked with promoting and supporting cultural and sports activities so that employees can live a healthy life.



Golf club

Creating a challenging and rewarding environment, for work and golf

I am involved in developing delivery networks for small packages and marketing the light freight business. My role is rewarding as it is vital for expanding business into the future, and I eagerly await the challenges that each day brings. When it comes to golf competitions, our goal for this year is take first place in the all-Japan corporate golf competition "20th RELO CLUB All-Japan Competitive Golf Tournament Recruit CUP 2021 Summer Team Match," while my personal goal is to win the "Nippon Shakaijin Golf Championship." I am determined to take part in these competitions and play a role in boosting the corporate image of the SENKO Group.



SENKO Co., Ltd. Business Policy Promotion HQ.
Automotive Business Promotion Div.
Kazuma Miyako

Judo club

honing mental, physical and technical abilities with the company's understanding and support, with the aim of representing Japan

After working for around five hours everyday on my office duties at the sales branch, I then focus on practice and training for 3-4 hours. It is thanks to the understanding and support of everyone at the sales branch that I am able to perform so well at Judo. I am always grateful for the way everyone is getting behind me. It is so rewarding when I learn a new skill for work and I am able to help out at the office. My goal is to achieve results on the global stage. I am fully committed to both my work and judo, and am working to improve my mental, physical and technical abilities as a professional.



SENKO Co., Ltd. Tokyo Supervising Branch,
Hino Sales Branch
Katsuma Yonemura



Track & Field club

SENKO Women's Track & Field club established in April 2021



Tennis club

Promoting health and boosting communication with tennis



Directly linked to SDGs. SENKO's widely praised "Green Logistics"

From very early on, we developed and have been promoting "Green Logistics" that reduces the impact that the SENKO Group has on the environment. Initiatives aimed at achieving a carbon-free society—modal shifts with a combination of rail and marine transportation, promoting the use of larger trucks, and consolidating logistics sites—have been widely praised by the Ministry of Land, Infrastructure, Transport and Tourism and organizations like the Japan Association for Logistics and Transport. In FY2020, we have again been recognized for our remarkable achievements with our initiatives related to environmental conservation.



Received the "MLIT Minister's Award for Companies Contributing to Environmental Conservation in the Transport Industry"

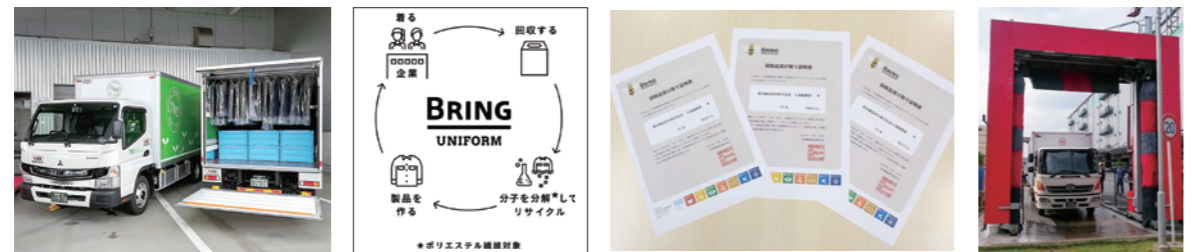
In July 2019, Tokyo Nohin Daiko worked with customers to roll out one of the first hangar-rack body type electric trucks in Japan, leading to a 26% reduction in the amount of CO₂ emissions per truck (compared to diesel models). Other intensive measures to move away from carbon, like introducing CNG trucks that use natural gas as fuel, ensuring environmentally friendly driving styles and operating management by using planned dispatching and operating efficient routes, and educating truck drivers, were also highly recognized and led to the receipt of this award.



From right: Tokyo Nohin Daiko Co., Ltd. President Hiroyuki Ito, Ministry of Land, Infrastructure, Transport and Tourism Vice Minister Shigeki Iwai

The company also implements a number of other eco-friendly measures such as recycling uniforms by endorsing the "BRING Project" and using water-saving truck wash systems.

Use of first hangar-rack body type electric truck in Japan → 52% reduction in CO₂ emissions



Operating two of the first hangar-rack body type electric trucks in Japan

Recycling uniforms properly with the BRING Uniform project

Certificates issued after collection to show total amount recycled

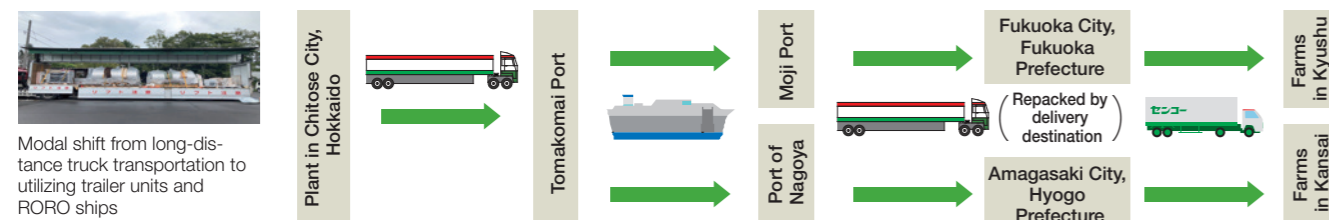
Use of truck wash systems save 100 m³ of water annually

Received the "Eco Ship / Modal Shift Excellent Businesses MLIT "Maritime Bureau Director Award"

Making a modal shift from long-distance truck transportation to utilizing trailers and RORO ships for transporting products from machinery manufacturers in Hokkaido bound for Kansai and Kitakyushu achieved a significant reduction in CO₂ emissions.



Making modal shift utilizing ship transportation → 75 to 78% reduction in CO₂ emissions



Modal shift from long-distance truck transportation to utilizing trailer units and RORO ships

Received Four Awards from Japan Association for Logistics and Transport in FY2020

We take a proactive stance for making modal shifts with the aim of reducing CO₂ emissions and streamlining logistics, and the SENKO Group is ranked highly in various award systems held by the Japan Association for Logistics and Transport (JALoT).

In FY2020, we received the "Logistics Environment Awards*" and "Special Award" in the 21st Logistics Environment Awards. The SENKO Group was also recognized in the "Implementation Division" and "Effective Utilization Division" of the 18th Award for Excellent Business Entities Working on Modal Shift.

* Received by multiple logistics companies supporting customers



Excellent Business Entities Working on Modal Shift awards ceremony held on Wednesday, November 11, 2020



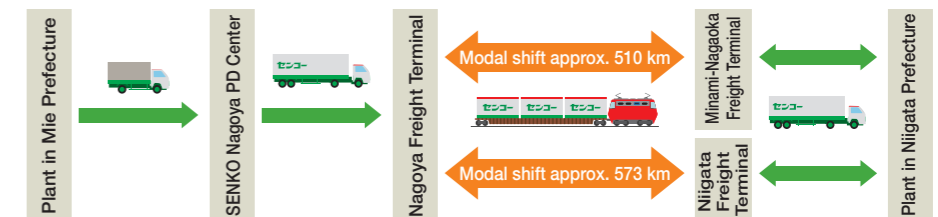
Logistics Environmental Conservation Activity Award case study



Shipping rail containers from Nagoya PD Center to plant in Niigata Prefecture

Making modal shift to rail transportation for 44.6% reduction in CO₂ emissions

Making a modal shift from truck transportation to rail transportation for hydrous pulp shipped from Mie Prefecture to Niigata Prefecture cut back CO₂ emissions by 177.1 t, and also reduced the driving time of drivers by 60%. Focus then shifted to containers used for one-way transportation from Niigata Prefecture, with mixed cargo loaded on the return leg to achieve a container round use system.



