



March 14, 2025

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Action to implement management that is conscious of cost of capital and stock price (Update)

As announced on June 28, 2023, we have been working to realize management that is conscious of the cost of capital and stock price. There have been no changes to our policies, targets, initiatives, and timing of implementation disclosed in this report. However, we are pleased to inform investors that we have resolved to update the disclosure content at the board of directors meeting held today in order to deepen their understanding of our current status and initiatives. We will continue to strive to achieve the goals set out in our medium-term management plan ending March 2027 in order to further increase our corporate value.

For details, please refer to the attached document” Action to implement management that is conscious of cost of capital and stock price (Update)”

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

**Action to implement management that is conscious of
cost of capital and stock price (Update)**

March 14, 2025



**Toward the realization of management that is conscious of
cost of capital and stock price**



Overview of initiatives to enhance corporate value direction of related measures

①

- Analysis of factors contributing to enhancement of corporate value and direction of initiatives
- Specific approaches to enhancing corporate value

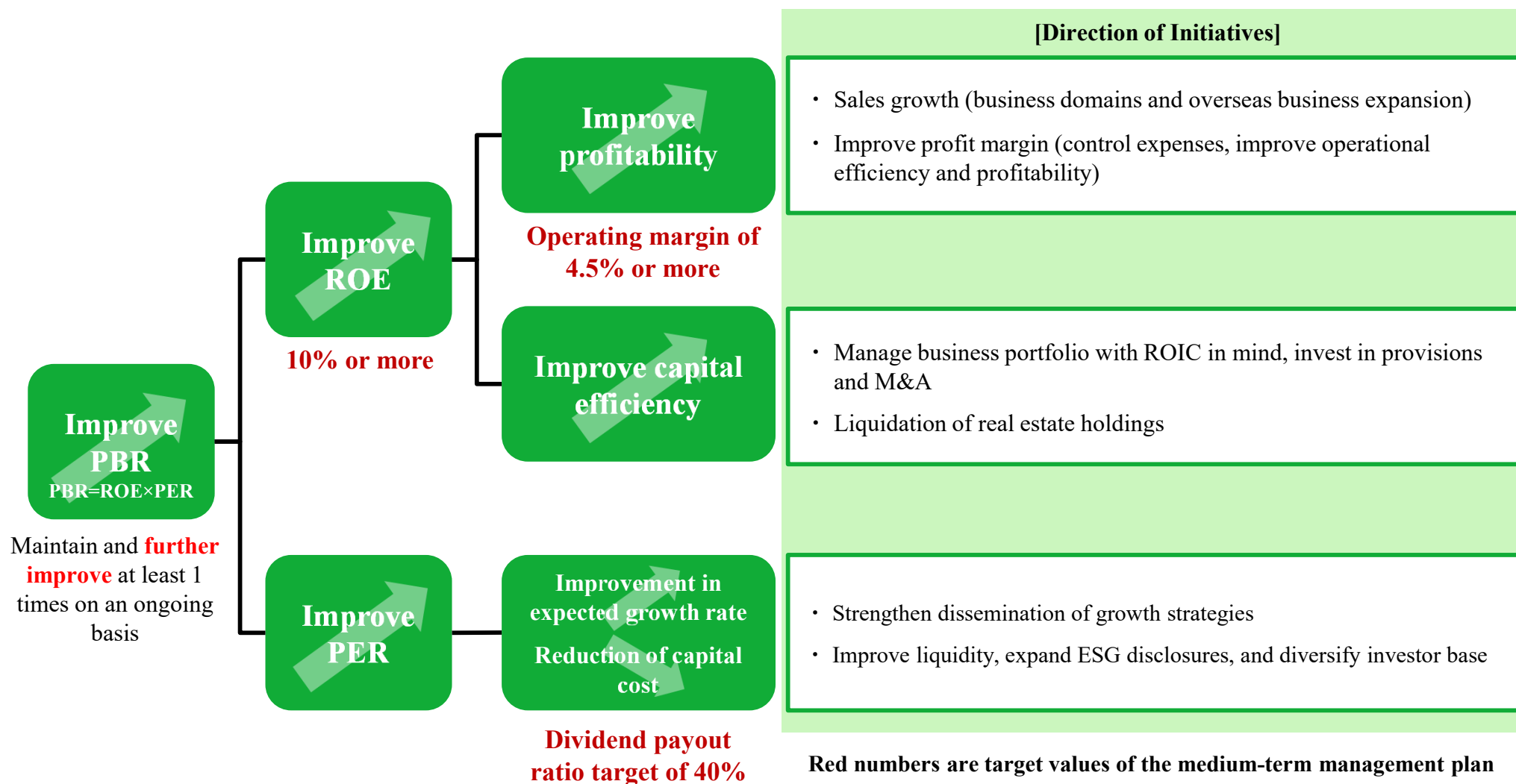
②

- One of the directions we are taking, we have set portfolio management as our focus, and we will explain the direction of our business and the background and examples of our efforts.

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- Direction of funding and use of funds (Capital allocation) for business activities

In addition to enhancing profitability and capital-efficiency and improving ROE while maintaining financial soundness,
Strengthen dissemination of growth strategies and aim to continuously increase corporate value



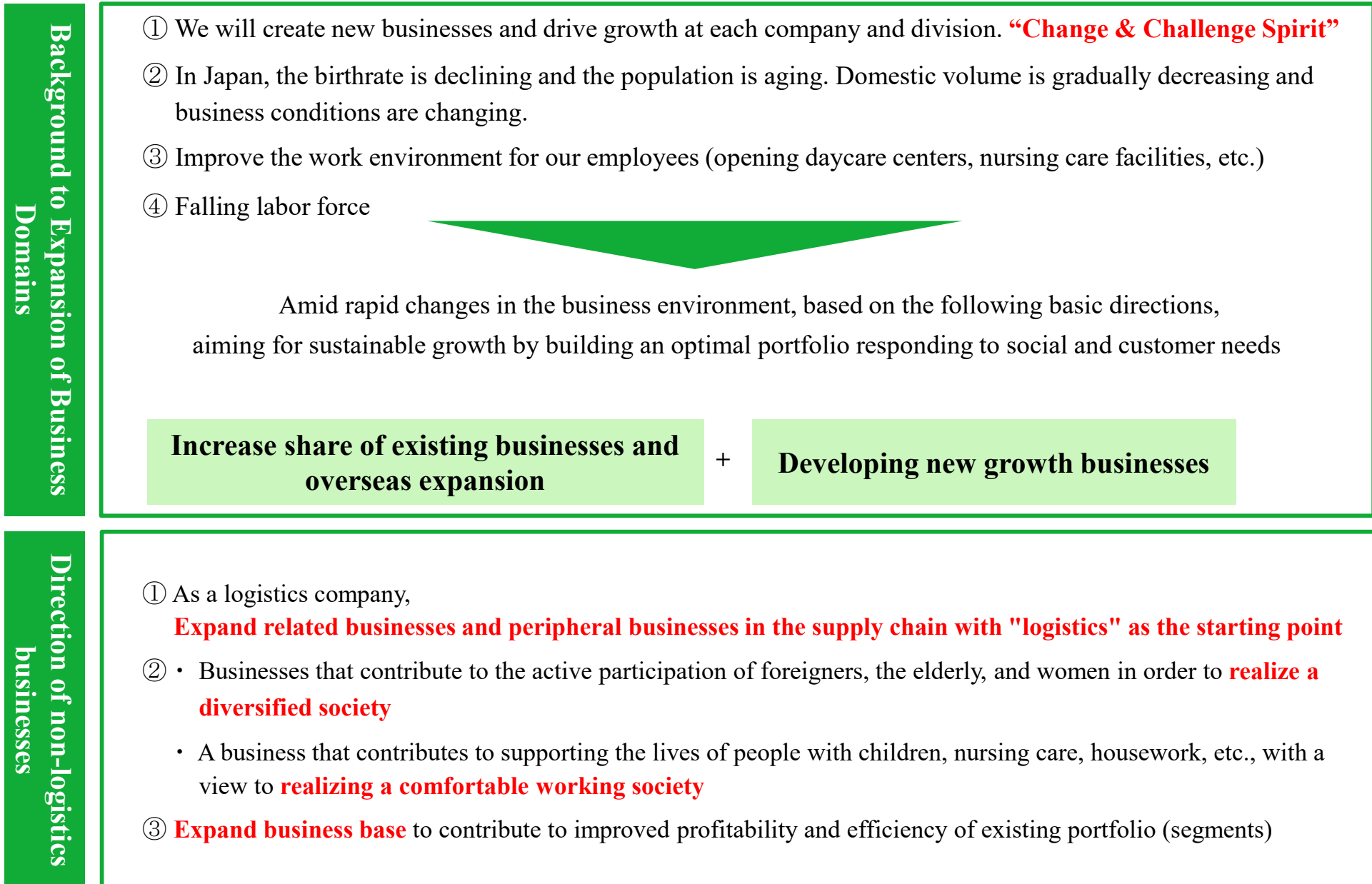
Mission (universal mission)

