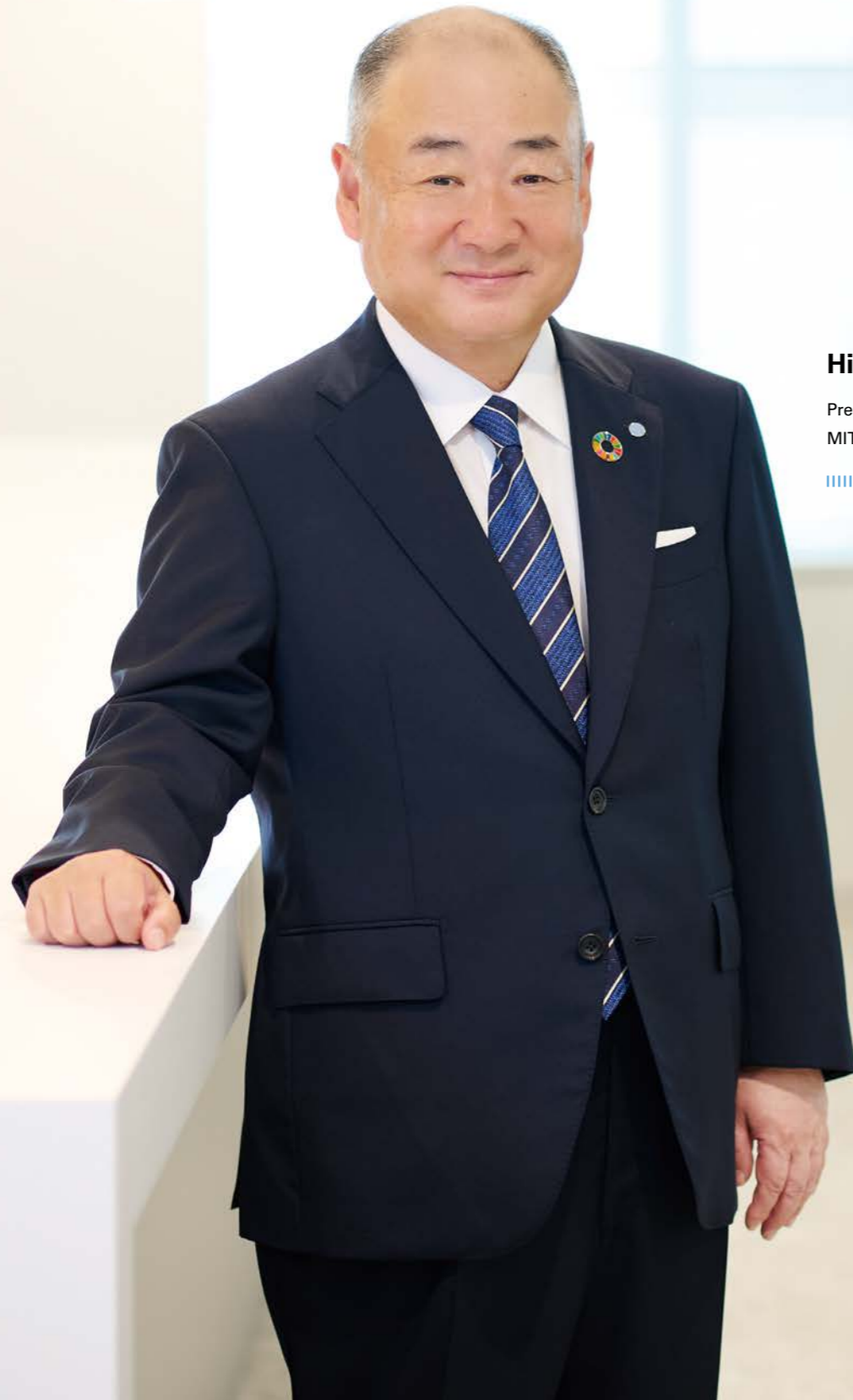


## Message from the President and Group CEO



### Hirobumi Koga

President and Group CEO  
MITSUI-SOKO HOLDINGS Co., Ltd.

