

Message from the Chairman

Achieving solid growth based on a strategy with a view to the next generation

Representative Director and Chairman of the Board
Takanori Ono



Launching a new system designed for the future

In June 2024, the Company took its first step toward reforms by transitioning to a new system under President Nagata's leadership. President Nagata has accumulated many years of experience on

overseas assignments with me, and possesses an extensive personal understanding of the importance of developing businesses overseas. In addition to his substantial achievements in the international transportation divisions, he has been deeply involved in internal strategy as a manager in charge of management planning. With experience in both sales and administrative divisions, he brings a well-balanced perspective that encompasses on-site and management

aspects of the business. Ever since his appointment, he has taken advantage of this experience to steadily advance reforms centered around the Fifth Medium-Term Business Plan.

I have entrusted all matters relating to execution of business operations to President Nagata, and am focusing on supporting overseas development. Drawing on a total of 12 years of experience on overseas assignments, I am working to bring to fruition the seeds I sowed during my own time as president by accelerating the commercialization of our overseas bases. In addition, I serve as Chairman of the Osaka Warehousing Association inc., Vice-Chairman of the Japan Harbor Transportation Association, Vice-Chairman of the Japan Warehousing Association inc., and Director of the Japan Association for Logistics and Transport. To promote the sound growth of the logistics and warehousing industry as a whole, I am advancing inter-company collaboration on cross-industrial issues such as optimization of transportation charge.

Deepen the domestic business foundation and accelerating overseas development

Over 90% of the cargo that enters Japan is brought in via marine transportation, discharged at ports, stored in warehouses, and then distributed nationwide. However, the Japanese population continues to decline due to the low birthrate, making a decrease in logistics volume unavoidable.

To increase sales in this environment, it is necessary to deepen our solid domestic business foundation, while expanding the scale of our overseas business operations. In our domestic logistics business, we will install additional temperature-controlled facilities and advance our warehouse facilities while promoting digitalization, automation of operations, and DX to establish a competitive advantage. In the real estate business, we will proceed with acquiring new real estate while simultaneously implementing the replacement of existing real estate. We are also proceeding with initiatives to maintain a high occupancy rate at our facilities by increasing added value through improvement of environmental performance.

Regarding overseas operations, while FY2022 saw record-high operating revenue, the anticipated growth has not materialized since FY 2023. This is due to the disappearance of the extraordinary factor of surging market price for marine transportation, coupled with the impact of reduced handling volume, particularly in China. Even so, we have laid foundations for further growth by establishing local subsidiaries in Vietnam and Indonesia and dispatching expatriate staff to our partner company in the Philippines. I understand that it is my mission to ensure that these seeds we have sown in various overseas regions bear fruit.

How to improve corporate value?

Warehousing is not a business that generates large profits in a short period, but one that continually accumulates profits over time. Although depreciation expenses are substantial when a warehouse is first constructed, warehouses that have finished depreciating generate reliable profits. Accordingly, we always plan and invest with a view to not only 30 but even 50 years ahead. Going forward, in addition to constructing warehouses on new sites and pursuing scrap-and-build development of existing facilities, we will implement functionality enhancements such as digitalizing existing warehouse operations, automating cargo handling, and expanding temperature-controlled warehousing equipment.

We are considering M&A as one option for pursuing economies of scale. We will also strengthen our organizational capabilities by recruiting external talent.

As a leader in our industry, we are committed to reducing environmental impacts through ESG management via initiatives such as switching to LED lighting and introducing solar power generation systems. Going forward, we will intensify our efforts in the areas of environment, society, and governance to contribute to the realization of a sustainable society.

Continuing growth through Sumitomo's characteristic soundness

As a logistics company, Sumitomo Warehouse has long supported Japan's economy and the daily lives of its people. We serve as a driving force behind the scenes, continuing to provide simple but sound value. The Rules Governing the House of Sumitomo emphasize the importance of putting integrity before short-term profits, calling for "sound management" without pursuing "immoral business."

I ask our employees to "please grow to love the Company," and ask their superiors to "please make Sumitomo Warehouse a company that employees can love." I do this as I think that the mindset of those working here shapes our corporate culture and becomes a driving force for increasing corporate value.

Just as the warehouses built by our predecessors a century ago still continue to generate profit today, we will continue to invest and reform with a 100-year perspective. Throughout our 126-year history, we have always questioned the current situation and embraced change, and through this approach have become who we are today. Keeping this fundamental stance in mind, we will stay attuned to our customers' perspectives and create services that meet the needs of future society. In line with Sumitomo's Business Philosophy, we will strive to quickly grasp changes in the times and tackle new business with an entrepreneurial spirit.

Message from the President

Achieving reform and growth as a company through united human and organizational strength

Representative Director and President
Akihito Nagata



Empowering dynamic talent to foster a unified, cohesive organization

Since assuming the presidency a year ago in June 2024, I have devoted my time to laying the foundations for the Company's reform. My top priority upon taking office was to communicate with employees. Beginning

in July, I spent about three months visiting our bases across Japan to conduct dialogue with employees on site. I was particularly active in exchanging opinions on work and perceptions of challenges with managers at the section level and higher, who play a central role in organizational operations.

In such dialogues, I emphasize the importance of actively incorporating perspectives from outside the company. In particular, I urge employees who have

experience on assignments at group or client companies to share their knowledge gained from exposure to different corporate cultures and systems with other employees. Concurrently, I ask employees who dedicate their efforts to internal operations to actively seek opportunities to engage with people outside the organization and broaden their perspectives. I also encourage them to actively share the knowledge they gain through such external interactions in internal meetings and other events.

Former President Ono (currently Chairman) has entrusted me with further advancing the reform of the Company's internal culture. The company has traditionally emphasized prudence and perfection, and while this has yielded a certain level of success, it has left us with challenges in our ability to change. As the number of employees who aspire for reform is presently increasing, we are proceeding with organizational system reforms that can fully unleash their motivation.

Going forward, we will continue to adhere to Sumitomo's Business Philosophy, cultivated over many years, which emphasizes advocating prime importance to integrity and maintaining an entrepreneurial spirit without pursuing immoral business. At the same time, we will foster a mindset that accurately grasps the demands of the times and works to create new businesses, and, maintaining a proactive and sound approach, build a system under which all employees can act with a shared sense of purpose.

Building a foundation for growth through steady changes

In the fiscal year ended March 31, 2025, the logistics segment recorded higher revenue and profit, while the real estate segment recorded lower revenue but higher profit. As a result, operating revenue totaled 193,398 million yen (up 4.7% year-on-year), while operating profit was 13,275 million yen (up 0.7% year-on-year), and profit attributable to owners of parent was 20,065 million yen (up 60.6% year-on-year).

While the logistics segment as a whole maintained stable performance, some regions within the International Division experienced a decline. In particular, profitability was affected in the South China region due to structural changes associated with its declining status as a logistics hub. The NVOCC business, which is the main pillar of our Hong Kong subsidiary, continues to face a challenging business environment, as the market price for marine transportation has remained low since the end of the COVID-19 pandemic, and shipping demand is only recovering slowly. In addition, higher rental costs for locally leased warehouses are also putting pressure on profit.

Turning to domestic warehouse initiatives, a new warehouse was completed at Sumitomo Warehouse Kyushu in January 2025 and has already reached full occupancy, strengthening our capacity to meet demand. Although we plan to continue expanding warehouse capacity, in light of soaring construction costs, we

are considering options such as building warehouses ourselves, acquiring existing warehouses, and expanding our non-asset-based warehouse business, which does not rely on having company-owned warehouses.

In the real estate business, we aim to transition to an asset turnover business model, but limited progress has been made at this stage. We will work to further strengthen our business foundation for growth by pursuing scale expansion in both the logistics and real estate businesses.

Progress on the Fifth Medium-Term Business Plan and future outlook

Under the Fifth Medium-Term Business Plan, which began in FY2023 and covers a three-year period through FY2025, we aim to achieve sustainable growth and increase corporate value in the logistics and real estate businesses. The plan anticipated a temporary drop in performance due to changes in transportation demand following the end of the COVID-19 pandemic, with recovery expected from the second year onward, yet conditions persist that fall short of these expectations, particularly at overseas subsidiaries.

In the logistics business, we proceeded with price revisions both in Japan and overseas in recognition of the urgent need to receive appropriate charges. However, the decline in the market price for marine transportation in the International Division and reduced handling volume at overseas subsidiaries prevented us from reaching our targets. The aforementioned decline in profitability in South China remains a challenge, and we are proceeding with structural reforms, including a review of the base structure of local subsidiaries.

