



Shibusawa Logistics Group  
INTEGRATED REPORT

2025

**Shibusawa Logistics Corporation**

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Securities Code: 9304

# Corporate Slogan Mission to Endure

**Value** (The spirit of our founder, Eiichi Shibusawa)

## Shared Values

Only profits pursued through just and moral principles can endure and enrich society

## Trust



## Partnership



## Challenge



## Innovation



## Transformation



## Synergy



- Shibusawa Logistics' information disclosure tools ●

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### Editorial policy

This report has been issued with the aim of enabling a better understanding of our Group's business among our stakeholders, including shareholders and investors, and to encourage further dialogue by disclosing in addition to financial information, such as the current fiscal year's financial results, non-financial information, for example initiatives our Company is facilitating to enhance its medium- to long-term corporate value.

### Note on forward-looking statements

This report contains forward-looking statements concerning our Company's business. These forecasts were made based on the information available at the time of publication and actual results may differ due to some subsequent factors.

Reporting period: April 1, 2024–March 31, 2025  
Month of issue: November 2025



# History of the Shibusawa Logistics Group

## History of the Shibusawa Logistics Group embodying “Mission to Endure”

By developing services beyond the logistics framework, we aim to be a value partner creating new value for customers' business activities, continuing to be a company practicing “Mission to Endure.”

For details, please visit our corporate website.  
<https://www.shibusawa.co.jp/company/history/>  
 (in Japanese)

1897 -

Start of the warehousing services with Eiichi Shibusawa as the business owner

### Needs & our responses

Established the warehouse division based in the premises of the Shibusawa as a family-owned business in response to the industries' demand for modern commercial warehouses and the need for facilities to store collaterals in the banking operations.



1933 -

Enhancement of the business into a full-service logistics provider

### Needs & our responses

Gradually expanded business to include land transportation, port and harbor transportation, and air and international cargo handling services, based on the nationwide network of branches. From the 1960s, established local subsidiaries abroad to enhance overseas operations.



1974 -

Enhancement of logistics functions and full-scale real estate business

### Needs & our responses

Bolstered business foundation through the dual operation of logistics and real estate businesses starting with leasing of office buildings and commercial facilities and enhancing land transportation and international transportation operations.

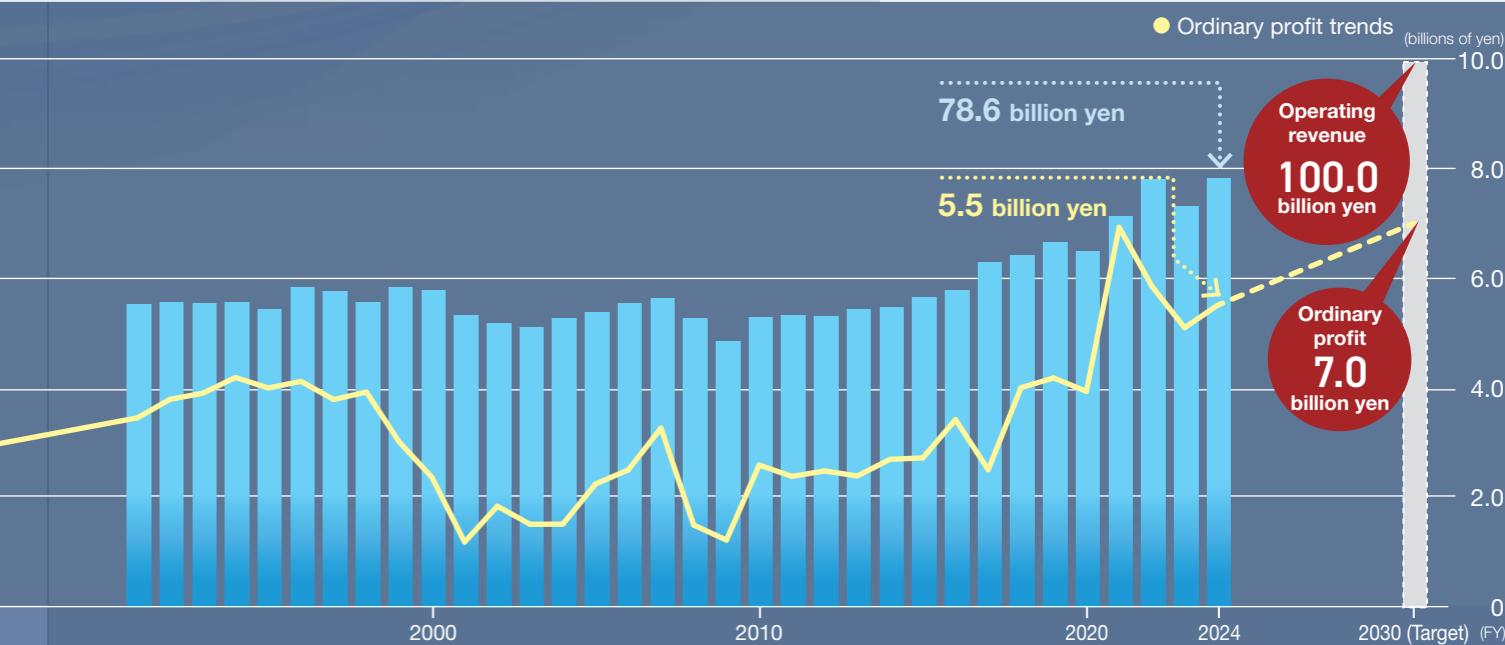
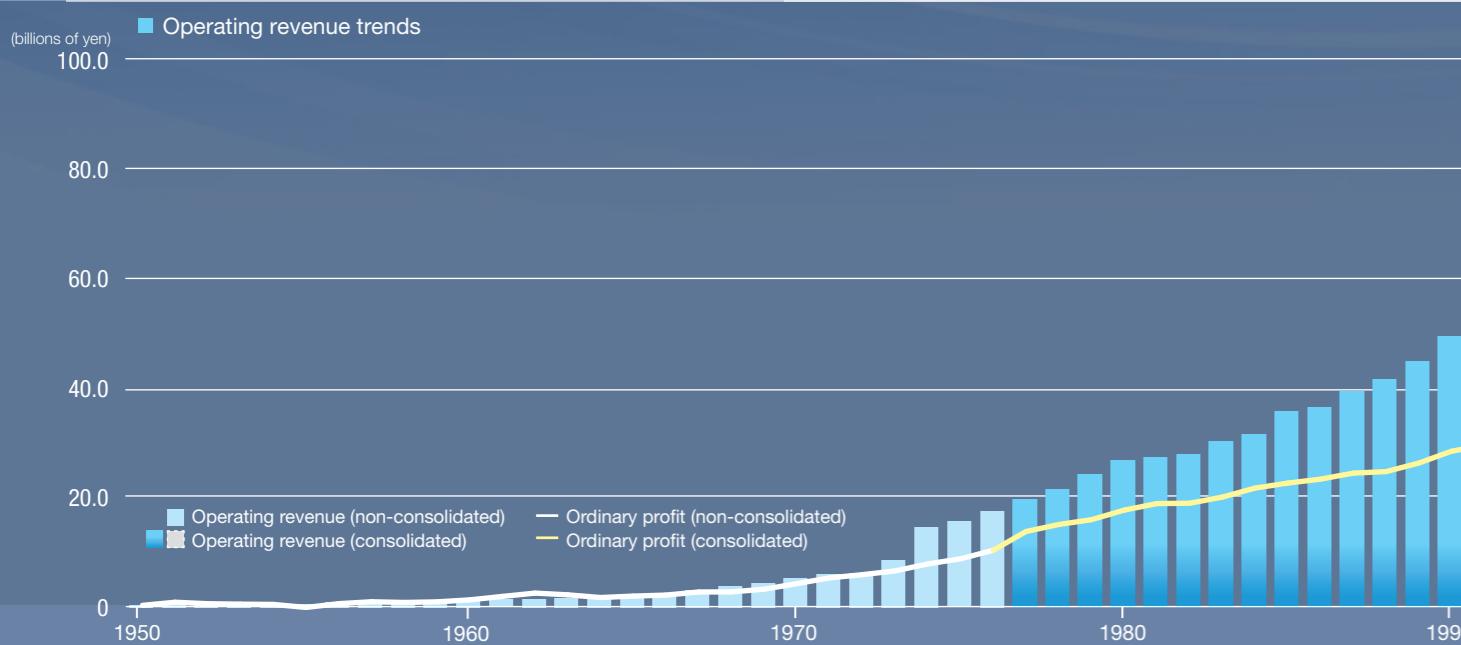


2010 -

Strengthening competitiveness and enhancing corporate value

### Needs & our responses

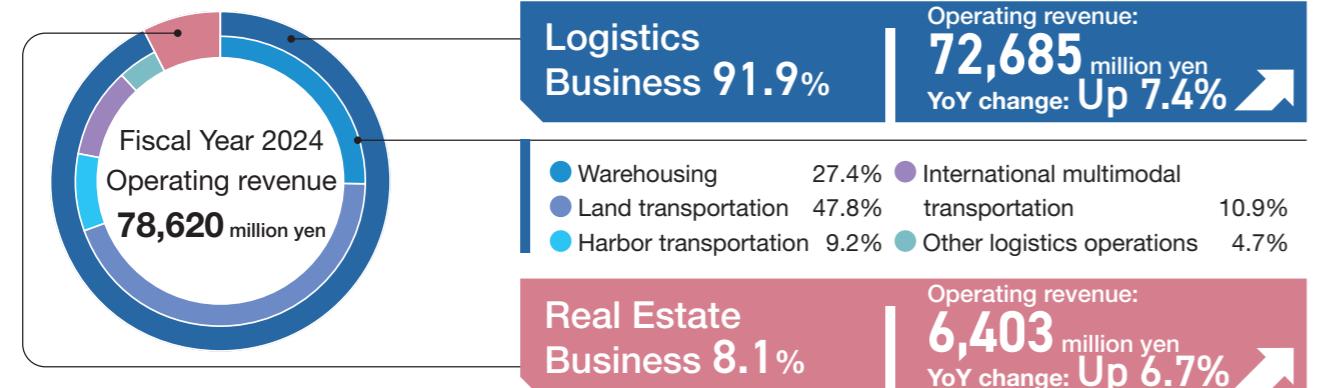
Provide high-quality, high-value-added services as a value partner creating new values for our customers' business activities, through fully fledged logistics services and next-generation site operations through advanced digitalization and innovative systems. In addition, strengthening our focus on initiatives that contribute to solving a wide range of social issues, including environmental challenges, in order to achieve sustainable corporate value enhancement.



# At a Glance

## Business Overview

The Shibusawa Logistics Group is committed to contributing to a sustainable and prosperous society through business activities. To this end, with the logistics and real estate as the pillars of business, the Group delivers high value-added services to its customers, based on the spirit of our founder, Eiichi Shibusawa, that "only profits pursued through just and moral principles can endure and enrich society" as shared value.



## Logistics Business

**Warehousing** We support the optimization of our customers' supply chains through a network of warehouses and distribution centers covering major cities in Japan, and advanced site operations leveraging warehousing and logistics DX. In addition, we provide advanced logistics services that meet diverse customer needs, including distribution processing services for daily sundries, food products, and apparel, as well as distribution and production services for automotive parts.

**Land transportation** We provide transportation and delivery services, including chartered transportation and consolidated transportation, through our nationwide network to meet the needs of our customers. We also improve transportation efficiency by introducing joint distribution and cross-dock delivery. With our Group company, Omiya Transport Co., Ltd. and Nissho Transport Co., Ltd., we promote a modal shift to rail transportation and ferry transportation, contributing to the resolution of social issues such as reducing the environmental burden and the shortage of truck drivers.

**Harbor transportation** We have authorized customs brokers under the Authorized Economic Operator (AEO) system stationed at major ports across Japan, providing one-stop harbor transportation services for imports and exports, including customs clearance, bonded warehousing, and container transportation. We also offer ship agency services as well as safe and high-quality port cargo handling services, including loading and unloading plant equipment and heavy cargo onto and off conventional ships, built on expertise developed over many years.

**International transportation** Leveraging our extensive international network, we provide marine transportation as a non-vessel operating common carrier (NVOCC) and air transportation as an agency accredited by the International Air Transport Association (IATA), offering door-to-door international multimodal transportation services that combine land, sea, and air. We address diverse international logistics needs, including trilateral transport, and support the sophistication of our customers' supply chain management (SCM) by proposing optimal transportation routes that consider costs and lead times.

**Real Estate Business** We develop and lease office buildings, commercial facilities, and logistics facilities. By introducing renewable energy and making value-added investments that contribute to the wellness of its users, each facility is working towards sustainable management of facilities. We also aim to maximize property value and improve capital efficiency through value creation via our logistics business, engagement in redevelopment business, and the introduction of diverse investment approaches, including private funds. In addition, Shibusawa Facilities Co., Ltd., one of our Group companies, provides logistics facility management, office building management, and various renovation services through its professional staff with expertise, offering comfortable, safe, and secure work environments for all users of our facilities.

## Core Competencies

### A bond of trust woven through philosophy and history

Since its founding in 1897, carrying on Eiichi Shibusawa's philosophy for over 120 years. The journey we have built over the years has established an unwavering relationship of trust with our customers and partners.

### Logistics capabilities evolving with advanced technology

We achieve the sophistication of our logistics operations by actively promoting DX and introducing the latest digital technology. In addition, through hybrid operations that combine automated equipment and machinery with manpower, we respond flexibly and accurately to fluctuations in logistics demand, such as seasonal fluctuations.

### Full-service logistics capabilities that meet diverse needs

We provide integrated services from warehouse storage to transportation and delivery, and international logistics for diverse industries including beverages, high-mix low-volume items, and automotive parts. We also handle highly specialized logistics such as hazardous goods storage and advanced temperature and humidity control, providing reliable quality to earn our customers' trust.

### Solutions for creating environmental value

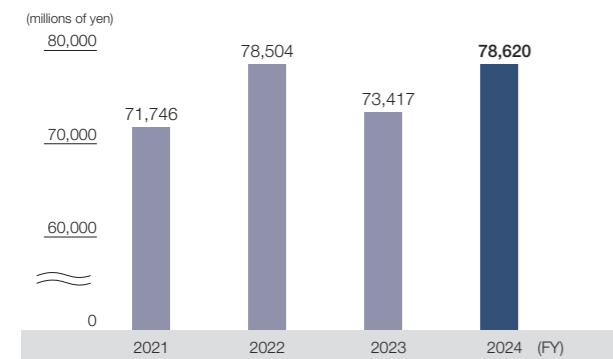
We promote low-carbon transportation such as reducing CO<sub>2</sub> emissions through introducing renewable energy, utilizing energy-saving equipment, and promoting modal shift. We realize sustainable business operations in both logistics and real estate, and provide solutions that simultaneously enhance environmental value and corporate value.

