

Our Philosophy

Universal Mission and Vision

Corporate Group Creating Future Trends

As a corporate group fostering people and supporting people's lives, we contribute to achieve a genuinely productive global society by continuously challenging efforts to create new trends in terms of products and services that shift the future; centering on our physical and commercial distribution business.



Slogan

Our Thoughts into a Mission & Vision

Moving Global

Go beyond logistics
Make the world go round
Revolutionize business



Corporate Values

Values that should be shared with all our group employees (IP CReD)

Integrity

Passion

Commitment

Respect

Diversity

*In the abbreviation "IP CReD," "IP" means "maintaining identity," while "CReD" is Latin for "will, belief."

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Editorial Policy

In order to realize our vision, it is essential that we undertake corporate activities in accordance with thinking that leverages both financial and nonfinancial capital as well as timely, precisely targeted decision-making. We believe that it is also important that we disclose information about strategy and corporate activities in a spirit of good faith to earn stakeholders' understanding. In compiling this Integrated Report, the Group's first, we have sought to provide a multifaceted and comprehensive look at the SENKO Group's business activities, including not only financial information, but also ESG (environment, social, and governance) content. We're committed to fulfilling the imperative of accountability by disclosing information in a timely and appropriate manner through this report as well as our corporate website, securities reports, the SENKO Group Report, and other tools.

Reference Guidelines

International Integrated Reporting Council (IIRC, currently the VRF)
International Integrated Reporting Framework
SASB (Sustainability Accounting Standards Board)
Guidance for Collaborative Value Creation (Ministry of Economy, Trade and Industry)

Scope of Report

The scope of coverage includes the activities of SENKO Group Holdings Co., Ltd. and group companies.

Reporting Period

This report covers business activities for the period between April 1, 2021, and March 31, 2022. However, some activities that took place after April 2022 are also covered.

Disclaimer

The SENKO Group provides no guarantee concerning the outcome of the forward-looking statements in this report as they will be affected by various factors, including unforeseen changes in economic conditions.

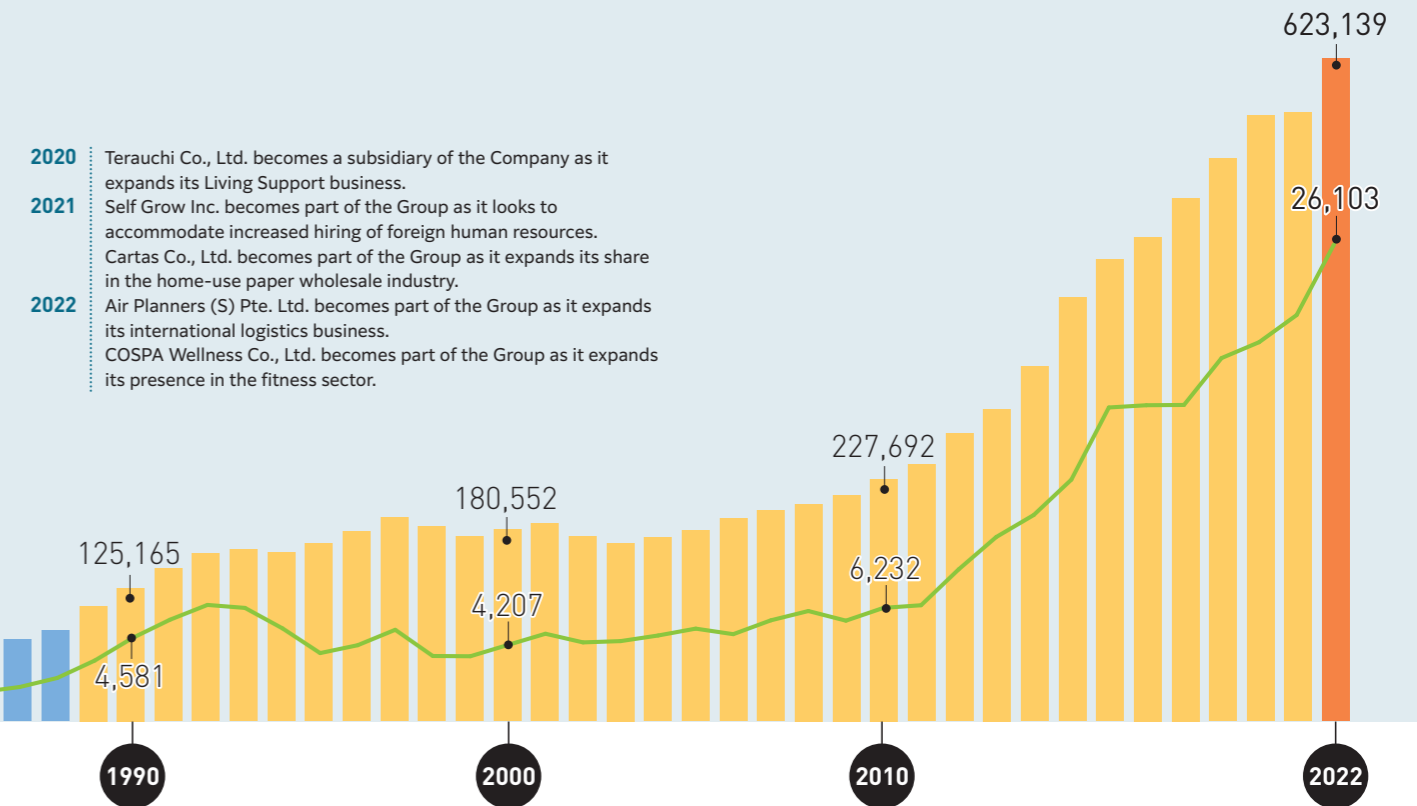
History of the SENKO Group

Embracing value creation beyond logistics Continuing to contribute to people's lives and the development of society

One century has passed since the founding of Tomita Shokai, the SENKO Group's forerunner, in 1916. The Group has expanded in both its businesses and its performance by embracing the challenge of pioneering innovation in every era. It transformed itself into a logistics and information company by introducing an operational system that integrates information and logistics. We continue to realize growth by pioneering businesses that contribute to people's lives and the development of industry and society, for example by providing services that integrates distribution and logistics and through our Living Support business, which meets the needs of contemporary society. As we look towards the next 100 years, the SENKO Group is more eager than ever to embrace challenges as it strives to resolve social issues and create new value through its businesses.