# 02 | CEO MESSAGE

## To Become a Company That Is Needed Even 100 Years in the Future

By continuing to pursue new forms of logistics through co-creation, we will realize the sustainable growth of society and the Mitsui-Soko Group.

### Using “Dispersal” as a Tailwind, We Will Exercise Our Collective Strengths and Aim for Further Growth

I have one thing that I make sure to communicate to new employees at our welcoming ceremony held every April: “I would like you to take an interest in the trends in the world and what goes on around you and to increase your general knowledge.” As a company that provides comprehensive logistics services, our customers are extremely diverse. To build a good relationship with each of our customers, we need not only logistics-related know-how, but also broad general knowledge. To capture new business opportunities, we need a variety of knowledge and experience to be able to accommodate any type of customer from any type of industry.

To broaden my own knowledge, I proactively work to meet new people regardless of industry. Listening to people in different positions and of different ages, from the representative director of a major manufacturer to a young president of a startup company, is an extremely refreshing and stimulating experience. Each conversation is an opportunity for realization and learning that contribute to management.

The environment surrounding logistics is

experiencing dramatic change with threats including the materialization of geopolitical risks, more serious natural disasters, and pandemics. With an increasing number of different risks threatening supply chains, our previous key word of “concentration” is transforming into “dispersal.” Because switching costs are high in the logistics industry, it is a difficult industry for new entrants compared to other industries. However, for example, when companies experience a “life event” such as expanding into another country or establishing a new factory and need to build new logistics networks, we are presented with a business opportunity. Of course, we do not know when these life events will happen for our customers. They could happen three months from now, one year from now, or ten years from now. When they do come, if we are not properly prepared for reasons such as low transaction volume with the customer, we may miss those opportunities. It is important that we are working on a regular basis to ensure that the Mitsui-Soko Group name comes to mind when our customers experience a life event.

The trend of dispersal represents a tailwind for the Group, which possesses the “ability to provide a sustainable supply chain leveraging the Group’s comprehensive strengths.” We can provide optimal supply chains through our comprehensive logistics network that extends from Japan to overseas and

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from upstream to downstream as well as through the proposal capabilities and field capabilities of our highly specialized personnel. I would like us to maximize our strengths, so that when an opportunity presents itself, we can propose a total solution that meets the given needs, thereby steadfastly exercising our presence as a first-call company that is trusted by our customers.

### Steady Progress in Medium-term Management Plan 2022

The Group is currently working to achieve our Medium-term Management Plan 2022, which runs through the fiscal year ending March 31, 2027. We have positioned this as a period to build a foundation on which we can drive the logistics industry. Our operating profit in the current term, the third fiscal year of the plan, is projected to total ¥15.5 billion. Toward our goal of ¥23.0 billion in the final fiscal year of the plan, we need to accumulate another ¥8.0 billion in operating profit. I believe that this goal is well within reach because of our increased base revenue in the logistics business including the positive opportunities presented by changes to supply chains that I just mentioned, smooth tenant applications at the MSH Nihonbashi Hakozaki Building, the results of our strategic investment, and cost control.

In the fiscal year ending March 31, 2025, our operating profit levels are low due mainly to the incurrance of temporary costs in the real estate business, but our policies are progressing smoothly. Additionally, in the logistics business, there is a sense of recovery in cargo movement compared to when we formulated our plan for the current fiscal year, which is allowing us to shift to a more aggressive mindset. Although we will continue to aggressively implement strategic investment, investing alone is not sufficient. We must carefully examine our numbers in determining whether projects contribute to the future development of the Group.

I would like to explain our initiatives in the “mobility,” “healthcare,” and “B2B2C” areas that are focused on achieving top-line growth by mobilizing the Group’s collective strength.

In the “mobility” area, to capture the expansion in the EV and hybrid vehicle (HV) market, we created a wholly owned subsidiary by acquiring a stake in our Chinese joint venture. Both in Japan and overseas, we are improving our systems and storage bases to expand transactions. Specialized know-how is essential in logistics related to the key parts of EVs such as the batteries and semiconductors used in improving vehicles and transitioning to EVs, for which demand is increasing. For example, with semiconductors, from the upstream materials such as silicon wafers to the downstream finished product, appropriate temperature control and hazardous

materials handling is required. As our Group possesses know-how accumulated from our transactions with joint venture partners and key customers such as Toyota Motor Corporation and Sony Corporation, we plan to expand our business by taking advantage of our competitive superiority.