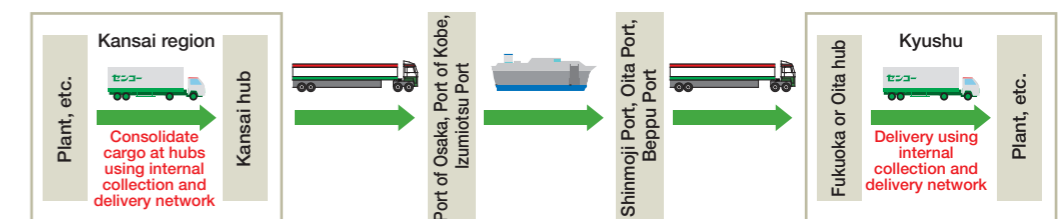
Excellent Business Entities Working on Modal Shift (Effective Utilization Division) case study



Unmanned transportation of trailer units via large ferries bound for Kyushu

Switching to marine transportation using trailer units to boost efficiency

Transportation of products such as foodstuff, resins and medical supplies between Kansai and Kyushu was switched to round trip marine transportation using trailer units. This involved (1) "Consolidating cargo at hub center" and "Arranging deliveries when cargo arrives" (2) Developing mainline transportation routes with mainline unmanned transportation using ferries (3) Developing an emergency transportation system using cross-docking if ferry services are canceled.



CSR VOICE

Implementing even more policies toward achieving "Carbon Neutral"

We have entered an age where the SENKO Group is at risk of being overlooked by society, our customers and even our own employees unless we are implementing a well-defined set of policies on a company-wide scale covering areas such as environmental conservation, measures to reduce CO₂ emissions, and the use of next-generation energy sources. We are focusing on incorporating an increasing number of policies within the SENKO Group's new medium-term management plan for the next fiscal term aimed at achieving "Carbon Neutral," with examples including maximizing the use of renewable energy sources by installing solar power generation systems at each company site, incorporating advanced trials of next-generation fuels, and developing community-based renewable energy BCP measures by working with local governments.



Kenji Nakabayashi
SENKO Co., Ltd.
Director of Safety, Quality & Environment Administration Dept. and Manager of Environmental Activities Promotion Gr.

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.

Promotion of Environment Management System and disclosure of information related to CDP2020 climate change

SENKO Co., Ltd. has acquired "ISO14001," the international certification for environmental management systems, 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 each of these certifications.

From 2020 it also started responding to surveys regarding climate change run by CDP*. It achieved a C ranking (out of A to E) in the 2020 results.

* CDP is an international not-for-profit charity based in the UK that runs surveys and assessments for major companies around the world to help them manage their risks and opportunities on climate change, water security and deforestation.



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.
JQA-EM7663
- Certifying institution
JQA (Japan Quality Assurance Organization)



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.,
Atsugi Senko Transport Co., Ltd., Minami Osaka Senko Transport Co., Ltd.,
Chushikoku Logistics Co., Ltd., Eikichi Kaiun Co., Ltd., Minami Kyushu Senko Co., Ltd.,
Tokyo Nohin Daiko Co., Ltd., Kitanihonunyu Corporation
- Certifying institution
Foundation for Promoting Personal Mobility and Ecological Transportation



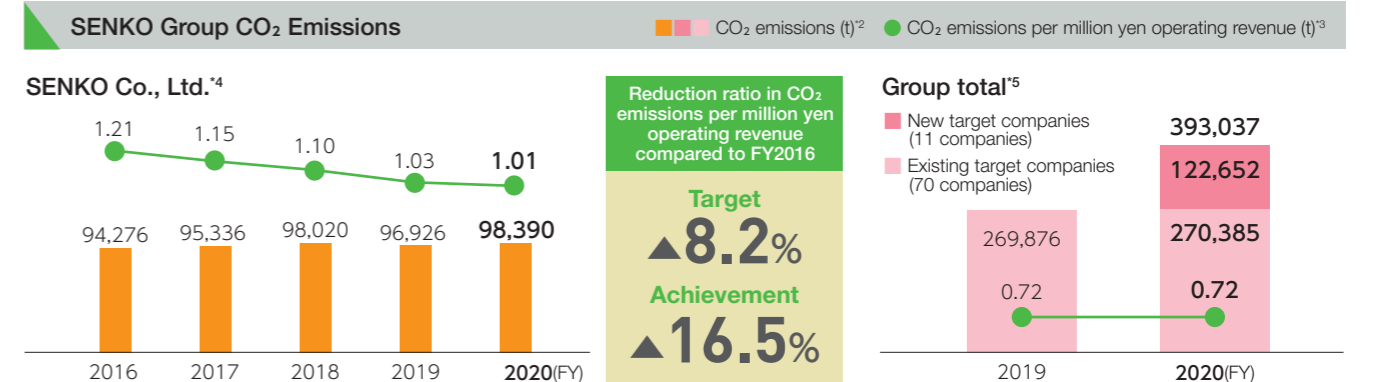
Environmental targets and achievements

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 fiscal year 2017 (a reduction of at least 8,310 tons over the five years non-consolidated by SENKO).

	INPUT		OUTPUT		
	Electricity Consumption million kWh	Fuel Consumption ¹ (kl)	Electricity (t-CO ₂)	Fuel (t-CO ₂)	Total (t-CO ₂)
SENKO Co., Ltd. (including SENKO Line Co., Ltd.)	72.9	24,160	34,210	64,180	98,390
Group (excluding SENKO Co., Ltd.)	79.25	95,567	37,794	256,853	294,647
Total	152.15	119,727	72,004	321,033	393,037

¹ The amount of fuel consumption is converted to crude oil (kl)



² Amount of emissions are aggregate of Scope 1 and 2 ³ Operating revenue calculated from main businesses corresponding to Scope 1 and 2

⁴ Including SENKO Line Co., Ltd. (split into separate companies in April 2018)

⁵ Total of 81 companies = 53 logistics companies + 6 Trading & Commerce companies + 22 other companies, including SENKO Co., Ltd., SENKO Line Co., Ltd. and SENKO Group Holdings Co., Ltd.

FY2020 CO ₂ Reduction Targets and Achievements (SENKO Co., Ltd. and 80 group companies)		
* Including SENKO Group Holdings Co., Ltd. (Unit: t)		
	FY2020 CO ₂ Reduction Target	Results (Achievement Rate)
SENKO Co., Ltd. (including SENKO Line Co., Ltd.)	1,782	1,711 (96%)
Group (excluding SENKO Co., Ltd.)	1,475	1,584 (107%)
Total	3,257	3,295 (101%)

Company Initiatives	Priority Implementation Measures	CO ₂ Reduction		
		Company Category		Total
		SENKO Co., Ltd. (including SENKO Line Co., Ltd.)	Group (excluding SENKO Co., Ltd.)	
Energy conservation	① Switching to power companies with low CO ₂ emissions	1,000	417	1,417
	② Upgrading to energy-saving equipment (LED lighting, air conditioning)			
	③ Using renewable energy sources such as solar power generation			
Fuel conservation	① Upgrading facilities for advanced environmentally friendly trucks (EV, natural gas, hybrid)	603	1,014	1,617
	② Installing environmentally friendly devices such as idling stop assist systems			
Social recycling	① Promoting recycling of waste wooden pallets and waste plastic	108	153	261
	② Promoting the use of retreaded tires			
Total		1,711	1,584	3,295
CO ₂ to Customers	Green logistics	884	125	1,009
		Modal shift ratio 75%		

Measures to reduce environmental impact

Promoting the implementation of environmentally friendly trucks

We are encouraging the use of environmentally friendly trucks throughout the SENKO Group such as electric trucks and hybrid trucks with lower CO₂ and NO_x emissions. We first introduced large natural gas trucks in the Kansai region in FY2020. Compared to diesel models, these trucks have 10% or lower CO₂ emissions, 70% or lower NO_x emissions, and are environmentally beneficial in that they have no black smoke or sulfur dioxide emissions, so they are being used to meet customer demand for low-carbon transportation.