In Japan, to meet the needs of the expanding e-commerce market, we introduced advanced automation equipment in January 2025. This initiative was intended to improve operation efficiency and increase processing capacity, and has produced tangible results in the form of shortened work times and





reduction in shipping errors, earning high praise from customers. Moreover, our web service SWAN plus®, which we developed in-house to streamline import/export customs clearance operations, provide cargo tracking information, and centralize the management of various shipping data, has been rolled out steadily and is contributing to improved operational efficiency for both our customers and the Company.

To address the "2024 problem," we have deployed a truck reservation and reception system at all domestic warehouse bases. Furthermore, our group company Enshu Truck Co., Ltd. operates a relay transportation base, Connect Area Hamamatsu, which has achieved results in improving working environment for drivers. In FY2025, we will establish additional relay bases in the Tokai region, and going forward, we plan to strengthen this network through partnerships with the aim of establishing the relay bases from Kyushu to the Tohoku region.

In the real estate business, we began construction of Logicross Misato in January 2025, a joint development with Mitsubishi Estate and Kyushu Railway Company, marking our full-scale entry into logistics real estate. In March 2025, our environmentally friendly residence for lease Forest Maison Urawa was completed and shortly achieved full occupancy.

In consideration of these initiatives, our earnings forecast for the fiscal year ending March 31, 2026 (the final year of the current plan) anticipates a 1.9% year-on-year increase in operating revenue, accompanied by a 9.6% year-on-year decrease in operating profit. The decrease in operating profit is mainly attributable to an increase in indirect costs such as personnel expenses and depreciation. The rise in personnel costs reflects an upfront investment aimed at improving future competitiveness, which we consider to be a necessary initiative.

As a result, compared with the targets stated in the Fifth Medium-Term Management Plan—operating revenue of 230.0 billion yen and operating profit of 18.0 billion yen for FY2025—the current forecasts for FY2025 are 197.0 billion yen in operating revenue and 12.0 billion yen in operating profit.

Empowering on-site capabilities and people to serve customers' needs more closely

Our competitive advantage, centered around the logistics business, lies in on-site capabilities and people they depend on. Our customers highly value not only the abilities and skills of our staff, but also the way they approach their work. I consider it my responsibility to bring these individual strengths together and elevate them to an even higher level.

To achieve this, flexible personnel placement is essential. Through appropriate job rotation, we support employees in gaining diverse work experience, enabling them to identify the areas in which they can make the most of their talents. Going forward, we will clarify career paths for specialists and generalists, and design systems to promote individual growth for all employees.

Furthermore, to prevent operations from becoming dependent on specific individuals, we are actively promoting digital transformation (DX). In addition to installing systems, we are providing digital skill training for employees, and have recently strengthened education on the use of AI. We have appointed an AI Ambassador at each workplace, and are establishing system to support the use of AI on the ground.

We take pride in providing well-managed, high-quality logistics services, and aim to grow sustainably by maintaining a customer-centric stance that actively identifies and responds to customers' needs. In the logistics business, we are advancing initiatives to meet new environmental logistics needs, beginning with expanding reverse logistics capacity associated with used EV battery recycling. In the overseas business, we have designated Vietnam and Indonesia as priority regions and are considering an early entry into the Indian market. In addition, we are planning a system that will oversee China and Southeast Asia, strengthening business development through inter-regional coordination.

Active advancement of ESG initiatives

In the Fifth Medium-Term Business Plan, we have designated ESG management as a key pillar and are advancing initiatives across the areas of environment (E), society (S), and governance (G) to realize sustainable corporate activity.

In terms of initiatives relating to environment, we are developing a system that automatically determines routes and distances between designated points for each transport project, and calculates and visualizes greenhouse gas (GHG) emissions. The system is scheduled to go into operation in FY2025, and will enable us to provide quantitative information to customers on the transport-related environmental impact, supporting the design of more sustainable logistic solutions.

On a non-consolidated basis, the Company has set a

target for reducing GHG emissions under Scopes 1 and 2 by 50% from the FY2018 level by FY2030. To this end, we are steadily advancing initiatives such as installing solar power generation equipment and adopting renewable energy. These efforts are producing tangible results toward achieving our objectives, and we will continue to strive to achieve further GHG emission reductions.

In terms of initiatives relating to society, we are intensifying investment in human resources, eliminating hierarchical barriers by transforming our corporate culture, and creating a framework that enables motivated people to thrive. We are also focusing efforts on creating an environment that accommodates employees facing life-stage changes. One outcome of this is that rate of childcare leave taken by male employees has reached 68.4%.

This improvement in the utilization rate is not merely the result of heightened awareness of the system, but of efforts to expand human resources to cover duties during childcare leave. Going forward, we will develop a framework to ensure that the contributions of personnel who take on substitute duties are fairly acknowledged.

As part of initiatives relating to security and safety, we are strengthening our disaster response capabilities. In FY2024, we conducted a simulation drill for a Nankai Trough Earthquake scenario to verify various response measures. For FY2025, we plan to conduct a drill based on scenarios simulating a major earthquake directly beneath the capital, with the aim of enhancing the effectiveness of our business continuity plan (BCP).

A new movement inspired by Expo 2025 Osaka, Kansai, Japan

At Expo 2025 Osaka, Kansai, Japan, held from April 2025, a joint venture (SMJV) between the Group and Maguchi Group Co., Ltd. is supporting the event's operations from a logistics perspective, having been selected as a designated on-site cargo handlers and a recommended logistics operator. Roughly 20 employees from the Group, ranging from managers to young staff, are serving in various roles.

Expo operations involved a wide range of tasks that provided employees with opportunities to gain new perspectives and insights through exposure to fields different from their usual areas of responsibility. The experience they gained at the expo not only represents opportunities for individual growth, but also constitutes part of the Company's legacy. When expo-related operations end and these employees return to their posts, bringing fresh ideas, they are expected to spark changes that can create positive movement within the Company.

Additionally, many of our employees participated in the expo as volunteers. We consider the experiences that they gained through interactions as staff to be factors that will contribute to future work and organizational management. We believe that because of these initiatives, the expo will not have been a mere event for

the Company, but a starting point for its next reform.

Although Expo 2025 ended on October 13, 2025, our operations, including dismantling work, are scheduled to continue until March 2026.

Becoming a company that continuously evolves, guided by its corporate philosophy

In 2020, the Company formulated a long-term vision, "Moving Forward to 2030," for the years leading up to 2030. The vision sets out four missions for us to achieve: "Connecting things," "Connecting the world," "Connecting people," and "Connecting times." These missions represent our responsibility to society as a logistics provider, and guide our approach to creating value as a company.

By connecting things, we connect the world. In doing so, we create value as a company that connects people, and as a result become a presence that connects the times. This flow represents the company that we aim to become.

The most important factor in achieving this vision is human resources. As mentioned at the beginning, we encourage employees to actively apply the experience they have gained outside the company, and we are also intensifying mid-career recruitment. We consider the diverse experiences and perspectives they have cultivated in other industries and businesses to be important resources that bring new value to the Company.

For this reason, we take care to ensure that mid-career hires are not compelled to excessively assimilate into our corporate culture, but are allowed to make full use of the expertise they have developed. In meetings and day-to-day operations, we actively seek their opinions and proposals, and seek to maintain respect for diversity across the organization and foster a flexible corporate culture.

Guided by our corporate philosophy, we will continue to evolve while remaining a company that is essential to society.