- 1916** Tomita Shokai is founded as a specialized distributor for Nippon Chisso Hiryo.
- 1946** SENKO Transport Co., Ltd. is established.
- 1961** The Company is listed on the Second Section of the Osaka Securities Exchange.
- 1965** The Company pioneers the introduction of computers in the distribution industry.
- 1970** The Company launches a distribution (logistics) consulting service.
- 1973** The Company changes its name to SENKO Co., Ltd.
- 1978** The Company makes a full-scale entry into the house moving business.
- 1980** The Company starts implementing comprehensive multi-functional warehouses (PD centers) with the opening of the Nanko PD Center in Osaka.
- 1985** The Company launches a delivery system for mass-merchandisers/retailers and a distribution business for chain stores.
- 1990** The Company is listed on the First Section of the Tokyo Stock Exchange.
- 1996** Crefeel Koto, a traffic safety and distribution training facility, opens in the city of Higashi Omi, Shiga Prefecture.
- 1997** The Company launches a logistics center business in Dalian, China.
- 2004** The Company enters the temping agency sector with the establishment of S-TAFF Co., Ltd.
- 2009** Tokyo Nohin Daiko Co., Ltd. becomes a subsidiary of the Company.
- 2011** Smile Corp. becomes a subsidiary of the Company.
- 2013** AST Inc. becomes a subsidiary of the Company.
- 2014** Runtec Corporation becomes a subsidiary of the Company as it makes a full-fledged entry into the cold logistics business.
- 2015** Laem Chabang Logistics Center opens in Thailand.
- 2016** Care Terrace Co., Ltd. becomes a subsidiary of the Company as it makes a full-fledged entry into the nursing care business.
- 2017** The Company changes its name to SENKO Group Holdings Co., Ltd. and transitions to a holding company structure. Nippon Marine Co., Ltd. and Eikichi Kaiun Co., Ltd. become subsidiaries of the Company as it expands its marine transport business. Skylift Consolidator (Pte) Ltd. becomes a subsidiary of the Company as it enters the international airfreight business. Blue Earth Japan Co., Ltd. becomes a subsidiary of the Company as it enters the fitness sector.

■ Non-consolidated revenue (millions of yen) ■ Consolidated revenue (millions of yen) — Ordinary profit (millions of yen)



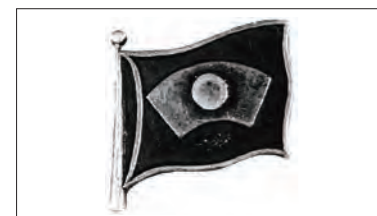
- 2020** Terauchi Co., Ltd. becomes a subsidiary of the Company as it expands its Living Support business.
- 2021** Self Grow Inc. becomes part of the Group as it looks to accommodate increased hiring of foreign human resources. Cartas Co., Ltd. becomes part of the Group as it expands its share in the home-use paper wholesale industry.
- 2022** Air Planners (S) Pte. Ltd. becomes part of the Group as it expands its international logistics business. COSPA Wellness Co., Ltd. becomes part of the Group as it expands its presence in the fitness sector.

1916

Founding of Tomita Shokai, the forerunner of SENKO

Tomita Shokai was established in 1916 as a specialized distributor for Nippon Chisso Hiryo, a chemical industry conglomerate. In 1941, the company name was changed to Nicchitsu Unyu, and became a subsidiary of Nippon Chisso Hiryo.

The post-war policy of breaking up corporate groups known as *zaibatsu* led to Nicchitsu Unyu being dissolved in 1946. The Japanese character for *sen* (fan) used in the name of the new company was a reference to one element in the logo of the former Nippon Chisso Hiryo, which showed a Japanese "rising sun" on a folding fan.



SENKO Transport's emblem at the time of its establishment

1950

Development and expansion of transport structures

In 1965, the company installed the first computer ahead of competitors, and in 1970 began to further bolster its information and proposal-writing skills, for example by consulting on distribution issues. In 1973, to express our determination to take on the challenges of businesses other than distribution, the corporate name was changed to SENKO Co., Ltd.



1980

Transformation into a comprehensive logistics company

In 1980, we began the nationwide expansion of PD centers, incorporating multiple functions such as storage, shipping, and distribution processing. In 1985, we started major home center operations.

In 1996, we opened Crefeel Koto, the Company's comprehensive training center for transportation safety and distribution in Shiga Prefecture. We have improved education for drivers and forklift operators, and are further boosting quality and productivity on site. In 1981, we had already established a local subsidiary in the United States, and in 1996 we opened our first distribution center in China as part of our full-fledged expansion overseas.



Crefeel Koto

2000

Transition from a comprehensive logistics company to a logistics information company

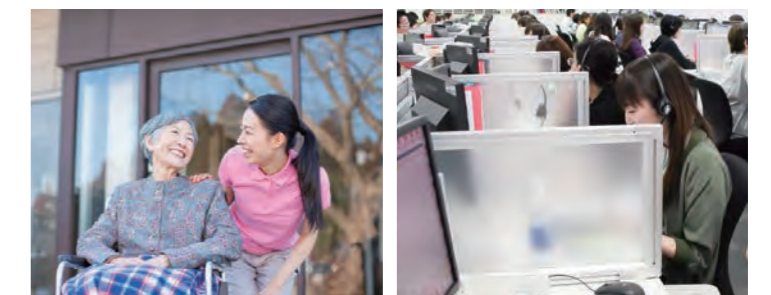
Expanded in Japan and overseas using logistic centers equipped with a range of capabilities, and significantly increased storage area. The Company also became fully active in M&As, welcoming companies with strengths in apparel/fashion and frozen/chilled shipping to the SENKO Group, in this way diversifying the logistics services it provides. Even in Trading & Commerce, the Company added trading company distributors and other companies to the SENKO Group and broadened its business domain, for example by providing integrated trading and logistics services.



2015

Becoming a group that creates the trends of the future

September 2016 marked the 100th anniversary of the Company. A new corporate philosophy was formulated to recognize the corporate name change to SENKO Group Holdings Co., Ltd. in April 2017 (as part of the transition to a holding company structure). In Logistics, in addition to increasing development of logistics centers overseas, we will move forward with plans to use automation and labor-saving technologies in these centers, while providing customers with high value-added distribution services. Also, we will strengthen new areas, such as Living Support, to build the third pillar of our company, in addition to Logistics and Trading & Commerce.



