

VALUE BEYOND LOGISTICS



**MITSUI-SOKO HOLDINGS Co., Ltd.**

Financial Results Briefing for the Fiscal Year Ended March 2025

May 16, 2025

## Event Summary

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<b>[Company Name]</b>	MITSUI-SOKO HOLDINGS Co., Ltd.	
<b>[Company ID]</b>	9302-QCODE	
<b>[Event Language]</b>	JPN	
<b>[Event Type]</b>	Earnings Announcement	
<b>[Event Name]</b>	Financial Results Briefing for the Fiscal Year Ended March 2025	
<b>[Fiscal Period]</b>	FY2025 Annual	
<b>[Date]</b>	May 16, 2025	
<b>[Number of Pages]</b>	30	
<b>[Time]</b>	10:00 - 10:59 (Total: 59 minutes, Presentation: 31 minutes, Q&A: 28 minutes)	
<b>[Venue]</b>	Webcast	
<b>[Venue Size]</b>		
<b>[Participants]</b>		
<b>[Number of Speakers]</b>	3	
	Hirobumi Koga	Representative Director, President & CEO
	Nobuo Nakayama	Representative Director, Senior Managing Director & CFO
	Takeshi Nishimura	Managing Executive Officer

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# Presentation

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**Moderator:** Thank you for waiting. We will now begin the briefing on the financial results of MITSUI-SOKO HOLDINGS Co., Ltd. for the fiscal year ended March 31, 2025.

First, I would like to introduce today's speakers. Mr. Hirobumi Koga, Representative Director, President, and CEO.

**Koga:** I am Koga. Thank you.

**Moderator:** Mr. Nobuo Nakayama, Representative Director, Senior Managing Director, and CFO.

**Nakayama:** My name is Nakayama. Thank you.

**Moderator:** Mr. Takeshi Nishimura, Managing Executive Officer.

**Nishimura:** Hello, this is Nishimura. Thank you.

**Moderator:** Today, President Koga will first explain the progress of the Medium-Term Management Plan 2022, and then Senior Managing Director Nakayama will give an overview of the financial results and the outlook for the next fiscal year. This will be followed by a Q&A session, which is scheduled to end around 11:15 AM. Explanatory materials are also available on our website. The briefing will be streamed live.

Please note that we may not be able to answer all questions due to time constraints. I appreciate your understanding. On-demand distribution will be available later.

President Koga, please begin.

**Koga:** Hello, everyone. Thank you very much for taking time out of your busy schedule to participate in our financial results briefing for the fiscal year ended March 2025 today. I'm Koga, President of MITSUI-SOKO HOLDINGS Co., Ltd. Thank you very much for joining us today.

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## ▶ Executive Summary

FY2025 (Full-year) Results	Increasing in operating revenue due to the increase in handling air cargo and the launch of new logistics operations			
	Decreasing in operation profit due to temporary vacant floors of the major building in the real estate business.			
	Operating Revenue	¥280.7 billion	YoY	+7.7%
	Operating Profit	¥17.8 billion	YoY	-14.1%
FY2026 (Full-year) Forecast	Expect revenue and profit growth for the following reasons			
	Logistics business: Recovery in cargo movement and expansion of new business operation			
	Real estate business: New tenant occupancy of the major building			
	Operating Revenue	¥294.0 billion	YoY	+4.7%
	Operating Profit	¥20.0 billion	YoY	+12.2%
Shareholder Returns	Maintain the dividend for FY2026 at the same level as for FY2025, taking into account the progress of the medium-term management plan and the viewpoint of stable dividend payment			
	FY2025 (Actual)	48.67 yen*	Payout Ratio	36.3%
	FY2026 (Forecast)	49.00 yen	Expected Payout Ratio	35.9%
	* Calculated based on the number of shares after the 3-for-1 stock split			
	146 yen when calculated without considering the stock split			

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I will now begin with a summary of the results for the fiscal year ended March 31, 2025, and the forecast for the fiscal year ending March 31, 2026.

Please see page two. As CFO Nakayama will explain in detail later, operating revenues for the fiscal year ended March 31, 2025 increased from the previous year, mainly due to the increase in handling air cargo and the full-scale contribution to earnings from the launch of new logistics operation.

Meanwhile, operating profit decreased YoY due to temporary vacancies in major buildings in the real estate business resulting from the conversion to multi-tenant use.

For the fiscal year ending March 31, 2026, we expect cargo movements in the logistics business to bottom out and handling volumes gradually pick up, and in addition, we expect new business to expand. In the real estate business, we plan to increase both revenue and profit mainly due to new tenants moving into the multi-tenant MSH Nihonbashi Hakozaeki Building.

As for shareholder returns, since the main buildings in the real estate business will not be operating at full capacity in the fiscal year ending March 2026 and we expect to incur extraordinary losses due to the relocation of our head office, we plan to maintain the dividend payout ratio at the level of the fiscal year ended March 2025, regardless of our policy of a 30% dividend payout ratio. As a result, the dividend payout ratio is expected to be 35.9%.

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► Progress of Medium-term management plan 2022

✓ Reviewing our materiality to accelerate management from a medium- to long-term perspective



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I will now explain the progress of the Medium-Term Management Plan 2022. Please see page four. First, I would like to talk about our group's vision.

The role of the logistics industry as a social infrastructure has become even more important in the face of increasing geopolitical risks and more severe natural disasters. In our conversations with customers, we have been receiving a sharp increase in requests for specific advice on supply chain restructuring, and we are keenly aware that as a logistics company, we are being put to the test.

In this business environment, we reviewed our materiality in September 2024, recognizing the need to further accelerate management from a medium- to long-term perspective to realize our group philosophy. Under this new materiality, we are proceeding with various initiatives under the Medium-Term Management Plan 2022, aiming to become a logistics company that can provide the logistics value that society and our customers truly demand.

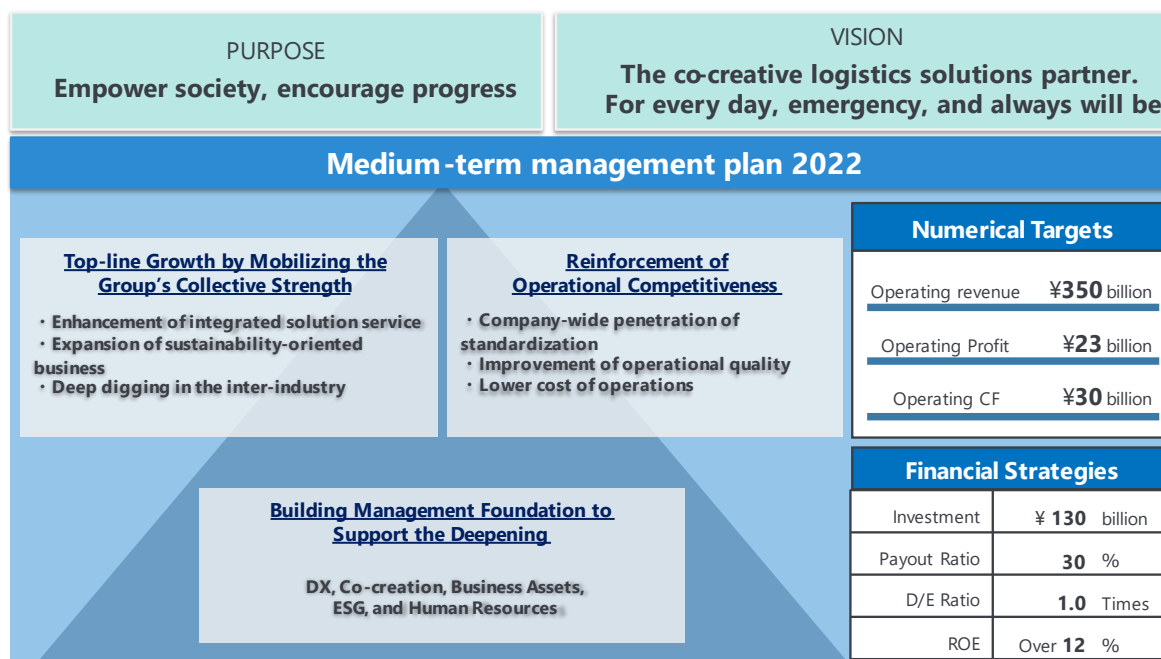
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▶ Progress of Medium -term management plan 2022

✓ To achieve numerical targets for the final year of the plan, we will promote initiatives under the Medium-Term Management Plan 2022.



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Please turn to page five. From here, I would like to give you an overview of our Medium-Term Management Plan 2025. Under the slogan of "Offensive through Deepening," the plan of the Medium-Term Management Plan 2022, now in its fourth year, is to enhance corporate value by continuing and deepening the initiatives of the previous medium-term yen plan.