As a corporate group that nurtures people and supports people's lives, we will move the future with logistics and commercial distribution businesses at the core.

We will contribute to the realization of a truly prosperous global society by taking on the challenge of creating new trends in services and products.



(1) Business direction



(2) Approach to M&A target companies (businesses)

- ① Increase market share of logistics business within industry and expand overseas
- ② Logistics-related business (sales of logistics equipment, business support (personnel recruitment and logistics systems), etc.)
- ③ Companies with logistics issues (improve profitability by improving logistics)
- ④ Businesses that contribute to diversity and support people's lives

(3) Operation and management of business portfolio

- ① Regular discussions at meetings of the Board of Directors
- ② Verification of Investment Efficiency by the Investment Committee
- ③ Alignment with corporate philosophy and long-term vision
- ④ Verification of relationships between logistics businesses and other businesses (see actual examples on next page)
- ⑤ Consider exiting or selling businesses that are difficult to improve profitability

(4) Examples of related results between logistics businesses and other businesses

Initiatives among logistics businesses

- ① Incorporate customers' dry product logistics for frozen refrigeration logistics (food manufacturer)
- ② Support for overseas expansion by domestic customers
- ③ Promotion of modal shift (shipping) by domestic customers

Logistics-related business initiatives

- ① Trade Business (incorporating international logistics-related commercial distribution business)
- ② Retail sales of household tissue to logistics customers
- ③ Business support (real estate, temporary staffing, logistics information systems, logistics consulting, etc.)
- ④ Trading business (sale equipment, sales of packaging materials, etc.)

Initiatives to secure human resources

- ① Creating an environment where people can work (nursing care, childcare, cleaning, etc.)
- ② Dispatch of foreign workers to logistics sites
- ③ Our group's human resource development and education (Crefeel Koto, etc.)