# Financial and Non-Financial Highlights

## Financial Highlights

### Operating revenue

**78,620** million yen



### Operating profit / Operating profit margin

**4,668** million yen / **5.9%**

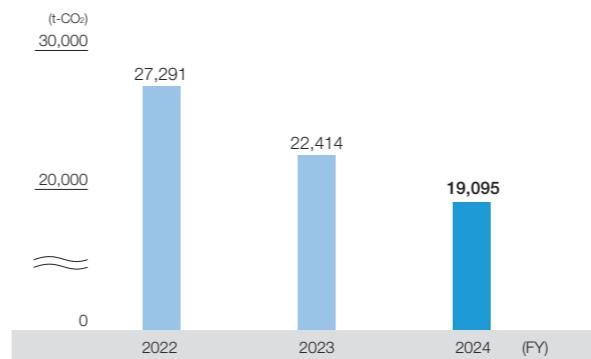


## Non-Financial Highlights

### CO<sub>2</sub> emissions

(Consolidated Group in Japan under Scope 1 & 2)

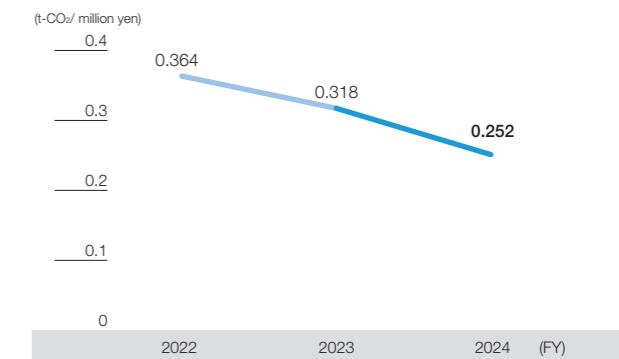
**19,095** t-CO<sub>2</sub>



### CO<sub>2</sub> emissions intensity

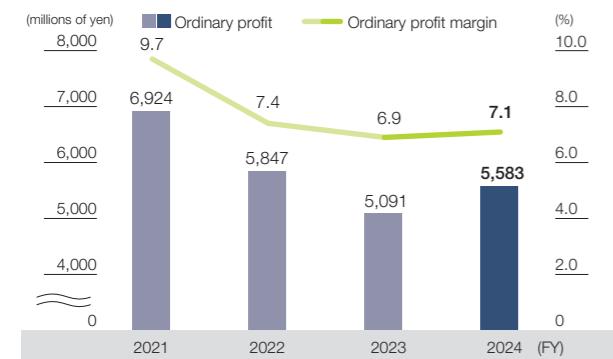
(Consolidated Group in Japan)

**0.252** t-CO<sub>2</sub> / million yen



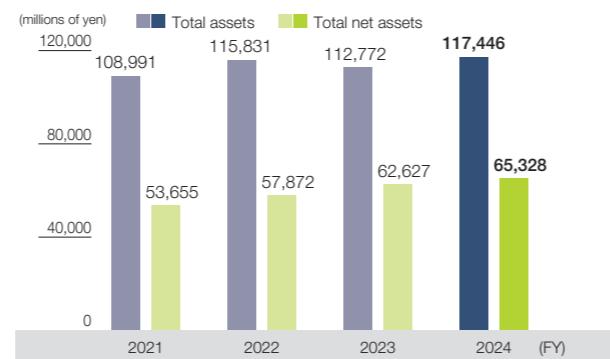
### Ordinary profit / Ordinary profit margin

**5,583** million yen / **7.1%**



### Total assets / Total net assets

**117,446** million yen / **65,328** million yen



### Number of employees (Group-wide)

**1,287** as of March 31, 2025



### Number of sites in Japan

**123** (89 centers)



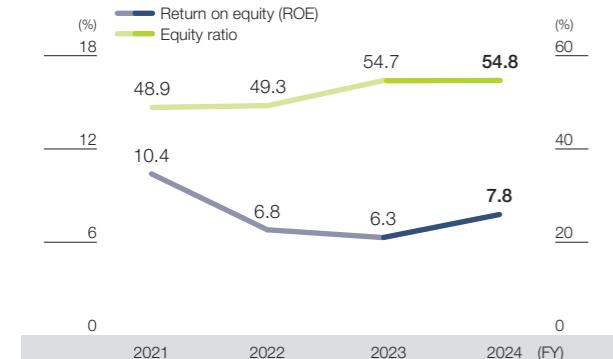
### Number of overseas sites

**5** regions, **9** sites



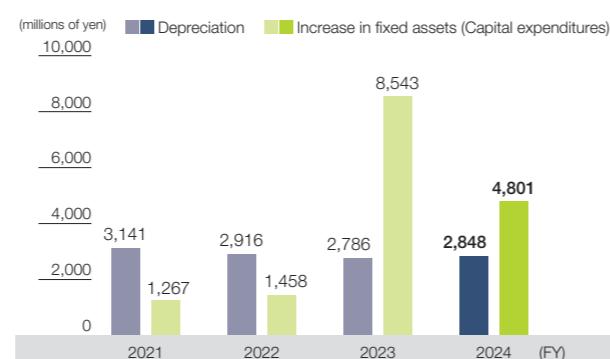
### Return on equity (ROE) / Equity ratio

**7.8%** / **54.8%**



### Depreciation / Increase in fixed assets (Capital expenditures)

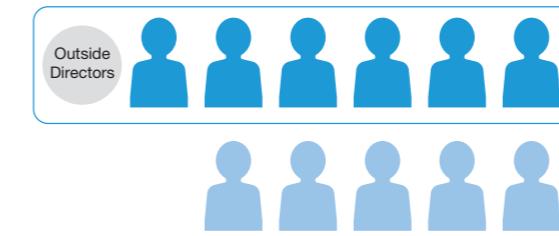
**2,848** million yen / **4,801** million yen



### Composition of the Board of Directors (% of Outside Directors)

Among **11** Directors

**6** Outside Directors **55%**



### Number of containers for modal shift

Railway containers: **4,329**



Ferry container chassis: **23,306**



# Process of Value Creation



**With the philosophy of Eiichi Shibusawa in mind, we mean to evolve into a corporate group that persists to take on bold challenges for the creation of new values, breaking through the traditional common sense of the relevant industry.**

Representative Director **Takeshi Osumi**



### Shibusawa Logistics Group's initiatives for creation of values

With the spirit of the founder, Eiichi Shibusawa at the core of our business model, the Shibusawa Logistics Group celebrated the 129th anniversary in April 2025, descending from the foundation of the warehouse division of Shibusawa's business in 1897. In the early years, the trust and credibility associated with the name of the company, "Shibusawa" had been the greatest source of value creation, directly leading to business opportunities.

However in recent years, expectations for logistics services among customers have risen than ever. Rather than pursuing just cost reduction, customers now demand services that lead to efficiency of overall supply chain or contribute to enhance competitiveness of their businesses. To adapt to those changes, we have taken the initiative to define our core strengths by enforcing services specialized for particular operations or products. In addition, through inhouse promotion of "Competitiveness Enforcement Project" aiming to leverage those strengths, we have been focusing on establishing unique values and competitive advantages that would be appreciated by our customers.

Accordingly, we have established a solid competitive advantage in specific fields, including the operation of logistics centers for high-mix low-volume products such as

apparel, cosmetics, and Imported general merchandise, as well as beverage logistics. In those areas, we provide strong support for our customers' businesses by pursuing not only cost efficiency but also processing speed, responsiveness to fluctuations of operational volume, and the capability to adapt to industry-specific needs. Based on trust and reliability, and also by continuously adapting to market changes, the expertise we have cultivated in these specific fields have become the main driver of our growth and the key to differentiation.

### Overview of fiscal year 2024

In recent years, the business environment in the logistics industry is facing ever growing challenges, such as labor shortages of workers and truck drivers, the shift toward high-mix low-volume cargo driven by the growth of the e-commerce market, as well as the normalization of 24 hours 7 days, leading to greater burdens on logistics sites. Under these circumstances, our Group has actively promoted labor-saving and operational efficiency initiatives through promotion of DX strategies. At the same time, we have carefully carried out dialogues with our customers on revision of the conditions regarding order taking, as well as pricing to cope with increasing costs, such as

personnel and fuel expenses.

Additionally, as initiatives by business areas, our logistics business line has newly established a temperature- and humidity-controlled warehouse at Honmoku Wharf, Yokohama City to accommodate the increasing volume of food imports and exports. We have also made progress regarding the construction of a new hazardous materials warehouse to meet the increasing demand for storage of dangerous goods, such as lithium-ion batteries, refresher spray, and fragrance oils. To meet the diversifying customer requirements, we have also introduced a state-of-the-art robotics automated warehouse at our Matsudo Center, as one of the first to become operation in Japan. This initiative has enabled us to achieve labor savings, improved accuracy of cargo handling, and storage efficiency. Through those initiatives, we believe that we have made steady progress in regard to the enhancement and reinforcement of the basis of our business.

On the other hand, in regard to the real estate business area, we are aiming for a strategic shift toward enhancement of real estate portfolio through redevelopment, and acquisition or replacement of assets, while continuing to generate stable revenue and profit through effective utilization of existing assets. In particular, with the objective of further pursuing synergies with our logistics operations, we are conducting feasibility studies

on commencing the logistics real estate business and the surrounding areas. In addition, we are focusing on initiatives that incorporate a wide range of approaches, including asset-revolving business models and securitized real estate investments through private placement funds.

As the result of these initiatives, we have achieved steady growth in both revenue and profit in fiscal year 2024, despite the challenging business environment. We view this as an evidence that we have strengthened our Group's business basis by adapting appropriately to the changing business environment while steadily nurturing the trust we have built with our customers.

### Progress of the Shibusawa Group Midterm Plan 2026 (Fiscal Years 2024-2026) / challenges and measures for achieving the fiscal year 2026 targets

In fiscal year 2024, the first year of the Midterm Plan 2026, we made a remarkable start by recording an operating revenue of 78.6 billion yen, an increase of 5.2 billion yen (+7%) in comparison with the final year of our previous midterm plan. Operating profit also increased by 0.4 billion yen (+9%), reflecting steady improvement in profitability. In terms of progress toward the KPIs of the current midterm



plan, operating revenue has reached 45% of the target and operating profit has reached 39% respectively, indicating that we are making progress in line with the plan. Based on those results, we will maintain our momentum in fiscal year 2025 and beyond, further accelerating our initiatives to achieve our targets.

In the logistics business area, we have made robust progress in enhancement of our basis to strengthen our competitiveness. Concrete achievements include the expansion of sites specialized for high-mix low-volume products and beverages, as well as the introduction of equipment for automation. Moving forward, we will take the initiative to fully leverage those basis to acquire new business opportunities, thereby generating incremental revenue and profit.

In fiscal year 2024, we established a representative office in Bangkok, Thailand, to gather business information and to conduct market research with a view to establishing a subsidiary. By establishing our own network in the region, we aim to respond to the diversification of production sites among our customers, and the expansion of domestic demand in Southeast Asia, while also striving to provide services with higher quality, such as cold chain logistics

and operations of distribution centers.

Although our initiatives for expansion into new value-creating business domains are still at an early stage and remain modest in scale, we regard those as a critical phase in developing future pillars of revenue for our next midterm plan. Specifically, we intend to actively expand into areas such as the sales of logistics equipment; overseas business development leveraging our trading functions for Japanese food products, accompanied by the strengthening of cold chain logistics; and services to dispatch workforce from overseas to address labor shortages. We will focus on nurturing these new businesses into a solid basis that will support the Company in the coming years.

Regarding the real estate business area, as explained earlier, we will proactively pursue the enhancement of real estate portfolio beyond the traditional framework of "effective utilization of assets." As in the logistics business, these initiatives are now at a phase in which we are laying concrete foundation and building a roadmap toward monetization under the next midterm plan. We mean to promote strategic initiatives, including collaboration with external companies that specialize in those fields—to further enhance synergies with our logistics business and contribute to maximization of the corporate value of the entire Group.

### Shibusawa Logistics Group's sustainability management

As part of our business management regarding sustainability, our Group has identified six materiality issues and is taking initiatives to achieve the respective KGIs and KPIs.

Our main accomplishments to date include reduction of CO<sub>2</sub> emissions per unit of operating revenue by 48% compared with that of fiscal year 2019, our baseline year, and reducing absolute emissions by 41%. In addition, in the real estate business line, we achieved 100% adoption of renewable energy for our leased office buildings, ahead of schedule. As the entire Group, 71% of our electricity consumption is now sourced from renewable energy.

On the other hand, we recognize that there are still challenges in the progress of our human resource management. With respect to metrics related to employee engagement and health management (such as the rate of employees under high stress), we are implementing a range of multifaceted initiatives, including improvement of the vacation system, introduction of talent management system, and provision of training to support the enhancement of contribution by female employees. However, we understand that these measures do not lead to immediate results, however contribute to corporate

value gradually over time. We believe it is essential to continue to intensify our human capital management by steadily implementing appropriate initiatives through analysis of each indicator.

Furthermore, with the approval of the General Meeting of Shareholders held in June 2025, the Company made a transition from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee. Accordingly, the Audit & Supervisory Committee members that conduct the audit and supervise the execution of duties by directors, now serve as members of the Board of Directors, further strengthening the supervisory function in the Board of Directors and enhancing the transparency and objectivity of the management. Furthermore, we will promote the separation of execution and oversight by broadly delegating decision-making authority for critical operational matters to executive directors. This will accelerate the speed of strategic decision-making and improve the quality of deliberations on management policies and strategies within the Board of Directors Meeting.

### Toward "Shibusawa 2030 Vision" and beyond

Our group has set the vision to be a "value partner," creating new values for our customers' business activities as of 2030. To achieve this vision, we need to expand our business domains beyond the boundary of logistics. However, we recognize that there are several challenges we must overcome to realize this vision.

Firstly, we lack the knowledge and experience in the fields other than logistics that are essential for contributing to our customers' businesses in depth. To eliminate this gap, we will proactively take initiatives, such as promotion of secondments to customers or recruitment of talents from other industries, thereby adopting diversified viewpoints and specialized expertise to our organization.