Large natural gas truck used by Osaka Senko Transport Co., Ltd.

Switching over to energy-saving lighting

An increasing number of logistics centers are being switched over to high-efficiency lighting such as LED, which have around 75% less energy consumption (compared to conventional mercury lamps), with the amount of energy saved the equivalent of 360 t-CO₂ annually. Multiple large business sites were switched over to large-scale LED lighting during FY2020, and the use of even more efficient and effective energy sources are also being planned.



Kita-Kanto Logistics Center (left) and Kumamoto PD Center (right) with large-scale upgrades made to LED lighting

Supporting the "Bottle to Bottle Tokyo Project"

We have pledged our support for the "Bottle to Bottle Tokyo Project," a joint initiative run by the Tokyo Metropolitan Government and soft drink industry groups (the Japan Soft Drink Association). We installed new collection bins, designed to make separating PET bottles easier, at the Shiomi SIF Building and Heiwajima PD Center and cooperated and participated in a demonstration test to check users' sorting behavior.

We will continue making efforts to raise the recycling rate throughout the SENKO Group by encouraging separating PET bottles into three types of plastics.



New PET bottle separation collector (Heiwajima PD Center)
* Currently removed after completion of the demonstration test

Re-utilizing discarded stretch film as recycled garbage bags

We are implementing measures aimed at achieving a "circular economy" at the SENKO Group, by reducing the amount of new resources used and encouraging the reuse and recycling of existing materials.

Even at logistics centers, stretch film that is used for securing cargo had previously been discarded as industrial waste, but we turned the film into 100% recycled garbage bags in a joint initiative with a recycling processing business.



Utilizing logistics center rooftops as a solar power business

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 FY2020, a 618 kW scale solar power generation system for on-site consumption and a large 60 kWh storage battery system was installed at Runtec Corporation's Moji Branch, which are used to supply clean energy even during rain or at night time. Installation of the first large solar power generation system for on-site consumption (1.051 MW power output) for SENKO Co., Ltd. is being planned in FY2021 for its Gifu Hashima PD Center, and utilization of renewable energy sources is increasing at general logistics centers.

Power output up **618 kW** from FY2019
We are now generating **17.1 MW** from 22 sites across Japan

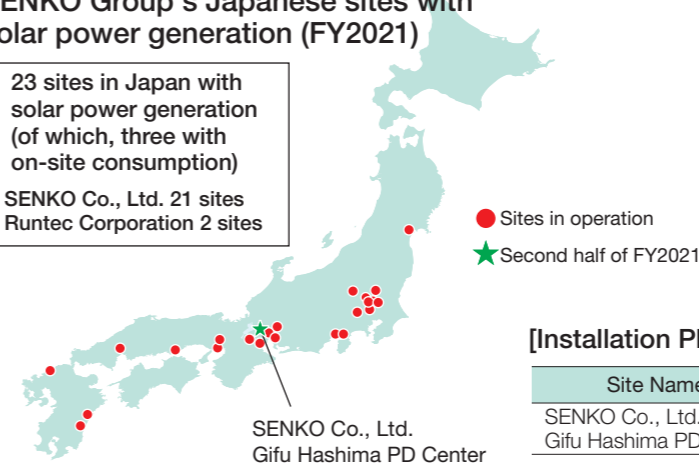
* Based on figures confirmed by the Ministry of Economy, Trade and Industry



Runtec Corporation's Moji Branch began operating from April 2020

SENKO Group's Japanese sites with solar power generation (FY2021)

23 sites in Japan with solar power generation (of which, three with on-site consumption)
SENKO Co., Ltd. 21 sites
Runtec Corporation 2 sites



Operation of solar power generation is planned at Gifu Hashima PD Center from the second half of FY2021

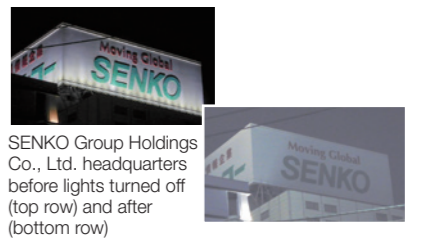
[Installation Plans for FY2021]

Site Name	Timing of Operation	Generating Capacity
SENKO Co., Ltd. Gifu Hashima PD Center	Second half of FY2021	1,051kW

"Light Down" Campaign

The "Light Down" campaign was designed so that people recognize the importance of resources and energy and to boost awareness of environmental conservation, by reminding them to turn off lights at facilities and at home.

During FY2020, the SENKO Group ran Light Down activities on four days—on the summer solstice, Tanabata, winter solstice, and Christmas—at a total of 40 business sites, as well as employee homes.



SENKO Group Holdings Co., Ltd. headquarters before lights turned off (top row) and after (bottom row)

New initiatives for biodiversity conservation

We are continuing the initiatives for biodiversity conservation that began at the SENKO Group from FY2019. Seven branches of SENKO Co., Ltd. and ten group companies joined in the "Environmental Tree Planting" initiative during FY2020, where young trees are planted around the grounds of logistics centers. This initiative ensures that areas of "green" will be available for future generations, and helped to boost communication throughout workplaces and strengthened ties with local communities.

We also cooperated with the "Osaka Bay Environment Restoration Project" together with local environmental conservation groups. As part of this project, eelgrass seaweed was grown and then returned to the ocean to create a living environment for marine animals. In FY2020, 70 sets were handed out to be grown at employee households.



Eelgrass seaweed

Group-wide Health and Safety initiatives

To strengthen initiatives aimed at ensuring compliance by logistics companies within the SENKO Group, we hold staff and manager training 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

We have assigned "Dangerous Goods Supervisors" around the country who share various types of information and focus on building up knowledge on dangerous goods, using remote conferences during the COVID-19 pandemic. Education and training on handling dangerous goods are also held to ensure a proper response is taken in the event of an emergency and to minimize damage, as a way of enhancing safety and quality awareness.

We are making every effort to create a safer workplace environment by holding special training sessions if required due to changes in legislation.