To all our stakeholders

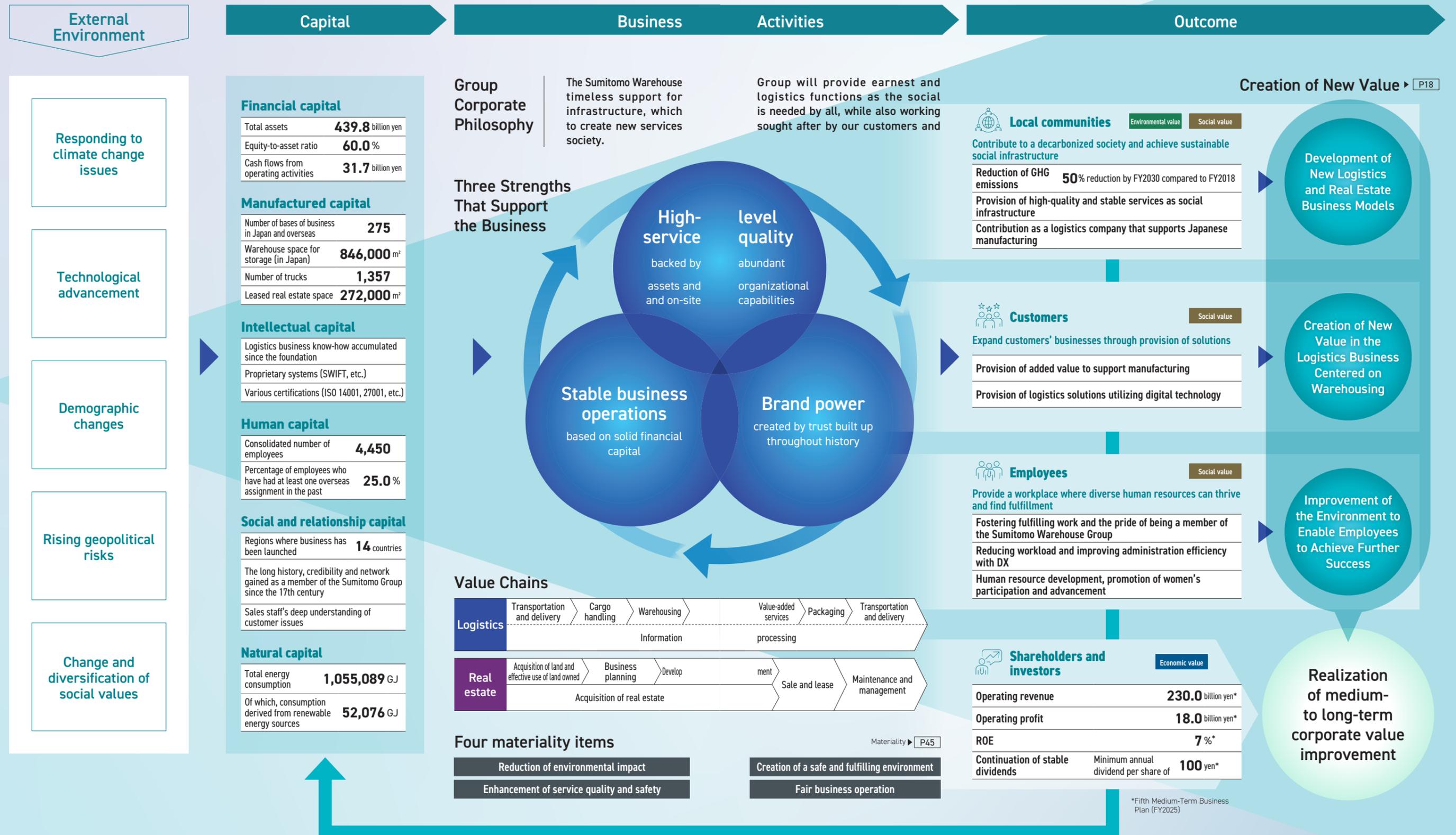
We would like to ask our shareholders and investors to regard the Company as a stable investment. In our more than 120-year history, we have recorded a net loss in only four fiscal years—during the Great Depression, and in certain years before World War II when natural disasters struck. History attests to the stability of our growth in the medium to long term. Going forward, we remain committed to maintaining sound management to preserve shareholder value while actively pursuing reform toward our next stage of growth.

Aiming for further growth, we have begun formulating our Sixth Medium-Term Business Plan. In both the logistics and real estate businesses, we will be an even more reliable partner for our customers, and continue to achieve stable growth.

We would like to ask all of our stakeholders for their continued support.

Value Creation Process

The Sumitomo Warehouse Group has built deep relationships of trust with stakeholders by stably providing high-quality services backed by abundant assets and organizational and on-site capabilities, based on credibility and solid financial capital it has built up over its long history. We will continue to realize our corporate philosophy to "provide earnest and timeless support for logistics functions as the social infrastructure, which is needed by all, while also working to create new services sought after by our customers and society."



Strengths of the Sumitomo Warehouse Group

Organizational capability

Excellent human resources

- Serious and sincere personality
- Persistence in responding to customer needs
- Motivated to improve skills while adapting to changing lifestyles

Strong governance

- Ability to execute management strategies successfully
- Motivation and ability of individuals to achieve maximum performance within the scope of the discretion given

Deep knowledge of logistics

- High level of logistics on-site management capabilities that can respond to a variety of cargo and operations
- High sales ability to accurately grasp customer needs and link them to on-site operations

Data volume and system development capability

- High system development capabilities and system customization tailored to the site
- Accumulation of logistics-related know-how and various data cultivated over many years of business operations

On-site capability



Assets that support revenue

- Warehouses and logistics facilities that can deal with a wide range of cargo
- Assets in port areas with high barriers to entry

Solid financial capital

- Investment capacity with abundant funds and a high equity-to-asset ratio

Credibility based on a long history

- Name recognition and credibility in Japan and overseas
- Solid and stable business operations and service provision capabilities in line with Sumitomo's Business Philosophy

Credibility

Business continuity capability

Creation of New Value

The Sumitomo Warehouse Group will take on the challenge of creating new value in the logistics and real estate businesses by leveraging three strengths—high-level service quality, stable business operations, and brand power.

Development of
New Logistics
and Real Estate
Business Models

ESG management

- Achieving carbon neutrality in the logistics and real estate businesses
- Creating innovation through diversity promotion

Increasing the added value of logistics services through promotion of digitization

- Promoting digitization across the entire logistics business to provide higher added-value logistics services
- Quickly responding to customer needs through creation of new value ("proactive DX")
- Advanced business and services through utilization of data ("defensive DX")

Creation of New
Value in the
Logistics Business
Centered on
Warehousing

Strengthening warehousing

- Expansion of coverage area through new investment (domestic and overseas)
- Promoting higher functionality of warehouse facilities

Development of new businesses and services

- Balancing aggressive investment and risk-taking
- Contributing to the realization of a sustainable recycling-based society from the perspective of logistics

Improvement of
the Environment to
Enable Employees
to Achieve Further
Success

Operational excellence

- Advanced information sharing through DX
- Succession of know-how

Employee successes

- Creating an organizational structure and culture in which employees can speak their opinions frankly and work with satisfaction and vitality
- Strengthening human resource development
- Visualization of personnel evaluation
- Promotion of mid-career recruitment, utilization of external human resources

Review of the Previous Medium-Term Business Plan and Awareness of the External Environment

Fourth Medium-Term Business Plan (FY2020 to FY2022)

The Group positioned the Fourth Medium-Term Business Plan as a period for "strengthening the business foundation" and has been promoting business strategies. During the period, we steadily implemented business strategies, including building five warehouses in Japan and overseas in the logistics business, acquiring two properties for leasing in the real estate business, and selling shares, etc. of shipping subsidiaries as part of business structure reforms, while responding to changes in the environment, such as the spread of COVID-19 infection. Although the cumulative business investment amount for the three-year period was less than the planned amount, we achieved the targets for key indicators such as operating revenue, operating profit, and ROE.

Evaluation of the business strategies of the previous Medium-Term Business Plan

Business strategies based on environmental changes during the plan period	Evaluation	
Strengthening the business foundation / Maintaining logistics infrastructure	Restructuring of businesses with decreased profitability	○
	Acceleration of strengthening of international logistics foundation	○
	Expansion of robust warehouse demand in preparation for natural disasters	○
	Response to logistics demand associated with changes in socioeconomic activities caused by the pandemic	○
	Continued acquisition of property	△
Implementation of DX	Response to labor shortage	○
	Promotion of improvement of efficiency of operations and labor-saving utilizing the latest technology	○
Contribution to sustainability	Strengthening of environmental responses in our own facilities	○

Evaluation of the targets of the previous Medium-Term Business Plan

	Target	Result (FY2022)	Evaluation
Operating revenue	210.0 billion yen	223.9 billion yen	○
Operating profit	12.0 billion yen	26.0 billion yen	○
Business investment	50.0 billion yen	Approx. 39.0 billion yen over 3 years	△
ROE	Aiming for 5% or higher	10.7%	○
Annual dividend	Maintain minimum of 47 yen per share and continue with increases	100 yen per share	○
Acquisition of treasury shares	Implement flexibly	Approx. 7.5 billion yen over 3 years	○

Issues

- Continuous strengthening of logistics foundation in Japan and overseas (in particular, overseas efforts have been limited due to the impact of COVID-19)
- Responding to ESG issues
- Digitalization of operations, further promotion of DX
- Initiatives to implement management that is conscious of cost of capital and stock price (improving profit-generating capacity, maintaining an appropriate capital structure)

External Environment That We Are Facing

In addition to the destabilization of international conditions and heightened geopolitical risks, we expect to see further reorganization of supply chains in the future due to changes in lifestyles and values caused by the pandemic, as well as the 2024 problem. We anticipate changes in customers' logistics strategies, such as adding more inventory bases, increasing inventory, and considering the environment, and we believe this will be a business opportunity for the Group.

We also recognize that the digitization and DX initiatives that support these efforts are key factors that will determine the competitiveness of companies in the future.