Secondly, through many years of handling logistics operations, our employees may have become too much accustomed to simply carrying out requests by customers as they are, which may well be a problem. As a value partner, we must shift our mindset toward taking the initiative to identify our customers' latent requirements and to be proactive in taking actions. This will be the starting point for creating new values.

Thirdly, we must foster a spirit of embracing challenges. While the logistics industry places the highest priority on stable execution—where failure is not tolerated—any attempt to venture into new business domains inevitably involves the possibility of failure. However, without willingness to take on challenges, that is, to learn from setbacks, and apply those lessons to the next endeavor,

no new values can be created. We must cultivate a culture that encourages learning from failure and trying again, nurturing a spirit of challenge in every employee.

Recognizing these challenges, we will strive to establish our position as a "value partner" as of 2030 through development of talent, transformation of organizational culture, and the proactive pursuit for challenging new business opportunities.

### Message to stakeholders

I would like to express my sincere appreciation regarding the heartwarming support for our Group to all the stakeholders.

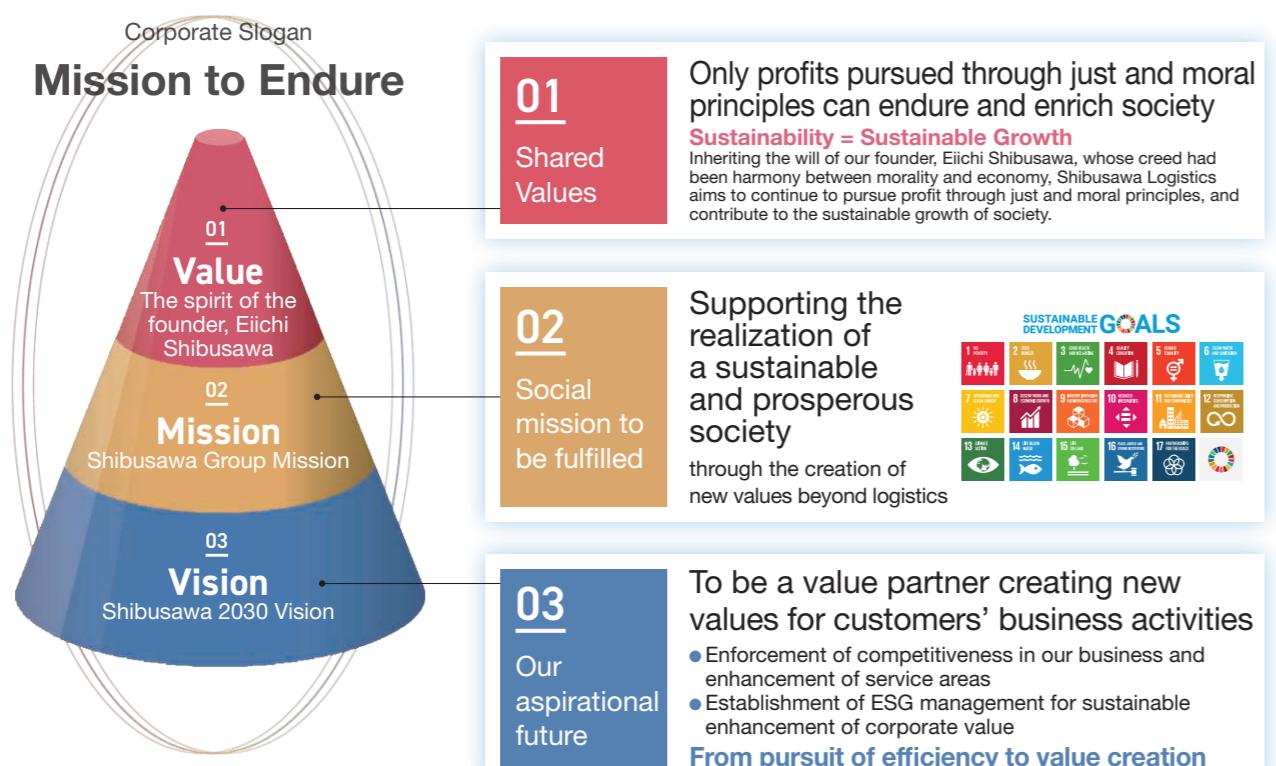
As the only company founded with the involvement of Eiichi Shibusawa that maintains his family name, we place at the core of our management policy, the spirit of "Coexistence and co-prosperity" that he valued. We aim to grow together with all our stakeholders, including our customers, employees, and local communities.

The logistics industry is undergoing a major transformation, driven by challenges such as the 2024 Logistics Crisis and the expansion of the e-commerce market. To evolve from simply transporting goods to becoming a "value partner" creating new value for our customers' business activities, we will further strengthen the capabilities of our logistics business such as operation of distribution centers for high-mix low-volume products and provision of beverage logistics in order to achieve improvement of both efficiency and profitability. In our real estate business, we aim to deepen synergies with our logistics operations by entering the logistics real estate business and diversifying our portfolio, thereby establishing new revenue source.

Moreover, I would like to draw your attention to the transformation of our corporate culture. With the philosophy of Eiichi Shibusawa—"Competition is the mother of learning and improvement" and "Be prudent however adventurous at the same time" in mind,—we mean to evolve into a corporate group that breaks through the common sense of the traditions among the relevant industry, boldly taking on new challenges. We shall embrace a spirit of challenge and not fear failures but learn from them and channel those lessons into the next step. By anticipating our customers' requirements and making proactive proposals, we mean to establish our position as a true value partner. With our sights set on realizing the Shibusawa 2030 Vision and moving forward, we will always stay committed to continuous evolution and growth. As a company that strives to be indispensable to society, our Group will work hard as a team to deliver values that exceeds your expectations.

I sincerely ask for your continued support.

# Shibusawa 2030 Vision



**Vision of the Shibusawa Logistics Group in 2030**

**To be a value partner creating new values for customers' business activities**

We aim to realize sustainable and prosperous society through logistics and real estate business. However, in our long-term vision for the period up to 2030, we will not limit our activities to just the field of logistics, but will also endeavor to create new values for all business activities of our customers by engagement in innovation across entire supply chains through the creation of new service areas.

## Basic Policy

### [From pursuit of efficiency to value creation]

From pursuit of efficiency to value creation by cultivation of new service areas

### [Enforcement of competitiveness in our logistics business and enhancement of service areas]

Demonstration of originality grounded in our defined strengths and expansion of services beyond the conventional boundaries of logistics

## Key Initiatives

- (i) Category No. 1 logistics service with deepened strengths
- (ii) Outsourcing services beyond the boundary of logistics
- (iii) Smart and resilient real estate portfolio
- (iv) Mutual prosperity with stakeholders
- (v) Work environment and corporate culture where diverse talents feel fulfillment in work
- (vi) Establishment of effective corporate governance



## Fiscal Year 2030 Numerical Targets

Operating revenue: ¥100.0 billion  
Operating profit: ¥6.5 billion  
Ordinary profit: ¥7.0 billion  
ROE: 10% or more

Target	2030
Operating revenue	¥100.0 billion
Operating profit	¥6.5 billion
Ordinary profit	¥7.0 billion

Target	2026	2030
Operating revenue	¥85.0 billion	¥100.0 billion
Operating profit	¥5.3 billion	¥6.5 billion
Ordinary profit	¥6.0 billion	¥7.0 billion



# Midterm Plan 2026

## Shibusawa 2030 Vision 1st stage

### Shibusawa Group Midterm Plan 2023

- Applicable period Fiscal Years 2021-2023
- Business environment
  - Impact of COVID-19 and supply chain disruptions
  - Intensifying labor shortages and response to 2024 issues
  - Definition of strengths and enforcement of competitiveness
  - Promotion of digitalization and automation
  - Expansion of business domain and establishment of foundation for outsourcing services
  - Enhancement of real estate business portfolio
  - Evolution of ESG initiatives
- Business strategy
- Target figures and results (Unit: Millions of yen)

	Target figures	2023/3 results	Comparison
Operating revenue	73,000	73,417	+417
Operating profit	4,500	4,271	Decreased by 229
Ordinary profit	4,700	5,091	+391
Operating profit margin (%)	6.2%	5.8%	Decreased by 0.4%

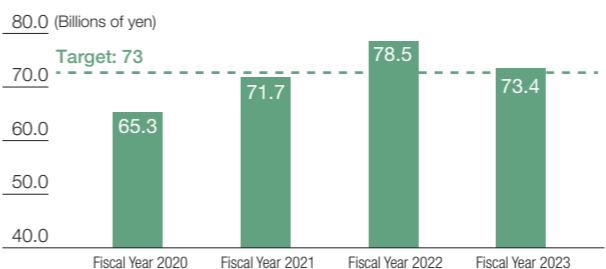
### Revision and evaluation of business strategy

Business strategy	Initiatives	(Evaluation)
Definition of strengths, enforcement of competitiveness	Structuring high-mix, low-volume logistics models	○
	Expansion of network in strategically advantageous areas	○
Promotion of digitalization and automation	Improvement of efficiency by collaboration of manpower and automation	○
	Improvement of efficiency through digitization of operation management	△
Expansion of business domain	Conducting feasibility study (at consideration phase)	△
Real estate business	Enhancement of leased building maintenance management services	○

### Ongoing issues

- Expansion and enhancement of logistics business while leveraging strengths
- Expansion of facilities in Japan and enforcement of overseas network
- Expansion and commercialization of business domain beyond logistics
- Enhancement of real estate business portfolio and strengthening synergy with logistics business

### Operating revenue (Billions of yen)



### Operating profit/ordinary profit (Billions of yen)



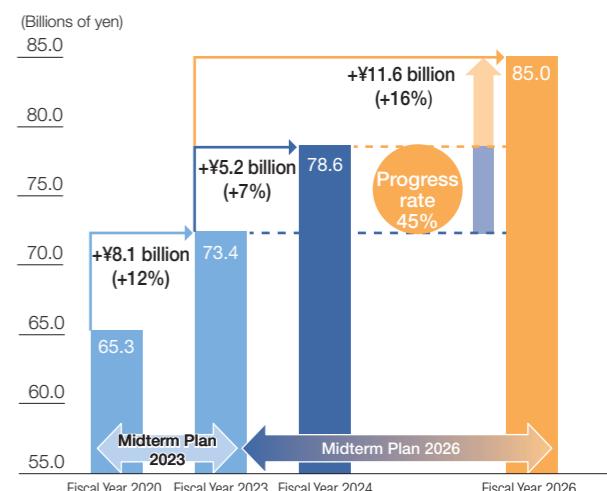
## Shibusawa 2030 Vision 2nd stage

### Shibusawa Group Midterm Plan 2026

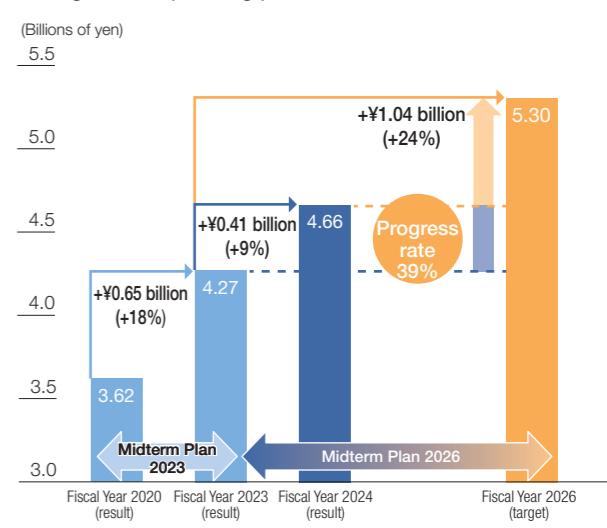
- Applicable period Fiscal Years 2024-2026
- Business environment
  - Full-scale materialization of the logistics "2024 issues" and their impacts
  - Uncertainty in the global economy due to political issues and trade wars
  - Enforcement of profitability in logistics business
  - Expansion of logistics network in the domestic and overseas market
  - Expansion of business domain beyond the boundary of logistics
  - Enhancement of real estate business portfolio
  - Enforcement of ESG initiatives
- Business strategy
- Target figures and progress

	Target figures	Results for fiscal year ended in March 2025	Progress rate
Operating revenue	85,000	78,620	44.9
Operating profit	5,300	4,668	39.4
Ordinary profit	6,000	5,583	54.1
ROE (%)	7.0% or more	7.8%	Achieved

### Trends of operating revenue



### Progress of operating profit



## Initiatives of business strategy

### Enforcement of profitability regarding logistics business

- Structuring hybrid model by collaboration of automation and manpower
  - To realize operational framework to enable flexible, low-cost solutions that can adapt to fluctuation regarding high-mix low-volume logistics
- Enhancement of top-line growth through new customer acquisition and service expansion in 3PL business



### Expansion of logistics network of facilities in domestic and overseas market

- Development of warehousing sites with clearly defined strengths and distinctive characteristics (expansion of approximately 60,000 m² in comparison with FY2024)
  - Dangerous goods warehouses in Chiba, Yokohama, and three other locations nationwide, etc.
- Construction of wide-area joint distribution network through collaboration with partners
- Establishment of representative office in Bangkok, Thailand
  - Enforcement of overseas transportation capabilities by strengthening the overseas network in the Asian region



### Expansion of business domain beyond the boundary of logistics

- Provision of trading company function such as settlement agency services and business matching
  - Offer integrated services from export operations to local sales support for growing Japanese food needs in overseas market
- Sales of logistics equipment
  - Commencement of sales agency and maintenance business for lithium-ion battery forklifts



### Enhancement of real estate business portfolio

- Diversification of revenue base beyond leasing of proprietary assets
  - Investment in private fund schemes
    - Acceleration of studies for expansion of asset rotation-type projects
- Engagement in logistics real estate business
  - Promotion of utilization besides own use, such as warehouse brokerage/subleasing, and mixed use of self-operation and leasing
    - Provision of value-added services for tenants such as talent dispatch and building management for leased warehouses



### Enforcement of ESG initiatives

- Environment: Promotion of renewable energy
- Society: Initiatives addressing human rights risks, pursuit of mutual coexistence and co-prosperity
- Governance: Transition to a company with an Audit & Supervisory Committee