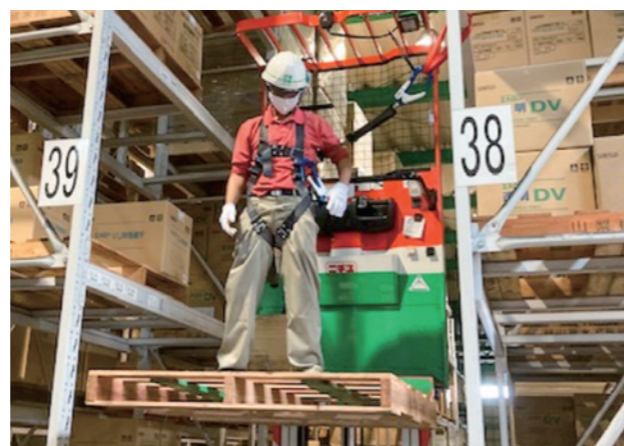
Coordination meeting held remotely



Special training for fall safety equipment



Oil leak response training



Practicing correct usage procedures of fall safety equipment

Enhanced education and training

Ride-along instruction for younger staff

Strengthening responses to eliminating accidents by younger staff



Ride-along instruction with a trainer

Regional training

Industry and operation-specific training held in each region



Training in progress

Introduction of advanced technologies

Arch lighting

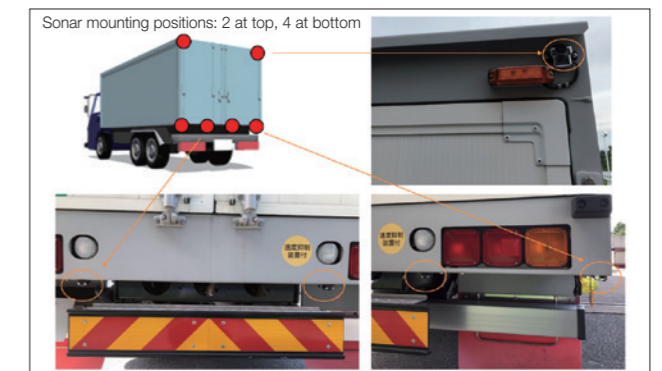
Installation of arch lighting system to alert workers of nearby forklifts



Avoids collisions between forklifts and walking workers

Truck sonars

Reversing obstacle detection sonar installed to alert driver of obstacles behind the truck



Truck sonar mounting positions (2 top, 4 bottom)

CSR VOICE

Focusing efforts on safety programs to fulfill our responsibility as logistics operators

Safety programs were significantly affected during FY2020 due to the COVID-19 pandemic. Employees usually gather from around the country to participate in practical and safety training sessions, but this year videos were used for training sessions and staff from various regions connected to TV conferences. We also ran many training sessions with small groups as another way of preventing the spread of infections. We also rolled out new technologies, such as installing truck sonars to help prevent accidents. Despite these circumstances, we are maintaining our focus on safety and fulfilling our CSR as a logistics operator.



Takami Ito

SENKO Co., Ltd.
Safety, Quality and Environment
Administration Dept.
Manager of Administration Gr. for
Safety and Health

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.

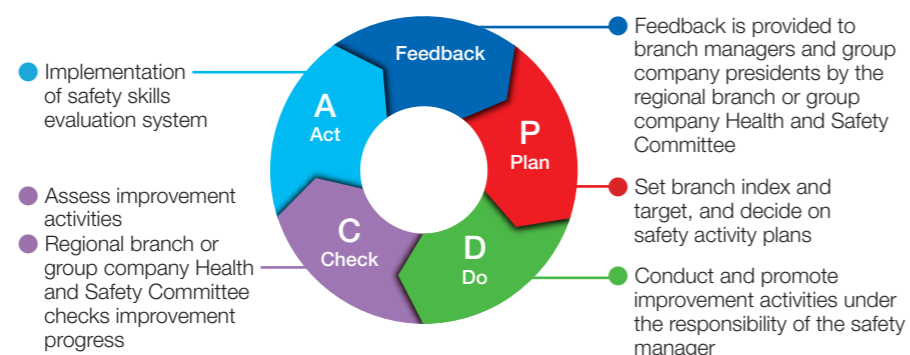
Priority Measures

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.

[Safety Skills Evaluation Operating Cycle]



Achievement of Safety Goals (FY2020)

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

	FY2020 Goal	FY2020 Achievement
Vehicle accident frequency rate	0.30 or lower	0.57
Occupational accident frequency rate	0.92 or lower	1.77

<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.

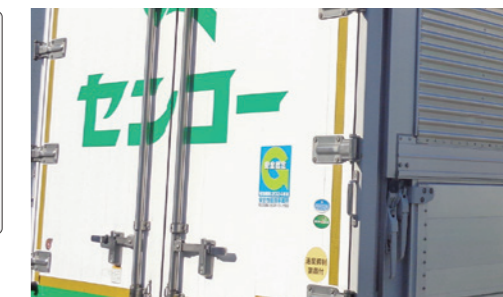
Acquiring "Safety Excellence Workplace" certification

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 2021, 98% of all workplaces have acquired certification (1% decrease 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.

98% of all SENKO Group workplaces have acquired certification



Recognized for the fourth 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 fourth consecutive year, we were recognized for these initiatives on March 4, 2021 with the "Certified Health & Productivity Management Outstanding Organizations Recognition Program 2021 (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 promoting health management with Change and Challenge

Main initiatives for health management

Promoting healthy lifestyles at all ages

● Health lectures and seminars

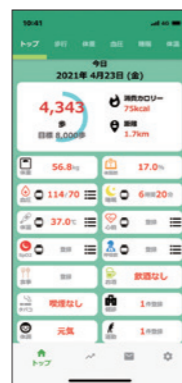
The "Mental Health Training" for newly appointed division managers and section managers, "Health Literacy Lecture" for female employees and management positions, and "Lifestyle Disease Seminar" for people who are concerned about their health, were all held online in FY2020.

● Promoting mental and physical health with sports

In addition to judo, golf, swimming, kendo, and Go, a new women's tennis club and track & field club have been established. The four new tennis courts built at the Tokyo headquarters are being fully utilized, and the men's tennis club also uses the courts for training.

● Use of original health app

"New Healthy Activities" that can be used even during the COVID-19 pandemic have been available from May 2021 on the SENKO Group's original health app "Chareco (Challenge + Recording)." In addition a step meter, the app records a range of data related to lifestyle habits (such as body weight, diet, sleep, alcohol consumption, smoking, fitness habits) and increases user awareness to help them improve their lifestyle habits.



"Chareco" health app



Tennis training

SENKO Group's health promotion system

We have assigned 22 nurses (occupational health and general nurses) to the main areas around the country who coordinate their efforts with 102 health promotion supervisors to provide a range of health-related advice to employees.

From FY2020, we created a system to implement company-wide plans and policies more effectively, by enlisting "corporate occupational physicians" (Dr. Kobayashi and Dr. Odagami) to oversee the occupational physicians (78) and nurses in each area. Last fiscal year in particular, when measures were required to combat COVID-19, specific standards were put in place to ensure a balance for employees to maintain health and perform their business activities.



Occupational nurses assigned around Japan

High praise for "health management" activities held at group companies

Senko Information System Co., Ltd. is a new company certified in the Large Enterprise Category of "Excellent Organization of Health & Productivity Management 2021." In addition to Toyohashi Senko Transport Co., Ltd. and Harcob Co., Ltd. being certified for the third consecutive year in the SME Category, six new companies, Fuji Senko Transport Co., Ltd., Hanshin Senko Transport Co., Ltd., Esaka Logistics Service Co., Ltd., Hanshin Transportation Co., Ltd., Tokai Senko Transport Co., Ltd., and Tokyo Nohin Daiko Co., Ltd. were also certified in the category.

We will continue supporting and expanding health promotion initiatives for employees so that even more group companies are certified in the future.

Companies certified in the SME Category of "Excellent Organization of Health & Productivity Management 2021"

Events usually related to health management were difficult to hold due to the COVID-19 pandemic, but our group companies took a more multi-faceted approach to health management than normal, by preventing the spread of infections and planning new measures that have no risk of infections.