We have positioned this as a growth phase in which we will go on the offensive with the Group's unique business model with three pillars of our growth strategy: top-line growth by mobilizing the Group's collective strengths, reinforcement of operational competitiveness, and building management foundation to support the deepening.

In the midst of recent drastic changes in the business environment, such as the Trump administration's tariff measures, various risks that could threaten supply chains are becoming apparent, but I believe that diversification and multi-tracking are key words in the logistics industry.

Under such circumstances, in addition to the advancement of business quality, the proposal-based services that we are now actively working on, such as BCP and response to environmental issues, are very important, and we feel that the strategies we have been working on so far under the current medium-term plan have been correct.

We have set a numerical target of operating profit of JPY23 billion for the fiscal year ending March 31, 2027, the final year of the plan, and are proceeding with various initiatives to achieve this target, while also being conscious of capital efficiency and financial discipline.

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✓ Promote various initiatives in both the logistics and real estate businesses

<p><b>01 Constructing a new warehouse at Busan New Port</b></p> <ul style="list-style-type: none"> <li>Constructing the second warehouse within the FTZ at Busan New Port, one of the world's leading container ports in South Korea.</li> <li>Strengthen and expand logistics operations in the Asia-Pacific region.</li> </ul> <table border="1"> <tr> <td colspan="2">Overview of the Facility</td> </tr> <tr> <td colspan="2">Constant temperature air conditioning system, clean room</td> </tr> <tr> <td>Storage area</td> <td>5 stories, approx. 30,000 m<sup>2</sup> (total floor space)</td> </tr> </table> 	Overview of the Facility		Constant temperature air conditioning system, clean room		Storage area	5 stories, approx. 30,000 m <sup>2</sup> (total floor space)	<p><b>02 Launch the healthcare warehouse construction project</b></p> <ul style="list-style-type: none"> <li>Launch the 5th high-standard healthcare-specific warehouse construction project in Japan.</li> <li>Meet the demand for facilities suited to the supply chain of high-molecular pharmaceuticals and for high-quality operational services.</li> </ul>  <p>Photo is for illustrative purposes only.</p>
Overview of the Facility							
Constant temperature air conditioning system, clean room							
Storage area	5 stories, approx. 30,000 m <sup>2</sup> (total floor space)						
<p><b>03 Employ green finance to support the value enhancement of the Hakozaki Building</b></p> <ul style="list-style-type: none"> <li>Formulation of a Green Finance Framework and issuance of a Green Bond amounting to 5 billion yen to promote sustainability management.</li> <li>Procurement of 3.1 billion yen through a green loan.</li> </ul> <p>&lt;Purpose of Funds Raised &gt; Expenses for the MSH Nihonbashi Hakozaki Building related to construction for increasing the value and converting it to multi-tenant use in order to realize an environment-friendly office building.</p> 	<p><b>04 Strengthen operational competitiveness through promotion of DX and improvement of operational quality</b></p> <ul style="list-style-type: none"> <li>Launch a new LVL service to support the streamlining of export operations <sup>*1</sup>. <sup>*1</sup>Logistics Value Link: a digital platform for SCM to enhance the efficiency of logistics operations</li> <li>Obtain the CEIV Lithium Batteries certification <sup>*2</sup>. <sup>*2</sup> A quality certification program developed by IATA for the safe air transport of lithium-ion batteries. Acquired by MITSUI-SOKO EXPRESS Co., Ltd. and MITSUI-SOKO Supply Chain Solutions Inc.,</li> <li>Obtain a license to manufacture regenerative medicine products and establishment of a two-base structure in Eastern and Western Japan.</li> </ul> 						

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Please refer to page six. I would like to introduce some of our specific initiatives we took for the fiscal year ended March 2025, based on our growth strategy in the Medium-Term Management Plan 2022.

In light of the strong storage and transshipment needs at the Busan New Port in South Korea, we are proceeding with plans to expand the warehouse and expect the total construction cost to be approximately JPY5 billion. Construction began in April of this year and is progressing steadily toward full operation in the summer of 2026.

The second is the construction of new logistics facilities in the healthcare area. To meet the demand for facilities suited to the supply chain of high-molecular pharmaceuticals and for high-quality operational services, we have initiated a project to construct the fifth dedicated facility in Japan, with an expected investment scale of approximately JPY7 billion.

Third, in the real estate business, we are proceeding with the enhancement of the Hakozaki Building at a total cost of approximately JPY8 billion, and we have formulated a Green Finance Framework to finance the work. We aim to evolve Hakozaki Building into an environmentally friendly office and contribute to sustainability.

Finally, regarding our operations initiatives, we have begun offering Mitsui Chemicals a new service that will help improve the efficiency of export operations based on our SCM digital platform, Logistics Value Link (LVL), which helps optimize our customers' logistics.

In addition to obtaining CEIV, Lithium Batteries certification, an IATA-established air transport quality certification for lithium-ion batteries at Narita International Airport, our own facility in the Kansai region has obtained a manufacturing license for regenerative medicine products and has established a system to provide high-quality storage and seamless transportation services between the east and west of the country. Through

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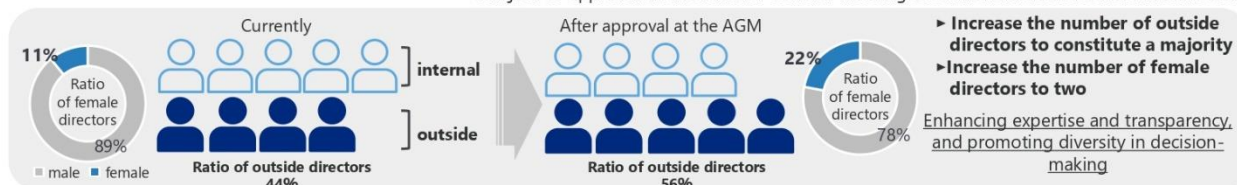
these efforts, we are strengthening the competitiveness of our operations by promoting digital transformation and improving the quality of our operations.

## ▶ Progress of Medium-term management plan 2022 – Topics for FY2025 -

### ✓ Strengthen corporate governance to achieve sustainable growth and enhance corporate value

#### ▶ Change in the composition of the board of Directors

\*Subject to approval at the Annual General Meeting of Shareholders to be held in June 2025



- ▶ Increase the number of outside directors to constitute a majority
- ▶ Increase the number of female directors to two

Enhancing expertise and transparency, and promoting diversity in decision-making

#### ▶ Revise the remuneration system for directors

- Introduce ROE and ESG scores from rating agencies as evaluation metrics to emphasize capital efficiency and the cost of capital.
- Expand the proportion of performance-based components (variable portion) in remuneration.

### ✓ Promote initiatives related to DX and human capital, with enhanced disclosures that have led to improved external evaluations

- Selected for "DX featured company"
  - Organized by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency
- Certified as a "Kurumin" company
  - A government recognition under the Act on Advancement of Measures to Support Raising Next-Generation Children
  - Recognized for actively supporting employees in balancing work and child-rearing
- Certified as "Health & Productivity Management Outstanding Organization 2025 (Large Enterprise Category)"
  - Organized by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi
  - Recognized for demonstrating outstanding health and productivity management
  - Certification continues from the previous year
- Selected for the "Best Website Award" in the warehousing and transportation sector
  - Organized by the Nikko Investor Relations Co., Ltd.



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Please refer to page seven. Next, I will explain our efforts to strengthen governance, which underpins our growth.

After the General Meeting of Shareholders in June 2025, we plan to introduce a new executive structure and compensation system. As for the composition of the Board of Directors, the Company will strengthen corporate governance by ensuring greater transparency, expertise, and diversity by increasing the ratio of outside directors to five, the majority, as opposed to four inside directors, and by increasing the number of female directors to two.

In the executive compensation system, we will incorporate ROE and ESG scores as evaluation indicators for variable compensation and increase the ratio of variable compensation to strengthen incentives to realize management that is conscious of capital efficiency and cost of capital, and to encourage performance improvement.

Next is the topics related to external evaluation. We have been selected as a DX Featured Company for 2025 as a company that is implementing noteworthy initiatives, especially in terms of contributing to corporate value. In addition, we have recently received the Kurumin certification as a child-rearing support company and have been certified as a Health and Productivity Management Excellent Company for the second consecutive year as a corporation that practices excellent health management. We have also been selected as the best website in the industry category in the 2024 All Listed Company Website Quality Ranking hosted by Nikko Investor Relations.