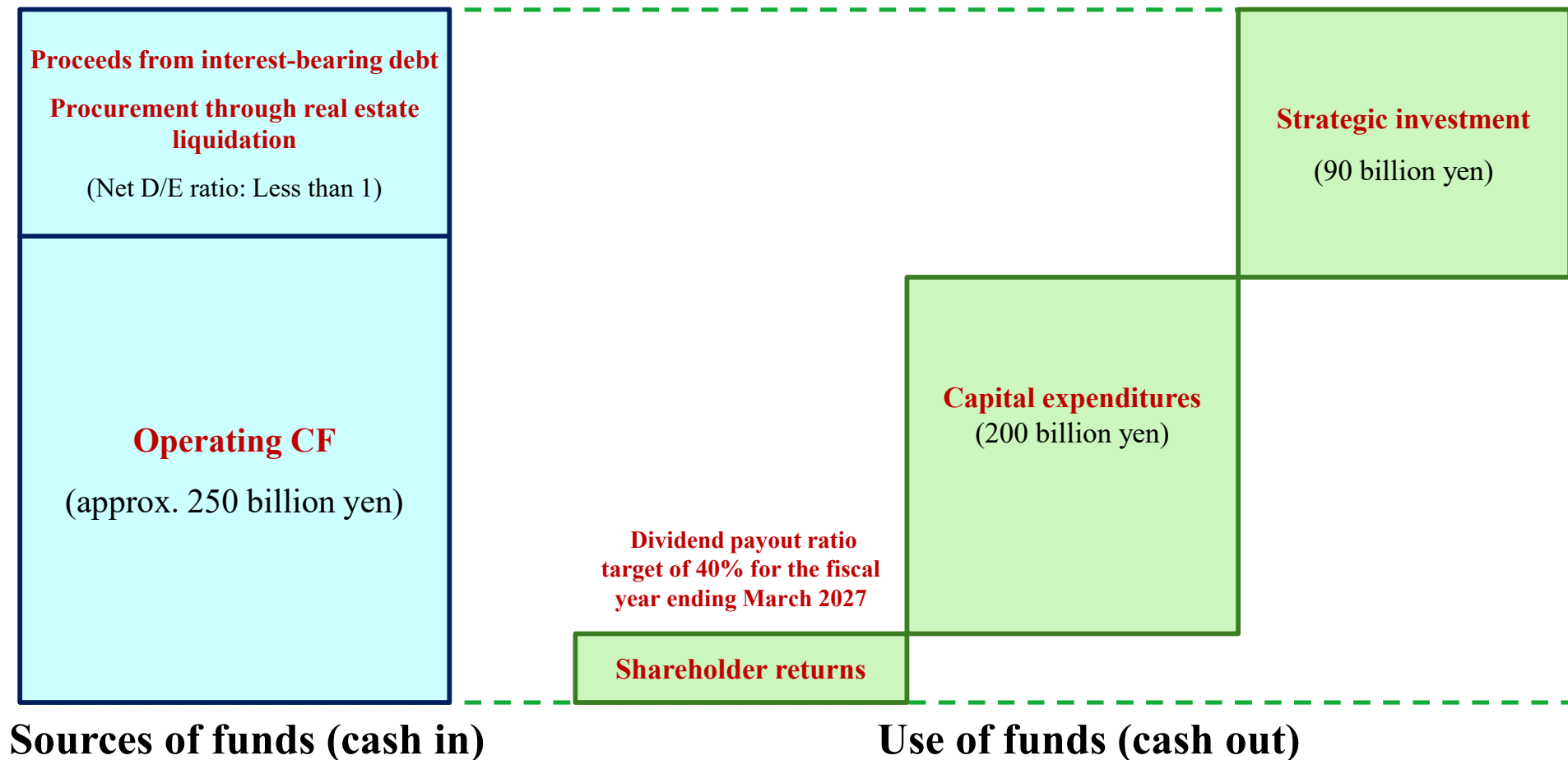
Improve profitability by improving logistics

- ① Capture logistics business of trading business
- ② Integration of logistics by three paper wholesalers (ongoing)
- ③ Efforts to improve logistics in the product business (ongoing)