Awareness of environment	Impact on logistics industry	Issues faced by the Group
Destabilization of international conditions and heightened geopolitical risks	■ Reorganization of supply chains	■ Response to logistics demand associated with reorganization of supply chains
Changes in lifestyles and values caused by the pandemic	■ Expansion of e-commerce logistics demand	■ Response to increased frequency and smaller lots
Heightened sense of crisis concerning climate change and movements aimed at carbon neutrality	■ Requirements to strengthen initiatives aimed at the resolution of ESG issues	■ Materialization of initiatives aimed at the achievement of environmental targets ■ Expansion of logistics services aimed at reducing customers' environmental impact
Progression of decline and aging of the population	■ Decrease in the working population engaged in the logistics industry ■ "2024 problem"	■ Establishment of bases assuming demand for dispersed logistics bases ■ Promotion of relay transportation, joint delivery, modal shift, etc. ■ Promotion of improvement of efficiency and labor-saving through digitalization

Basic policy

- 1 This period will be the "second step" to accelerate growth toward the target year of 2030 of the long-term vision "Moving Forward to 2030."
- 2 The Company will further promote business restructuring and transform itself into a corporate structure that is resilient and capable of steady growth and is less susceptible to deterioration in the domestic and overseas economic environment.
- 3 The Company aims to generate steady cash flow every year and increase its corporate value over the medium to long term.

Business Strategy

The Company will concentrate its management resources on its core businesses of logistics and real estate. In the logistics business, the Company aims to achieve sustainable growth and will promote the expansion of domestic and overseas bases, address environmental issues, and promote investment in DX and "people." In the real estate business, the Company aims to expand the revenue base by expanding the leasing business and also entering the sales business.

Logistics business



- Further expansion of logistics network inside and outside Japan
- Expansion of logistics services
- Digitization and automation of operations, promotion of DX

Real estate business



- Expansion of revenue scale through promotion of leasing business
- Replacement of real estate and expansion of business scale to sales business

ESG management

Details ▶ P43

- Environment**
 - Set environmental targets
- Society**
 - Continue initiatives aimed at security and safety
 - Strengthen investment in "people"
 - Contribute to "Expo 2025 Osaka, Kansai, Japan"
- Governance**
 - Reduce cross-shareholdings

Financial Targets

	FY2022 (excluding shipping business)	FY2023	FY2024	FY2025 forecast	FY2025 plan
Operating revenue	203.8 billion yen	184.6 billion yen	193.3 billion yen	197.0 billion yen	230.0 billion yen
Logistics business	193.7 billion yen	173.8 billion yen	182.7 billion yen	184.1 billion yen	213.5 billion yen
Real estate business	10.6 billion yen	11.3 billion yen	11.2 billion yen	13.5 billion yen	18.0 billion yen
Inter-segment revenue	(0.5) billion yen	(0.5) billion yen	(0.5) billion yen	(0.6) billion yen	(1.5) billion yen
Operating profit	15.7 billion yen	13.1 billion yen	13.2 billion yen	12.0 billion yen	18.0 billion yen
Logistics business	15.6 billion yen	13.3 billion yen	14.0 billion yen	13.0 billion yen	17.5 billion yen
Real estate business	5.1 billion yen	5.3 billion yen	5.4 billion yen	5.5 billion yen	6.0 billion yen
Company-wide expenses	(5.0) billion yen	(5.4) billion yen	(6.2) billion yen	(6.5) billion yen	(5.5) billion yen

Business strategy in the Medium-Term Business Plan

Logistics Business

Logistics segment
Numerical targets for FY2025

Operating revenue	Operating profit	Cumulative investment amount
213.5 billion yen (Up 10.2% compared to FY2022)	17.5 billion yen (Up 11.9% compared to FY2022)	40.0 billion yen (Up 11.5 billion yen from the period of the previous Medium-Term Business Plan)

Expansion of Logistics Network Inside and Outside Japan

■ New warehouse construction in Japan

Investment in warehouses, which form the core of the Group's logistics services, will continue under this Medium-Term Business Plan, and new warehouses will be launched in Fukuroi City, Shizuoka Prefecture, and Hakozaki Futo, Higashi-ku, Fukuoka City. In addition to expanding the utilization of leased warehouses, we will consider acquiring existing warehouses.

Initiatives during the Medium-Term Business Plan period

- Started operation of Fukuroi Logistics Set Center of Enshu Truck Co., Ltd. (30,879 m²)
- Started operation of Hakozaki Futo Logistic Center's new warehouse of Sumitomo Warehouse Kyushu Co., Ltd. (12,206 m²)



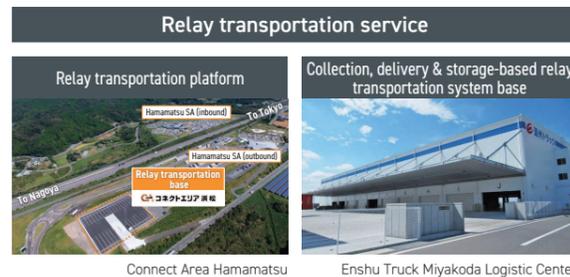
Hakozaki Futo Logistic Center's new warehouse of Sumitomo Warehouse Kyushu Co., Ltd.

■ Expansion of relay transportation

As one solution to the "2024 problem," relay transportation, which leads to improvements in the working environment for drivers, is attracting attention. Enshu Truck, one of the Group companies that operates mainly in Shizuoka Prefecture, is taking advantage of its location to operate a relay transportation base Connect Area Hamamatsu in Hamana-ku, Hamamatsu City, which is almost halfway between Tokyo and Osaka, in collaboration with Central Nippon Expressway Company Limited, and will expand its transportation services using this base.

Initiatives during the Medium-Term Business Plan period

- Increased the number of vehicles using relay base, Connect Area Hamamatsu (Up 35% compared to FY2022)
- Launched storage-based relay transportation service



Connect Area Hamamatsu

Enshu Truck Miyakoda Logistic Center

■ Expansion of overseas business

Outside Japan, we will proceed with the construction and acquisition of warehouses in Southeast Asia and Europe. In particular, in Southeast Asia, taking into consideration the China Plus One trend, in order to further expand handling within the region, in addition to Thailand, Singapore and Malaysia, where the Group already has a wealth of results, we will focus on expanding warehouse operations in Vietnam and Indonesia. By expanding these bases, we will create synergies with forwarding operations and further expand the overseas business.

Initiatives during the Medium-Term Business Plan period

- Started operation of Third warehouse in Laem Chabang of Sumiso (Laem Chabang) Co., Ltd. [Thailand] (approx. 14,300 m²)



Sumiso (Laem Chabang) Co., Ltd. [Thailand] Third warehouse in Laem Chabang

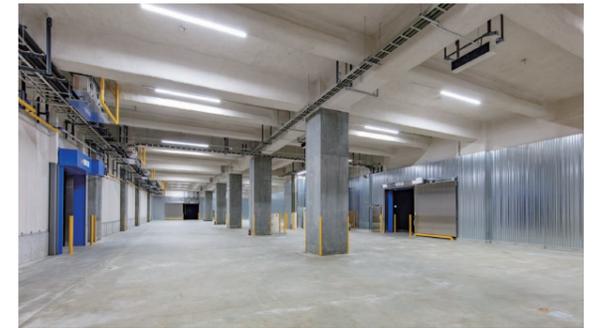
Expansion of Logistics Services

■ Functional improvement of warehouse facilities

In order to capture the growing demand for temperature controllable warehouses against the backdrop of global warming, we will install additional temperature-controlled facilities in existing warehouses. In addition, we will promote investment that will lead to a reduction in the environmental impact of warehouse operations, such as switching to LED lighting and high-efficiency air conditioning equipment in our own facilities.

Initiatives during the Medium-Term Business Plan period

- Increased the temperature-controlled zone floorspace of warehouses in the Yokohama district to enhance value-added storage services
- Percentage of lighting equipment in the Company owned warehouses that have been converted to LEDs: 85% (Up 2% year-on-year) (based on the number of warehouses)



■ Expansion of refrigerated air transportation services

The Company provides a unique service that offers custom made refrigerated packaging optimized for conditions such as outdoor temperature, through conducting temperature transition simulations. By combining superior refrigerant materials with special packaging materials to maintain the temperature range of cargo for a specified period, we will achieve high-quality refrigerated air transportation at a low cost.

Initiatives during the Medium-Term Business Plan period

- Formed business tie-up with refrigerated packaging companies to enhance the lineup of refrigerated air transportation services



Digitization and Automation of Operations, Promotion of DX

In recent years, BtoC logistics has expanded due to changes in lifestyle and values during the COVID-19 pandemic, and there is a notable shortage of labor in the warehouse operations of the Company's logistics business, and it is becoming more and more difficult to recruit new workers every year. In order to respond to these circumstances, the Company will promote DX to establish a competitive advantage through the digitization and automation of operations and will aim to increase the added value provided to customers, in addition to improving the efficiency of administration and operations.