In the “healthcare” area, business is steadily growing in cutting-edge medical fields including regenerative medicine. As a result of our Group’s focus on the healthcare area, we possess know-how in specialized, high-quality operations in the areas of pharmaceuticals and medical devices and stringent quality control and operate multiple highly functional specialized facilities in eastern and western Japan. Regenerative medical products and cutting-edge medicine are expected to become a massive market. Because this field requires even more stringent quality control than general pharmaceuticals, including temperature control, we are steadily laying the groundwork by accumulating specialized know-how and hiring the required pharmacists for business operations.

In the “B2B2C” area, against the backdrop of increasing EC demand, we are steadily expanding our transactions while also working to acquire new customers starting with the luxury industry. One major topic is the horizontal deployment of the expertise in the operation of the transfer center/distribution center/e-commerce integrated large-scale logistics center that we established for Joshin Denki Co., Ltd. in the Kansai region in 2022 in the form of a similar location in the Kanto region. Going forward, we plan to further expand our business using the know-how that we have cultivated in home appliance delivery and our delivery networks, while also considering joint deliveries with companies that have roadside brick-and-mortar stores, such as home centers and men’s clothing retailers.

P.33–37 Special Feature: The B2B2C Business Model

P.45–48 Enhancement of integrated solution service

### Expansion of Sustainability-oriented Business to Build Sustainable Logistics

Faced with decarbonization, intensifying natural disasters, and many different social issues including the 2024 problem, one of the Group’s new tools is our SustainaLink services that support the sustainability of the supply chains of our customers through logistics. Of our SustainaLink services, the SustainaLink environmental service has received the most inquiries from our customers. Many companies are working not only to reduce their own CO<sub>2</sub> emissions (Scope 1 + 2), but also to gauge and reduce CO<sub>2</sub> emissions throughout the entire supply chain including the logistics area (Scope 3). However,



**The trend of “dispersal” represents a significant opportunity. By exercising the Group’s collective strengths, we will provide sustainable logistics networks that meet the needs of our customers as we aim for further growth.**



calculating the CO<sub>2</sub> emissions produced by logistics is not an easy task. Because detailed calculations of CO<sub>2</sub> emissions using voluminous transportation data are possible with the SustainaLink environmental service, we are seeing a rapid increase in needs. When I have brought up this service with the top management of other companies, everyone has shown a high level of interest. As of the end of June 2024, the SustainaLink environmental service has been used in some 15 million sets of cumulative calculations. However, the calculation service alone is not the Group’s main focus for SustainaLink.

Our goal for SustainaLink is to propose optimal logistics solutions based on the data produced through the calculations to create more real logistics businesses. The SustainaLink calculation service is an effective icebreaker with our customers, and it has led recently to more and more real logistics projects. We plan to further enhance the SustainaLink services, including improving our sales system.

It is clear that we will see greater and greater needs for CO<sub>2</sub> emission reduction in the future. By expanding our services centered on SustainaLink, we aim to contribute to further growth for the Group and to the resolution of social issues.

P.49–50 Expansion of sustainability-oriented business

### Building Overwhelming Field Capabilities that Integrate People and Technology

In terms of improving field capabilities, which has been an existing focus area of the Group, we are advancing standardization and streamlining by integrating people and technology based on our DX strategy. Our goal is to create “overwhelming field capabilities” that realize quality, cost, and speed that cannot be duplicated by our competitors and that continuously creates value for both society and our customers. While we are advancing DX investment including the introduction of robotics, I believe that no

matter how good our facilities are, ultimately it is people that determine our field capabilities.