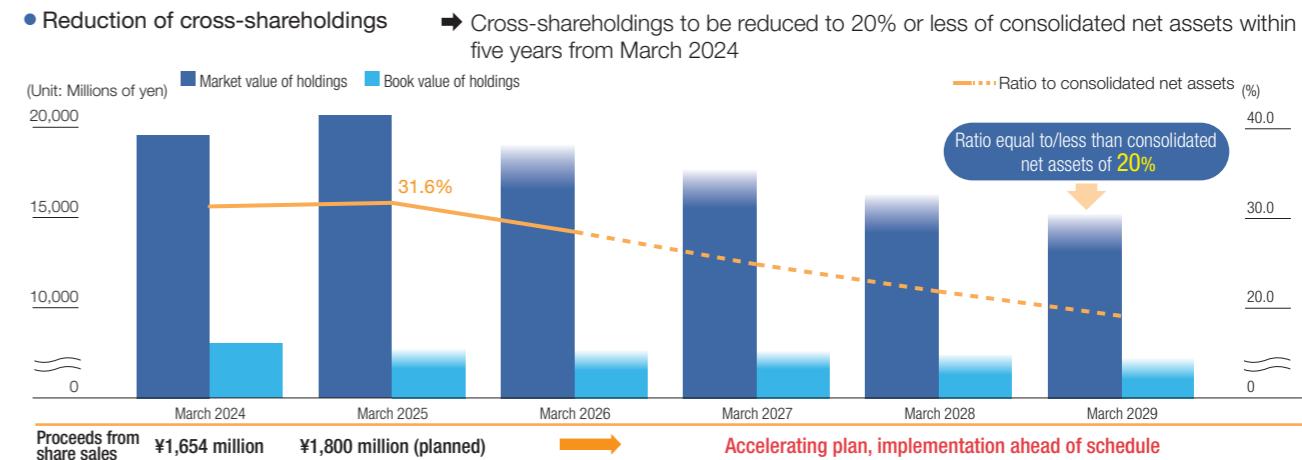


#### Ongoing issues

- Maximization through improvement of occupancy rate of new facilities
- Expansion of business domain, monetization of new businesses (sales of logistics equipment, agency service for exporting food, etc.)
- Establishment of competitive advantage through DX strategy and monetization of DX investments

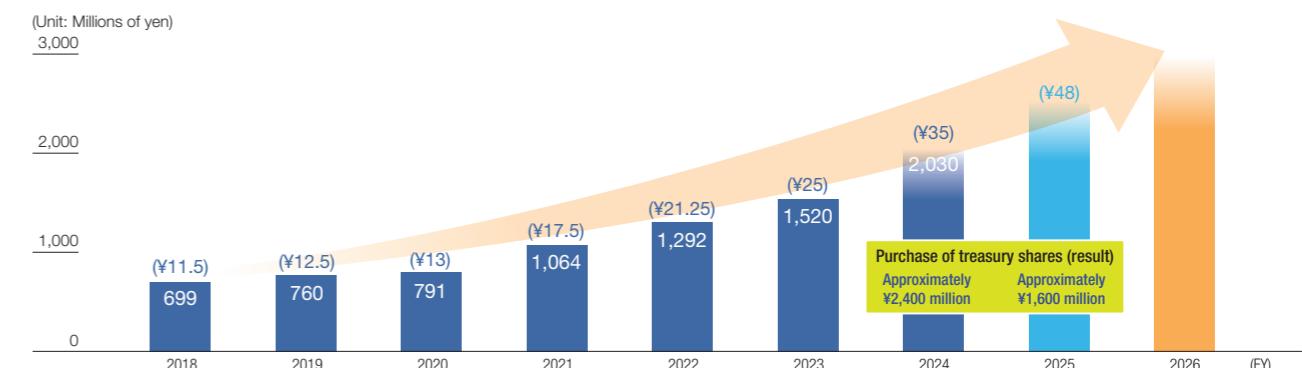
## Structuring a business foundation to support growth strategies

### Streamlining the balance sheet



### Enhancement of shareholder returns

- Change in dividend policy
  - Change from a progressive dividend policy targeting a payout ratio of 40% with a minimum annual dividend of 100 yen per share to a progressive dividend policy targeting a payout ratio of 50% or more with a minimum annual dividend of 140 yen per share
- Continuation of dividend increases → Seven consecutive years of dividend increases, nearly tripled over five years
- Flexible treasury shares purchase → Implement flexible treasury shares purchase based on comprehensive consideration of capital market trends, share price levels, and market environment



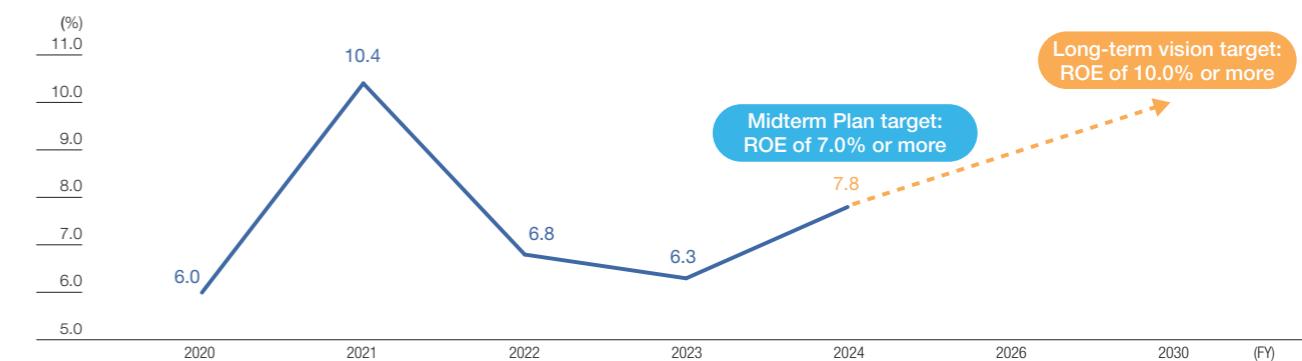
Figures in brackets indicate annual dividend per share. \* Planned figures from fiscal year 2025 onwards

Note: At the Board of Directors meeting held on August 7, 2025, the Company implemented a 4-for-1 stock split of common shares, effective as of October 1, 2025.

The dividends have been calculated assuming that the stock split was conducted at the beginning of fiscal year 2018.

### ROE improvement measures

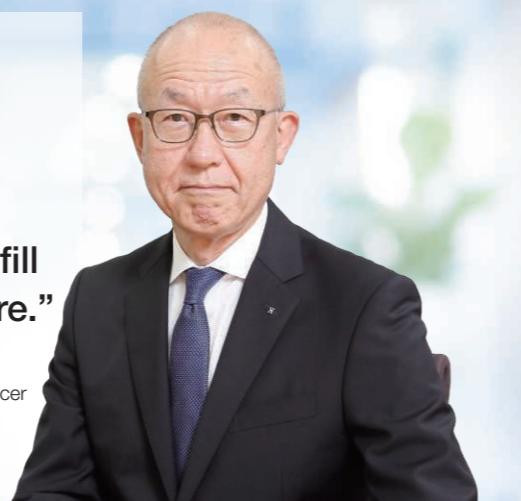
- Steady implementation of each business strategy
- Segmentation of business portfolio and enforcement of analytical capabilities
- Long-term vision Fiscal year 2030 target: ROE of 10.0% or more



# Message from the Director in Charge of Finance

**We will enhance our profitability and efficiency while making strategic investments for the future, thereby increasing corporate values and progressing our financial strategy to fulfill our corporate slogan, “Mission to Endure.”**

**Nobuyuki Kuratani** Director  
Senior Managing Executive Officer



We believe that, for our company—the corporate slogan of which is “Mission to Endure”—to continue to thrive, we must continuously pursue self-transformation. In financial terms, we do not consider our current situation to be satisfactory. We will prioritize our measures and work toward reformation with a sense of speed in order to achieve our vision.

## Recognition of current status of ROE and PBR

In fiscal year 2024, we achieved increases in operating revenue, ordinary profit, and profit attributable to owners of parent. ROE also improved to 7.8%. However, we recognize that the improvement in ROE is largely attributable to extraordinary factors arising from the sales of cross-shareholdings, and that the fundamental enhancement of capital profitability remains to be halfway through.

To achieve ROE of 10% or more in fiscal year 2030 as outlined in the 2030 Vision, and to ensure sufficient equity spread over the cost of equity, it is essential that, under the current midterm plan (fiscal years 2024 -2026), we consistently achieve ROE of 7.0% or more based on real ability.

Furthermore, we recognize that the current situation in which our PBR has fallen below 1.0 is not something we can overlook. To improve our PBR, we will make efforts to improve both ROE and PER.

## Enforcement of profit generation capabilities

In the course of improving the ROE, we shall be focusing on increasing profit margins while growing the top line. We are also pursuing initiatives that emphasize capital efficiency tailored to the characteristics of each business segment.

To ensure that we communicate those initiatives accurately to our stakeholders, we are also reviewing our business segment structure and the associated disclosure indicators to determine the most appropriate framework.

## Reduction of cash on hand and cross-shareholdings

Next, I would like to explain on how we can improve asset efficiency to increase ROE. During the period of our current

midterm plan, we have been reducing and optimizing cash on hand. In fiscal year 2025, we will further optimize group-wide cash on hand through the use of the cash management system (CMS).

In addition, with respect to asset compression through reduction of cross-shareholdings, in June 2024, we set a target of lowering the ratio of cross-shareholdings to net assets to 20% or less within five years, and implemented actions toward achieving this goal. In warehousing services, it has long been the common practice to hold shares in shippers over the long term. Although we currently hold shares in a large number of shippers, we will steadily proceed with reducing our holdings gaining their understanding. Going forward, we aim to speed up this process and achieve our target ahead of schedule.

## Elimination the value gap of proprietary real estate

We continuously assess the market value of our proprietary real estate and examine the balance between the value and the profit generated through our business activities. Regarding the so-called “value gap” issue—whether the market value of our real estate holdings is appropriately reflected in our share price—we are taking actions to resolve this matter through the planning and execution of development projects. Specifically, we aim to steadily implement a business process in which we maximize unrealized gains through redevelopment and value-



enhancement investments, and subsequently realize those gains by selling the developed properties.

## Maintaining financial soundness and utilizing financial leverage

To enhance our ROE, we are proactively making use of external debt. In 2024, we issued 5.0 billion yen in sustainability-linked bonds, and continue to recognize significant room to further leverage our balance sheet.

With respect to financial soundness, we appropriately manage our three key soundness indicators (2025/03: equity ratio of 54%, net D/E ratio of 0.28, and net debt/EBITDA of 2.12) and secure debt financing while maintaining our credit rating. Naturally, we will also keep in view the impact of the new lease accounting standard that will take effect in fiscal year 2027, and continue to take actions to control our financial soundness.

## Managing capital accumulation appropriately

Positioning the enhancement of shareholder returns as a key pillar of our current midterm plan, we have steadily strengthened our initiatives to date. In May 2025, we announced a revision to our dividend policy to further enhance shareholder returns. Under the new dividend policy, we raised the target payout ratio from 40% to over 50% and set a progressive dividend policy with a minimum annual dividend of 140 yen per share.

We will also carry out flexible purchase of treasury shares based on comprehensive consideration of factors such as the market environment and our capital situation. This will allow us to suppress excessive accumulation of capital and achieve optimal capital level that is well balanced with our earnings capacity.

## Focusing on initiatives and communication conscious of expected profit growth

We believe that efforts aimed at raising the market's expectations for our profit growth are essential to improving our PER. In line with our growth strategy, we will steadily carry out strategic investments and expenditures, while actively publicizing our progress. These strategic inputs include not only strategic investments but also strategic expenses. The scope includes not only facilities and equipment, but also broad investments and expenditures in intangible assets such as IT, intellectual property, and human capital. Although these strategic inputs may temporarily impact our profit levels due to increased depreciation and one-time expenses, we recognize them as indispensable initiatives for achieving medium- to long-term growth.

In July 2025, we were newly selected as a constituent of the FTSE Blossom Japan Sector Relative Index. We believe that our initiatives to create value in non-financial domains will ultimately contribute to improved financial performance, and

we will continue to proactively pursue these initiatives and publicize our progress.

## Reduction of business risks and the cost of equity

To improve our PER, we will also focus on lowering the cost of equity by reducing business risks. Expanding our cargo handling of daily necessities—such as beverages and household goods, which are among our strengths—helps to mitigate the impact of economic fluctuations and contributes to greater stability in our business.

Furthermore, manpower-saving measures through promotion of logistics DX will address urgent challenges such as talent shortages and rising labor costs. Additionally, securing and maintaining a stable rental cash flow from our real estate leasing business further enhances the overall stability of our operations.



## Capital allocation and shareholder returns

We are taking the initiatives to steadily enhance our operating cash flow and generate cash inflows through the sale of cross-shareholdings, and intend to allocate these funds not only to renewal investments but also to proactive growth investments that will lay the foundation for our future. At the same time, we will remain committed to steadily strengthening shareholder returns.

In addition, for funding needs related to growth investments such as M&A aimed at achieving medium- to long-term growth, we will flexibly utilize external debt while maintaining our financial soundness.

## To our stakeholders

We intend to hear your voices sincerely and strive to meet your expectations. To achieve sustainable growth for the Shibusawa Logistics Group, we will seize every opportunity, always do our utmost, and take actions to increase our corporate value.

# DX and IT Strategies

Our Group combines manpower with advanced technology and promotes DX and intellectual property strategies leveraging on-site knowledge, thereby addressing labor shortages, cost increases, and rapidly changing demand environments to achieve overall supply chain optimization and sustainable growth.



**Tsuyoshi Nakagawa**  
Executive Officer  
General Manager of Innovation Promotion Department

## Business environment surrounding DX and IT initiatives in logistics

Today, the logistics industry is facing rapid changes in its business environment. Customer requirements are becoming increasingly sophisticated, making shorter lead times and the ability to respond to fluctuations in logistics demand is indispensable. Particularly in the EC market, “same day shipment” has become the norm, placing an ever-growing burden on logistics sites.

Customer awareness is also changing significantly. Values are shifting from the past prioritization of costs to sustainable solutions for continuing business in an era of labor shortages. While operations dependent on specific individuals pose compliance risks, full automation demands substantial capital investment and the flexibility to adapt to change.

In this environment, our goal is to provide optimal solutions centered on hybrid operations combining manpower and robotics. There are still many processes in which manpower retains a clear advantage on the front lines, and partial optimization alone is insufficient to address sudden fluctuations in logistics demand or rising costs. This makes it necessary to work with our customers to review and optimize the entire supply chain—such as securing talents and determining the optimal configuration of logistics centers in light of transportation and delivery costs. To achieve this, DX and IT initiatives are indispensable. To address these challenges, we are promoting DX and IT initiatives through a top-down approach as part of our competitiveness enforcement project, enabling us to resolve issues in a prompt manner.