Initiatives during the Medium-Term Business Plan period

- Started full-scale operation of SWAN plus®, a DX support service for streamlining import/export customs clearance operations and centralizing information management
- Implemented AI-OCR solution for case mark information verification and data registration in import/export cargo handling operations
Details ▶ P32
- Achieved greater operational efficiency and improved accuracy by introducing automation equipment at sports goods distribution center
- Launched a service for providing real-time vessel movement data in international transportation
Details ▶ P40



Business strategy in the Medium-Term Business Plan

Real estate Business

Real estate segment
Numerical targets for FY2025

Operating revenue	Operating profit	Cumulative investment amount
18.0 billion yen (Up 68.6% compared to FY2022)	6.0 billion yen (Up 15.7% compared to FY2022)	40.0 billion yen (Up 31.2 billion yen from period of previous Medium-Term Business Plan)

Expansion of Revenue Scale Through Promotion of Leasing Business

The real estate leasing business, which is at the core of the Company's real estate business, originated from the redevelopment of warehouse sites into office buildings and commercial facilities in response to changes in the surrounding environment. In recent years, in addition to redevelopment, the business has continued to grow by acquiring new office buildings and residential facilities, mainly in the Keihin and Hanshin areas. In this Medium-Term Business Plan, we will continue to expand the leasing business by developing and acquiring quality properties.



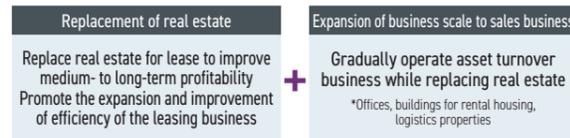
Multitenant logistics facility Logicross Misato
5 stories, total floor area of approx. 135,040 m²
Building owner: Misato Development Special Purpose Company, Kyushu Railway Company, Sumitomo Warehouse
Scheduled for completion in August 2026

Initiatives during the Medium-Term Business Plan period

- Acquired an office building for leasing in Chuo-ku, Osaka City
- Started developing a multitenant logistics facility in Misato City, Saitama Prefecture
- Acquired a medical facility for lease in Sumida-ku, Tokyo
- Completed rebuilding a residence building in Saitama City, Saitama Prefecture

Expanding Business Scope to Include the Replacement and Sale of Real Estate

We will continue to acquire real estate for lease, and at the same time, we will select existing real estate and replace properties held by selling non-core assets, etc., in order to strengthen medium- to long-term profitability. In addition, we aim to expand revenue scale by gradually developing an asset turnover business, such as reinvesting the funds obtained from the sale of non-core assets in the acquisition of real estate for lease or real estate for sale that will become core assets in the future.



Initiatives during the Medium-Term Business Plan period

- Steadily advancing the sale of non-core properties (two residence buildings, land)

Aim to conduct business conscious of capital efficiency by operating sales business with the leasing business as the core in the medium to long term.

ESG management in the Medium-Term Business Plan

Environment	Society	Governance
Set environmental targets Details ▶ P47 Objectives ● Reduce greenhouse gas emissions of Scopes 1 and 2 on a non-consolidated basis by 50% from the FY2018 level by FY2030. Result ● Reduced greenhouse gas emissions in FY2024 by 32% compared to FY2018, representing a progress rate of 64%	Continue initiatives aimed at security and safety Details ▶ P51 Strengthen investment in "people" Details ▶ P53 Contribute to "Expo 2025 Osaka, Kansai, Japan" ● Supported the Expo from a logistical perspective as a designated on-site cargo handler within the venue ● Concluded a disaster agreement with the Japan Association for the 2025 World Exposition	Reduce cross-shareholdings Objectives ● Reduce cross-shareholdings by approx. 10.0 billion yen by March 2028 ● Aim to reduce by 6.0 billion yen by March 2026 Result ● Advanced the schedule, with the target now set to reduce by approx. 10.0 billion yen by March 2026. Reduced by approx. 4.0 billion yen by March 2025

Financial Strategy in the Medium-Term Business Plan

Cash Flow Allocation

Plan

Under this Medium-Term Business Plan, it is planned to allocate a total of 109.0 billion yen, which is the sum of the projected cumulative cash flows from operating activities of 74.0 billion yen over the three-year period of the plan, 25.0 billion yen in proceeds from the sale of shares in shipping subsidiaries and vessels, etc., and 10.0 billion yen from external borrowings, to business investment of 85.0 billion yen and shareholder dividends of 24.0 billion yen. As for business investments, 40.0 billion yen will be invested in the logistics business for the construction of new warehouses and the introduction of automated equipment, etc., and 40.0 billion yen will be invested in the real estate business for the acquisition of new properties, etc. In addition, the corporate segment plans to invest 5.0 billion yen, centering on the construction of a digital foundation and investment in human capital that will support the promotion of DX. As for shareholder returns, we will implement them while taking into account the improvement of profitability in each fiscal year, after continuing the business investment necessary for improving corporate value from a medium- to long-term perspective.

Progress

The cumulative investment amount over the three-year period, including the investment forecast for FY2025, which is the final year of the Medium-term Business Plan, is projected to be 53.5 billion yen, comprising 23.0 billion yen for logistics, and 29.6 billion yen for real estate, and a company-wide impact of 0.8 billion yen. This is due to delays in plans for acquiring and constructing warehouses in the logistics business, as well as plans for acquiring real estate for sale and redeveloping in the real estate business. Despite rising construction costs and personnel expenses, we believe that continued investment is necessary, and therefore will persistently pursue profitable investments by, for instance, leveraging DX for streamlining operations.

Investment by business segment

Inflows	Outflows (plan)	Outflows (forecast)	Factors of difference from the plan
Operating CF, other 74.0 billion yen	Logistics 40.0 billion yen	3-year cumulative forecast 23.0 billion yen	Warehouse acquisition, construction, etc. Approx. 12.0 billion yen projected Others Approx. 5.0 billion yen projected
	Real estate 40.0 billion yen	3-year cumulative forecast 29.6 billion yen	Acquisition of real estate for sale, redevelopment, etc. Approx. 10.4 billion yen projected
Sale of WSL shares and vessels, etc. 25.0 billion yen	Corporate 5.0 billion yen	3-year cumulative forecast 0.8 billion yen	Strengthening of IT foundation for DX reinforcement Approx. 1.5 billion yen projected Others Approx. 2.7 billion yen projected
External borrowing 10.0 billion yen	Dividends 24.0 billion yen <small>*Funding for acquisition of treasury shares is separate</small>	3-year cumulative forecast 23.8 billion yen	

Shareholder Returns

Plan

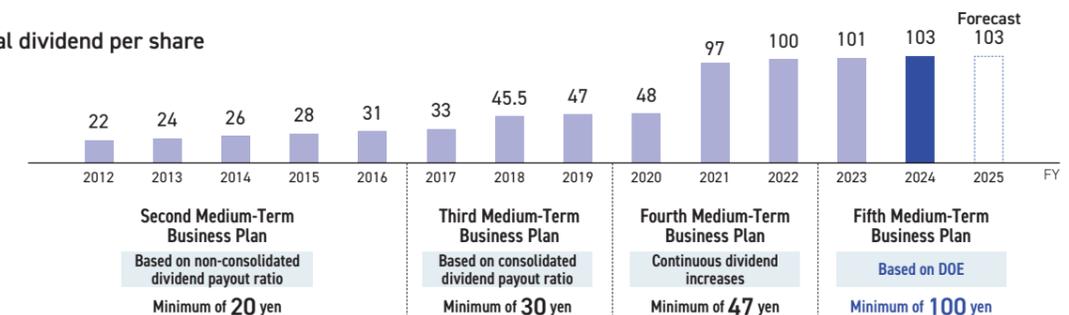
As for dividends, the Company has continued to pay stable dividends. This will remain unchanged in this Medium-Term Business Plan. After continuing to make the business investments necessary to improve corporate value from a medium- to long-term perspective, we will implement a minimum annual dividend of 100 yen per share with a target dividend on equity ratio (DOE) of 3.5%–4.0%, while considering improvements in profitability in each fiscal year. The acquisition of treasury shares will be implemented flexibly, taking into account economic conditions, market trends, business investments and profit levels.

Progress

For FY2024, the Company paid an annual dividend of 103 yen per share, representing a 2-yen increase per share compared with the previous fiscal year, based on the shareholder return policies outlined in the Medium-term Business Plan. The Company acquired 1,500,000 shares of treasury shares (approx. 4.0 billion yen) and cancelled all of them at the end of the fiscal year. The annual dividend for FY2025 is projected to be 103 yen per share, with the cumulative dividend amount over the three-year period expected to be approx. 24.0 billion yen as planned. Furthermore, at the Board of Directors meeting held on May 9, 2025, a resolution was approved to acquire treasury shares up to either 1,200,000 shares or 3.5 billion yen, and cancel all of them.

Annual dividend per share

Unit: yen



Message from the Director in Charge of Finance

Improve capital efficiency on a solid business foundation to steadily increase corporate value.