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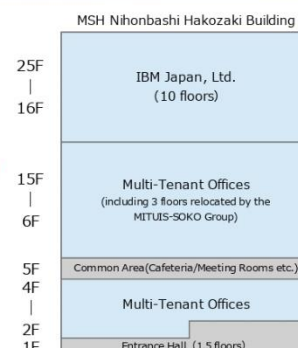
## ▶ Progress of Medium-term management plan 2022 – Topics for FY2025 -

### ✓ The occupancy rate of the Hakozaki Building is expected to reach 100% in FY2026, with all tenants already secured.

- Full tenant occupancy starting in January 2026.
- Contribute to the performance for the entire fiscal year ending in March 2027.

	FY2024	FY2025	FY2026				FY2027
			1Q	2Q	3Q	4Q	
Occupied floors	25 full-floor lease including common areas	17.5	17.5	18.5	19.5	22.5	22.5
Common area		2.5	2.5	2.5	2.5	2.5	2.5
<b>Occupancy rate</b> (including common area)	-	<b>80%</b>	<b>80%</b>	<b>84%</b>	<b>88%</b>	<b>100%</b>	<b>100%</b>

- Ongoing construction for value enhancement to prepare for tenant occupancy.



### ✓ In May 2025, the headquarters functions of five companies located in the Tokyo area will be consolidated and relocated to Hakozaki, the "place of origin" of the company.

- ▶ **Promote group integration through dynamic communication, fostering new business development and expanding solution services through co-creation**

<Examples of initiatives for group integration>

- Establish a specialized organization to promote employee interaction at the Hakozaki office in April 2025
- Implement a free address system across the entire building, transcending company boundaries.
- Promote sales DX, led by a dedicated CRM department



- ▶ **Consolidate headquarters functions from three locations into one, leading to streamlined decision-making and enhanced group management**

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Please see page eight. I will now explain the leasing status of MSH Nihonbashi Hakozaki Building. We have been working to develop the Hakozaki Building into a multi-tenant space, and it has been decided that all floors will be occupied by Q4 of the fiscal year ending March 2026. As a result, the building will make a full-year contribution to the business performance from the fiscal year ending March 31, 2027.

As previously announced, the consolidation and relocation of our Tokyo offices, which were previously located in three locations, was completed on three of these floors this May. We have returned to Nihonbashi Hakozaki, where the Mitsui Warehouse Group was founded, for the first time in about 40 years, but this will not end with a simple relocation; we will further stimulate communication between businesses with diverse expertise and promote further integration of the Group.

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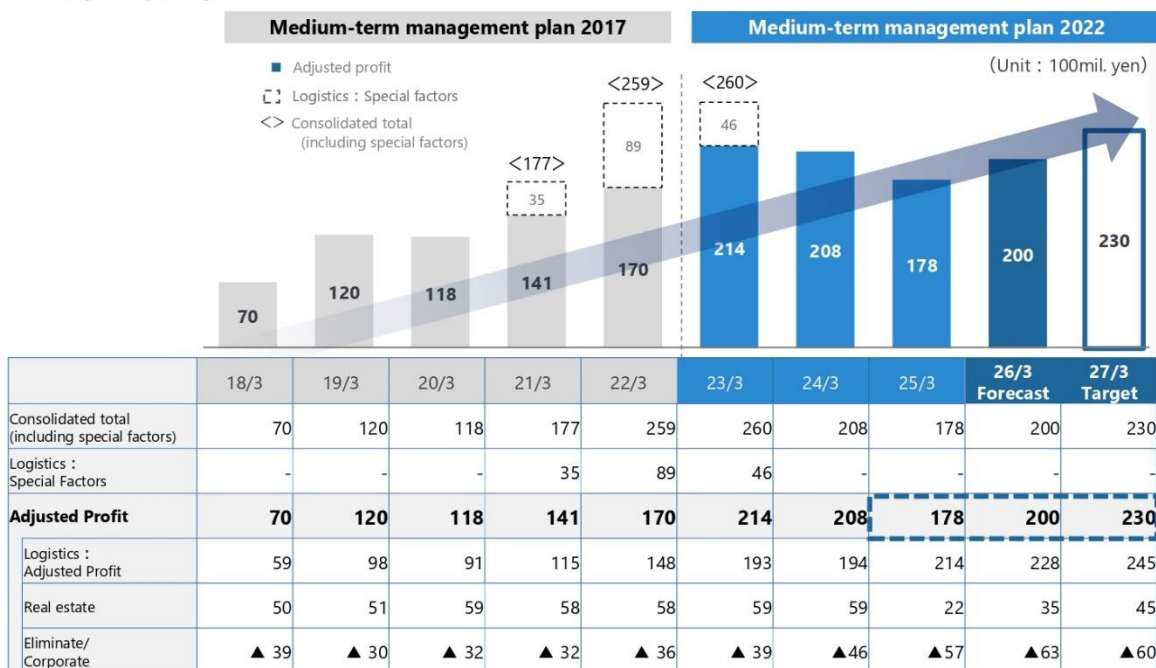
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## ▶ Progress of Medium-term management plan 2022 – Earnings Trends -

✓ Progressing steadily as planned toward achieving the numerical targets

<Changes In Operating Profit>



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I would now like to explain the progress of our business performance toward achieving the numerical targets of our Medium-Term Management Plan 2022. Please see page nine.

Our operating profit target for the fiscal year ending March 2027 is JPY23 billion, which we estimate will be broken down as follows: JPY24.5 billion from the logistics business, JPY4.5 billion from the real estate business, and JPY6 billion for corporate expenses.

In the fiscal year ended March 31, 2025, we landed at JPY17.8 billion, partly due to a temporary decrease in profit of approximately JPY3.8 billion caused by tenant replacement in the real estate business, but progress is generally on track as planned, including the fact that the third year will be the bottom year. We are making progress toward JPY23 billion with two years remaining and JPY5.2 billion to go. The details will be explained on the next page.

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## ▶ Progress of Medium-term management plan 2022 – Earnings Trends -

- ✓ Promote measures to expand earnings and strengthen the foundation of each business to achieve **¥23.0 billion in operating profit in the final year target of the medium-term management plan 2022**

<Changes in Operating Profit> (Unit : 100mil.yen)

### Logistics business

\* Only Adjusted Profit

- ▶ Expanding revenue due to top-line growth and lower cost of operations



- Increase of ¥6.6 billion in adjusted profit during the plan's three-year period from FY2022 to FY2025
- Plan to further increase by ¥3.1 billion over the next two years until the final year (FY2027)

### Real estate business

- ▶ The occupancy rate of the Hakozaki Building is expected to reach 100% in FY2026, despite having decreased due to tenant replacement in FY 2025.



- Full tenant occupancy starting in January 2026.
- Contribute to the performance for the entire fiscal year ending in March 2027
- The value enhancement of the Hakozaki Building is proceeding as planned.

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Please see page 10. I would like to explain the breakdown of the progress of the medium-term management plan by segment.

For the logistics business, we have set a target of increasing the value by about JPY10 billion from the actual value of JPY14.8 billion in the fiscal year ended March 31, 2022, which was the initiation year, but we have accumulated JPY6.6 billion in the three years through the fiscal year ended March 31, 2025, partly due to the implementation of investments and the results of various measures. To achieve the target for the final year, we plan to accumulate JPY3.1 billion over the remaining two years by continuing to pursue initiatives in line with our growth strategy and promoting price pass-on to cope with soaring costs, which we consider well within our target range.

In the real estate business, as explained earlier, the Hakozaki Building will become fully operational in Q4 of the fiscal year ending March 31, 2026, and will make a full-year contribution in the fiscal year ending March 31, 2027. As a result, operating profit for the final year is expected to be JPY4.5 billion.

We will continue to accelerate various initiatives to steadily achieve our goal of JPY23 billion.

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## ▶ Progress of Medium-term management plan 2022 – Shareholder Returns -

- ✓ A 3-for-1 stock split of our common shares to enhance share accessibility and broaden the investor base
- ✓ Maintain the dividend for FY2026 at the same level as for FY2024, taking into account the progress of the medium-term management plan and the viewpoint of stable dividend payment
- ✓ No change in dividend policy: Flexible dividends linked to our performance based on an annual dividend payout ratio of 30%

<Dividend amount and dividend payout ratio trends>

\*Calculated based on the number of shares after the stock split



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Please see page 11. I would like to explain shareholder returns. On May 1, we conducted a three-for-one stock split to create an environment that makes it easier for investors to invest and to expand our investor base. The dividend per share shown in the graph reflects the impact of stock splitting retroactively.

For the fiscal year ended March 31, 2025, we have decided to maintain the level of the fiscal year ended March 31, 2024, taking into account that the decrease in profit is mainly due to transitory factors in the real estate business, while making steady progress toward the final year of the medium-term management plan, and from the perspective of stable dividends.