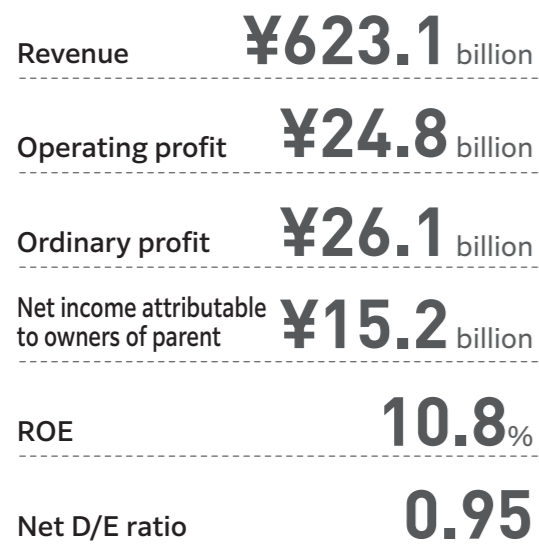
At a Glance

Delivering new value to people and society: Business development at the SENKO Group

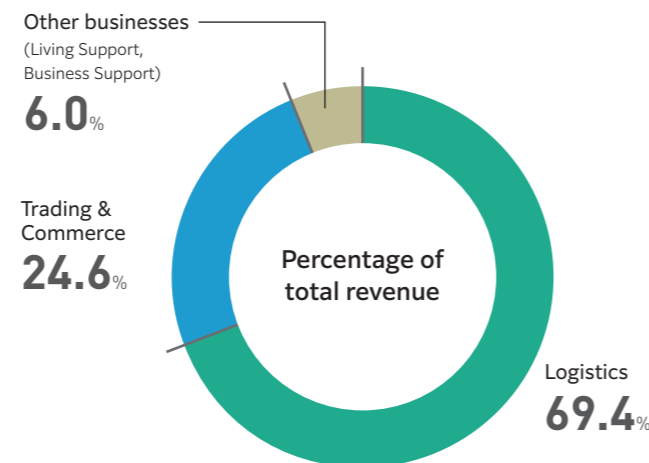
Building on the Logistics business, which comprises the basis for our growth, we're taking advantage of Group synergies to develop business that make a positive impact on society, for example through our Trading & Commerce business, which integrates distribution and logistics, and through our Business Support business, which provides advanced solution services. We're also creating and expanding businesses that deliver new value to people and society, for example by entering the Living Support business, as a group that provides support for people's lives.



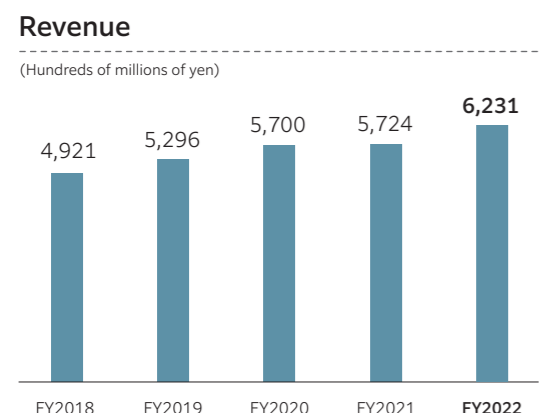
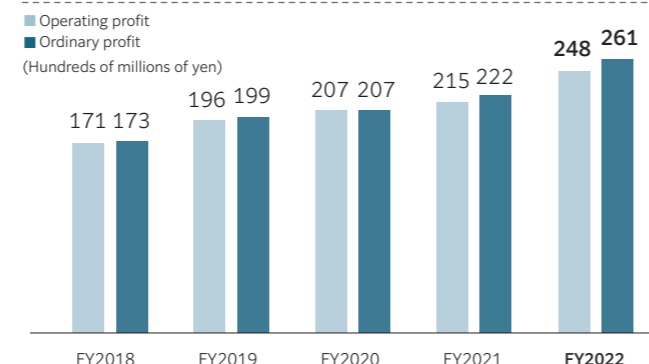
Principal business indicators



Breakdown of revenue

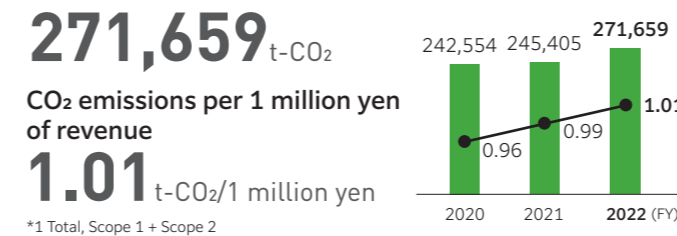


Operating profit and ordinary profit

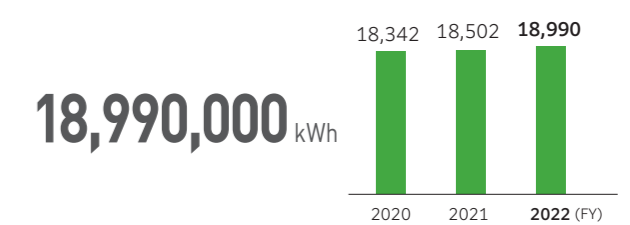


Environment

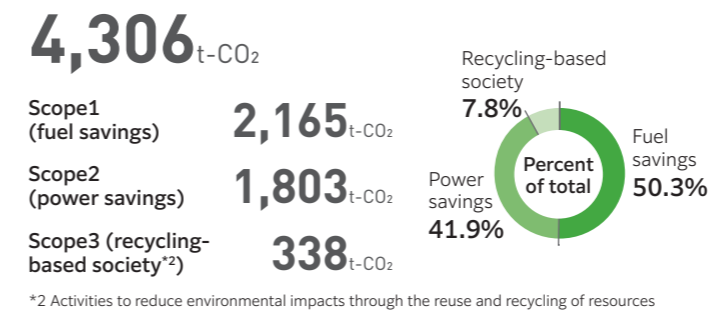
CO₂ emissions*1 (land transport business)