Director and Managing Executive Officer

Akihiko Hoshino



Achieved higher revenue, higher profit for FY2024, with the next fiscal year projecting higher revenue, lower profit.

The fiscal year ended March 31, 2025 saw operating revenue rise by 4.7% year-on-year, while operating profit rose 0.7% year-on-year. In the logistics business, revenue increased in all operations—including warehousing, harbor transportation, international transportation, and land transportation and others—and was accompanied by higher operating profit. In the real estate business, revenue declined due to lower rental income and real estate sales income, but profit rose due to a decrease in real estate acquisition tax and other expenses.

In terms of shareholder returns, the annual dividend per share was increased by 2 yen per share, compared with the previous fiscal year, to 103 yen per share. In addition, we acquired 1,500,000 treasury shares at a cost of approximately 4.0 billion yen. As a result, the total shareholder return ratio, which is the sum of dividends and acquisition of treasury shares, was approximately 60%.

In the fiscal year ending March 31, 2026, we expect an increase in operating revenue and a decrease in operating profit. In the logistics business, the volume of cargo handled across warehousing, harbor and land transportation are expected to remain steady. However, upfront investments, including higher personnel expenses, depreciation on automation equipment installed in the previous fiscal year,

and relocation expenses for a warehouse in Singapore, are anticipated to put pressure on profits. These cost increases are positioned as investments in future growth. We expect that investment in human resources will enhance engagement and thus lead to medium- to long-term performance improvement, and while depreciation expenses for automation equipment are initially high, they will reduce costs by improving operation efficiency.

In the real estate business, while a decrease in rental income is anticipated, revenue is projected to rise on the sale of real estate for sale.

Formulating the next medium-term business plan, reflecting higher costs

The Fifth Medium-Term Business Plan set targets for 230.0 billion yen in operating revenue and 18.0 billion yen in operating profit for the fiscal year ending March 31, 2026, the final year of the plan. However, our current projections are for 197.0 billion yen and 12.0 billion yen, respectively. Furthermore, while investment over the three-year period was planned at 85.0 billion yen, the current projection is for a cumulative total of 53.5 billion over the three-year period. When the plan was formulated in FY2022, logistics demand due to the COVID-19 pandemic was still growing. However, the primary factors causing a divergence from initial targets have been changes in the business environment, including

a subsequent decline in demand since the end of the pandemic, a slower-than-expected recovery in China, and soaring construction costs.

While it is not easy to respond to changes in the external environment, we are formulating the next medium-term business plan in consideration of these changes. Looking ahead, we will continue working to secure profit margins through greater operational efficiency, and receive appropriate charge that reflect the value of the services we provide. In addition, we will actively promote overseas investment, which was restricted by the COVID-19 pandemic, and focus on Southeast Asia as a priority region. We will also consider expanding into the Indian Ocean Rim region.

Improving price PBR while maintaining ROE at 7%

Return on equity (ROE) reached 7.7% in the fiscal year ended March 31, 2025, up 2.4 percentage points from the previous fiscal year's 5.3%. However, after factoring out extraordinary income including compensation for relocation related to the Company's buildings, actual ROE was about 5%. We recognize the need for further initiatives to improve capital efficiency in order to reach our target ROE of 7%. In addition, given that the price book-value ratio (PBR) remains below 1x, we will strengthen efforts to raise the price-earnings ratio (PER) in parallel with improving ROE.

In order to improve ROE, it is important to first increase the profit of the numerator. We will work to improve profit-generating ability through business investment, in accordance with the ongoing Fifth Medium-Term Business Plan. In addition, we will work to create added value by developing service areas that serve as sources of profit. Refining services only our company can provide—in other words, actively pursuing niche operations—and using this as a starting point to secure end-to-end order fulfillment will enable us to expand sales. Furthermore, handling the entire process creates opportunities to generate new added value. To capture such opportunities, we are actively investing in DX and human capital. Moreover, as construction costs are projected to remain high, it will also be necessary to increase profits while paying attention to capital efficiency—for example, we acknowledge the need to develop more non-asset-based businesses that use leased facilities.

Meanwhile, as for equity in the denominator of ROE, we aim to improve ROE by maintaining substantial shareholder returns through dividends and the acquisition of treasury shares, while staying conscious of the need to optimize our equity-to-asset ratio.

To increase the Company's PER, we will remain conscious of the need to strengthen dialogue with shareholders and investors and information disclosure. We will actively engage in dialogue through individual IR meetings etc., while continuing to strengthen information disclosure via the integrated report and the Company's website, etc.

Ensuring substantial shareholder returns while maintaining financial soundness and an appropriate capital structure

Sumitomo Warehouse is a company that invests with a long-term perspective. In particular, warehousing is an equipment-intensive industry, so it is a business that takes a long time to recover the investment. Given these business characteristics, maintaining a sound financial structure is essential for sustainable corporate growth. As of March 31, 2025, our equity-to-asset ratio stood at 60%, indicating a sound financial structure. Meanwhile, we recognize the need to generate profits commensurate with equity, and will work to optimize our balance sheet while delivering substantial shareholder returns.

With regard to dividends, we have set a minimum annual dividend of 100 yen per share under the Fifth Medium-Term Business Plan. The annual dividend for FY2024 was 103 yen per share, and the same amount is projected for FY2025. Our target dividend on equity ratio (DOE) is around 3.5% to 4.0%, but the actual DOE in FY2024 was below this range, partly due to an increase in "valuation difference on available-for-sale securities" accompanying a rise in the stock market. In addition, continuing from the fiscal year ended March 31, 2025, we implement the acquisition of treasury shares in the fiscal year ending March 31, 2026, up to either 1,200,000 shares or 3.5 billion yen, and cancel all of them.

Details of shareholder returns for the fiscal year ended March 31, 2025

Dividends	Dividend per share	103 yen Breakdown Interim dividend 50.5 yen Year-end dividend 52.5 yen
	Payout ratio	40.0%
Acquisition and cancellation of treasury shares	1 Acquisition of treasury shares	
	1. Type of shares acquired	Common shares of the Company
	2. Total number of shares acquired	1,500,000 shares
	3. Total acquisition cost	4,013,031,200 yen
	4. Acquisition period	• From May 13, 2024 to September 2, 2024 • From November 8, 2024 to February 28, 2025
	2 Cancellation of treasury shares	
1. Type of shares canceled	Common shares of the Company	
2. Total number of shares canceled	1,500,000 shares	
3. Cancellation date	March 31, 2025	

Message from the Director in Charge of Finance

The sale plan for cross-shareholdings will be brought forward by two years

In the Fifth Medium-Term Business Plan, we announced a policy of reducing cross-shareholdings by approximately 10.0 billion yen by March 2028. However, as the stock price has risen since then and the book value of cross-shareholdings has also increased, we recognize that it is important to accelerate the reduction of cross-shareholdings from the perspective of governance. Accordingly, in line with the initial plan, we sold shares worth approximately 2.0 billion yen annually in FY2023 and FY2024, totaling approximately 4.0 billion yen over two years. We have decided to complete this reduction two years ahead of schedule, and we have planned to sell approximately 6.0 billion yen during FY2025. We consider it important to use the proceeds from these sales of cross-shareholdings to invest in growth that will enhance the corporate value of the company, and are currently in the process of carefully considering the investment targets.

Balancing long-term investment with capital efficiency

Since its founding 126 years ago, the Company has continued to make sound, long-term investments while flexibly adapting to changes in the times. The construction of warehouses in

particular requires significant initial outlays, and depreciation on buildings and equipment tends to put pressure on profits in the initial years of operation. Despite this, the Company builds warehouses on an ongoing basis with the aim of ensuring sustained profit growth. By emphasizing a balance between overall profitability and investment, the company maintains a stable financial structure, and has remained in the black for 90 consecutive years since 1935. This track record is a testament to the soundness of our long-term management approach, and represents one of our greatest strengths.

Although our financial soundness has further increased through years of stable management, we recognize that there is room for improvement in terms of capital efficiency.

As the Director in charge of finance, I see it as my mission to address this challenge sincerely, foster a shared awareness within the company of the importance of capital efficiency, and promote management that is conscious of the balance between shareholders' equity and profitability in investment decisions and performance evaluations. Instead of simply recording profits, we must maintain a stance of always examining whether those profits are at an appropriate level relative to equity.

Going forward, while maintaining our conventional sound investment policy, we will take on new initiatives aimed at improving capital efficiency. Specifically, we will work to improve the efficiency of existing business,

optimize the placement of human capital leveraging DX, and accelerate expansion into new growth areas.

Furthermore, while leveraging our strengths in long-term perspective and stability, we will steadily work toward building a business model that befits the next generation, and realizing sustainable growth and corporate value enhancement.