Tokyo Nohin Daiko Co., Ltd.

Visualization of fat and sugar content in food items

To raise health awareness amongst employees, a "visualization" of the amount of fats in food or sugar in drinks was set up and put on show next to the periodic health checkup window. Drivers were also provided with smartwatches, which are used for health management.



"Visualization" of the amount of fat or sugar in foods and drinks

Tokai Senko Transport Co., Ltd.

Campaign to measure body weight for three months

A new 3-month campaign was held for measuring body weight. Taking daily measurements makes employees more aware of their body weight, and helps to encourage them to eat proper diets without snacks as well as exercising. Participants who successfully measured their body weight for three months were presented with a certificate of completion.



Participant receiving a certificate of completion

Toyohashi Senko Transport Co., Ltd.

Tough measures to prevent infections

A range of measures were gradually implemented, such as doing warmup exercises at morning meetings while ensuring social distancing, installing splash guards to prevent infectious diseases, measuring temperatures when drivers checked in, disinfecting, and encouraging no smoking.

Harcob Co., Ltd.

Strengthening existing initiatives

Improvements were made to initiatives, like introducing days off and no overtime days twice a month. Some branches also set up thermal cameras capable of recognizing faces and measuring body temperature, with the aim of health management during the pandemic.



Thermal camera in operation

CSR VOICE

Ramping up health initiatives and aiming to become a company with even better health management

With employee health considered the foundation of management, we have enhanced health initiatives throughout the entire group based on the "SENKO Group Holdings Health Management Declaration." This year we are using our original app "Chareco" to further enhance our efforts.

We also coordinated our efforts with health promotion supervisors, nurses, corporate occupational physicians, and other specialists around Japan while implementing work style reforms and measures to achieve a work-life balance. Meanwhile, we are also rolling out cultural and sports activities as part of efforts toward even better health management.



Yoshihisa Moriguchi

SENKO Group Holdings Co., Ltd.
Executive Officer, Supervisor of Culture & Sports Promotion
(and) Supervisor of Health Promotion (and) Manager of Health Promotion Dept.

Rewarding outstanding social contribution activities within the group
Runtec Corporation and Saitama Senko Logiservice Co., Ltd. selected for "Excellence Award"

The SENKO Group established the "Social Contribution Activities Commendation" program in FY2016 to recognize and reward social contribution activities submitted by each group company. After being screened by the "Social Contribution Promotion Committee," two teams were selected for the Excellence Award in FY2019.

Runtec Corporation



Excellence Award

School visit workshops for traffic safety to protect local children

The SENKO Group's logistics companies visit elementary schools to run its "Traffic Safety Class for Children," but at Runtec Corporation, dangerous areas were examined and studied beforehand, so that detailed explanations could be provided during the class. As a vital activity protecting the lives of children, these workshops have been praised by the local community and schools, and have even been covered on TV.

Examining "dangerous areas" beforehand



Explaining traffic safety in a fun and simple way



Saitama Senko Logiservice Co., Ltd.



Excellence Award

Holding workplace orientation and work experience to support independence training for younger people

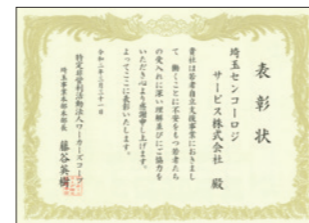
Saitama Senko Logiservice Co., Ltd. worked with the Fukaya Youth Support Station non-profit organization providing workplace orientation and work experience to support independence training for younger people between 15 and 39 years old who are not working or studying.

These efforts resulted in eight people being hired in each region, and played a role in address the social problem of assisting people who struggle to find employment.

Workplace orientation



Work experience



Helping to boost local industry
"Pear Owner System" received award from Ministry of Agriculture, Forestry and Fisheries, Chugoku-shikoku Regional Agricultural Administration Office

SENKO School Farm Tottori Co., Ltd.

Praised as a success story for maximizing the potential of rural areas

SENKO School Farm Tottori Co., Ltd. focused on the issue of decreasing number of farms producing pears—considered a specialty in the region—by launching the "20th Century Pear Owner System" to appeal to a broad range of people to become owners in an attempt to promote agriculture as well as the tourism industry. This popular system was recognized and selected by the Ministry of Agriculture, Forestry and Fisheries, Chugoku-shikoku Regional Agricultural Administration Office as a success story of rejuvenating communities and raising income levels by maximizing the potential of rural areas to achieve a "stronger agriculture, forestry, and fishery sector" and "create beautiful and vibrant rural areas."

The reasons for selection are given below. The number of owners has increased every year, and we are planning to continue running activities that contribute to local communities.

- ① Halted the decrease in cultivated land for 20th Century Pears, and helped to re-establish pear production areas
- ② Contributed to local communities where pears were selected as "gifts for donation to municipality tax incentives" together with local hot spring accommodation and hands-on pear cultivation workshops
- ③ Helped to foster training for new farmers



Interview at the awards ceremony



Awards ceremony commemorative photo



CSR VOICE

Pro-active measures contributing to the development of communities and society

Based on the Standards of Business Conduct of "As a good corporate citizen, the SENKO Group will be pro-active in participating in social activities, and will create a spiritually affluent society and contribute to the development of society and the local community by promoting cultural, arts and sports activities and independent social contribution activities," we are coordinating efforts with the local community with the aim of contributing to development of society. The effects of the COVID-19 disease still remain through FY2020, but we responded to requests from local communities to continue holding traffic safety sessions, cleanup activities and blood donation drives that are common throughout the group while ensuring measures to prevent infections, and actively focused on promoting sports and culture.



Makoto Yamazaki

SENKO Co., Ltd.
 Executive Officer and Senior
 Manager of General Affairs Dept.

Social contribution activities held at group companies

Dance classes held at elementary schools and kindergartens (Blue Earth Japan Co., Ltd.)

Blue Earth Japan Co., Ltd. operates general sports clubs in Yamanashi, Tokyo, Kanagawa, Shizuoka, and Nagano prefectures, and has responded to requests from local governments to hold dance classes for elementary schools and kindergartens. This is one way we are supporting people's healthy lifestyles.

Request from Kofu City Board of Education

In Kofu City, spare elementary school rooms after classes finish or on weekends are being used to provide children the opportunity to take part in additional study, sports, cultural arts, and interaction with local communities. Blue Earth Japan Co., Ltd. Aeon Town Yamanashi Chuo Branch participated in activities aimed at creating an affluent and vibrant environment for children in the local community. Staff visited Ishida, Kokubo, Maizuru, Chizuka and other elementary schools to run dance classes in a fun, interactive setting.

Request from Minami-Alps City

Minami-Alps City in Yamanashi Prefecture holds a range of activities with the aim of "gaining as many experiences as possible" as part of children's lifelong education. Blue Earth Japan Co., Ltd. endorses these activities and runs dance classes at local kindergartens (such as Hyakuta, Hatta and Shirane-higashi kindergartens). This activity has been running for 15 years, with many children participating during that time. In this way, we are helping to provide children with a wealth of information.



Children's smiles all around during the dance classes



Working with Local Communities

Continuing with "Delivering picture books to children in Asia"

Activities involving delivering picture books to children is a continuation of the "Picture books as presents for kids in areas affected by the Great East Japan earthquake" initiative, and in FY2020 was held from October 22 to December 4. There were 1,499 books donated from throughout the group, which was a significant increase over the 508 books donated the previous year.