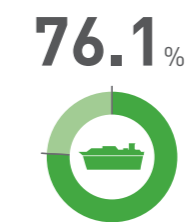
Renewable energy solar power generation



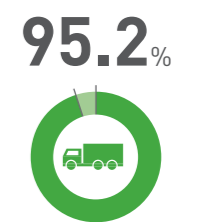
CO₂ reduction activity results



Green distribution modal shift rate

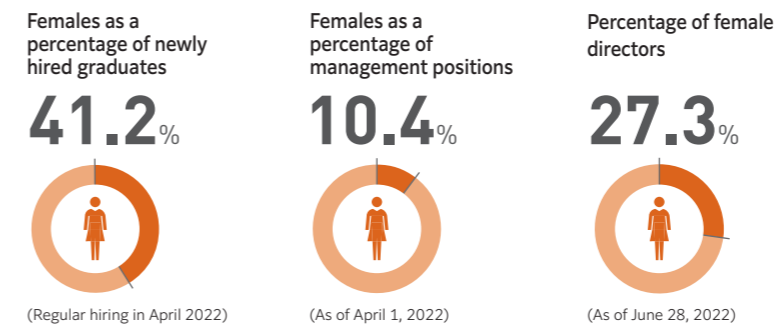


Environmentally friendly vehicles as a percentage of the fleet*3

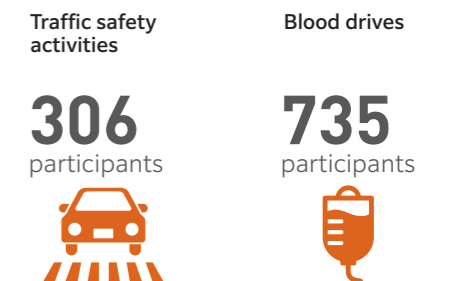


Social

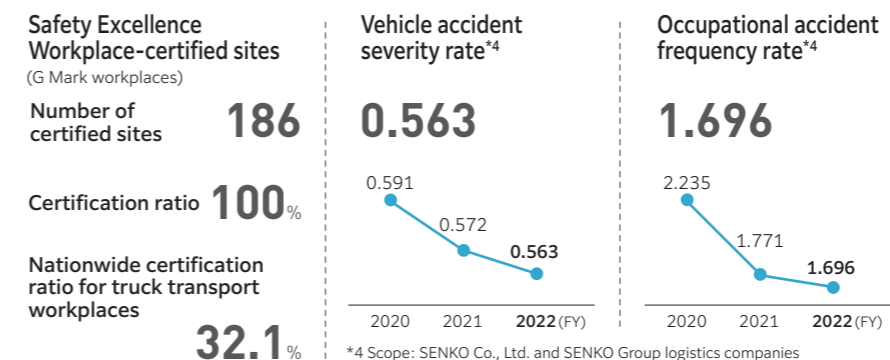
Diversity



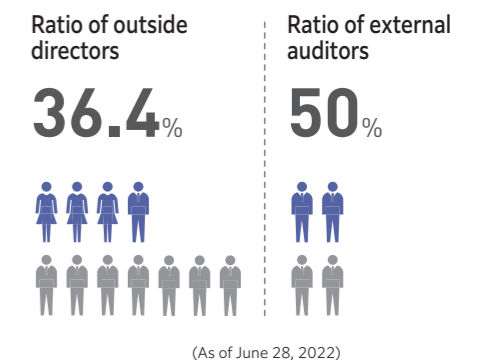
Social activities



Safety



Governance



ESG indexes for which SENKO has been selected

2022 Constituent MSCI Japan *5
ESG Select Leaders Index

2022 Constituent MSCI Japan Empowering *5
Women Index (WIN)



*5 Neither inclusion in MSCI indexes nor use of MSCI's logo, trademarks, service marks, or index names on this page should be construed to indicate the support, guarantee, or promotion of SENKO Group Holdings Co., Ltd. by MSCI or its affiliates. MSCI indexes are the exclusive property of MSCI. The names and logos of MSCI and its indexes are trademarks or service marks of MSCI and its affiliates.

Logistics Group

Combining proprietary strengths to provide new services that go beyond logistics

We provide logistics solutions that take advantage of our combined capabilities to customers in a broad range of industries and sectors, including distribution logistics for general supermarkets, drugstores, and apparel; housing and chemical logistics, both areas where we have a long track record of success; and food logistics, a market where we've built a nationwide network for cold (frozen and refrigerated) logistics.

In addition to providing stable shipping services through a natural disaster-resilient network served by our own ships, we've working to provide strategic logistics services in support of customers and business activities as a leading logistics environment company, for example through early support for green logistics.

Principal companies

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



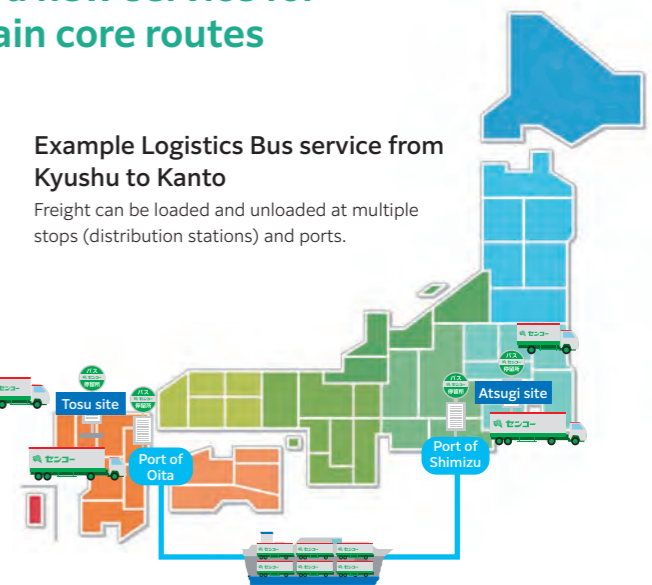
TOPICS

Helping solve issues in the transport industry

SENKO launches Logistics Bus, a new service for long-distance shipping on certain core routes

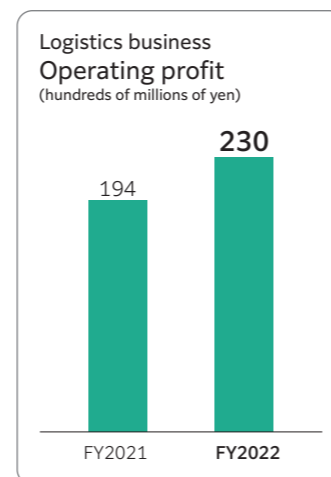
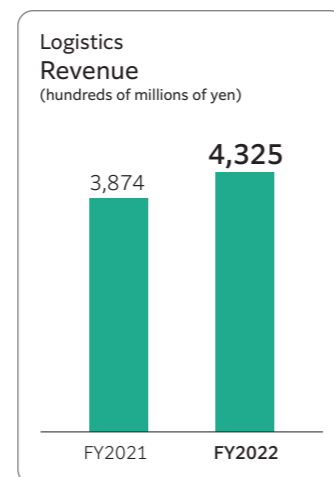
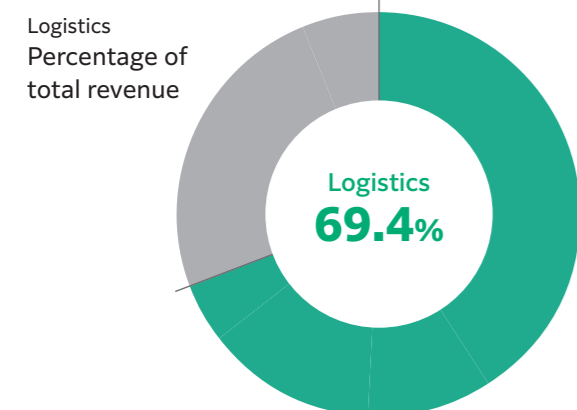
SENKO Co., Ltd. began operating Logistics Bus service between the island of Kyushu and the main island of Honshu (including the Kansai, Chubu, and Kanto regions). The service, which sells space based on customers' freight volume, is attracting attention as a highly convenient solution for long-distance shipping that allows cargo to be loaded and unloaded at multiple "stops" in the manner of an express highway bus.