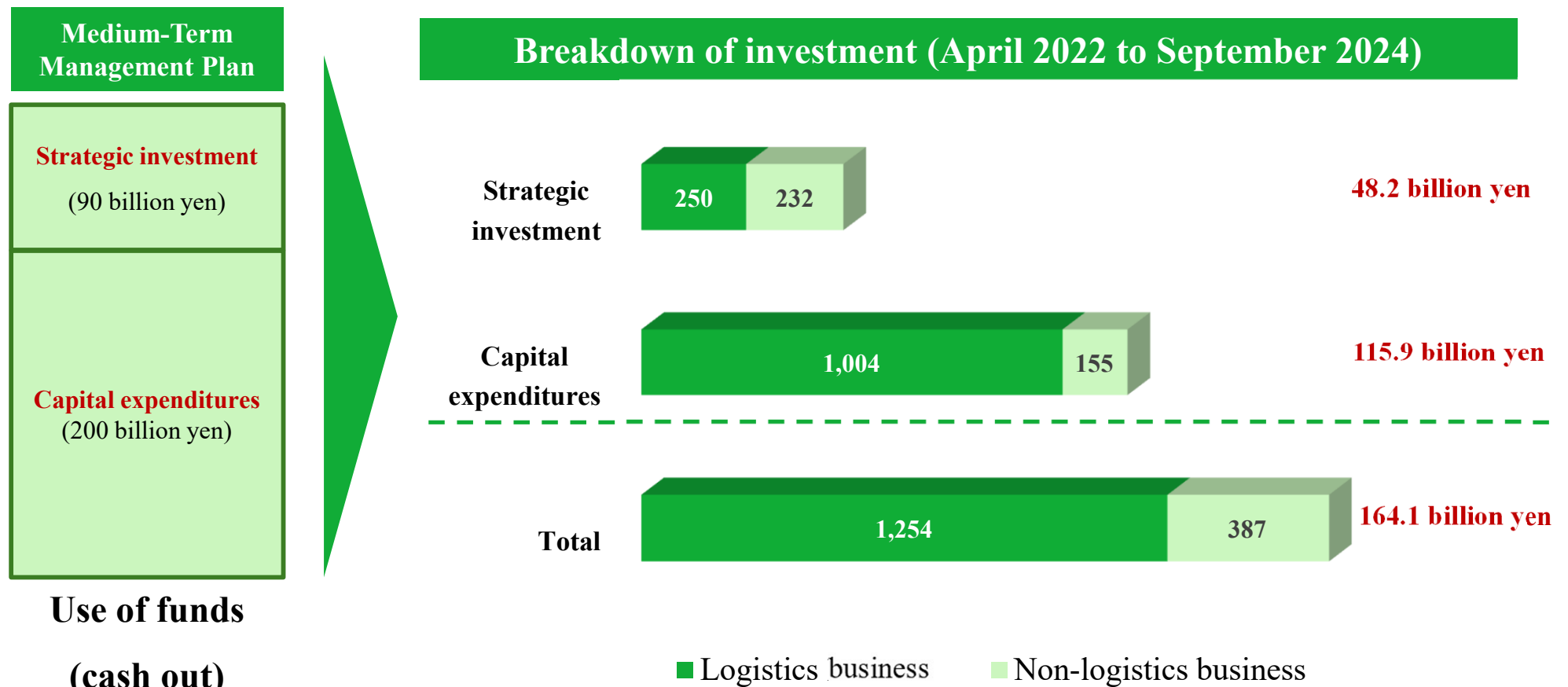
Maximize synergies within the group by strengthening and deepening ongoing initiatives

- Under the current medium-term management plan, while **securing stable dividend funds**, the Company plans to **invest ¥90 billion in strategic investments, including capital expenditures of ¥200 billion and M&A**.
- In addition to business CF, the company plans to secure funds by **securing interest-bearing debt and securitizing real estate holdings** (ensuring financial soundness with a net D/E ratio of less than 1 times).



Breakdown of uses of funds

- **Investment of ¥115.9 billion was completed by the end of September 2024** in response to the planned capital investment of ¥200 billion.
- In addition to investing in large-scale logistics centers, we are investing primarily in expanding and maintaining vehicle power, and introducing labor-saving equipment.
- In strategic investment, **¥25 billion was invested in M&A of logistics business and ¥23.2 billion in M&A of non-logistics business.**



Moving Global

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

- The numerical targets and future forecasts contained in these materials are based on our judgment based on information available at the time of publication. Potential risks and uncertainties are included. Accordingly, actual results are stated due to changes in various factors. Please be aware that this could differ from the forward-looking statements.