## Establishing an intellectual property strategy for logistics business

Challenges for new improvements regarding efficiency  
At our Ebisucho Center, we aimed for significant man-hour reduction through integration of B2B and B2C operations, and reduced duplication of storage space and unnecessary horizontal carrying work. The biggest challenge in achieving this target was executing both operations in the same location while achieving a balance between efficiency and quality.

In particular, ingenuity was required to achieve efficient picking in a vast area of 1,600 tsubo (5,289 m<sup>2</sup>) per floor, as well as to handle products according to their specific characteristics, such as fragile items. Accordingly, we placed thorough emphasis on layout design that takes each workflow into account. In developing processes to prevent quality degradation such as damage during picking and sorting, we made full use of operational expertise and spent approximately six months to establish a unique solution.

### On-site expertise as the key to driving DX

Improving operational efficiency, as we define it, cannot be achieved simply by introducing robots. In fact, there are cases in which operations become disrupted after such implementations. Advanced solutions can only be fully leveraged when supported by frontline staff who are actively engaged in daily operational improvements and who possess extensive experience. The expertise cultivated on the front lines is the very source that generates concrete initiatives to maximize the productivity of automation and mechanization.



### Transforming know-how developed over the years into intellectual property



Rather than limiting ourselves to solving conventional issues, we approach newly emerging challenges from the perspective of overall optimization (resolving bottlenecks) rather than partial optimization. Optimal operating methods vary widely depending on the conditions of each site, including the environment, the types of products handled, Stock Keeping Unit (SKU), order types, and the degree of EC ratio. The knowledge and experience held by each member of our frontline staff is what enables advanced DX improvements tailored to each specific environment.



The implementation of this operational solution was made possible—and ultimately successful—by combining the logistics expertise we have cultivated over many years with the latest technologies. At the same time, there have certainly been cases that did not lead to success. What is important, however, is the experience and knowledge gained through those processes. Those serve as a powerful driving force for promoting DX and represent a valuable asset for our company.

We position such experience and knowledge as a key “intellectual property” strategy within our logistics business. Unlike in the manufacturing sector, awareness of intellectual property remains limited in the logistics industry. Through these initiatives, however, we will continue to promote our intellectual property strategy as we take the initiative to strengthen our competitiveness and pursue sustainable growth.

# Initiatives for Human Capital Management

Our business is constantly changing in line with transformation in customers and society. To stay committed to the corporate slogan “Mission to Endure,” we need to maintain a virtuous cycle in which every one of us grows together with the organization and keeps taking on new challenges. We regard human capital as an important foundation of management and will work to strategically secure and develop talents to support sustainable corporate growth.

## Talent strategy to realize our vision

We are taking the initiatives as follows regarding the required talents, their development and recruitment. We enhance overall capability of our organization and achieve sustainable growth by both strengthening of business foundation through

<b>Skills required for enhancing corporate value</b>	Broad knowledge and experience in logistics operations	Skills in accounting, legal affairs, business strategy, etc.	Adaptability to social changes and trends
	Specialized knowledge in the real estate business	Digital transformation implementation capabilities	Ability to take action toward sustainability
	Business development skills		

internal talent development in each business lines, and also securing immediate assets through recruitment of external talents.

### • Skill management and improvement policy

<b>Internal talent development</b>	<b>Foundation supporting logistics and real estate businesses as our growth engines</b> We support the acquisition of broad business knowledge and skills to respond flexibly to social changes including DX by combining reskilling and job rotation. Through such efforts, we will strongly promote business expansion, develop talents capable of creating new business opportunities as a source of sustainable growth.
<b>Recruitment of external talents</b>	<b>Driving force to deepen business through expertise</b> We aim to promptly secure immediate assets by recruiting external specialized talents.

## Initiatives to strengthen human capital

### • Talent development through training of high quality

We systematically provide employees with appropriate learning opportunities at the appropriate timing through OJT, job rotation, and various forms of training. We provide fair opportunities to take on challenges proactively from early stages after joining our company, such as overseas practical training and on-demand training, and foster an environment that rewards ambition towards

career development. We also offer a wide variety of correspondence courses that employees can take at their own will, and provide subsidies to those who achieve a certain level of scores, among other systems to support the improvement of employees' skills. Moreover, we are working on fostering awareness of sustainability using video materials and improving digital literacy through e-learning.

### • Shibusawa Logistics' education system (fiscal year 2024 result)

Training by employee level	Junior employees	Mid-career employees	Management-level employees
	• New hire training • 1st-5th year employee training	• Mid-career employee training • Pre-management training • Coaching training	• New manager training • Team building training • Evaluator training
			• Mid-career hire follow-up training
Training by job category	• e-learning training sponsored by the Japan Warehousing Association Inc. (year 1 to 4) (basic knowledge learning of logistics)		• Vehicle allocation training
			• AEO import/export operations training
			• AEO bonded operations training
Others	• Overseas practical training		
		• Security e-learning training (information literacy improvement)	
		• Distribution of internal educational video (sustainability awareness improvement)	
		• Introduction to videos on how to use Google Workspace (change in mindset for improving operational efficiency)	
On-demand training	• Presentation skills training • Interview skills training • On-site problem-solving training		
Self-learning	• Correspondence education and subsidy systems • Certification incentive		
Training by employee level	Training programs provided based on the careers of employees, including programs for new hires, second-year employees, and newly appointed managerial staff		
Training by job category	Training programs provided by the category of job assigned, designed to improve the quality of their job		

### • Introduction to diverse training programs

#### Team building training

##### • Training participants

Management level (center manager/section manager level)

##### • Objectives

To supplement individual coaching training to enable department heads to build their teams and guide the team toward the organizational goal.

##### • Key learning points

- Understand the mechanisms of challenges organizations tend to face.
- Deeply explore elements for establishing high-performance teams.
- Raise awareness of leaders' influence, and learn about engagement according to the growth stages of subordinates and the importance of building trust.
- Provide learning where participants reflect on daily actions and connect to self-transformation.

##### • Feedback from participants

Participants highly appreciated the training programs, and gave the following feedbacks.

- The training directly affected to daily work regarding the skill to interact with subordinates.
- The specific examples and exercises were effective.
- The explanation of the “mechanism of the challenges organizations tend to face” and the countermeasures discussed during the training session had been effective.

#### Mid-career hire follow-up training

##### • Training participants

Mid-career hires

##### • Purpose

To enable the on-boarding and to support the performance of mid-career hires and demonstrate our commitment to welcome them as integral members of the company

##### • Key learning points

- Convey a warm welcome and express expectations for participants' future success through messages from the executives.
- Gain a deeper understanding of our corporate philosophy and culture through lecture on the spirit of our founder, Eiichi Shibusawa.
- Gain understanding of company-wide strategies, including medium- to long-term management plans and sustainability initiatives.
- Deepen understanding of our business through lectures by on-the-ground staff engaged in various fields and logistics site tours.
- To gain appropriate understanding of various internal regulations and harassment-reporting window.
- After training sessions, we hold social gatherings with officers and lecturers to provide opportunities for participants to deepen internal relationship.

##### • Feedback from participants

The program was generally well-received by participants, some saying they truly felt welcomed as members of the company and that it was a valuable opportunity to gain a solid understanding of the overall organization, confirming that the program effectively meets the expectations of mid-career hires.

### • Promoting the active participation of employees utilizing the talent management system

We introduced a talent management system from fiscal year 2024. The purpose of introducing this system is to visualize and database talent information such as employee experience, skills, evaluations, and qualifications held for integrated management, and realize personnel allocation and organizational structure that enables optimization of employees' competency to perform at their best. In addition, by integrally managing employee career aspirations and

individual situations, the system supports diverse non-uniform career paths, and promotes the improvement of employee engagement and long-term performance, which contribute to our sustainable growth.

Furthermore, data accumulated in the system will be an important asset base supporting future organizational design and talent development strategies, and we will promote effective personnel strategies utilizing them.

#### Sophistication of talent management utilizing the talent management system

- Achievement of fair performance evaluation process
- Appropriate allocation of personnel
- Establishment of transparent career paths
- Provision of opportunities for career development

#### Expected effects

- Discovery of potential talents
- Fostering career awareness among employees
- Enhancement of employee motivation
- Improvement of productivity through stronger engagement
- Retention of existing talents

In an environment where business conditions are changing rapidly, achieving sustainable corporate growth requires talents with diverse backgrounds and skills who can fully demonstrate their individual capabilities and create new values. To support the growth of each employee, we are enhancing our training and development programs and actively recruiting mid-career professionals with specialized knowledge and skills.

Moving forward, we will make use of our talent management system to develop personnel allocation and development plans that align with each employee's skills, abilities, and career aspirations. Through these initiatives, we aim to create an environment in which everyone can maintain high motivation and fully demonstrate their capabilities.

#### Voice



Takayuki Yoshida  
General Manager of  
Human Resources  
Division

# Business Overview



## Domestic Logistics Business Beverage Logistics Business

We provide major beverage manufacturers with logistics services that are based on efficient operations. By leveraging joint distribution and cross-dock transportation, we reduce idle time for delivery and the environmental burden through improved vehicle utilization and loading efficiency. In addition, we build optimal logistics structures by accurately and swiftly grasping entire supply chains.



**Junichi Kanda**  
Senior Executive Officer  
General Manager of Business Development Division

### Business environment

Growth in the domestic beverage market as a whole is slowing down due to rising unit prices caused by soaring raw material costs as well as a declining population. While the volume of beverage sales in winter is affected by factors such as the increased popularity of coffee sold in cups at convenience stores, the intense heat in summer pushes up demand for soft drinks, making the seasonal fluctuations in volume even more significant.

In addition, we need to address the challenge of ensuring a consistent supply of crew and workers in response to the driver and labor shortages associated with the 2024 Logistics Crisis.

For domestic logistics that handles beverage products, it is extremely important to have an operational structure that can adapt flexibly and efficiently to changes in the environment, such as increased seasonal fluctuations and labor shortages.

### Business overview

We provide dedicated logistics services to major beverage manufacturers in Japan and overseas, and our main delivery locations operate efficiently through an integrated management system for multiple sites. In transportation and delivery, we promote joint distribution of multiple customers' products to the same destination and cross-docking of products shipped from multiple factories or distribution centers. Through these, we demonstrate a competitive edge within the transportation and delivery area and contribute to reducing environmental

burden by improving vehicle utilization and loading efficiency as well as reducing waiting time at the receiving location.

We also build optimal structures for beverage manufacturers by accurately and promptly grasping the frameworks and issues across entire supply chains—from ordering beverage raw materials to delivering to the recipient—through joint ventures with and secondments of our personnel to beverage manufacturers.

### Business strategy

The Keiyo Distribution Center Chiba-Kita DC No. 3, which began operations in March 2024 as a dedicated, next-generation logistics center specializing in beverages, plays an important role in our business strategy.

The site boasts the latest automation technologies. In addition to automated warehouse systems that combine high-density storage racks with automated transportation systems, it operates unmanned transportation forklifts that enable the storage area to receive, store, and ship goods without human intervention. Our strength lies in its hybrid



operations combining these automated technologies and manpower that enable flexible responses to labor shortages and seasonal fluctuations in volume, which we aim to further enhance. In addition to utilization of the logistics hub located in the northern Chiba area, we facilitate the joint distribution

of multiple customers' products shipped from factories or distribution centers, thereby ensuring a stable supply as well as establishing an optimal and efficient delivery system so that we can further enhance our competitiveness in the area.

### • Keiyo Distribution Center Chiba-Kita DC No. 3 (Chiba City, Chiba Prefecture)

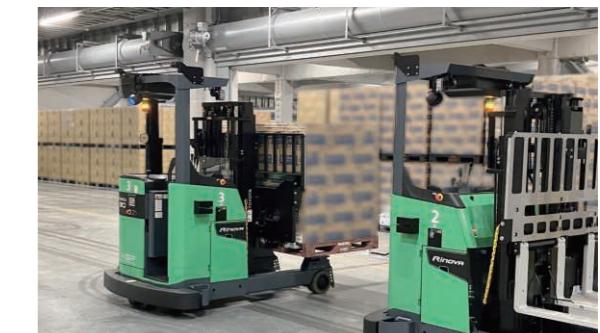


**Shogo Hiyoshi**  
Manager of the Keiyo Distribution Center

The Keiyo Distribution Center Chiba-Kita DC No. 3 is located in the northern Chiba area, which we have designated as a strategic priority area for beverage logistics. Designed with a BTS (Build to Suit) approach, it is a dedicated facility for beverage logistics, leveraging the knowledge and expertise we have cultivated in storage, cargo handling, and workflow path design.

It is equipped with automated warehouse systems (Magic Rack), automated guided forklifts (AGFs) and other advanced equipment, which significantly improve storage and work efficiency. In addition to eliminating bottlenecks during peak times for cargo handling, we also pursue efficient and labor-saving processes by establishing an around-the-clock operational structure.

We will sustainably enhance our corporate value by actively implementing cutting-edge technologies and refining our operations to further increase its capability as a dedicated site for beverage logistics.



### Future prospects

We will enhance our competitiveness by further advancing and institutionalizing our knowledge of logistics DX and expertise in beverage logistics that we have cultivated, and by applying these across the nation.

A key challenge for us is to develop a new framework that can adapt to environmental changes through collaboration with beverage manufacturers or consignees, rather than merely fulfilling our role as a logistics provider.

Specifically, we plan to increase the efficiency of entire supply chains by opening warehouses in close proximity of customers' factories, which will be used solely for handling ingredient delivery and finished product collection. Another example is to establish a structure to improve working conditions and balance the workload by reviewing processes, such as extending the lead time for placing and delivering orders.

Through these initiatives, we will develop a resilient and flexible logistics system to support the realization of a sustainable society.





## Domestic Logistics Business

### High-mix Low-volume Logistics Business

We provide EC logistics for high-mix low-volume products, such as apparel and cosmetics, enabling greater efficiency and cost reduction through integrated inventory management for both B2B and B2C items. Our warehouses are operated by combining automation with manpower, and we utilize our proprietary system for order fulfillment, allowing us to provide flexible, high-quality logistics services.



**Yasushi Suzuki**  
Senior Executive Officer  
General Manager of Tokyo Branch

## Business environment

The online shopping market has continued to expand year after year along with the trend of stay-at-home demand since 2020 and the spread of the internet. The market grew by 9.2% year-on-year in 2023 and is expected to maintain high growth rates beyond 2024. Consequently, logistics providers must adapt to handle high-mix low-volume logistics.

Although the EC business is expected to continue growing, some argue that it has already reached maturity due to the ongoing population decline resulting from the falling birth rate and ageing population. It has passed the stage where one could expect natural growth with tailwinds, and is now entering a phase where more strategic and differentiated

approaches are needed.