Although it's becoming increasingly difficult to provide stable service for long-distance shipments that travel in excess of 600 kilometers each way due to factors including a driver shortage and workstyle reforms, SENKO offers stable shipping across a diverse range of channels that include a transportation system using cross-docking as well as truck, ship, and rail service. Our goal is to popularize the Logistics Bus system to help resolve issues facing the transport industry.



Business overview

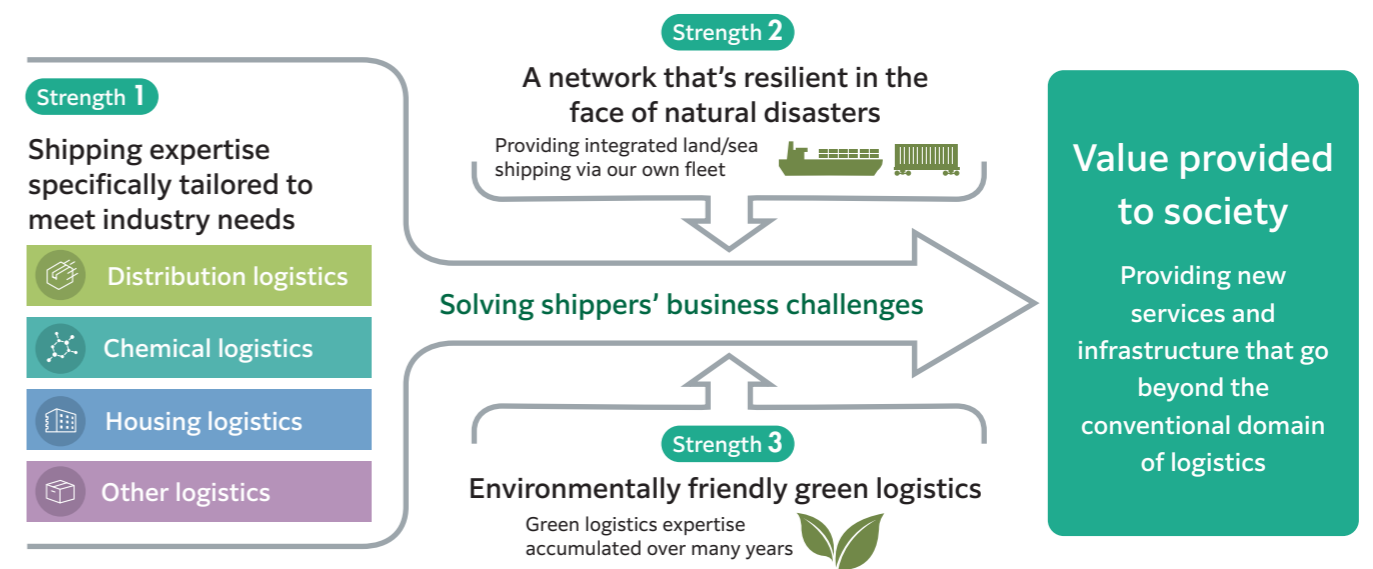
Despite the effects of rising fuel prices, we worked to promote services, lower costs, and boost productivity as the volume of goods, which had fallen dramatically due to the effects of the COVID-19 pandemic during the previous fiscal year, recovered. Revenue rose 45,188 million yen from the previous year to 432,538 million yen thanks to factors including contributions from M&As. Segment profit rose 3,615 million yen to 23,013 million yen.



Business strengths

Tapping proprietary strengths to provide new value to customers and society

The SENKO Group has accumulated extensive shipping expertise for different industries over more than 100 years since its founding. The quality of our logistics services is highly regarded. In addition, we're helping improve customers' corporate value by realizing efficient, low-environmental-impact shipping service through green logistics and an integrated sea/land modal shift, a proprietary capability of the SENKO Group, which operates its own fleet of ships.

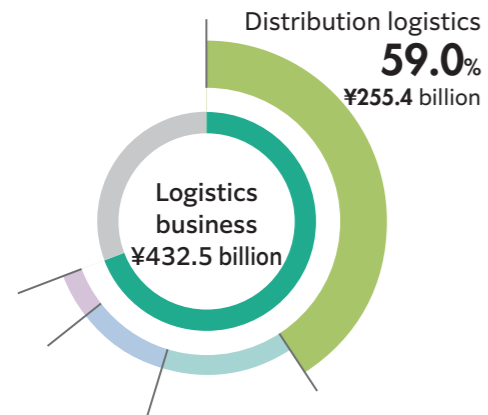


Logistics Group

Distribution logistics

Percentage of total revenue

59.0%



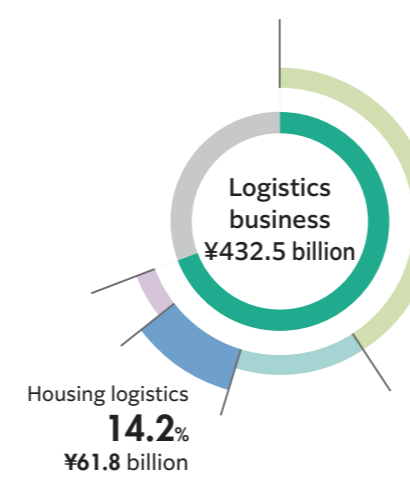
Mass retailers, retailers, food, fashion, etc.

Building on our logistics track record for chain store operators, we provide optimal logistics solutions for customers in every segment of the distribution industry. In fashion logistics, we provide seamless capability from overseas production to domestic retail with product management, logistics processing, and quality control (QC) operations.