As such, every year we send our employees to TPS (Toyota Production System) provided by Toyota Motor Corporation. Using the experience that our employees gain through this training, we set KPIs aimed at improving our frontline operations and achieving low-cost operations as part of our process of continuous improvement. As promotional organizations for these KPIs, the Digital Strategy Division responsible for robotics and the Operation Management Division responsible for frontline improvement were established at MITSUI-SOKO HOLDINGS to promote Company-wide activities. The Operation Management Division identifies all the operations of each customer and creates processes that allow anyone to perform those operations efficiently. Because we claim that this service is “overwhelming,” we conduct our work with a strong sense of resolve. This process naturally cannot be realized in a single day, and therefore I strongly believe that the only way to realize our vision is to work diligently in pursuing each individual initiative.

P.52 Reinforcement of Operational Competitiveness

P.57–59 DX Strategy

### Building Partnerships through Proactively Engaging in Co-creation to Achieve Further Evolution

The Group has full-spec capabilities, having already completed several large-scale M&A deals. In this sense, we are not missing any of the necessary pieces as a comprehensive logistics company. However, to further improve or supplement the Group’s capabilities, we must proactively consider M&A.

In recent years, we have had an increasing number of co-creation projects with partner companies possessing superior knowledge and capabilities in many different industries. These

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projects include our investments in building a logistics system for hazardous materials through our strategic partnership with NRS CORPORATION, building optimal supply chains for healthcare logistics through our strategic partnership with P-J-D Network Co., Ltd., and our investment in T2 Inc., which aims to realize long-distance hauling services using self-driving trucks. If the Group were not an industry-leading presence, companies possessing cutting-edge technologies would not partner with us. Therefore, it is essential that we remain one or two steps, or even a half step ahead in the logistics industry. In our position as the industry leader, we receive offers, for example, to perform demonstration experiments with cutting-edge robots. We aim to engage in continuous co-creation to reform logistics-oriented business models while making full use of AI, digital technology, and blockchain technology.

### Revising Our Materiality to Accelerate Management from a Medium- to Long-term Perspective

In 2024, the Group revised the materiality originally identified in 2020 with the goals of creating new value through our business activities and realizing sustainable growth for society and for Group companies. The background that led to these revisions is the dramatic changes that have taken place in the business environment surrounding the logistics industry. In addition to increasing uncertainty in the world, the impact of labor shortages and cost increases are becoming more serious, while at the same time technology starting with robotics is evolving. Amid this type of business environment, to realize our PURPOSE of “Empower society, encourage progress” and our VISION of becoming “the co-creative logistics solutions partner. For every day, emergency, and always will be,” we believe that

accelerating management from a medium- to long-term perspective is essential, and we have reviewed our materiality accordingly. Although we are still carrying out our Medium-term Management Plan 2022, we deemed that this was the best time to review our materiality when looking forward toward the next medium-term management plan.

Our approach of identifying materiality from a medium- to long-term perspective is unchanged from last time to this time. However, last time, we took a forecast-style approach with a strong emphasis on identifying what the Group lacked based on our past results. As opposed to this approach, this time we backcasted from the future to the present. In other words, from our future vision for 2050, we envisioned society in 2035 and visualized what was necessary to reach that point based on the Group’s strengths and business model. Although our previous materiality identification process included elements of back-casting, in the current process, we clarified our vision for the future and identified the necessary policies to reach that vision as materiality.

In parallel, because we formulated our current PURPOSE and VISION in 2022, naturally we were strongly aware of the connection between that PURPOSE and VISION in our current materiality identification process. Our vision of society in 2035 looking forward to 2050 cannot be easily described in a single word; however, we expect the trend toward sustainability centered on the response to climate change and the realization of a sustainable society to gain momentum. Amid this trend, as described in our PURPOSE, our mission is to continue to build optimal supply chains to smoothly handle and deliver goods. To do so, the most important point is how we can evolve as a logistics company. Our strength as a Group is providing sustainable supply chains using the Group’s collective strength. The goal of being a company that firmly accommodates logistics needs for a broad range of industries and diverse companies

in 2035 has been included in our current materiality.

In revising our materiality, through opportunities for dialogue with the Sustainability Committee, Management Council, and Board of Directors, we discussed in depth the Group’s business model and our strength, along with our future policy. I feel that this was extremely valuable time that allowed us to further develop our management strategy, and I expect that the multiple, active discussions that took place will act as a platform to build the future of the Group.

