

Build a logistics system for frozen and refrigerated products in China

SENKO and Runtec agree to establish a JV with SINOTORANS AIR

SENKO Co., Ltd. (*SENKO*) together with Runtec CO.,LTD., one of the SENKO group companies running frozen and refrigerated logistics business, have entered into a Letter of Intent for joint venture contract to establish a new company with SINOTORANS AIR TORANSPORTATION DEVELOPMENT CO.,LTD. (*SINOTORANS AIR*), a Chinese state-owned company offering air cargo transportation services effective December 22, to do frozen and refrigerated logistics business.

Currently, SENKO is making efforts for strengthening its global logistics business with its corporate slogan "Moving Global" while working on three-temperature-zone logistics business with Runtec, which joined SENKO group last year, by taking advantage of the two companies' strengths.

On the other hand, SINOTORANS AIR runs a logistics business including consigned air cargo transportation services in China, and as a state-owned company, is working on the study on approaches to rapidly increasing demand for frozen and refrigerated logistics in China.

Taking advantage of this opportunity of establishing a joint venture, the three companies will work on the building of a high-quality frozen and refrigerated logistics network by leveraging SENKO's on-site capabilities, Runtec's technology and know-how of frozen and refrigerated logistics and SINOTORANS AIR's hubs and land owned in China.

The joint venture will be established in February next year, and frozen and refrigerated logistics center will be launched in the location in vicinity to Shanghai Pudong International Airport in July 2017, followed by total eight frozen and refrigerated logistics centers to be established in major cities in China by 2024.



From the left in the front row: President Fukuda (SENKO); General Manager Zhang Miao (SINOTORANS AIR); and President Takiuchi (Runtec)

<Overview of the joint venture company>

Month/year of establishment: February 2016 (scheduled)

Location: Pudong New Area, Shanghai

Capital: 10 million yuan (approximately 190 million yen)

Investment ratio: SINOTORANS AIR (50%);
SENKO (25%); and Runtec (25%)

Period of the JV: For 20 years from the establishment of the company

Board of Directors: SINOTORANS AIR: 4 persons;
SENKO: 3 persons; and Runtec : 1 person

Management: SENKO group: General Manger 1 person; Deputy General Manager 1 person
SINOTORANS AIR: Deputy General Manager 1 person

<Overview of the companies to establish a JV>

	SINOTORANS AIR TORANSPORTATION DEVELOPMENT CO.,LTD.	SENKO CO.,LTD.	Runtec Corporation
Establishment	October 1999	July 1946	July 1953
Representative	Chairman Zhang Jianwei	President & CEO Yasuhisa Fukuda	President & CEO Sadao Takiuchi
HQ	Tianzhu Road 20, Zone A, Tianzhu Airport Industrial Zone, Shunyi	1-30, Oyodonaka 1-chome, Kita-ku, Osaka	4-26, Komondomachi, Hakata-ku, Fukuoka

	District, Beijing		
Capital	950 million yuan	24 billion and 11 million yen	519 million yen
Sales	4.17 billion yuan	398.4 billion yen (as of March 2015)	42 billion yen (as of March 2015)
Detailed business	<ul style="list-style-type: none"> • Consigned air cargo transportation service • Express postal service; and integrated logistics business 	<ul style="list-style-type: none"> • Truck transportation business; • Warehouse business; • Distribution processing business; and others 	<ul style="list-style-type: none"> • Truck transportation business; • Forwarding business; • Warehouse business; and others

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