Picture books cherished by others in the past were delivered to facilities like kindergartens and nursing homes, where the recipients were overjoyed. Children were seen choosing their favorite picture books from the many delivered, with others heard saying "Our new facility has a shortage of picture books, so it is great to receive so many" and "The picture books are all so clean and of such high quality, and we want to let children read them as soon as possible."

Activities delivering picture books will continue being held as part of CSR efforts throughout the SENKO Group.



1,499 picture books were donated!



Children at the "Kitanakamoto Kindergarten" where the books were delivered



Residents of the special care nursing home "Seikazoku no ie"

Truck with Minamata City tourism wrapping

As part of tourism marketing efforts in Minamata City, Minami Kyushu Senko Co., Ltd. began running a truck wrapped with illustrations and local tourist sites (such as Yunoko beach park and Ecopark Minamata Rose Garden) drawn by Minamata cartoonist Hisashi Eguchi.

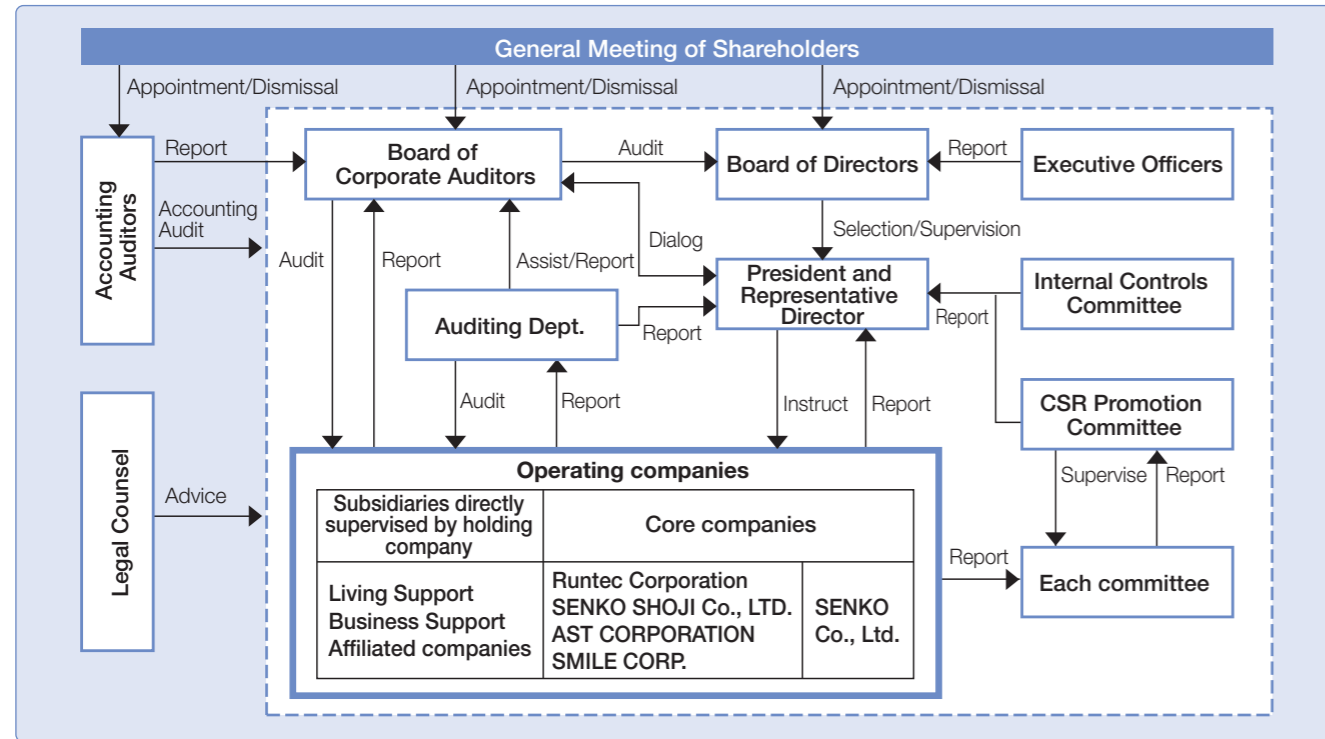
The departure ceremony was held by Minamata City on September 12, with approximately 60 guests participating in the event. The wrapped truck will tour around Japan. We will be taking an even more professional approach to our work while also playing a role in rejuvenating local communities.



Wrapped truck will promote Minamata City around Japan

Corporate Governance Approach and System

With businesses that nurture people and involves highly public work that supports people in their daily lives, 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.

Revisions to the Risk Guidebook

Revisions have been made to the "Risk Guidebook" that includes case studies of past risks, examples from other companies, and key points for risk management.

This information is used to better understand the dangers associated with running businesses, and for risk training to ensure that those risks do not escalate further.

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 core system shuts down to ensure that business systems can be maintained.

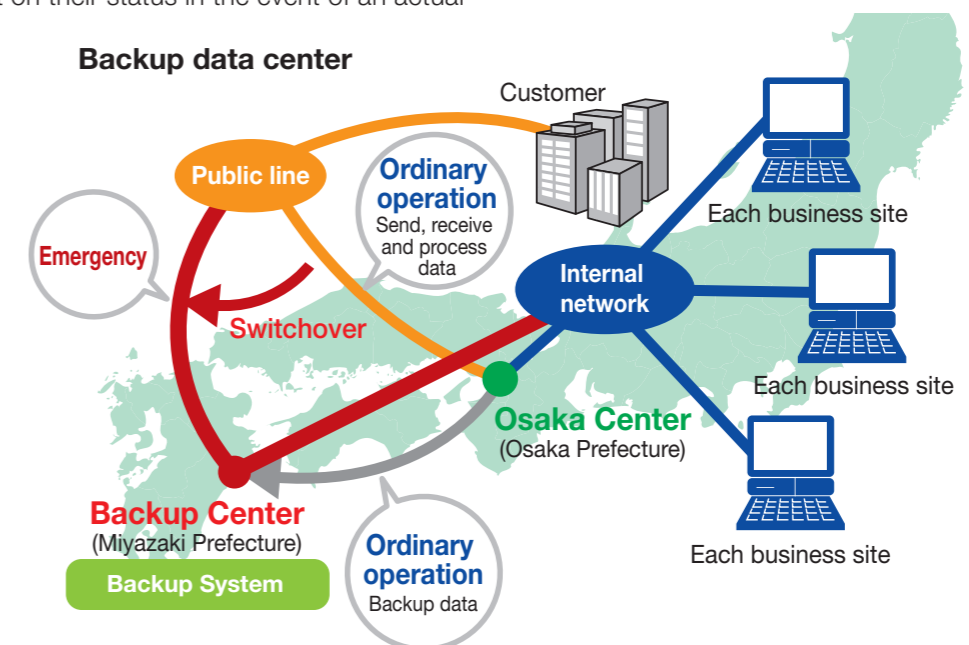
We have also developed our own system so if disaster strikes, employees can use their smartphones or other devices to report on their safety, to allow us to quickly check how the disaster may have affected employees. We also hold mock training for all group employees twice a year to ensure that they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