For the fiscal year ending March 31, 2026, the Hakozaki Building will be in full operation from Q4 and will make a full-year contribution to the real estate business in the final year of the medium-term management plan, and we will incur extraordinary losses due to the head office relocation. Based on this, the full-year dividend for the current fiscal year is expected to be JPY49, with a payout ratio of 35.9%.

There is no change to the policy of paying dividends flexibly linked to business performance based on a payout ratio of 30%, as stated in the Medium-Term Management Plan 2022. We will continue to strengthen shareholder returns by increasing dividends in line with profit growth.

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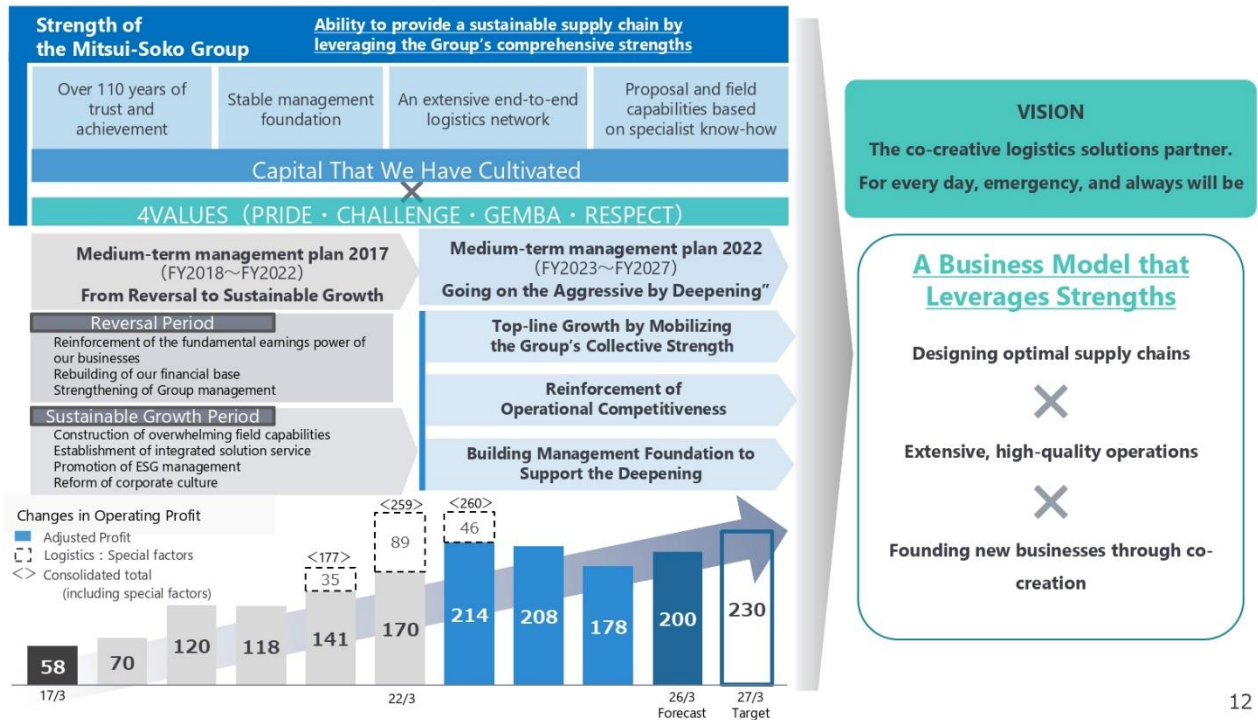
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## ▶ Progress of Medium-term management plan 2022 – Shareholder Returns -

- ✓ Focus on sustainable growth, achieved by strengthening our core strengths and business model to meet the needs of supply chain optimization



12

Please see page 12. Lastly, I would like to talk about the Group's strengths that we have developed through our past efforts.

As I have explained, even in a rapidly changing business environment, we have steadily increased our earning power and have steadily built up our ability to generate operating profit from JPY5.8 billion before the start of the previous medium-term management plan to the current level of JPY20 billion.

Under the previous medium-term management plan, the first half was designated as a period of reversal, and the entire company came together to work on strengthening profitability and rebuilding the financial base by cutting costs without exception and reducing interest-bearing debt. We also strengthened group management by establishing cross-group functions. In the second half, a period of sustainable growth, we worked to integrate our strengthened logistics functions, strengthen our on-site capabilities, and foster a sense of unity within the Group to hone our ability to propose optimal solutions that respond to changes in our customers' business environments.

In the current medium-term business plan, we have positioned this phase as one in which we will further develop these strengths and refine our unique strengths and business model and are working on various measures. We have definitely caught the wave of major social changes and strengthened our solution proposals for change, which are now reflected in our current business performance, and we feel that we have made no mistake in the direction of our strategy to date.

Although the future of the international community as a whole remains uncertain in some areas, such as tariffs imposed by the Trump administration in the US, we will leverage the Group's integrated corporate strength, a strength we have cultivated over the years, to provide sustainable supply chains and steadily meet

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the needs arising from changes in supply chains. We will create new value through our business activities and achieve sustainable growth for the Group and society.

We would like to thank our investors once again for your support and look forward to your continued support.

Mr. Nakayama, CFO, will now give a summary of the financial results for the fiscal year ended March 31, 2025, and a detailed explanation of the full-year earnings forecast for the fiscal year ending March 31, 2026.

## ► Summary of FY2025 Financial Results

- **Increase in operating revenue due to the increase in handling air cargo, the launch of new logistics operations and a rise in ocean cargo freight rates**
- **Strong performance of automobile-related cargo and electric appliances movements**
- **Decrease in operating profit due to temporary vacant floors of the major building in the real estate business**

(Unit: 100 mil. yen)

Total Consolidated	FY2024	FY2025	Change	Change(%)	
Operating Revenue	2,606	<b>2,807</b>	+201	+7.7%	
Operating Profit	208	<b>178</b>	-30	-14.1%	
〔 Operating profit margin	8.0%	<b>6.4%</b>	-1.6pt	—	〕
Ordinary Profit	210	<b>180</b>	-30	-14.1%	
Profit attributed to owners of parent	121	<b>100</b>	-21	-17.1%	

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**Nakayama:** My name is Nakayama. Thank you. I will now explain the details of the financial results for the fiscal year ended March 31, 2025, in accordance with the explanatory materials.

Please refer to page 14. As shown in the materials, the results for the fiscal year ended March 31, 2025 show an increase in revenue but a decrease in profit compared to the previous fiscal year.

As the President stated at the beginning, air cargo volume has remained steady, and new bases are operating at full capacity, resulting in increased revenue.

The decrease in profit was mainly due to a one-time decrease in rental income in the real estate business. This was due to vacancies caused by the conversion of the Hakozaki Building into a multi-tenant building, but leasing of the vacancies is 100% complete.

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## ► Financial Results by Segment

Segment	(Unit: 100 mil. yen)			
	FY2024	FY2025	Change	Change(%)
Operating Revenue	2,606	<b>2,807</b>	201	+7.7%
Logistics business	2,518	<b>2,751</b>	233	+9.2%
Warehousing/Port transportation	1,229	<b>1,373</b>	144	+11.7%
Airfreight forwarding(FWD)	353	<b>438</b>	85	+24.3%
3PL/LLP	766	<b>804</b>	38	+4.9%
Land transportation	277	<b>272</b>	-5	-1.9%
Elimination of intra-group transactions	-107	<b>-136</b>	-29	—
Real estate business	96	<b>67</b>	-29	-30.0%
Eliminate/Corporate	-8	<b>-10</b>	-2	—
Operating Profit	208	<b>178</b>	-30	-14.1%
Logistics business	194	<b>214</b>	20	+10.1%
Warehousing/Port transportation	73	<b>74</b>	1	+1.2%
Airfreight forwarding(FWD)	47	<b>62</b>	15	+32.0%
3PL/LLP	61	<b>67</b>	6	+9.7%
Land transportation	14	<b>14</b>	-0	-1.4%
Elimination of intra-group transactions	-1	<b>-3</b>	-2	—
Real estate business	59	<b>22</b>	-37	-63.6%
Eliminate/Corporate	-46	<b>-57</b>	-11	—

- Increase in revenue due to the launch of new high-fashion logistics operations, the increase in EC logistics handling at the new operations base in Kansai region and the launch of new operations base in Europe
- Increase in revenue due to a rise in ocean freight rates, mainly in America and Europe

- Strong performance of automobile-related cargo movement
- Increase in handling of air FWD which is shifted from ocean on some routes due to disruption of shipping market conditions

- Despite steady increase in handling new operations, profit remained unchanged due to temporary cost for launching in H1 FY2025
- Despite an increase in revenue due to a rise in ocean freight rates, the margin remained unchanged

- Increase in handling of semiconductor logistics in Kyushu region.
- Launch of new EC logistics of home appliances in Kanto region

- Temporary vacant floors due to tenant replacement in the major building

15

Please turn to page 15. I would like to explain our performance by segment.