- P.19 Value Creation of the Mitsui-Soko Group Toward the Realization of the Society We Are Aiming For
- P.20-22 Reviewing Materiality and Redefining the Business Model
- P.29-32 Materiality

### Sharing Success Stories of Becoming a Partner to Our Customers and Our Group Philosophy

I just spoke about the link between materiality and the Group Philosophy. We still have work to do in creating awareness about the philosophy, composed of our PURPOSE, VISION, and 4 VALUES. It is important to foster a culture that facilitates the sharing of this PURPOSE and VISION with everyone from our management team to our new employees and engaging in work with the same ideal value and direction. As such, we will continue our initiatives aimed at diligently and persistently sharing our Group Philosophy. In the two plus years that have passed since the formulation of the philosophy, more and more companies are recognizing the importance of logistics, and there are increasing opportunities for our Group to partner with these companies. Through our success stories of being recognized for providing quality proposals to our customers, naturally our employees will grow as more and more of them truly understand the details of our PURPOSE and VISION.

Based on my own realization of the Group being recognized as a business partner, we have clarified our PURPOSE and VISION as our ideal direction. As a comprehensive logistics partner, by promoting collaborative projects with diverse companies from different industries, we have created numerous solutions and improved the Group’s value, and I would like to focus even more strongly on such initiatives in the future. It is important to continue spreading the Group’s PURPOSE and VISION internally. However, another role of management is to roll out policies that help our Group to be recognized as a partner by more of our customers and for our employees to truly understand our desired PURPOSE and VISION.

### Aiming to Balance a Sustainable Society and Corporate Growth

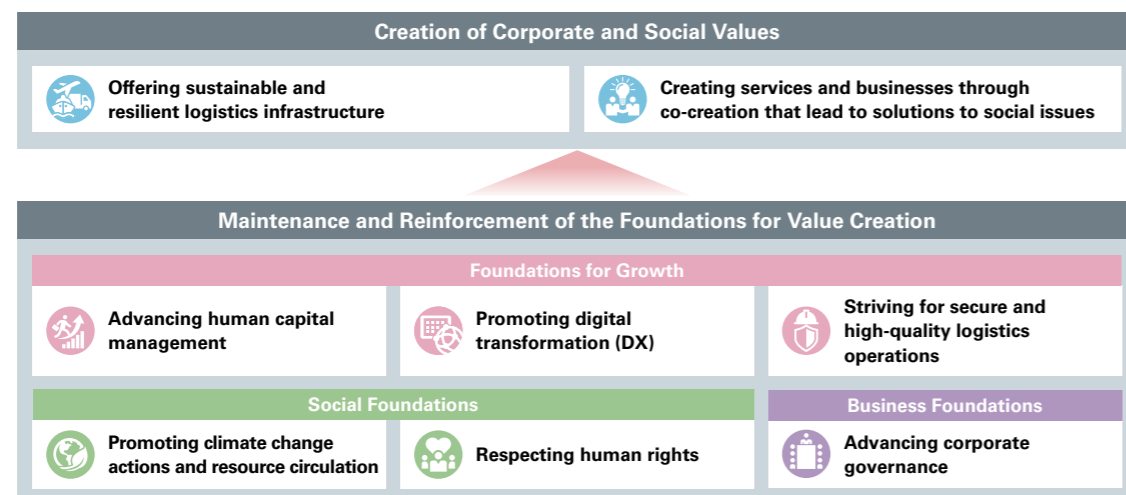
The source of the Group’s sustainable value creation is our “human capital.” I would like to share our initiatives in the areas of the “environment” and “human rights,” which are often given as representative agenda items for sustainability.

Advancing human capital management has been identified as a new materiality item and is an important theme in realizing our management strategy. The Group has established “Design the new story and lead everyone” as the profile of the human resources we seek. This profile includes our vision of taking a proactive approach in line with the continuously changing times and continuing to work for our customers’ businesses, the future of logistics, and even society. This vision symbolizes the management team’s desire for top-line growth, but not all our employees are necessarily involved in front-office operations. We can perform the best when we combine the results produced by both our offensive-minded personnel and our defensive-minded personnel. Therefore, I always make a point to communicate the importance of both internally. In our in-house award system, we have a sales solution contest to award making quality proposals and being highly valued by our customers, as well as an operations improvement contest to award employee initiatives to improve our operations. I am sure that many other companies have similar award systems, but our Group also has an MSP (Most Supportive Person) award system to recognize employees who support those around them in our everyday operations. The MSP award system was established not only to recognize supportive employees but also to demonstrate how much we value our culture of expressing gratitude. There are opportunities for recognition and gratitude regardless of the department or job, and it is important to me that we continue to be a company at which all our employees can thrive in their work.