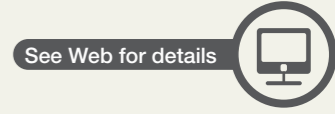
Tsunami Evacuation Training

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

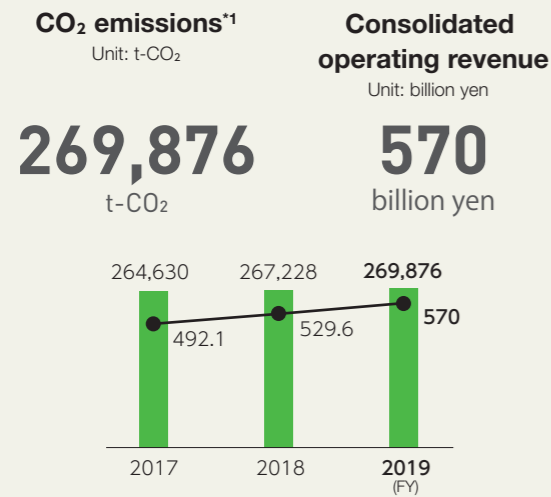


Firefighting training using water fire extinguisher

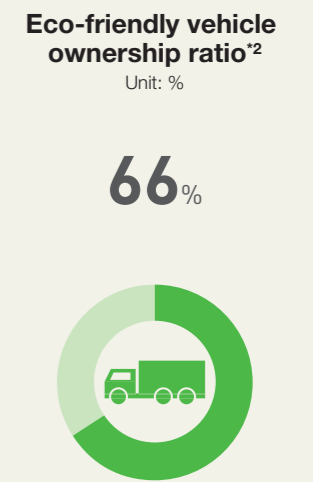
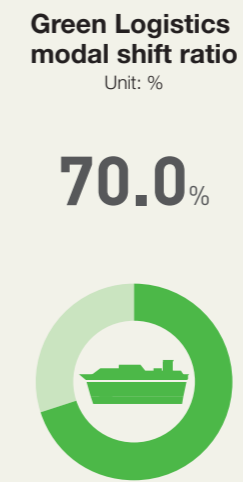
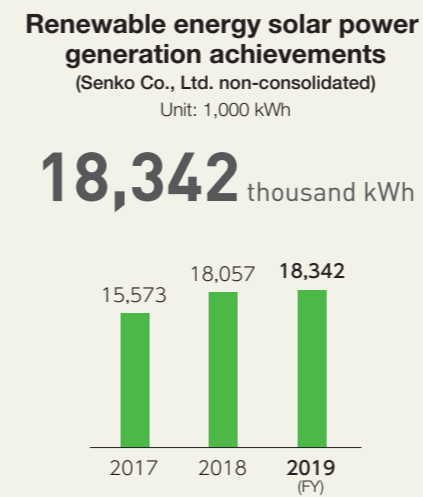
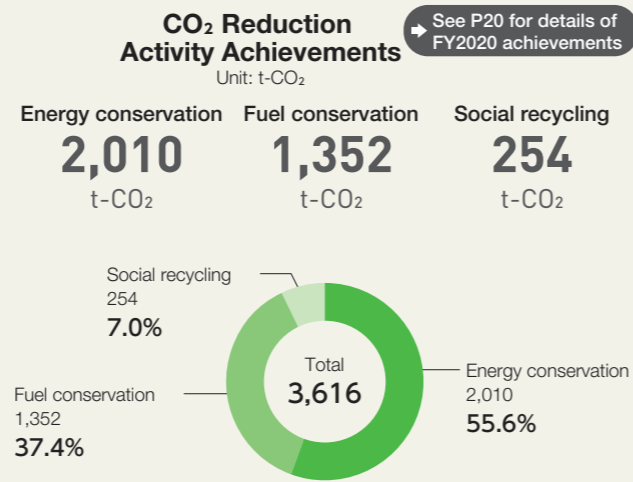




E nvironment

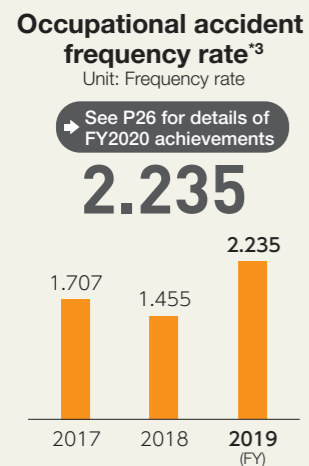


*1: Total of Scope 1 + Scope 2

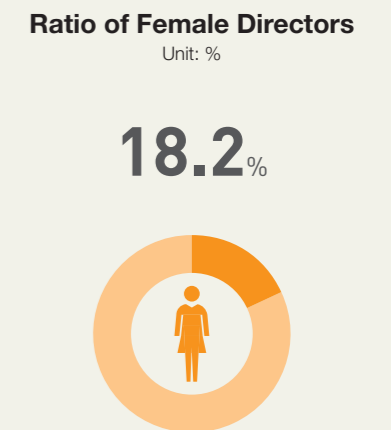
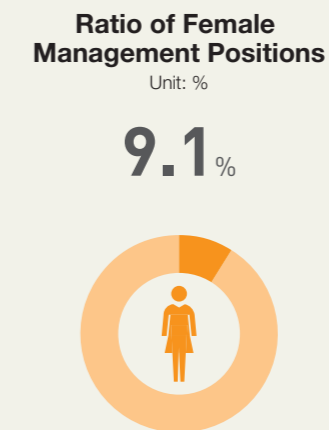
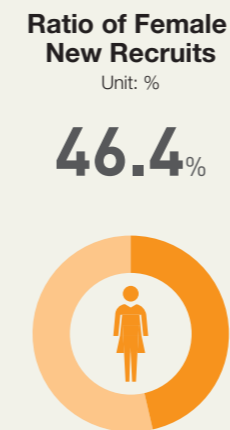
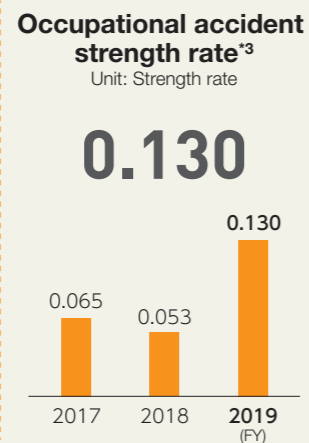


*2: Excludes private non-profit vehicles

S ocial

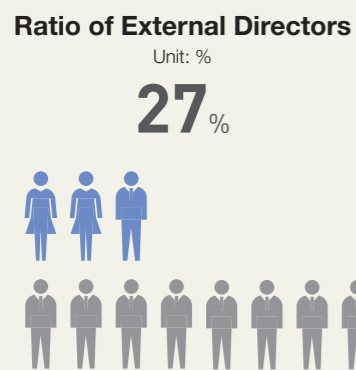


*3: Applicable scope (SENKO Co., Ltd., SENKO Group logistics companies)



G overnance

External assessment



Selected ESG Indexes

2021 CONSTITUENT MSCI Japan
ESG Select Leaders Index



2020 CONSTITUENT MSCI Japan Empowering
Women Index (WIN)

Certified as Outstanding Health and Productivity Management Organization (White 500)