Under these circumstances, the working-age population fell to 74.5 million in 2021, and is projected to fall further, reaching 59.78 million by 2040 and 52.75 million by 2050. The domestic logistics industry is also facing a severe labor shortage.

The nature of handling a wide variety of items in small quantities in EC logistics tends to reduce storage efficiency and complicate operations such as picking and packing. Therefore, in addition to optimal and efficient inventory management, it is essential to establish a picking system capable of swift response.

## Business overview

We provide EC logistics for high-mix low-volume products such as apparel, cosmetics and room fragrances. By managing both B2B inventory for stores/wholesalers and B2C inventory for EC at the same warehouse, we optimize inventory and reduce the risk of missing sales opportunities, while reducing the costs of product transfers. This allows us to establish advanced logistics structures that support our customers' business expansion.

We promote hybrid operations combining mechanization/automation and manpower to make warehouse operations more efficient and cost-effective. For back-office tasks,

we integrate various EC cart systems with our warehouse management system (WMS) to efficiently process large order volumes and accommodate the diverse order fulfillment methods of our customers, thereby saving labor and improving quality.

For transportation, we utilize chartered and consolidated services according to the volume of goods and lead time. We also offer a store delivery service and pick up service of returned items on the way back with our own fleet. Combining these methods enable us to respond flexibly to diverse customer requirements.

## Business strategy

The Matsudo Center is an established model business location for high-mix low-volume logistics, equipped with three warehouses in Matsudo City, Chiba Prefecture. We have been actively promoting advanced DX initiatives,

achieving operational efficiency and labor savings. Specifically, we have introduced an automated sorting system in 2020, increasing work efficiency by around 30%. We then launched an upgraded version of the system in 2022 that can operate

vertically as well as horizontally, reducing the installation area by 70%. In 2024, we added automated warehouse systems

and picking assistant robots, dramatically improving storage efficiency and reducing labor.



### • Matsudo Center (Matsudo City, Chiba Prefecture)

The Center is characterized as a hub for handling high-mix low-volume products, constantly maintaining an extensive inventory of approximately 1 million items of 30,000 types for apparel products alone. During the peak season, the Matsudo Center receives/ships more than 60,000 items and handles more than 5,000 returns per day. Therefore, it is very difficult to manage every process with manpower alone.

We have been taking the initiative to tackle this challenge by proactively implementing DX solutions with the aim of improving operational efficiency. For example, the introduction of an automated sorting system has enabled us to significantly improve processing capacity and productivity in the shipping and returns process. We also introduced automated warehouse systems to improve storage efficiency and to save labor. These solutions are highly versatile, making them easy to apply to other tasks.

As demonstrated with these examples, our strengths lie in our ability to comprehensively utilize a wide range of material handling equipment, establishing a flexible operational structure that balances automation and manpower. By visualizing the on-site work and constantly tracking the operating status, we can respond appropriately to fluctuations in volume and achieve sustainable productivity improvements. Rather than simply assuming a robot-centric approach, we analyze on-site issues, such as dependencies with preceding/subsequent processes, and then implement optimal solutions to evolve our business processes continuously.



## Future prospects



Going forward, we plan to expand the range of items we can handle by leveraging our newly acquired GMP (Good Manufacturing Practice) for Cosmetics in addition to apparel. We also intend to obtain a Medical Equipment GMP (Good Manufacturing Practice) in order to diversify our cargo handling capability.

Our aim is to differentiate ourselves from our competitors and further enhance our competitiveness by leveraging the expertise we have cultivated in high-mix low-volume logistics and our hybrid operations combining DX and manpower, and applying them to other centers.



## International Logistics Business

Leveraging our global network, we provide multimodal transportation, and optimize the supply chain through closer collaboration with overseas bases. In trade operation services, we actively promote digitalization and DX, achieving greater efficiency and sophistication. We also aim to sustainably expand our revenue base by developing new business models, such as a trading company function to support the export of Japanese food products or business to provide staffing foreign workers to Japan.



**Hisashi Yoshida**  
Executive Officer  
General Manager of International Business Division

### Business environment

The current business environment surrounding international logistics is extremely unstable, with multiple factors intertwining in complex ways. In addition to geopolitical risks such as international conflicts and trade frictions, international supply chains are becoming increasingly unstable due to the impact of U.S. trade policy trends on the trade policies and economic environments of other countries. Furthermore, changes in major shipping routes and longer lead times were triggered by unforeseen circumstances, such as deteriorating conditions in the Red Sea and restrictions on passage through the Panama

Canal due to drought, resulting in shortages of shipping space and empty containers as well as soaring freight costs.

Given these challenging circumstances, we have encountered diverse requirements from many customers, including enhancement of BCP (Business Continuity Plan) measures to prepare for unexpected situations, tax savings through changes in the country of origin in light of the impact of trade friction and tariffs, suppression of soaring freight costs, and shortening lead times.

### Business overview

Our International Division offers a wide range of logistics services, including import/export forwarding, storage, cargo handling and land transportation, mainly in China and Southeast Asia.

In China and Hong Kong, we are handling an increasing volume of goods requiring temperature/humidity control, such as food and electronic components. We also accommodate the service for inspection work.

In Vietnam and the Philippines, we provide two-way intermodal transportation services for imports and exports to and from Japan, primarily focusing on automotive parts.

### Business strategy

We promote our business strategy based on the following three pillars: enhancement of multimodal transportation, sophistication of trade operation services, and expansion of our business domain.

Regarding multimodal transportation, by strengthening collaboration among our overseas bases, including the newly established Thailand base and the enhanced VFC Japan Desk, we

In Vietnam, our equity-method affiliate, Vinafco Joint Stock Corporation (VFC), provides logistics services using its own coastal container vessels, warehouses and trucks. In the Philippines, we also import and sell Japanese food products in collaboration with joint venture partners, which is one of our distinctive features.

As part of the strategy set out in the Shibusawa Group Midterm Plan 2026 to expand local logistics networks, we opened a representative office in Bangkok, Thailand in January 2025 to further strengthen our business network.



will thoroughly visualize the entire supply chain to achieve shorter lead times, cost reductions, and stable supply for our customers.

For trade operation services, we are actively developing a digital platform and promoting DX to strongly support our customers in streamlining their operations and advancing their supply chains.

With regard to the expansion of our business domain, we will further enhance our trading company function beyond the logistics business by increasing the range of Japanese products we handle. In addition, we are venturing into the new business domain of intermediating foreign work force to Japan in collaboration with our joint venture partner in the Philippines.

## TOPICS

Business topics

### —Initiatives at the TDG-Shibusawa Logistics Inc. (a local subsidiary in the Philippines)—

As one of the major logistics providers in the Philippines, we provide comprehensive logistics services, including ocean/air cargo transportation, customs clearance, and domestic transportation, primarily focusing on automotive parts. Our handling volume of ocean freight is expected to increase in 2025. We are also expanding our trading business by importing and selling Japanese wines, which is steadily contributing to revenue growth.

We continue to leverage technologies and invest in partnerships to improve operational efficiency. Within the TDG Group, we have promoted DX and IT initiatives for cargo handling, customs clearance, and cargo tracking operations, achieving automation of routine tasks and improvement of data accuracy. In logistics operations, we are expanding our refrigerated warehouse capacity to increase the range of imported items we handle, such as alcoholic beverages and cosmetics for the Philippine domestic market. In the course of expanding our business domain beyond the boundary of logistics, we plan to mediate overseas workforce such as truck drivers and warehouse workers to Japan to further enhance synergies with the Shibusawa Logistics Group.

These strategic initiatives will help us to expand our business network in the Philippines and advance our logistics capabilities.



**LAWRENCE L. MENDOZA**  
CEO  
TDG-Shibusawa Logistics Inc.

### —Initiatives of the Thailand Representative Office—

Bangkok, Thailand, serves as a hub for industrial clusters within the ASEAN region. As the shift to electric vehicles accelerates, the supply chain and related industries, including local companies, have become highly sophisticated, particularly in the automotive and electronics industries, which have significant growth potential. Furthermore, with the trend of a global boom in Japanese cuisine and the expansion of the refrigerated/frozen food market, demand for cold chain logistics in the food sector is growing, which could lead to new business opportunities.

On the other hand, as a late entrant in the region, our challenge is to distinguish ourselves from Japanese and local competitors. To address this, we will leverage the Shibusawa Group's customer base both in Japan and overseas while actively cultivating new customers, including local Thai companies, and establish a competitive advantage through our unique solutions and quality services.

In the Thai market, it is common practice among Japanese subsidiaries for business decisions to be delegated to local managers. Therefore, building trust with these stakeholders is crucial for the successful expansion of the business. It is also essential for us to address challenges in talent management, such as improving the retention rate of local staff, responding to rising labor costs, and enhancing their skills.

To tackle those challenges, we aim to establish a competitive business basis by providing flexible services tailored to local requirements and strategic talent management.



**Takehiro Tonoaka**  
Chief Representative, Thailand Representative Office

### Future prospects



Moving forward, we have set out a clear vision to further enhance the value of our services for our customers.

Firstly, we plan to convert the Thailand Representative Office into a local subsidiary during fiscal year 2026. This will strengthen our collaboration with existing bases and enable us to provide optimal solutions for our customers' increasingly complex global supply chains.

Secondly, given the significant increase in the number of food products we handle in Shanghai and Hong Kong, we plan to enhance our overall food logistics capabilities, including trade operation services and trade company functions.

Furthermore, in anticipation of the potential impact of uncertainty in U.S. trade policy on logistics, we are considering obtaining an NVOCC license or registering as a foreign operator in the United States.



## Real Estate Business

Our Group has identified the real estate business as a key driver for growth, and our core strategy under the Midterm Plan 2026 is to expand our real estate business portfolio. We will create sustainable value by strengthening our revenue base, generating new values through synergies with logistics and expanding our investment approaches.



**Toshiyuki Ariki**  
General Manager of Real Estate Division

### Enhancement of our real estate business portfolio

In our Midterm Plan 2026, our Group aims to create sustainable values, and the real estate business serves as a stable revenue base as well as a key engine driving the growth of the entire Group. To serve this important role, we have developed a core strategy to enhance our real estate business portfolio. It is not merely about increasing the portfolio assets, however

a strategic and well-planned effort to enhance the quality of assets from the following three perspectives: improvement of profitability, creation of synergies with the logistics business, and diversification of investment approaches. To be more concrete, it consists of the following four measures:

#### (1) Improvement of business portfolio profitability

In pursuit of improving the overall profitability of our portfolio, we will further accelerate our Corporate Real Estate (CRE) strategy. We conduct in-depth, multi-perspective analyses of the potential of each of our portfolio assets, evaluating a wide range of factors including location, year of construction and occupancy status, as well as changes in the surrounding environment and market trends. We then promptly and accurately determine and implement the measures that best maximize corporate value, from options such as retaining ownership, value enhancement, strategic disposal and property replacement. Through these efforts, we will build a solid revenue base focusing on high-quality, highly competitive assets and establish a framework to support sustainable business growth.



#### (2) Enhancement of synergies with the logistics business

To ensure sustainable development of the logistics business, it is essential that we utilize leasing information for logistics facilities in the real estate business, as well as knowledge related to property development, management, and operation. At the same time, we believe that there is a significant potential for the real estate business to further deepen its strengths and enhance synergies in areas where it overlaps with logistics business, which is our Group's founding business.

In recent years, major developers have increased the supply of rental warehouses, and the boundaries between logistics and real estate is becoming increasingly ambiguous. As such, we will actively expand into the logistics property sector as a new growth driver. Firstly, we will start by leasing logistics facilities and cross-sell logistics services. Our aim is to systematically accumulate the insights gained from these activities and establish a solid business base. We will also

focus on strengthening property management (PM) operations for logistics facilities.

Specifically, in addition to providing logistics facility brokerage services, we aim to increase tenant satisfaction and asset value by consistently delivering meticulous services throughout the facility's entire lifecycle. This includes recommendation of interior work for new tenants and carrying out renovation works that lead to energy savings and efficiency. We will collaborate closely with our group company, Shibusawa Facilities Co., Ltd., to promote these initiatives in a coordinated way.

#### (3) Engagement in redevelopment projects

We consider redevelopment business to be a key strategy, serving as a growth driver for enhancing our real estate portfolio. We aim to maximize the potential of the areas in which we have been engaged in business for many years and derive new values from them.

To achieve this initiative, it is essential to collaborate with external partners who have a wealth of experience and sophisticated expertise. Above all, we will further strengthen our cooperation with Chuo-Nittochi Group and Seiwa Building, with whom we have historically built close relationships in particular. By bringing together each company's areas of specialty/expertise and combining our strengths to supplement each other, we aim to pursue high-quality redevelopment projects that also contribute to the revitalization of local communities.



#### (4) New perspective for real estate investment

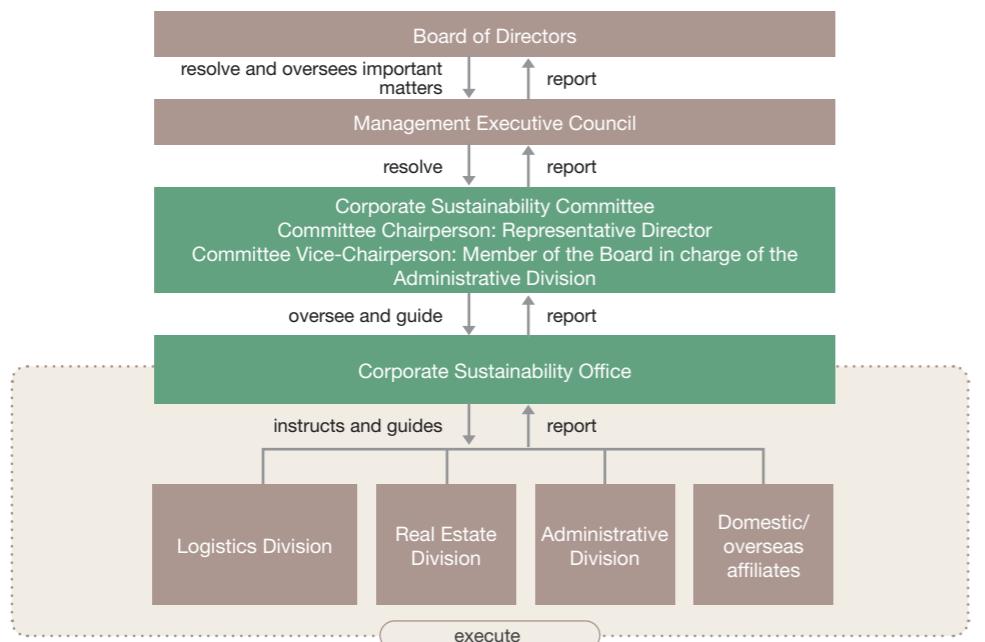
In addition to traditional approaches, such as in-house development and direct property ownership, we will steadily expand our investment options to enhance the overall stability of the portfolio and diversify revenue-generating opportunities. Specifically, we make indirect investments in private funds and similar vehicles that are originated and managed by professionals specializing in real estate investment.