Please look at the operating profit in the bottom row. First, the logistics business as a whole reported an increase in earnings. I will continue with a breakdown of the logistics business in turn. In warehousing and port transportation, despite one-time start-up costs, profits increased due to the full operation of a newly established base. Air freight forwarding recorded an increase mainly due to an increase in automobile-related cargo handled. In the 3PL/LLP segment, profit increased due to an increase in the handling of semiconductor logistics in Kyushu. Land transportation remained mostly unchanged.

As mentioned earlier, the real estate business has experienced a decrease in profit due to temporary vacancies. In addition, corporate expenses increased due to the promotion of DX investment, etc.

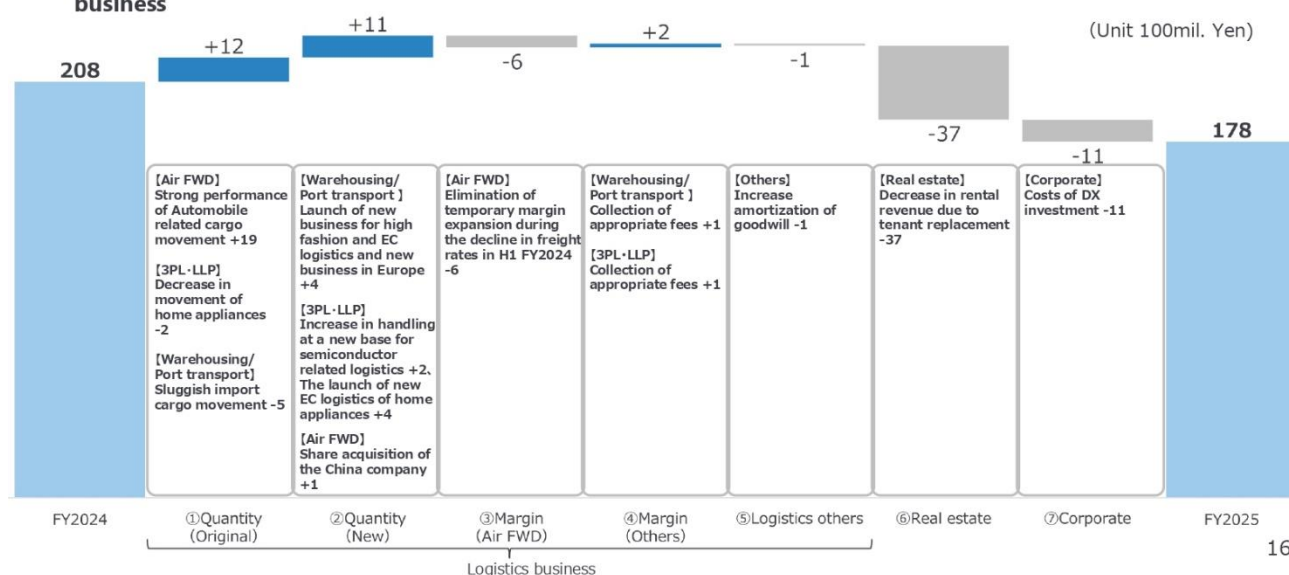
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## ► Main Factors of Changes in Operating Profit

- Strong performance of automobile-related cargo and electric appliances movements but sluggish import cargo movement such as food raw materials
- Increase in handling semiconductor-related cargo at new base and new high-fashion logistics operations
- Elimination of temporary margin expansion during the decline in freight rates in H1 FY2024
- One-time decrease in rental revenue due to tenant replacement of the major building in the real estate business



Please refer to page 16. Next, I will explain the factors behind the changes in operating profit. Please see the step chart.

Circles one and two represent quantity factors in the logistics business. Of these, circle one is an increase or decrease due to the movement of base cargo. Airfreight shipments, mainly related to automobiles, remained strong. Circle two is the increase in volume due to the start of new operations. In addition to the start of new high-fashion logistics operations, there was an increase in handling at new semiconductor-related bases.

Circles three and four are margins, i.e., unit selling prices and cost factors. In air transportation, the temporary margin expansion that occurred in the previous fiscal year has been resolved. On the other hand, in the non-air transportation segment, margins have improved through various efficiency improvement measures and appropriate fee collection.

Other factors contributing to the increase/decrease in the logistics business of circle five included amortization of goodwill and foreign exchange effects.

Circles one through five, which I have explained so far, are the reasons for the changes in the logistics sector.

Circles six and seven, the real estate business and company-wide expenses, have decreased profits as explained earlier.

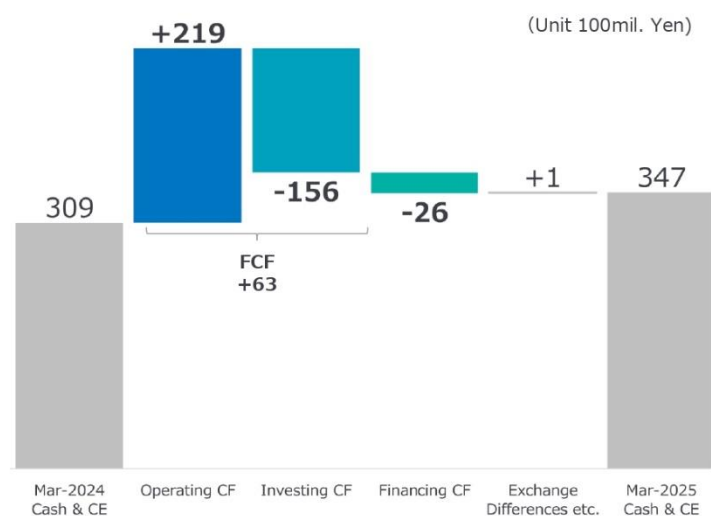
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## ► Cash Flow Status

- Operating cash flow (CF) resulted in a net cash inflow of 21.9 bn yen mainly due to net income
- Investment in both the value-adding construction of the Hakozaki Building and software aligned with DX strategy, as well as acquisition of additional shares in a joint venture in China



Major Breakdown of Cash Flows	
• Operating CF	: +219
Profit before income taxes	: +181
Depreciation/Amortization of goodwill	: +108
Decrease (increase) in trade receivables/ trade payables	: -60
Income taxes paid	: -34
• Investing CF	: -156
Capital investment	: -132
Software investment	: -24
Stock acquisition	: -4
<b>(Subtotal) Free cash-flow</b>	<b>: +63</b>
• Financing CF	: -26
Change in borrowings and bonds (Net)	: +47
Dividends paid	: -38
• Total of Change in Cash and Cash Equivalents	: +38

17

Please see page 17. Next, I will explain cash flows.

Operating cash flow was a cash inflow of JPY21.9 billion and investing cash flow was a cash outflow of JPY15.6 billion due to value-adding construction at the Hakozaki Building and the acquisition of additional equity interest in a joint venture in China. Free cash flow was mainly used for dividend payments, resulting in a financing cash outflow of JPY2.6 billion.

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## ► Balance Sheet Status

- Improved D/E ratio due to steady accumulation of net income
- Achieved a stable balance sheet with sufficient capacity for future strategic investments

(Unit: 100 mil. yen)

Total Consolidated	Balance as of Mar. 31, 2024	Balance as of Mar. 31, 2025	Change
Total Assets	2,635	<b>2,804</b>	+169
Cash and deposits	319	<b>355</b>	+36
Trade receivables	303	<b>357</b>	+54
Tangible and Intangible assets	1,512	<b>1,547</b>	+35
Interest-bearing debt (including Lease obligations)	833	<b>876</b>	+43
Borrowings and Bonds	767	<b>816</b>	+49
Lease obligations	65	<b>60</b>	-5
Equity Capital	1,099	<b>1,172</b>	+73
Equity ratio	41.7%	<b>41.8%</b>	+0.1
D/E ratio	0.76	<b>0.75</b>	-0.01

- construction for value enhancement of the Hakozaki Building + 2.4 bn yen

- Reasons for the change in equity capital:  
Net Income +10.1 bn yen  
Dividends -3.8 bn yen  
Valuation difference on available-for-sale securities etc. +1.0 bn yen

18

Please see page 18. I will explain the balance sheet. The D/E ratio improved to 0.75x due to the accumulation of profits. The situation is such that the Company has sufficient surplus capacity for future investment execution.