For the future of the Group, it is extremely important that we continue to enhance the Group’s collective strength, one of our strongpoints. In 2025, we plan to consolidate our Group offices in Nihonbashi Hakozaeki, where the Group was founded, as part of our process of increased integration and organizational culture reforms. By facilitating active communication among our Group companies, we will cultivate diversity and enhance both our individual strength and organizational strength.

Next, I would like to discuss our initiatives with respect to the environment and human rights. The major premise of the sustainable growth of the Group is the sustainability of both society and the global environment, which form the foundation of corporate activities. For us in the logistics business, because we

#### Materiality



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**In the current age that demands quality in logistics, we are strongly aware of proposing value to the world that is unique to the Group as a “co-creation partner” and of becoming an industry-leading company.**



use energy including electricity and light oil, and because our business involves cooperating with numerous suppliers, it is essential that we address both the environment and human rights issues. Regarding the environment, parallel with the rollout of our SustainaLink service, we are enhancing our approach to decarbonization within the Group. Toward our medium- to long-term targets\* for CO<sub>2</sub> emissions (Scope 1 + 2), we are accelerating our Group-wide initiatives and making steady reductions. In terms of Scope 3, in addition to continuing to fine-tune emission calculations, we are advancing initiatives to reduce our environmental burden in the supply chain, including reducing waste materials. Moreover, because promoting SustainaLink will contribute simultaneously to reducing Scope 3 emissions, we will continue to enhance our SustainaLink services.

Regarding human rights, we are implementing human rights due diligence at our Group companies, including those overseas. Through this initiative as well as education and training related to respecting human rights and the establishment of an effective remediation system, we are working to resolve human rights issues. These initiatives are currently being undertaken only within the Group; however, in the future we would like to take a comprehensive approach that considers the supply chain.

\*2031/3: 50% reduction compared to 2014/3  
2051/3: Net zero

P.54–56 Human Resources Strategy

P.60–66 05 | Foundation for Supporting Value Creation

### Toward Sustainable Improvement in Corporate Value

From the standpoint of long-term improvement in corporate value, we base our approach on the back-casting that I just mentioned. For our medium-term targets, we position ROE as an important management indicator, and our target for the final year of the current

Medium-term Management Plan is an ROE of 12% or higher. When considering investments, we base our discussions on the cost of capital and consider it our duty to achieve our ROE targets. We are also strongly aware of TSR and PBR as important indicators from a shareholder perspective.

The Group's PBR has been maintained at a level just higher than 1x. I believe that we have the potential to achieve a PBR of 2x or 3x and that we still need to break free from the perception of the Group as simply a traditional warehousing company. When I explain the Group's initiatives to the top management of other companies, some are surprised to learn about the breadth of our operations. Therefore, it is our important responsibility, myself included, to strengthen our IR and SR activities and to promote a greater understanding of our Group.

I remember hearing that “strategy is story, tactics are casting, and execution is team spirit,” and I think that this is exactly the case. My job is to create a story about what kind of company we need to be to address the trends in the world and then to communicate that story to everyone. The tactics used to realize this story, in other words the casting, involves deciding who to assign to which positions. The execution is a matter of spirit and heart. In the end, nothing works without heart. Recently I have been focused on leading management with this approach in mind.

As a comprehensive logistics company, I would like us to be a presence that remains a step or even a half step ahead in the logistics industry. The platform to do so has already been built. Next is how we execute and further evolve, which is why instilling our PURPOSE and VISION is so important. The Group Philosophy reflects our determination to “solve issues and create value through logistics,” and we will come together as a Group with the goal of evolving and deepening this approach. I hope that you look forward to the future of the Mitsui-Soko Group.