In addition to utilizing these indirect investments, we will also use an asset turnover-type investment strategy that combines in-house development with asset divestment, as necessary, thereby securing stable and continuous income gains while pursuing capital gains. Through these efforts, we aim to further improve capital efficiency and sustainably enhance corporate values.

# Sustainability Management

## Structure to promote sustainability

We have established the following governance structure and risk management structure to address sustainability-related issues.



## ● Status of deliberations by sustainability committee

Deliberations by the Corporate Sustainability Committee on initiatives in fiscal year 2024

Year and month of meeting	Content of deliberations
March 2024	Deliberation on the disclosure and target review of materiality related KGI and KPIs
July 2024	Report on all types of ESG data and the progress towards targets in fiscal year 2023
November 2024	Deliberation on the renewal of TCFD report

Report and resolution at the Board of Directors on initiatives in fiscal year 2024

Year and month of meeting	Content of deliberations
March 2024	Resolution on the disclosure and target review of materiality related KGI and KPIs
July 2024	Report on all types of ESG data and the progress towards targets in fiscal year 2023
November 2024	Report on Scope 3 emissions in fiscal year 2023
December 2024	Report on the renewal of TCFD report

## Materiality (important issues) of the Shibusawa Logistics Group

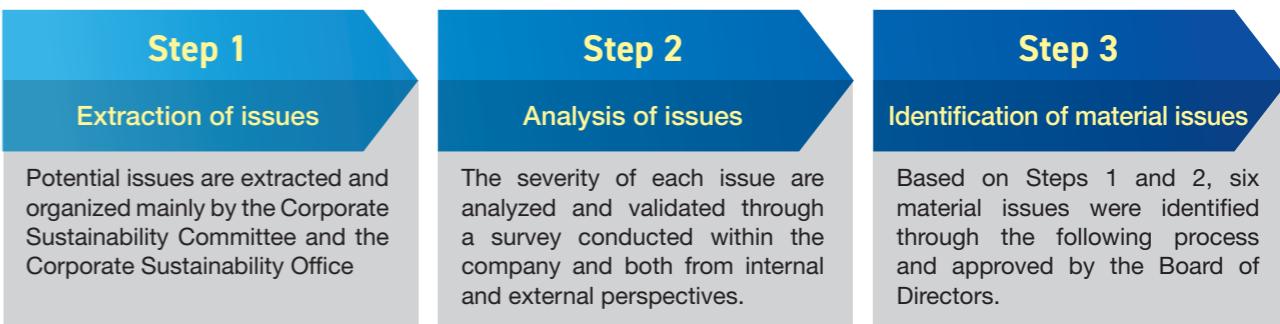
The Shibusawa Logistics Group has established its corporate slogan as "Mission to Endure." This shows the spirit of the founder, Eiichi Shibusawa, that "only profits pursued through just and moral principles can endure and enrich society." Inheriting this concept of sustainability, we have defined that our Group's social mission to be fulfilled is "supporting the realization of a sustainable and prosperous society through the creation of new value beyond logistics."

We have defined six material issues, and by taking the initiatives to solve these issues that can affect sustainable growth not only for us but also for the society through our business activities, we will enhance our corporate value. In addition, we will build and maintain a system in which such business activities can be carried out based on just and moral principles.

For details, please visit our corporate website.  
[https://www.shibusawa.co.jp/sustainability/sustainability\\_policy/#sustainaPolicy\\_01](https://www.shibusawa.co.jp/sustainability/sustainability_policy/#sustainaPolicy_01) (in Japanese)



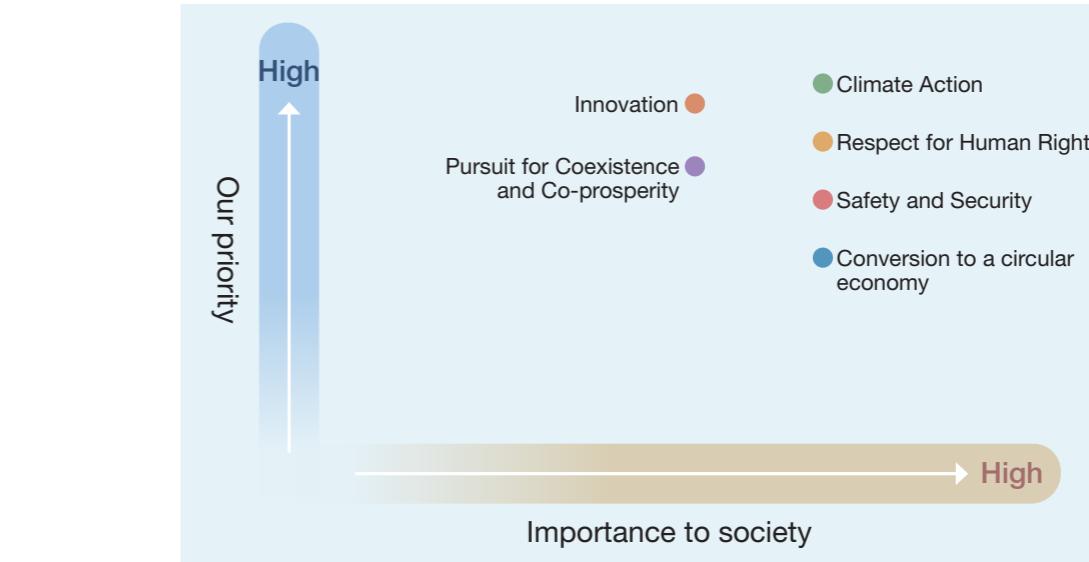
### ● Process for identifying material issues



We identified material issues based on the following perspectives.

- (1) Issues that are consistent with our values, mission, and vision, and contribute to solving social issues through our business activities
- (2) Important issues that, if left unaddressed, would affect the realization of our values, mission, and vision
- (3) Important issues on the significant impact if our company falls behind amidst the other companies that serve

- administration and business operations as their core of business
- (4) Issues that are of high priority for both our Company and society
- (5) Issues identified through a review conducted with the support of the Association for Sustainability Communication



## Sustainability Management

## ● Initiatives for material issues

Climate Action	Conversion to a circular economy	Safety and Security	Utilization of Innovation	Respect for Human Rights	Pursuit for Coexistence and Co-prosperity
<ul style="list-style-type: none"> <li>Promotion of modal shift and the introduction of environmentally friendly vehicles</li> <li>Improvement of load efficiency and operational efficiency in land transportation services</li> <li>Improvement of storage and work efficiency</li> <li>Operation, renovation, and development of facilities with consideration for reducing environmental burden</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of logistics services that promote the conversion to a circular economy</li> <li>Promotion of reuse, reduce, and recycle</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of business processes that reduce occupational accidents, traffic accidents, and other safety-related incidents</li> <li>Establishment of a business continuity plan in the event of a disaster</li> <li>Enhancement of the resilience of logistic facilities and office buildings</li> </ul>	<ul style="list-style-type: none"> <li>Active utilization of innovation and DX promotion through AI and RPA, etc.</li> <li>Creation of new business domains beyond the boundary of logistics</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of contribution by female employees</li> <li>Creation of opportunities for diverse talents to thrive</li> <li>Promotion of workstyle reform</li> <li>Human capital development</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of safety and quality improvements and environmental burden reduction in collaboration with partner companies</li> <li>Contribution to local community activities</li> <li>Contribution to disaster relief efforts</li> </ul>

## ● KGIs, evaluation items and setting of KPIs to address material issues (fiscal year 2024 to fiscal year 2026)

Material issues	Key Goal Indicator (KGI)	Evaluation items	Key Performance Indicator (KPI)	Targets for fiscal year 2026	Actual results for fiscal year 2024
Climate Action	A company contributing to reduction of environmental burden	<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions in warehousing operations</li> <li>Reduction of CO<sub>2</sub> emissions in land transportation operations</li> <li>Renewable energy to be adopted in real estate business</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions per area of business locations<sup>1</sup></li> <li>Number of containers in ferry and rail transports (promotion of modal shift)</li> <li>Adoption ratio of renewable energy (%)<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Decreased by 40% compared to fiscal year 2019</li> <li>Increased by 30% compared to fiscal year 2023</li> <li>100%</li> </ul>	<ul style="list-style-type: none"> <li>Decreased by 31.2% compared to fiscal year 2019</li> <li>Decreased by 1.8% compared to fiscal year 2023</li> <li>100%</li> </ul>
Conversion to a circular economy	A company contributing to conversion to a circular economy	<ul style="list-style-type: none"> <li>Contribution to conversion to a circular economy</li> </ul>	<ul style="list-style-type: none"> <li>Volume of stored documents for recycle</li> <li>Establishment of method for secondary use of forklift batteries</li> </ul>	<ul style="list-style-type: none"> <li>Increased by 20% compared to fiscal year 2023</li> <li>Trial use</li> </ul>	<ul style="list-style-type: none"> <li>Increased by 18.6% compared to fiscal year 2023</li> <li>Under review</li> </ul>
Safety and Security	Realization of a secure society through safe business operations	<ul style="list-style-type: none"> <li>Improved safety and security in society</li> <li>Improving safety and security in business</li> </ul>	<ul style="list-style-type: none"> <li>Number of traffic accidents in logistics operations</li> <li>Occupational injury frequency rate</li> </ul>	<ul style="list-style-type: none"> <li>0</li> <li>Decreased by 3% compared to fiscal year 2023</li> </ul>	<ul style="list-style-type: none"> <li>1</li> <li>Decreased by 21.2% compared to fiscal year 2023</li> </ul>
Utilization of Innovation	Enforcement of competitiveness in our business and realization of a sustainable society	<ul style="list-style-type: none"> <li>Improved operational efficiency through introduction of technologies</li> </ul>	<ul style="list-style-type: none"> <li>New projects with the use of technologies to improve operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Cumulative period<sup>3</sup> 20 projects</li> </ul>	<ul style="list-style-type: none"> <li>21 projects</li> </ul>
Respect for Human Rights	Creation of a work environment that brings together diverse talents and helps them to play an active part	<ul style="list-style-type: none"> <li>Promotion of diversity</li> <li>Consideration for human rights</li> </ul>	<ul style="list-style-type: none"> <li>Rate of positive responses to questionnaire on employee engagement</li> <li>Rate of people under high stress</li> <li>Number of companies subject to human rights due diligence (improved quality of human rights due diligence)</li> </ul>	<ul style="list-style-type: none"> <li>Increased from fiscal year 2023</li> <li>7% or less</li> <li>200 companies or more</li> </ul>	<ul style="list-style-type: none"> <li>Decreased by 0.7 pt compared to fiscal year 2023</li> <li>8.33%</li> <li>600 companies</li> </ul>
Pursuit for Coexistence and Co-prosperity	Partnership with business partners and local communities	<ul style="list-style-type: none"> <li>Strengthened relationships with business partners and local communities</li> </ul>	<ul style="list-style-type: none"> <li>Holding meetings with business partners</li> <li>Collaborations in social activities</li> </ul>	<ul style="list-style-type: none"> <li>Cumulative total period<sup>3</sup> 10 times</li> <li>Cumulative period<sup>3</sup> 15 cases</li> </ul>	<ul style="list-style-type: none"> <li>6 times</li> <li>6 cases</li> </ul>

<sup>1</sup> The amount of CO<sub>2</sub> emissions from the logistics business    <sup>2</sup> Scope: the consumption of electricity in leased office buildings (in Kayaba-cho, Eitai, and Kakigara-cho)

<sup>3</sup> Scope: a cumulative total target for the period from April 2024 through March 2027

Our Group is taking the initiative to enhance corporate values by strengthening competitiveness in our business domains and expanding our service areas. We consider the promotion of sustainability to be essential for ensuring that these efforts to enhance corporate values are sustained over the long term.

To this end, in line with our corporate slogan "Mission to Endure," it is vital to integrate solutions to our material issues into our business activities.

Regarding climate action, we are reducing CO<sub>2</sub> emissions from our warehousing operations and real estate business. Moving forward, as social and technological developments and infrastructure improvements progress, we also aim to reduce CO<sub>2</sub> emissions from our land transport services, thereby expanding our lineup of services with low environmental burden.

Furthermore, enhancing employee engagement is indispensable to maximizing our human capital. We are committed to achieving meaningful results through collective diversified initiatives.

Through these efforts, we are developing continuous potential growth of our company while contributing each day to the realization of a prosperous and sustainable society.

## Voice

Hiroaki Sagawa  
General Manager of  
Corporate Sustainability  
Office



## Climate Action

## Risks and opportunities relating to material issues for our business

Risks
<ul style="list-style-type: none"> <li>Higher energy costs due to reinforcement of GHG emission regulations</li> <li>Disruption of operations due to severe natural disasters</li> <li>Decline in social reputation due to insufficient response to climate change</li> </ul>

Opportunities
<ul style="list-style-type: none"> <li>Reduction of energy costs through the promotion of energy conservation</li> <li>Creation of new revenue opportunities through the expansion of environmentally friendly services</li> <li>Increase in social reputation through transparency and appropriate approach to climate change</li> </ul>

For details, please visit our corporate website.  
<https://www.shibusawa.co.jp/sustainability/environment/> (in Japanese)

## Initiatives of our Group

## ● Promotion of modal shift

Our Group is taking the initiative to reduce environmental impact and address the shortage of truck drivers by offering services that shift truck freight transportation to ferries and rail. At the core of our efforts to promote modal shift are two Group companies: Nissho Transport Co., Ltd. and Omiya Transport Co., Ltd.

Nissho Transport Co., Ltd. has an advantage in long-distance land and sea multimodal freight transportation that covers from shipment to delivery, with its sites at major ports across Japan. The company transports approx. 23,000 or more containers/chassis a year in unmanned ferries.

Rail transportation is undertaken by Omiya Transport Co., Ltd. In addition to offering a wide range of containers tailored to the characteristics of products shipped, the company provides specific advantages in rail transportation such as

eliminating the need to arrange return freight and ensuring a high on-time performance. Rail transportation is a clean mode of transport, generating only approximately one-ninth of the CO<sub>2</sub> emissions produced by trucks. It also serves as an effective alternative to long-distance truck transportation, which places a significant labor burden on drivers.