Housing logistics

Percentage of total revenue

14.2%



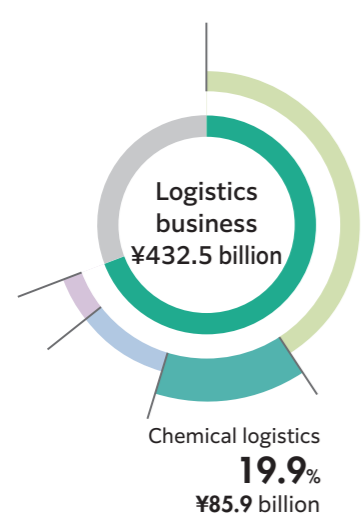
Homebuilder products, associated materials, etc.

Our housing logistics business has accumulated a leading track record as it's developed alongside progress in industrialized housing. We built TGC-J, a proprietary logistics system that integrates logistics and information. Moreover, we earn customer trust with a variety of services, including joint shipments, just-in-time shipments, and heavy-cargo delivery.

Chemical logistics

Percentage of total revenue

19.9%



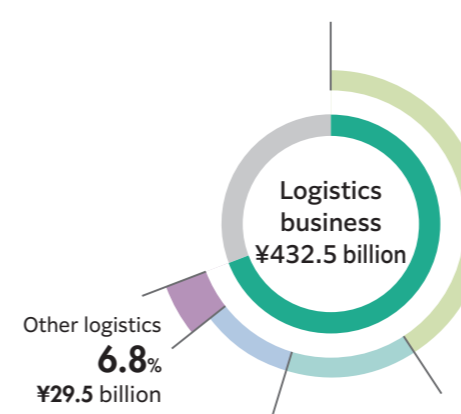
Resin raw materials, resin molded products, processed goods, etc.

Taking advantage of chemical logistics expertise accumulated since our founding, we offer a comprehensive range of operations, from raw material procurement to order processing, internal plant logistics, storage, and delivery. We also offer comprehensive outsourcing operations with planning and management department functions, for example creation of logistics budgets and development of supply/demand plans.

Other logistics

Percentage of total revenue

6.8%



Services for individuals and corporations, hospital relocations, etc.

We offer a pleasant moving experience designed to ensure peace of mind by directly connecting domestic and overseas facilities for individuals as well as office relocation and other services for corporations. We also leverage our logistics technologies in support of hospital relocations and patient transfers as part of a suite of reliable, fine-grained relocation services that ensure no interruption in hospital functions, earning high praise in the process.

Trading & Commerce Group

Operating a global Trading & Commerce business that integrates logistics and distribution in the pursuit of maximum efficiency

Our commerce business provides support for international transactions through the import and export of customers' products and raw materials.

In every business and area of operations, from the wholesale of alcoholic beverages and paper products to the sale of food and logistics-related products and the sale of fuel using fuel cards, we work to maximize efficiency by integrating logistics and information systems. Our goal is to create new businesses by connecting a diverse range of supply chains and businesses while moving beyond the framework of conventional logistics businesses.

Principal companies

SENKO Shoji Co., Ltd. / AST Corporaiton / Smile Corp. / AZFIT Co., Ltd. / Marufuji Co., Ltd. / SENKO International Trading Co., Ltd.



TOPICS

Creating a group of household paper trading companies to boost synergies

Striving to increase market share in the household paper wholesale industry through intra-group collaboration

In November 2021, we welcomed Cartas Co., Ltd., a household paper trading company headquartered in Chuo-ku, Tokyo, whose operations include the wholesale, planning, and sale of household paper and convenience goods, to the Group.

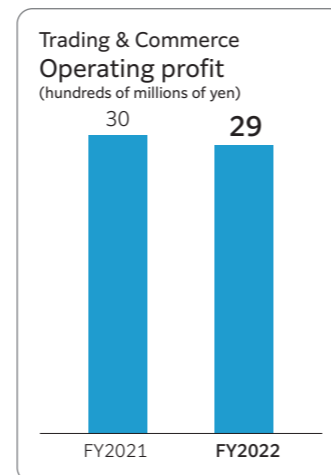
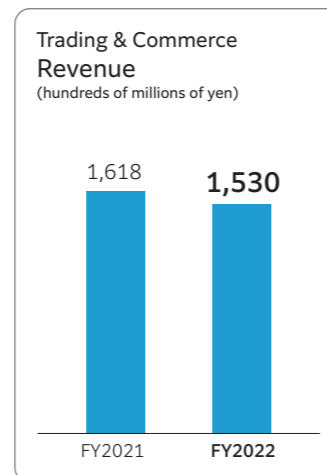
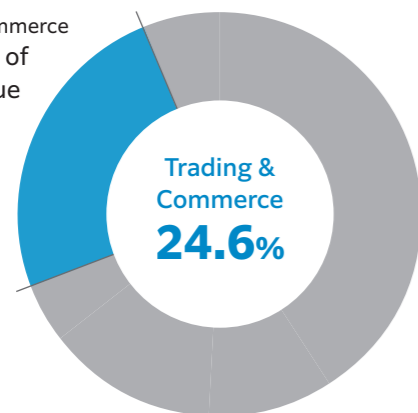
Group companies AST Corporation and AZFIT Co., Ltd. operate broad-reaching businesses in the household paper wholesale segment, and adding Cartas will serve to further accelerate synergies within the Group. By moving ahead with efforts to improve product development and price competitiveness and streamline logistics by taking advantage of delivery networks and expertise, we will expand our market share in the household paper wholesale industry while helping create pleasant lifestyles for consumers.



Business overview

Although we made AZFIT, a household paper products wholesaler, a consolidated subsidiary in April 2021 and worked to increase sales and reduce costs, revenue fell 8,770 million yen from the previous fiscal year to 153,049 million yen due to factors including the application of revenue recognition accounting and other related standards and increases in purchase price for fuel sales. Segment profit fell 130 million yen to 2,905 million yen.