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## ► Summary of FY2026 Financial Forecast

- Expect to increase profits by improving the profitability of the logistics business and capturing the demand for supply chain restructuring
- Despite upward pressure on raw material costs, maintain margins through efficiency improvements and appropriate price revisions
- Expect to increase in profit due to the entry of new tenants into the Hakozaki Building

(Unit: 100 mil. yen)

Total Consolidated	FY2025 Results ( '24.4-'25.3)	FY2026 Forecast ( '25.4-'26.3)	Change	Change(%)
Operating Revenue	2,807	<b>2,940</b>	+133	+4.7%
Operating Profit	178	<b>200</b>	+22	+12.2%
Ordinary Profit	180	<b>195</b>	+15	+8.1%
Profit attributed to owners of parent	100	<b>102</b>	+2	+1.6%

20

Next, I would like to explain our earnings forecast for the fiscal year ending March 2026. Please see page 20. Details will be explained later, but as stated in the material, we plan to increase both revenue and profit for the fiscal year ending March 31, 2026.

We expect profits to increase as cargo movements in the logistics business begin to recover gradually and as we capture demand for restructuring the supply chain. In addition, in the real estate business, we expect an increase in profit as a result of a new tenant moving into the Hakozaki Building.

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## ► Financial Forecast by Segment

(Unit: 100 mil. yen)

Segment	FY2025 Results (‘24.4-’25.3)	FY2026 Forecast (‘25.4-’26.3)	Change	Change(%)
Operating Revenue	2,807	<b>2,940</b>	+ 133	+ 4.7%
Logistics business	2,751	<b>2,860</b>	+ 109	+ 4.0%
Warehousing/Port transportation	1,373	<b>1,455</b>	+ 82	+ 6.0%
Airfreight forwarding(FWD)	438	<b>459</b>	+ 21	+ 4.7%
3PL/LLP	804	<b>825</b>	+ 21	+ 2.6%
Land transportation	272	<b>275</b>	+ 3	+ 1.1%
Elimination of intra-group transactions	-136	<b>-154</b>	- 18	—
Real estate business	67	<b>86</b>	+ 19	+ 28.1%
Eliminate/Corporate	-10	<b>-6</b>	+ 4	—
Operating Profit	178	<b>200</b>	+ 22	+ 12.2%
Logistics business	214	<b>228</b>	+ 14	+ 6.6%
Warehousing/Port transportation	74	<b>89</b>	+ 15	+ 19.7%
Airfreight forwarding(FWD)	62	<b>58</b>	- 4	- 6.4%
3PL/LLP	67	<b>68</b>	+ 1	+ 2.2%
Land transportation	14	<b>15</b>	+ 1	+ 6.5%
Elimination of intra-group transactions	-3	<b>-2</b>	+ 1	—
Real estate business	22	<b>35</b>	+ 13	+ 61.9%
Eliminate/Corporate	-57	<b>-63</b>	- 6	—

- Launch of new business for Healthcare in Japan and for ingredients in Asia
- expecting a recovery in the movement of import cargo

- Reactionary decrease in spot business compared to the previous period

- Commencement of new 3PL business for home appliance manufacturers, distributors, and retailers

- Gradual increase in occupancy rate, forecasting full occupancy at the end of the period
- Full tenant occupancy secured; sequential move-ins this fiscal year

21

Please see page 21. I will explain the full-year forecasts by segment.

Please look at the operating profit in the bottom row. I will explain each component of our logistics business in order. Warehousing and port transportation are expected to increase in both revenue and profit on the back of the start of new operations in healthcare logistics and a recovery in import cargo movement. Airfreight forwarding is expected to see a decrease in profit due to a rebound in spot business that occurred in FY2025. As for 3PL/LLP, we expect steady semiconductor-related cargo movement and plan to increase profit due to the start of new operations.

As for the real estate business, the occupancy rate of the Hakozaki Building is expected to gradually increase, and profit is expected to increase.

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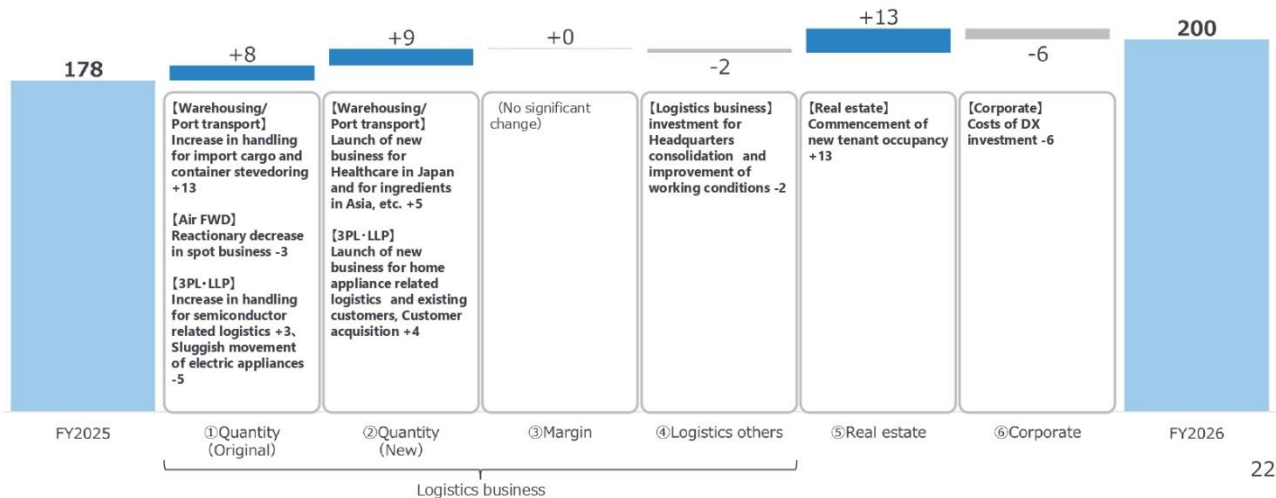
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## ▶ Main Factors of Changes in Operating Profit Forecast

- Expecting a gradual increase in the handling volume of imported food ingredients etc., after bottoming out
- Steady movement of domestic semiconductor-related cargo
- Launch of new business for Healthcare and new 3PL services for various clients (home appliances, distribution/retail, medical equipment, etc.) to expand business
- Real estate revenue increased due to the start of new tenant occupancy at Hakozaki Building

(Unit 100mil. Yen)



22

Please see page 22. I would like to focus on the key factors behind the changes in the operating profit forecast. Please see the step chart.

Regarding the changes in base cargo movements in the circle one category, we expect an increase in import cargo handling and solid semiconductor-related cargo movements. Circle two is the increase in volume due to the start of new operations. We expect to expand our business by starting new healthcare logistics operations and 3PL operations for multiple clients, including home appliances, distribution retailers, and medical equipment wholesalers.

As for circle three, the margin, the step chart shows no change, but please understand that this is because, although there is pressure for costs to rise, we expect to be able to maintain the margin through various efficiency measures and efforts to collect fair fees.

As explained earlier, the real estate business in circle five is expected to increase profit.

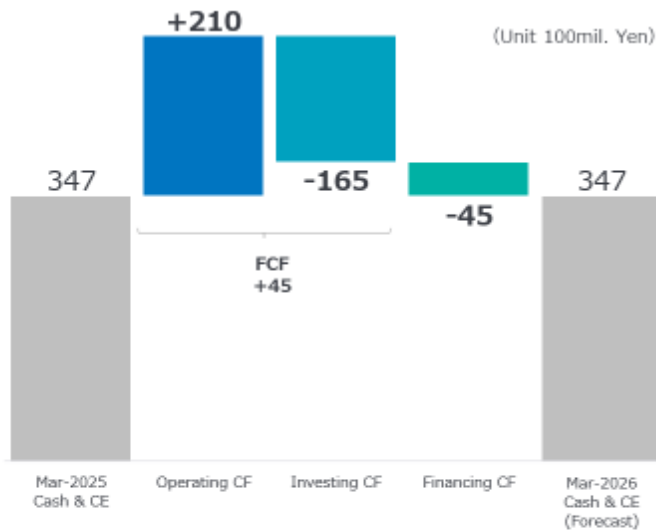
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## ▶ Cash Flow Forecast

- Expect Operating cash flow (CF) to be a net cash inflow of ¥21.0 billion
- Investing cash flow: anticipated expenditure for warehouse construction at Busan New Port, South Korea.



### Major Breakdown of Cash Flows (Forecast)

• Operating CF	: +210
Profit attributed to owners of parent	: +102
Depreciation/Amortization of goodwill	: +110
• Investing CF	: -165
Capital investment	: -125
Software investment	: -40
(Subtotal) Free cash-flow	: +45
• Financing CF	: -45
Change in borrowings and bonds (Net)	: +30
Dividends paid	: -38
• Total of Change in Cash and Cash Equivalents	: ±0

23

Please see page 23. I will explain the cash flow forecast. In our investment cash flow forecast, we anticipate capital investment of JPY16.5 billion. Payment for the construction of a warehouse at the Busan New Port in South Korea, which started in the fiscal year ended March 31, 2025, is expected to go into full swing.