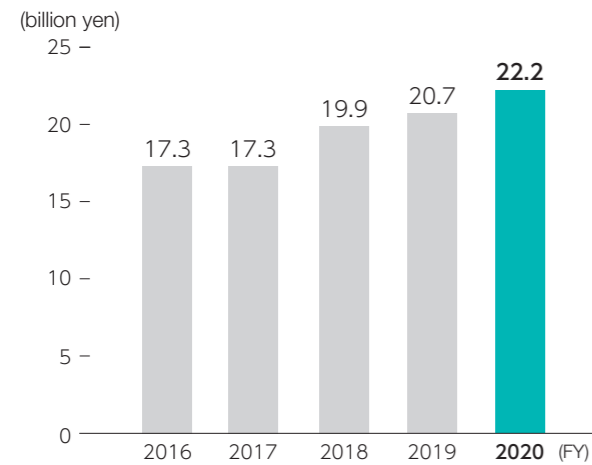
Corporate data

Company overview

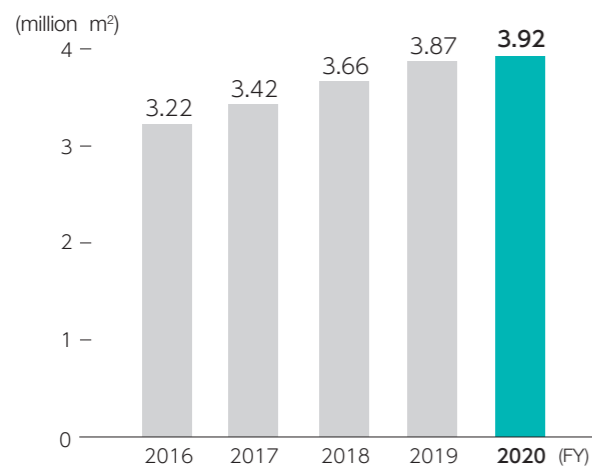
Current as of March 31, 2021
(Group Total)

Trade Name	SENKO Group Holdings Co., Ltd.
Capital	26,564 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	633 in Japan; 64 overseas
Employees	19,755
Vehicles	7,538 (including trailers)
Controlled Vessels	69
Logistics Centers	3.92 million m ²

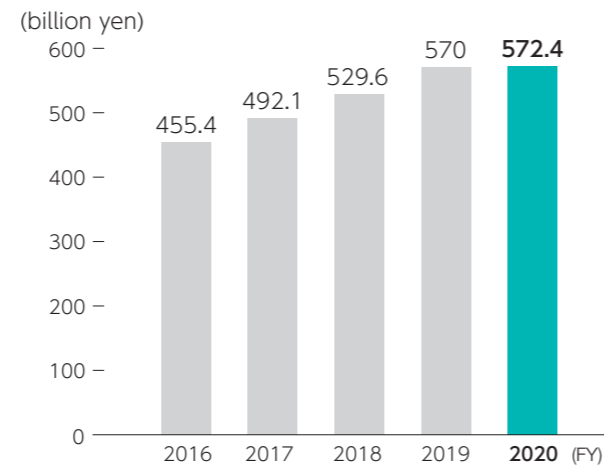
Consolidated ordinary profit



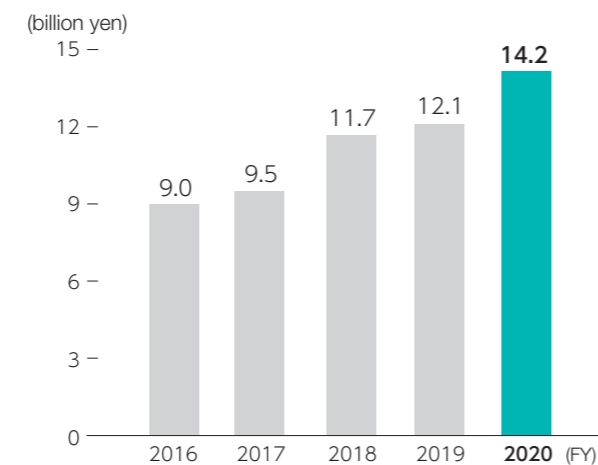
Total logistics center floor area



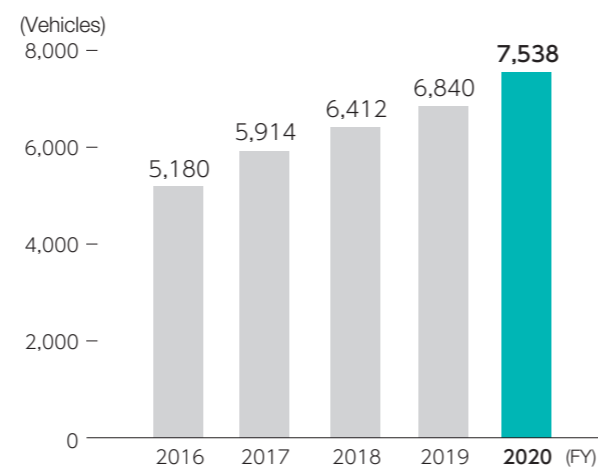
Consolidated operating revenue



Consolidated net income



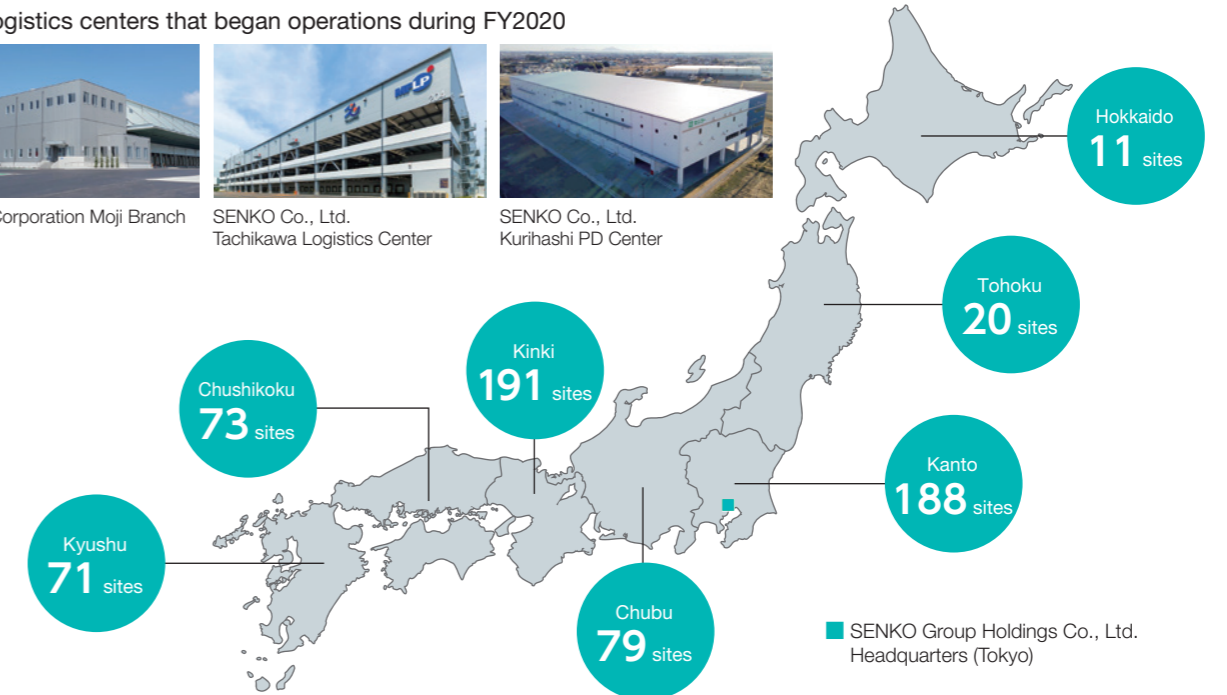
Vehicles (including trailers)



Business sites in Japan (633 sites)

Current as of March 31, 2021

Main logistics centers that began operations during FY2020



Business sites overseas (64 sites)

Current as of March 31, 2021

Main logistics centers that began operations during FY2020