Trading & Commerce Percentage of total revenue

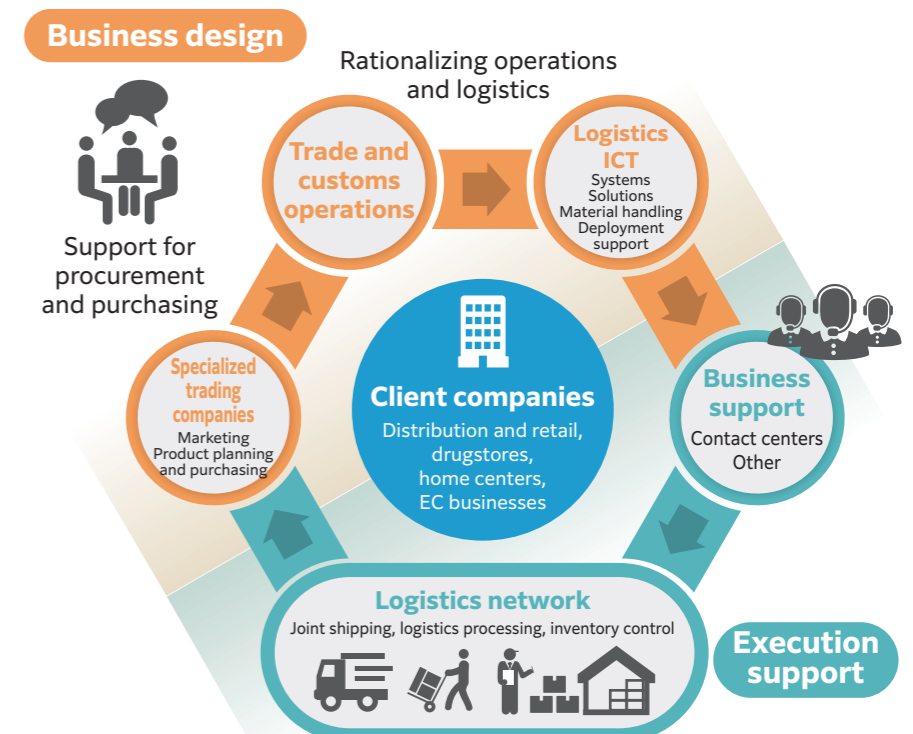


Business strengths

The SENKO Group's approach of integrating products and logistics connects customers to the world.

We discover business opportunities and procure products from a variety of suppliers. Taking advantage of Group companies' logistics expertise, we help craft and successfully execute business designs.

From production plants to small retail shops, we realize optimal supply chain management (SCM) through integrated logistics operations and proprietary, advanced IT systems. The SENKO Group's approach of integrating products and logistics in its businesses provides comprehensive support for customers' development of their businesses.



Living Support Group

Helping create communities where everyone can lead a fulfilling life with peace of mind by positioning ourselves close to consumers' lifestyles

We entered the Living Support business to meet social needs as a corporate group that supports people's lives. Group companies' businesses earn praise for contributing to the sustained development of local communities, including operating sports gyms and fitness programs that focus on health in an era when people are living into their 100s, providing nursing care and nursing services, operating agricultural businesses that contribute to regional industry and job creation (plant factories), and offering services in areas like housework and childcare.

Going forward, we'll work to expand our business domain and increase the sophistication of our services so that we can support consumers throughout their lives.

Principal companies

Care Terrace Co., Ltd. / Blue Earth Japan Co., Ltd. / Venus Co., Ltd. / Terauchi Co., Ltd. / Procure Co., Ltd. / Senko School Farm Tottori Co., Ltd.



TOPICS

Expanding our fitness business and nursing care services in the Kansai region

COSPA Wellness Co., Ltd. joins the Group

In July 2022, COSPA Wellness Co., Ltd. (formerly known as OG Sports Co., Ltd.) joined the Group. The company is striving to achieve new growth in the SENKO Group, which has a proven record in health-related businesses, particularly in the fitness space.

With the addition of a company that operates 62 facilities* in and around the Kansai region, including fitness, swimming, and tennis clubs, the Group will be able to expand the area served by its fitness business, develop new services in connection with its nursing care business, and otherwise strengthen its businesses in the health domain. We will continue to develop our Living Support business, which supports consumers' lifestyles.

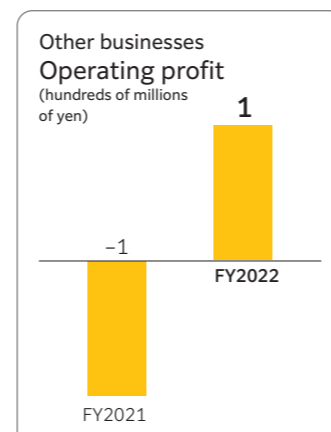
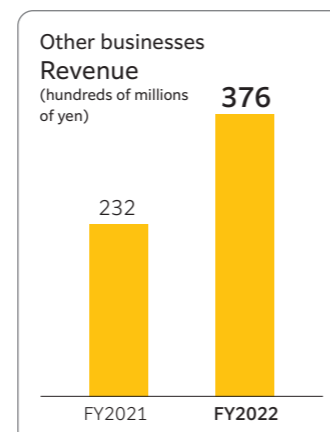
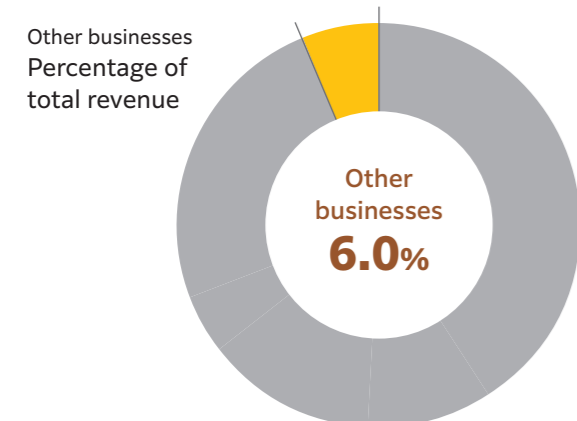
*As of April 2022.



Business overview

In our Living Support business, where we are working to expand the health, lifestyle, and food domains, we made Terauchi Co., Ltd., a membership-based general wholesaler and retailer, a consolidated subsidiary in January 2021. We also expanded our business domain by welcoming DIA Cleaning Co., Ltd., which operates cleaning and coin laundry businesses, to the Group in 2022.

Revenue in our "other businesses" category, which combines Living Support and Business Support businesses, rose 14,315 million yen from the previous fiscal year to 37,550 million yen thanks to the inclusion of new consolidated subsidiaries in the Group, increased sales, and reduced costs. Segment profit rose 161 million yen to 99 million yen.