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## ► Balance Sheet Forecast

- **Maintain the D/E ratio below 1.0x**  
Maintain sufficient investment capacity in preparation for further strategic investment
- **Due to the incurrence of one-time expenses associated with the relocation of the head office, ROE for the fiscal year ending March 2026 is expected to remain flat**  
Target capital efficiency improvement in fiscal year ending March 2027 via one-time expense resolution, full capacity at Hakozaki Building, and logistics profit growth

(Unit: 100 mil. yen)

Total Consolidated		Balance as of Mar. 31, 2025 (Actual)	Balance as of Mar. 31, 2026 (Forecast)	Change
Total Assets		2,804	<b>2,905</b>	+101
Interest-bearing debt (including Lease obligations)		876	<b>910</b>	+34
Borrowings and Bonds		816	<b>845</b>	+29
Lease obligations		60	<b>65</b>	+5
Equity Capital		1,172	<b>1,235</b>	+63
Financial Soundness	Equity ratio	41.8%	<b>42.5%</b>	+0.7
	D/E ratio	0.75	<b>0.74</b>	-0.01
Capital Efficiency	ROE	8.8%	<b>8.7%</b>	-0.1

- Increase in tangible fixed assets due to the construction of a warehouse in South Korea, etc.
- Increase in interest-bearing debt due to bank loans for capital investment
- Continued occurrence of the impact of one-time decrease in profit due to the multi-tenanting of Hakozaki Building
- One-time expenses incurred due to the relocation of the head office
- Starting in the fiscal year ending March 2027, the disappearance of one-time costs and full occupancy of Hakozaki Building for the entire year

• D/E ratio = Interest-bearing debt (including Lease obligations) / Equity Capital      • ROE = Profit before income taxes / Equity Capital (Average of fiscal year beginning and fiscal year end)

24

Please refer to page 24. Next, I will explain the balance sheet forecast. The D/E ratio at the end of the fiscal year ending March 31, 2026 is expected to be 0.74 times, almost the same level as that at the end of the previous fiscal year. ROE for the fiscal year ending March 31, 2026 is expected to continue to decline temporarily due to the impact of one-time expenses associated with the head office relocation. In addition to the elimination of this one-time expense in the fiscal year ending March 31, 2027, capital efficiency will be improved by the full-year operation of the Hakozaki Building and further profitable growth in the logistics business.

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## ▶ Dialogue with Shareholders and Investors

- Dialogues on the main themes such as cost of capital, information disclosure, and shareholder returns.
- Feedback obtained from the dialogues is shared with the Board of Directors to discuss on how shareholder returns should be achieved.

### Main Topics of Dialogue with Shareholders and Investors

Main Theme	Main Dialogue	Main Action Based on Dialogue
Cost of Equity	<ul style="list-style-type: none"> <li>• Our cost of equity (expected rate of return to the Company) and the basis for its calculation</li> <li>• Evaluation of ROE of 12%, the final-year target of mid-term plan</li> </ul>	<ul style="list-style-type: none"> <li>• Confirmed that the ROE target of 12% exceeds the rate of return that investors expect from the Company (approximately 7% to 10%)</li> <li>• Continue to promote various measures to achieve targets</li> </ul>
Information Disclosure	<ul style="list-style-type: none"> <li>• Disclosure of Business Results by Segment and Revenue Structure</li> <li>• Medium-Term Management Plan Measures and Future Growth Strategies</li> <li>• Human Capital</li> </ul>	<ul style="list-style-type: none"> <li>• Dialogue has been deepened to more essential content, such as management strategy and profit structure due to disclosure of business performance information as the basis for dialogue</li> <li>• Aggressive disclosure of information to improve evaluation of growth potential in the future</li> </ul>
Shareholder Returns	<ul style="list-style-type: none"> <li>• Volatility of Dividends per Share and Dividend Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Return to shareholders based on feedback from shareholders and investors who do not wish to see volatility in dividend per share</li> <li>• Continuing to consider the balance between growth investment, shareholder returns, and financial soundness</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Macro environment, Investment Plans, Impact of the multi-tenanting of real estate, etc.</li> </ul>	

### Implementation Status of Dialogue with Shareholders and Investors

Activities	Person in Charge	Number of Times
Financial Results Briefings	CEO, CFO, Each Executive Officer	4 times for a total of 251 companies
Individual IR interviews	CFO, Each Executive Officer, General Manager, Manager, IR and SR Personnel*	A total of 145 interviews
Institutional investors engagement	Each executive officer, general manager, Manager, IR and SR Personnel*	12 companies
Feedback to the Board of Directors	CFO provides feedback to the Board of Directors.	2 times

\*Responding to shareholders' and investors' requests and themes of dialogue

26

Please see page 26. Lastly, I would like to present the status of our dialogue with shareholders and investors during the year ended March 31, 2025. The main themes of the dialogue were governance and human capital.

I report to the Board of Directors on the content of our dialogue with investors. Based on dialogue with investors, the Company is also reviewing its executive compensation system and the composition of the Board of Directors as necessary. We will hold dialogues with shareholders and investors as needed in the future as well.

This concludes my part of the presentation. Thank you.

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## Question & Answer

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**Moderator [M]:** Before we move on to the Q&A session, I would like to start with a question that we often receive after earnings announcements.

**Participant [Q]:** What impact do you anticipate from the second Trump administration on your business?

**Koga [A]:** I, Koga, will explain about it. First, with the situation changing day by day, the future is very uncertain at this point, so we have not factored this into our earnings forecast. In response to your question, I would like to share my thoughts on how we can expect the business to be affected going forward.

First, our warehouse division, which is our original business, has branches both domestically and overseas. However, in the domestic sector, especially imports, imported products such as food ingredients account for a significant proportion. There are various things, such as soybeans and coffee beans, for which we basically believe that the Trump tariffs do not have much to do with. Of course we consume it, and since it is imported, it is rather irrelevant.

Rather, if there is one thing that is relevant, it is the exchange rate. The yen has been weak since the latter half of last year, and the trading companies that we do business with have been holding back on purchases due to the weak yen, which has led to a drop in cargo volume and a slight drop in operating rates. However, the yen has recently strengthened, and things have recovered quite a bit. If this appreciation of the yen is the so-called Trump influence, then I think that on the contrary, Trump influence has been a positive thing on us.

On the other hand, the logistics of our manufacturers, such as Sony and Toyota, are discussed daily between the company, business partners, and us. Where should we get the parts, where should we take them? Everyone, including us, is seriously considering these issues.

In that sense, we don't know how the situation will develop from now on, but we do believe that it is certainly possible that, for example, there may be a shortage of parts, and in such a case we may need to urgently transport parts by air. We are making preparations in this regard and considering a proper backup system to ensure that this works to the advantage of our customers.

On the other hand, when the Trump tariffs came to an end, everyone understood that one supply chain is not safe. It has to be decentralized. I think everyone felt the need to decentralize very strongly. In that sense, going forward, in the medium- to long term, there will be various customer decentralization needs, and they need a logistics company that can meet those needs, logistics companies that are fully equipped. We have grown into that type of company, so I think it's finally time for us to step up.

On the other hand, the Trump tariffs will bring more and more factories back to the US, and so-called local production for local consumption, or inlandization, is on the rise. But I personally think it's a little difficult to do easily. It would be difficult at this point to find a factory, hire workers, and procure parts all from one country, and if something like this were to happen, it would naturally have an impact on our logistics performance, but I do not think it will be that easy.

In any case, we would like to make various proactive proposals from now on and take advantage of business opportunities that allow us to stay ahead of the changes. That is all.

**Participant [Q]:** The next question. Toyota has announced its financial results, reporting a significant decrease in profits for the fiscal year ending March 2026. Will this have an impact on your performance?

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**Nakayama [A]:** Nakayama will answer. Looking at the earnings forecast issued by Toyota Motor Corporation when it announced its financial results, it showed a decline in profits, the main factors behind which were the Trump tariffs and the impact of exchange rates. On the other hand, net sales are expected to increase by 1%. In other words, it can be seen that the existing level of sales volume will be maintained.

On the other hand, our business involves the logistics of mass-produced cars, so-called finished cars, and production parts, as well as prototype cars and spare parts, which are extremely diverse.

Therefore, even if a customer's sales volume were to decline by a certain amount, it would not have an immediate negative impact on our business. In any case, our customers will continue to focus their efforts on responding to changes, and we would like to work together with them to fully capture such changes and make the most of business opportunities. That is all.

**Participant [Q]:** The next question. Recently, the temporary appreciation of the yen appears to have calmed down, but how does your company view the impact of exchange rates?