Challenging new frontiers centered on human resources, DX, and ESG

Challenges in new areas are invariably taken up by *people*—in other words, our employees. Fortunately, thanks to the credibility we have built up over the years, we are able to secure talented personnel on a stable basis. To provide employees with opportunities to develop their skills and achieve personal growth, we are enhancing our training programs with group-based training and selective programs such as AI workshops. One challenge going forward will be to create an environment where talented personnel can fully demonstrate their abilities in the right position. To this end, we will pursue added value through optimal human resource allocation.

In the logistics business, where labor shortages are becoming severe, we are proceeding with the installation of automation equipment. Significant cost reductions have been achieved at sites where the equipment has been installed. These initiatives have been announced as part of our DX strategy, and are being implemented throughout the Company as a priority issue. We are also actively investing in DX, not only to improve operational efficiency, but also to enhance work environments and further increase performance in the future.

We are taking an active approach on ESG management, and have been selected by the Tokyo Metropolitan Government as an airfreight agent in its Project to Promote Use of Sustainable Aviation Fuel (SAF) in Air Cargo Transportation. SAF is a low-carbon fuel derived from biomass and waste materials, and is expected to play a role as a next-generation fuel in achieving carbon neutrality. We will expand our range of low-carbon transportation services that make use of the environmental value of SAF, and leverage them to attract new customers.

Beyond value creation, together

Over the years, the Company has consistently grown its business, which is steady yet indispensable to customers. Going forward, we will strive to increase the capital efficiency of the Company as a whole, generate greater profits than ever before, improve corporate value over the medium to long term, and contribute to society.

We recognize that we are at a stage where a new leap forward is required. Building on our solid foundation,

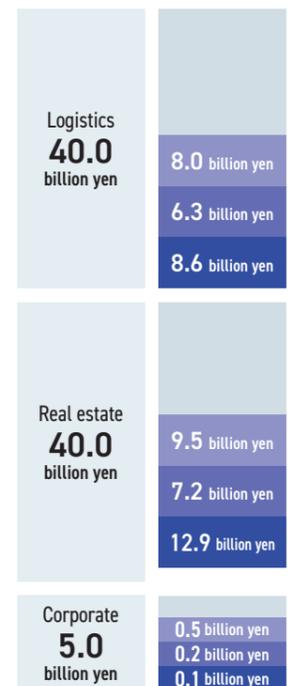


we will continue to take on challenges in new fields. Our goal is to create a future in which all of our stakeholders can experience growth through the medium- to long-term enhancement of our corporate value.

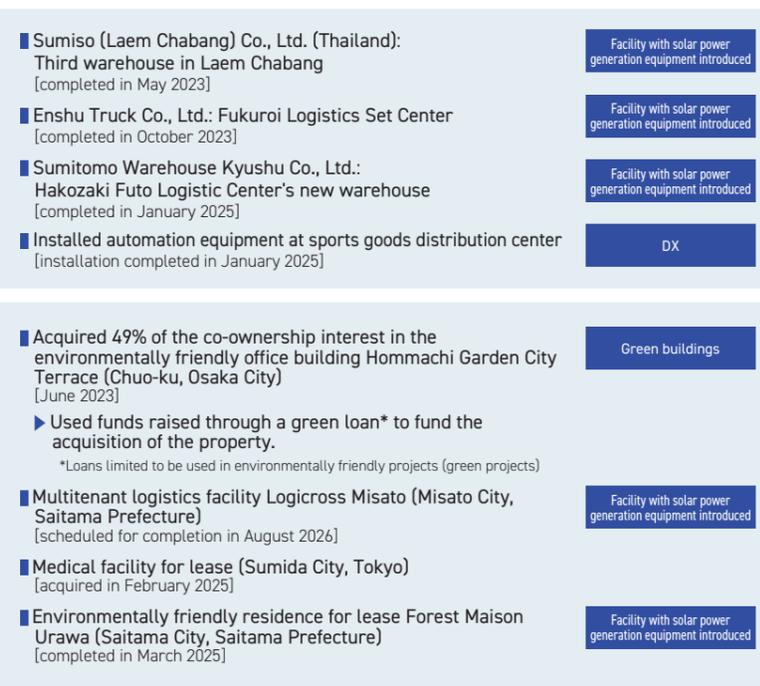
In advancing initiative to increase corporate value, we highly value dialogue with investors. We will sincerely listen to and comprehend the feedback we receive, and reflect it in the development of our future strategies.

Progress of strategic investments in the Fifth Medium-Term Business Plan

Breakdown of investment by business segment



Main strategic investments



Fifth Medium-Term Business Plan Period

Action to Implement Cost of Capital and Stock Price Conscious Management

Analysis of the Current Situation

Stock Price and PBR (Price Book-value Ratio)



The Company's PBR has remained below 1x.

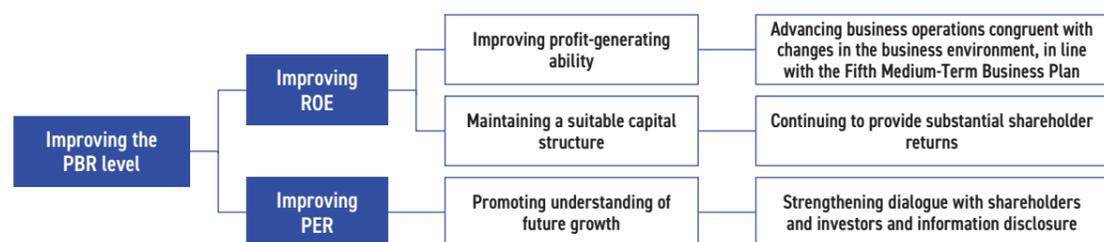
Since the formula "PBR = ROE (Return on Equity) × PER (Price-earnings Ratio)" is established, we recognize the need to work on improving "earning power" (ROE) and "expected value" (PER) in order to improve the PBR level.

Return on Equity

ROE for the fiscal year ended March 31, 2025 rose to 7.7%, up from the recorded level of 5.3% in the fiscal year ended March 31, 2024, reflecting not only acquisition of treasury shares, but also extraordinary income, including compensation in connection with the Naniwasuji Line Project. We recognize that maintaining an ROE level exceeding the cost of shareholders' equity remains a challenge.



Policies for Improving the PBR Level



Plan

Policy	Objectives	Initiatives
<ol style="list-style-type: none"> The Company will conduct business operations in response to changes in the business environment, in line with the Fifth Medium-Term Business Plan for the period from FY2023 to FY2025. The Company will continue to provide substantial shareholder returns and aim to maintain a suitable capital structure. Through strengthening dialogue with shareholders and investors and information disclosure, the Company will strive to gain an understanding of the Group's future growth potential and contribute to the formation of an appropriate stock price. 	<ol style="list-style-type: none"> The Company aims to achieve an ROE of 7% during the period of the Fifth Medium-Term Business Plan while maintaining a sound financial base. The Company will pay a minimum annual dividend of 100 yen per share, with a target dividend on equity (DOE) ratio of around 3.5% to 4.0%, taking into consideration improvements in profitability in each fiscal year. Under the Fifth Medium-Term Business Plan, we had planned to reduce cross-shareholdings by approximately 10 billion yen by March 2028. However, we have decided to accelerate this reduction by two years, and we plan to sell shares worth approximately 6 billion yen during the fiscal year ending March 2026. 	<ol style="list-style-type: none"> Improving profit-generating ability through aggressive business investments <ul style="list-style-type: none"> [Logistics business] We will continue to consider investing in warehouses, which form the business foundation, and will establish a competitive advantage through digitalization, automation of operations, and promotion of DX. [Real estate business] We will improve profitability by replacing real estate for lease, etc., and we aim to develop business with an awareness of capital efficiency by expanding business scope to sales business. Maintaining a suitable capital structure <ul style="list-style-type: none"> In addition to returning profits to shareholders through dividends, the Company will flexibly implement treasury share acquisitions, taking into consideration economic conditions, market trends, business investments, as well as profit levels. At the Board of Directors meeting held on May 9, 2025, a resolution was approved to purchase own shares, up to either 1,200,000 shares or 3.5 billion yen, and cancel all of them. (The acquisition period is from May 12, 2025 to November 28, 2025, and the scheduled date of cancellation is March 31, 2026.) Strengthening dialogue with shareholders and investors and information disclosure <ul style="list-style-type: none"> We will promote active dialogue with shareholders and investors through individual IR meetings etc., and strengthen information disclosure via the integrated report and the Company's website, etc.

Status of Dialogue with Shareholders and Institutional Investors (FY2024)

Dialogue with shareholders and institutional investors was conducted by the Business Promotion Department (Public & Investor Relations Section) in the presence of the President, the Director responsible for the Administrative Division (Managing Executive Officer), as well as others, as appropriate.