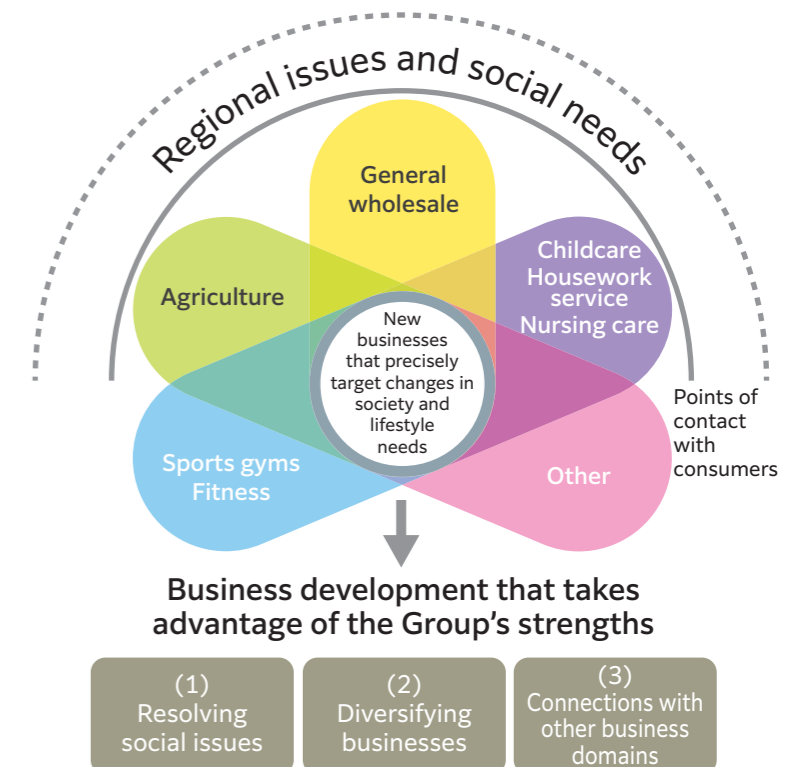
*Until FY2022, the Living Support and Business Support business results were reported under the "other businesses" category.

Roles of the business

Responding to social needs: Putting down local roots and supporting consumers' lifestyles

In our Living Support business, we strive to identify trends in society and discover new social value. The SENKO Group is committed to making a positive impact on society by redoubling investments centering on businesses related to health, lifestyles, and food in a way that meets contemporary social needs.

We will also accelerate the creation of businesses and new services that fit into consumers' lives while maximizing synergies with group companies. In this way, we will contribute to the extension of health lifespan, enrich nursing care and social welfare, and realize sustainable local communities.



Business Support Group

Optimizing logistics through solution consulting, ICT support, and other services while creating logistics services that increase customers' corporate value

To realize an optimal logistics system that accommodates a diverse array of customer needs, we're developing a logistics consulting business as well as an information systems business that develops and administers IT solution systems.

We're also enhancing business process outsourcing (BPO) services that let businesses outsource certain operations, for example contact center operations, for staffing agencies and mail order businesses. These services provide omnidirectional support for customers' business activities, for example by resolving issues like labor shortages and allowing them to focus on core operations that create value.

Principal companies

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



TOPICS

Expanding employment of foreign workers and supporting mastery of technical skills

Welcoming a foreign worker staffing business to the Group to meet societal demand

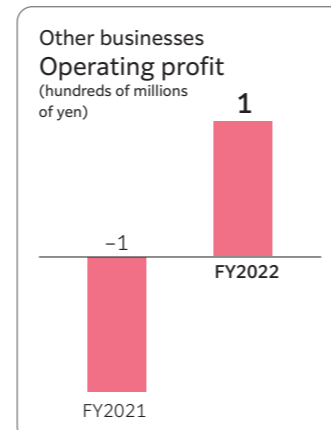
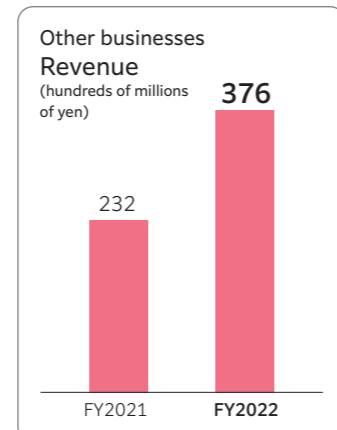
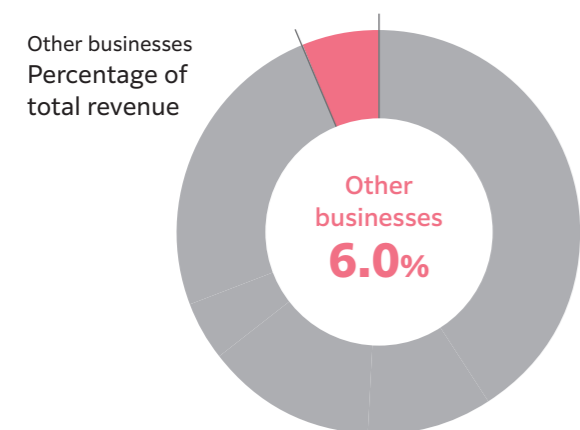
As a result of welcoming Self Grow Inc., a Showa-ku, Nagoya-headquartered company that operates a foreign worker staffing business with facilities in the Kanto region and Aichi Prefecture, to the Group, we'll be able to meet growing demand for foreign worker staffing services as Japan's labor population shrinks. We'll grow our foreign worker skill mastery and staffing business by taking advantage of the expertise of Self Grow, which provides employment support such as training for technical interns to a unique customer base including machinery and food manufacturing companies, nursing care facilities, and hospitals, to augment the staffing business currently operated by group company S-TAFF Co., Ltd. In addition, we're working to utilize group companies' management resources to expand the scale and geographic coverage of our training business, for example by offering training for technical interns through Crefeel Nagareyama (in Chiba Prefecture), an in-house training facility.



Business overview

In addition to expanding our business domain by welcoming Self Grow Inc., which offers foreign worker staffing and training services, to the Group, we launched real estate businesses founded on new schemes, for example by loaning logistics facilities developed and built by the Group to group companies.

Revenue in our "other businesses" category, which combines Living Support and Business Support businesses, rose 14,315 million yen from the previous fiscal year to 37,550 million yen thanks to the inclusion of new consolidated subsidiaries in the Group, increased sales, and reduced costs. Segment profit rose 161 million yen to 99 million yen.



*Until FY2022, the Living Support and Business Support business results were reported under the "other businesses" category.

Business strengths

Offering overall optimization for customers' business activities (value chains)

The SENKO Group is uniquely capable of offering comprehensive proposals outlining optimal supply chain management (SCM) that integrate logistics, information, and distribution. We support the streamlining of management through outsourcing of business processes and various issues encountered in the course of pursuing business activities. We offer a diverse array of high-quality solution services, including staffing, technical training, ICT support, and business site acquisition.