**Nakayama [A]:** Nakayama, will answer. As the President mentioned earlier, the impact of the exchange rate will affect various operations of our customers. For example, if the yen appreciates, the volume of imported cargo may increase. On the other hand, for export customers, there is a possibility that export volumes will decrease due to worsening terms of trade, and they are working to overcome this in various ways. We will firmly grasp this and capture the volume. That's all there is to it.

On the other hand, in terms of the impact of exchange rates on our specific business, we conduct business in approximately 20 countries. Air and ocean freights are particularly affected by the US dollar-yen exchange rate, as they are basically based on the US dollar.

We receive these payments from our customers in a very short-term process, so the impact of exchange rate fluctuations is extremely limited.

On the other hand, profits recorded by our overseas subsidiaries, etc., are recorded in the currency of the respective countries and converted into yen in the process of consolidated accounting. Therefore, the impact is determined by the relationship between multiple currencies and the yen, such as the US dollar-yen exchange rate for the US, the yuan and the yen for China, and the Thai baht and the yen for Thailand, so there is no such thing as a negative or positive impact simply because the US dollar-yen exchange rate moves one way or the other.

The results of exchange rates are offset among multiple currencies, which impacts our P&L, but in a word, I would like you to understand that the impact is limited. That is all.

**Participant [Q]:** The fiscal year ending March 31, 2026 is the fourth year of the medium-term plan. What is the certainty of the numerical target of JPY23 billion for the final fifth year?

**Koga [A]:** Koga will answer. As I explained earlier, for the logistics business, we have set a target of increasing operating profit by approximately JPY10 billion, compared to the actual operating profit of JPY14.8 billion for the fiscal year ended March 2022.

Thanks to the implementation of investments and various measures, we have already accumulated JPY6.6 billion over the three years through the fiscal year ended March 31, 2025, and we are on track to accumulate approximately JPY3.1 billion over the remaining two years by implementing measures in line with our growth strategy and responding to rising costs by, for example, passing on higher prices. We believe that we are well within the target range.

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On the other hand, in the real estate business, as I explained earlier, our Hakozaki Building will be in full operation in the fiscal year ending March 31, 2026, and will make a full-year contribution in the final fiscal year ending March 31, 2027, so we are on track to achieve our operating profit target of JPY4.5 billion for the final year.

We believe that the current year is extremely important to achieve the numerical target of JPY23 billion in the medium-term management plan. We will respond to changes in external factors such as the Trump tariffs and rising labor costs and make steady progress toward achieving the goal of JPY20 billion for the current fiscal year. That is all.

**Moderator [M]:** We will now move on to the question-and-answer session. Also, we will answer questions one at the time. Now, the person in the front row. Please go ahead.

**Hamano [Q]:** Thank you very much for your explanation. This is Hamano from SMBC Nikko Securities. I believe you mentioned the profit outlook earlier, but I would like to ask about your outlook for an ROE of 12%.

Coupled with the recovery in profits, I believe it will continue to recover, but I would like to ask about the need for balance sheet control. Thank you.

**Koga [A]:** I will answer the question. ROE is set at 12% for the final year of the medium-term management plan. Currently, profits hit bottom in the fiscal year ended March 2025 due to the impact of the temporary situations with tenant occupancy, and ROE is just under 9%. However, if the fiscal years ending March 2026 and March 2027 proceed as planned, we believe that ROE will return to an appropriate level.

However, since this is ROE, we, of course, take into account the aspects that are out of our control, such as the overall stock market rising and our holdings increasing slightly more than we expected. In any case, we would like to report to you as appropriate what we can, including information about the current environment. That is all.

**Hamano [Q]:** Thank you very much. The second point, tariff impacts. You have explained this on a volume basis, but I would like to ask about the impact of the current de minimis rules on airfreight forwarding, the outlook for the resulting negative impact, and your thoughts on this fiscal year.

**Nakayama [A]:** Nakayama will answer. Regarding the outlook for airfreight, there is one market condition issue to be addressed first. The market conditions have been calm so far. However, if geopolitical risks materialize, or if the Trump tariffs create urgency for shippers to move their cargo, this will bounce back on the market. We expect this to have an impact on the volume we handle.

At the moment, many of our clients are very uncertain about the outlook for this year regarding the Trump tariffs, so it is difficult for us to get a clear picture of the future of airfreight, but in general, I think the possibility of a positive outcome is stronger. We would like to capture that firmly.

First, we must firmly push for an increase in the volume of goods. We will also strive to provide our customers with adequate information and space for their needs.

Did I answer your question?

**Hamano [M]:** Thank you.

**Moderator [M]:** Does anyone have any other questions? Please go ahead.

**Shioda [Q]:** My name is Shioda from EY. Thank you for your presentation.

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I have one question. The method of management using ROIC is becoming quite widespread around the world, and I believe your company also refers to it for internal management. Is it possible to consider using it as an indicator for IR KPIs? Or is that not really what you are thinking about? Please give me some ideas.

**Nakayama [A]:** Nakayama will answer. Externally, ROE is disclosed as a benchmark. As you know, we, of course, also take into account other indicators, such as ROIC, when verifying performance and formulating business plans.

Therefore, the management of the Company will be based on a variety of indicators in a comprehensive manner. Therefore, there are physical limitations to adopting everything as a benchmark for external disclosure, so for now we are disclosing with an emphasis on ROE, but I would like you to understand that we are, of course, keeping an eye on ROIC when it comes to actual operations.

**Moderator [M]:** Does anyone have any other questions? We have received a question from the web.

**Participant [Q]:** What specific areas and operations do you see room for improvement in the profitability and ROE of the logistics business?

**Koga [A]:** I will answer the question. We use ROE as an indicator, but it is, of course, necessary to further increase profits in the logistics business. As I explained earlier, in our previous and current medium-term plans, profit margins have increased significantly, and we believe they have reached a fairly good level.

We will continue to increase profits and, by doing so, increase ROE by focusing on things that will differentiate us from other companies as our business model, such as solutions sales and new sales based on the high quality of our logistics services. That is all.

**Moderator [M]:** Does anyone have any other questions? Please go ahead.

**Shioda [Q]:** I have one more question to add, please. I am Shioda from EY.

Your company's debt-to-equity ratio was 0.75x at the end of the fiscal year ended March 31, 2025, which is slightly down 0.01 point from the end of the fiscal year ended March 31, 2024. In the medium-term management plan, the target was set at 1x, and in that sense, it seems that you are moving slightly away from 1x, but is it your stance that you are not in such a hurry to reach 1x and that it should be achieved slowly over the medium-term? Please explain your thoughts on this.

**Nakayama [A]:** Nakano will answer your question. The D/E ratio of one set in the medium-term plan is the standard for financial discipline. The current level of 0.75 is above that, but we happen to have some leeway in terms of making investments toward our future growth strategy, so we have set this figure in the sense that we will develop specific measures while keeping in mind the standard for financial discipline in the medium-term when allocating cash to make various investments.

In the short term, that may be slightly higher or lower, but we position it as an important figure to look at from a medium-term perspective. Please understand this way.

**Moderator [M]:** Does anyone have any other questions? Your question is from the chat.

**Participant [Q]:** Can you give us an update on the progress regarding the JPY130 billion investment?

**Koga [A]:** Koga will answer the question. Of the JPY130 billion investment over the five years of this medium-term management plan, JPY30 billion is for renewal of existing facilities, and JPY100 billion is for new

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investment. Although this JPY100 billion investment is progressing, there are some areas where we are slightly behind.

For example, as you all know, construction costs have been rising considerably when it comes to building new warehouses, and the number of general contractors and other related businesses has been decreasing. Naturally, we are building with a close eye on profitability, including ROIC management, but some projects are becoming increasingly difficult, so we are reviewing these areas.

However, since our goal going forward is growth investment, we would like to continue to aim for the JPY100 billion in this medium-term management plan, but for now, we are at the JPY60 billion to JPY70 billion level.

On the other hand, an operational lease, in other words renting instead of buying, is a very viable strategy. Of course, as I mentioned earlier, food ingredients are a long-term business, so it's fine to operate them in your own warehouse with a long depreciation period, but for example, semiconductors, various EC businesses, and distribution centers, it's unclear whether these will remain in place for the next 10 or 20 years. We may rent with a relatively light asset and operate there.

Although there will be no one-time cash flow, this will be an operational lease, and we consider this an investment as well. That is all.

**Moderator [M]:** Does anyone have any other questions? No more? If you have any other questions, please feel free to contact the person in charge of inquiries as indicated in the financial statement summary.

This concludes the presentation of the financial results for the fiscal year ended March 31, 2025. Thank you very much for your participation.

[END]

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### **Document Notes**

1. *Portions of the document where the audio is unclear are marked with [inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
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