Main topics	Status of dialogue	Feedback to management and related initiatives
Overview of financial results, business outlook, and matters related to the Medium-Term Business Plan (including ESG-related matters), etc.	<ol style="list-style-type: none"> Financial results briefing for institutional investors <ul style="list-style-type: none"> May 2024: Briefing on financial results for the fiscal year ended March 31, 2024 November 2024: Briefing on financial results for the second quarter of the fiscal year ended March 31, 2025 [Main attendees] President, Director responsible for the Administrative Division (Managing Executive Officer), General Manager of the Finance & Accounting Department, General Manager of the Business Promotion Department, etc. Individual investor relations meetings <ul style="list-style-type: none"> 89 times (domestic institutional investors: 79 times; overseas institutional investors: 10 times) [Main attendees] Director responsible for the Administrative Division (Managing Executive Officer), General Manager of the Business Promotion Department, etc. Conferences hosted by securities companies for overseas institutional investors <ul style="list-style-type: none"> 1 time (February 2025) [Main attendees] Director responsible for the Administrative Division (Managing Executive Officer), General Manager of the Business Promotion Department, etc. Shareholder relations (SR) meetings (for institutional investors) <ul style="list-style-type: none"> 8 times (January to February 2025) [Main attendees] Director responsible for the Administrative Division (Managing Executive Officer), General Manager of the General Affairs Department, General Manager of the Business Promotion Department, etc. 	<ol style="list-style-type: none"> Opinions, etc. expressed in dialogue with shareholders, institutional investors, and other stakeholders were reported to management, as appropriate, and utilized in the review of the Group's business strategies and IR activities, etc. In response to requests from shareholders, institutional investors, and other stakeholders, we published our first integrated report in November 2024.

DX Strategy

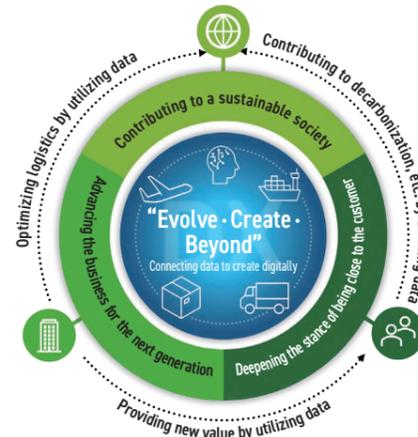
Through our DX strategy, we seek to evolve our logistics services by leveraging digital technologies and data, thereby creating new value for society, customers, and the Company. The initiative will be implemented in stages over six years starting in FY2024, with the goal of achieving sustainable growth and enhanced competitiveness through operational efficiency and value creation.

DX Vision

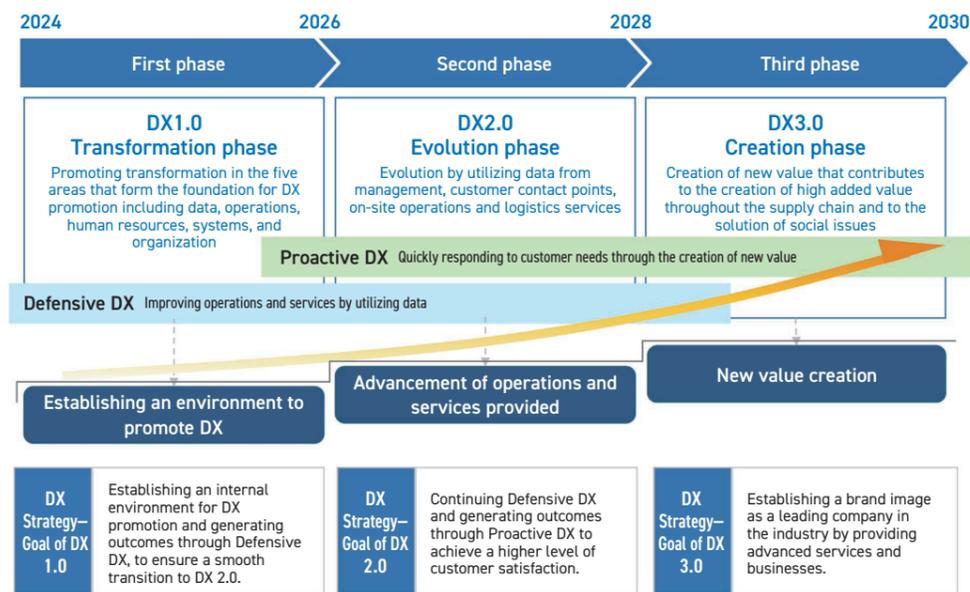
Through the utilization of data and digital technologies, we seek to evolve our logistics services, create new value for society, customers, and the Company, and go beyond the traditional framework of logistics. Under the key message "Evolve·Create·Beyond," we are pursuing three dimensions of evolution by connecting data and driving creativity through digital technologies.

Three Forms of Evolution

- 1 Evolving the way logistics operates to contribute to a sustainable society for the future
- 2 Evolving services to create and deliver new value
- 3 Evolving operations to drive growth toward the next generation



Roadmap and Evaluation Metrics



Message from the Director in Charge of DX Promotion



Director and Managing Executive Officer
Ikuo Kuroki

We aim to make DX both a source of competitiveness and a foundation for sustainable growth by establishing a framework that balances operational optimization with transformation driven from the frontlines.

In executing our DX strategy, we are currently developing a company-wide framework that balances operational optimization and transformation driven from the frontlines. By visualizing and integrating data dispersed across the organization, we are building a digital platform that enables the use of data in management, operations, and sales, thereby facilitating swift decision-making and strengthening customer responsiveness. We are fostering and deploying digital promotion personnel capable of promoting optimal improvements at each site, while establishing a framework that provides instruction on the use of digital tools for each business operation and proposes operational improvements through their application. As DX serves as the foundation for strengthening our competitiveness and achieving medium- to long-term growth, we will continue to advance our DX initiatives on a company-wide basis.

Main Initiatives

FY2024 was the first year of promoting our DX strategy, during which we advanced the development of a foundation for transformation. We have taken the first step toward the full-scale deployment of DX by building a foundation for integrated data management and initiating the development of digital platforms for management, operations, and sales.

Main Initiative 1

Digital Human Resource Development

Aiming to empower every employee to become a driving force for transformation, we conducted AI training seminars for leaders at each site to deepen their understanding of AI fundamentals, future prospects, and business applications. We will continue to develop digital talent through training and workshops, and build a self-sustaining framework for DX promotion.



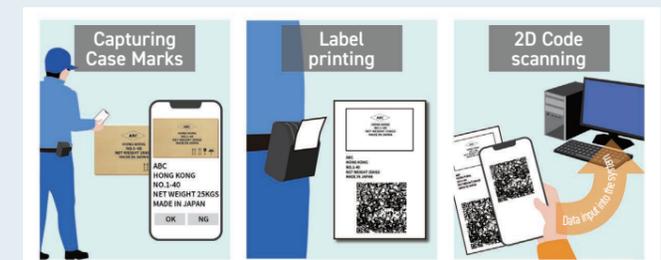
Ideal Human Resource Profile

	Target
Digital Leader DX Strategy Formulation / IT Functions / Information Security Management	<ul style="list-style-type: none"> Executive Management is the target Aiming to cultivate leaders who possess extensive knowledge and skills in digital technology and logistics, and who can demonstrate leadership in promoting DX with a corporate-wide management perspective. Expected to lead corporate-wide DX promotion.
Digital Core Resource Planning and promoting DX Strategy in core businesses and functions.	<ul style="list-style-type: none"> Department in charge of overseeing DX promotion is the target. This position will serve as the substantive leader of the initiative, directing each measure. Aiming to develop talent who not only possess digital skills but also have the ability to organize and solve problems.
Implementation / Promotion Resource Promotion of DX strategy and planning in each department.	<ul style="list-style-type: none"> Assign at least one personnel to every department and field location and foster them. Aiming to develop personnel who understand their department's operations, take the initiative in using digital tools, provide instruction to others, and are capable of proposing digital-driven operational improvements when necessary.
Basic Digital Human Resource Understanding of DX Strategy and planning utilization of IT and digital tools	<ul style="list-style-type: none"> All employees not classified in the above categories, including new hires, are included as the target group. Able to perform routine tasks using basic digital tools such as Excel and Word, with the aim of developing into implementation and promotion personnel.

Main Initiative 2

Utilizing AI-OCR

In export cargo handling operations, we have improved both operational efficiency and work quality by adopting AI-OCR technology, which automatically converts case mark information captured via smartphones into data. This has reduced manual input and shortened processing time by approximately 60%.



Main Initiative 3

Implementation of Automation Equipment

By introducing automation equipment at our sports goods distribution center in Osaka, we have achieved greater operational efficiency and improved accuracy. While making use of existing facilities, we standardized and streamlined operations without interrupting logistics, thereby establishing a system capable of responding quickly and flexibly to diverse customer needs. We are committed to strengthening on-site capabilities and enhancing corporate value through DX initiatives.