Through the initiatives of these two companies, we are promoting the realization of optimal transportation that contributes to a sustainable society.



## ● Utilization of clean and efficient energy

Our Group is actively promoting initiatives such as in the use of renewable energy and the installation of energy-efficient lighting.

We are reducing our reliance on fossil fuels by switching the electricity used in our owned facilities to renewable energy. We are also installing solar power generation systems at our facilities and logistics centers. In fiscal year 2024, five facilities within our Group generated approximately 520,000 kWh of electricity for on-site consumption. As a result of these efforts, our Group's overall rate of renewable energy sourcing in Japan reached 71% in fiscal year 2024, and in our real estate business, we achieved our target of 100%.

In addition, we are working to reduce electricity consumption while maintaining an appropriate working environment by installing LED lighting with motion sensors in our office buildings and logistics facilities. At some of our large-scale

warehouse facilities, we have introduced automated air-conditioning control systems to improve energy efficiency through optimized use of air-conditioning equipment.

We will continue to promote environment conscious energy utilization.



## ● Conservation of biodiversity

Our Group supports the intent of the revised Keidanren Declaration for Biodiversity and Guidelines and has participated in the initiative since January 2025. Going forward, in line with the recommendations of the Taskforce on Nature-related

Financial Disclosures (TNFD), we will advance our analysis of nature-related dependencies and impacts within our Group's business activities to enhance the quality of our disclosures.

## Climate Action

## Measures against climate change based on the TCFD recommendations

Our Group discloses appropriate information in line with the recommendations published by the Task Force on Climate-related Financial Disclosures (the "TCFD") of the Financial Stability Board (the "FSB") from fiscal year 2022. In fiscal

year 2024, we further examined the climate-related risks and opportunities that could affect our Group's businesses and updated our TCFD report based on these findings.



TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

For details, please visit our corporate website.  
[https://www.shibusawa.co.jp/sustainability/participation\\_in\\_initiatives/#tcfid](https://www.shibusawa.co.jp/sustainability/participation_in_initiatives/#tcfid) (in Japanese)

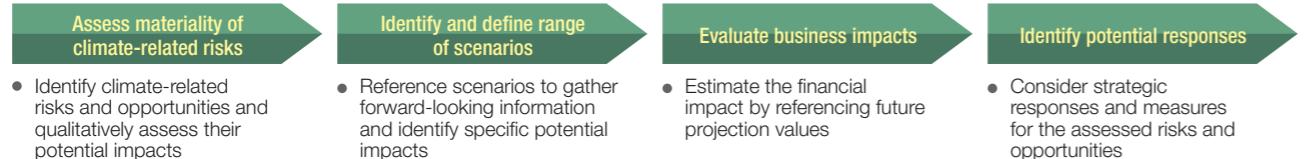
## Strategy

Our Group uses scenario analysis at the Corporate Sustainability Committee to identify and assess significant risks and revenue opportunities arising from climate change

that could impact our Group's business activities over the medium to long term and discusses measures to be taken.

## ● Scenario analysis procedure

We conducted a scenario analysis in accordance with the following steps outlined in "Practical guide for scenario analysis in line with the TCFD recommendations" issued by the Ministry of the Environment.



## ● Identified risks and opportunities

The following are risks and opportunities identified through scenario analysis.

Classification	Type	Item	Time horizon	Assumed risks	Impact severity	
					1.5°C	4°C
Transition	Policies/ laws and regulations	increase in carbon prices	Medium-term	Increased operating costs due to the imposition of carbon taxes on CO <sub>2</sub> emissions generated from business activities		
		Regulations on the use of fossil fuels	Short-term	Increased costs associated with improving environmental performance in the logistics and real estate businesses (introduction of non-fossil fuel vehicles and ZEB conversion)	High	Medium
		Energy-saving policies	Short- to long-term	Increased capital expenditures for ZEB conversion in proprietary real estate, the shift to xEVs for the company-owned vehicles, and the replacement of equipment with decarbonized alternatives in temperature-controlled warehouses		
	Market	Emission trading		Additional compliance costs arising from the expansion of emissions trading schemes, such as the need to purchase emission credits for CO <sub>2</sub> emissions exceeding limits		
		Recycling regulations	Medium-term	Higher costs resulting from compliance with regulations on packaging materials and waste, including sorting and processing (e.g., label removal) and the introduction of leased or rented items to reduce disposal	Medium	Low
		Policies on renewable energy		Rising electricity prices driven by national energy policies promoting the transition to renewable energy, changes in demand, and higher generation costs		
Reputation	Changes in energy costs	Medium-term		● Rising electricity prices driven by increased demand for renewable energy and related market developments ● Decreased demand for logistics services if higher energy procurement costs—primarily driven by rising fossil fuel prices—are passed on to customers	Medium	Low
	Changes in customer reputation			Loss of customers to competing services if environmental initiatives are deemed insufficient	High	Medium
	Changes in investor reputation	Short-term		Reduced access to financing and increased financing costs due to inadequate environmental initiatives and insufficient environmental disclosure		
Physical	Acute	Intensifying extreme weather conditions	Medium- to long-term	● Business interruption losses and higher fire insurance premiums resulting from damage to sites or supply chain disruptions caused by increasingly severe weather-related disasters ● Declines in customer reputation due to damage to entrusted cargo or operational shutdowns ● Decreased value of owned assets located in regions with high disaster risk ● Litigation risks arising from damage to partner companies, cargo, tenants, or third parties	Medium	High
	Chronic	Rising average temperatures	Medium- to long-term	Increased costs for installing air-conditioning or heat-shielding systems to prevent declines in labor productivity caused by heat stress	Low	Medium
		Changes in precipitation and climate patterns	Short- to long-term	Reduced revenue opportunities resulting from transportation disruptions caused by increasingly extreme weather events—such as heavy snowfall and torrential rain—which lead to transportation delays, cancellations, and the flooding of roads and railways that blocks logistics routes		
		Rising sea level	Long-term	Damage to owned assets resulting from increased flooding incidents	Low	Low

Opportunities				Assumed opportunities		Impact severity
Classification	Type	Item	Time horizon	Assumed opportunities		
				1.5°C	4°C	
Transition	Policies/ laws and regulations	Energy-saving policies	Short- to long-term	● Reduced energy costs resulting from improved energy efficiency through energy-saving measures in warehouses and logistics centers ● Increased revenue opportunities driven by greater utilization of modal shift options with lower environmental burden		High Medium
		Recycling regulations	Medium-term	Increased revenue opportunities from document storage services that collect and pulp paper materials, as well as from additional logistics demand associated with resource collection and transport resulting from the transition to a circular economy		Medium Low
	Technology	Advancement of low carbon technologies	Medium-term	● Reduced labor costs through the adoption of transport-efficiency solutions such as swap-body container vehicles ● Reduced fuel costs through the introduction of energy-saving vehicles such as low-carbon diesel trucks		Low Low
		Advancement of next-generation technologies		Reduced operating costs through the installation of automated and mechanized equipment—such as unmanned forklifts and automated storage racks—that shorten waiting and cargo-handling times		
	Reputation	Changes in customer reputation	Short-term	● Increase revenue opportunities as the acquisition of low-carbon certifications such as CASBEE and ZEB for proprietary real estate enhances the preference for environmentally conscious companies ● Increase revenue from environmentally conscious business operations that reduce GHG emissions, including the expansion of energy-efficient transport modes such as rail and ferry transportation, the promotion of modal shift, and the use of renewable-fuel trucks		High Medium
		Changes in investor reputation		Reduce financing costs resulting from strengthened environmental initiatives and enhanced environmental disclosure		
Physical	Acute	Intensifying extreme weather conditions	Medium- to long-term	Increase revenue opportunities through strengthening relative competitiveness achieved by promoting BCP measures and establishing a safe and reliable business continuity plan for emergencies to sustain operations at disaster-affected sites		Medium High
	Chronic	Rising average temperatures	Medium- to long-term	Increase revenue driven by higher volumes of summer-season beverage cargo resulting from rising temperatures		
		Changes in precipitation and climate patterns	Short- to long-term	In the event of extreme weather conditions, we prepare by serving different transport routes to ensure continuity of operations and avoid interruption losses. Additionally, our competitive differentiation also contributes to the increase in revenue opportunities.		Low Medium
Definition of impact severity				High: High financial impacts Medium: Uncertain financial impacts Low: Low financial impacts	Definition of time horizon	Up to three years Medium-term: Four to ten years Long-term: 11 to 30 years

## ● Estimation of financial impact

For the risk items related to our future business operations that can be analyzed quantitatively, we estimated the financial impacts on our Group for 2030 and 2050. The calculation items and formulas used in the estimations are presented in the table below.

Estimation item		Calculation formula		Estimation result	
				2030	2050
		1.5°C	4°C	1.5°C	4°C
Impact of Carbon tax implementation		Our Group's GHG emissions × future carbon tax price			
		Financial impact if a carbon tax is imposed on our Company's GHG emissions (Scope 1 and 2) under the 1.5°C scenario for year 2030 and year 2050		(410.7)	0 (733.3) 0
Impact of changes in electricity prices		Our Group's power consumption × future electricity price			
		Financial impact if electricity prices used in our operations increase under the below 2°C scenario for year 2030 and year 2050		(45.9)	36.2 (49.6) 58.5
Impact of flood and storm surge damage		Value of each asset × Damage rate			
		Financial impact if physical damage from intense weather condition—such as flooding and storm surges—results in inundation of our sites under the below 2°C and 4°C scenarios for year 2030 and at year 2050		(261.4) (741.0) (371.5) (919.7)	

## ● Measures and policies for risks and opportunities

Risk item	Direction of response	Specific response measures (opportunity creation)
Increase in carbon prices, rigorous regulations on GHG emissions, and the transition to renewable energy/energy conservation policies	● Promote decarbonization	● Streamline logistics operations through promoting modal shift, the consolidation of warehouse locations by expanding their scale, as well as the optimal allocation of warehouses ● Utilize renewable energy generated through solar power ● Expand the installation of on-site power generation equipment
Wider adoption of renewable energy, energy-efficiency solutions, and next-generation technologies		● Improve energy efficiency in facility operations (through the installation of solar panels, BEMS, LED lighting, and other energy-saving equipment) ● Advance the adoption of environmental technologies by applying programs that promote investment in low-GHG emissions
Reputation in society	● Creation and promotion of climate-related solutions	● Strengthen communication and information disclosure to stakeholders
Increasing severity of natural disasters caused by extreme weather events	● Enhancement of facility resilience ● Strengthening disaster prevention and mitigation measures ● Diversification of transportation systems ● Selecting facility locations that consider BCP	● Conducting regular inspections and repairs of facilities in anticipation of typhoons and heavy rainfall ● Periodical update of BCP, hold related training, and strengthen the modal shift management system ● Develop new facilities in consideration of disaster damage risk
Rising average temperatures	● Improvement of work environment and promotion of labor-saving approach	● Create a comfortable working environment ● Promote labor and manpower saving through promotion of DX and other initiatives

For metrics and targets, please refer to "Climate Action" in KGI/evaluation items/KPIs for material issues (fiscal year 2024 to fiscal year 2026) on page 35.

# Conversion to a Circular Economy

## Risks and opportunities relating to material issues for our business

### Risks

- Increase of operational workload and costs resulting from stricter disposal regulations for packaging materials, pallets, and related items
- Decline in social reputation due to inadequate waste management

### Opportunities

- Increase of customer demand for document storage services that collect and pulp paper resources
- Increase of revenue opportunities resulting from growth in freight transportation and resource collection
- Earning social trust gained through the development of circular-economy business models

For details, please visit our corporate website.  
<https://www.shibusawa.co.jp/sustainability/environment/#circularEconomy> (in Japanese)

## Initiatives of our Group

### Promotion of reuse in the relocation business

In relocation operations, we collect and transport what has become unnecessary for customers as they relocate, such as furniture and fixtures, in cooperation with our business partners. The collected items are sorted out and sold to the operators of online auction sites or specialized dealers for sale in Japan or are exported so they will be reused overseas.

In addition, we promote initiatives to reuse cardboard collected from our customers. We aim to expand the reuse of materials by offering it as a service for customers who agree to the use of reused materials.

### Document storage service

In our document storage services, we carry out document pulping for the materials approved for disposal and engage in recycling logistics that convert them into raw materials for recycled paper. In addition, as a tool to encourage the recycling of customers' waste documents, we promote the installation of security boxes, which allows documents placed inside to be recycled while ensuring their security.

In fiscal year 2024, the number of boxes of stored documents that were pulped and recycled reached 38,565. The number of the installed security boxes also exceeded 2,000 and is steadily increasing.



### Plastic bottle recycling

We support the bottle-to-bottle horizontal recycling initiative, in which plastic bottles are collected and recycled into new plastic bottles. We collect empty plastic bottles in our buildings, sort them into recyclable resources, and transport them to the factories designated by the beverage manufacturer. We aim to scale up these efforts and convert them into a business going forward.



Through these efforts, we will increase the recycling rate of valuable resources and promote a circular economy to ultimately contribute to reducing CO<sub>2</sub> emissions, saving water resources, and preserving forest resources.

# Safety and Security

## Risks and opportunities relating to the materiality for our business

### Risks

- Occurrence of serious accidents due to inadequate safety measures during transportation and cargo-handling operations, leading to higher insurance costs
- Delays in business recovery and loss of revenue opportunities in the event of a large-scale disaster due to vulnerable BCP measures
- Loss of social trust resulting from inadequate safety measures

### Opportunities

- Reduced accidents and improved service quality achieved through rigorous safety measures
- Avoidance of lost business opportunities and maintenance of revenue during unforeseen crises due to a solid business continuity plan
- Enhanced social trust resulting from strengthened safety measures

For details, please visit our corporate website.  
<https://www.shibusawa.co.jp/sustainability/safety/> (in Japanese)

## Initiatives of our Group

### Introduction of safety-supporting technologies

Vehicles owned by each Group company are equipped with a vehicle operation and fleet management system, and long-distance vehicles are additionally fitted with drowsy driving warning devices. The vehicle operation and fleet management system automatically sends information such as time, location, and speed to managers when it detects sudden deceleration with a high risk of accidents. This enables us to raise drivers' awareness of safe driving and helps prevent accidents. The drowsy driving warning device detects signs of drowsiness, loss of concentration, and microsleep earlier than the driver's own awareness and issues alerts. By responding to these warnings and the changes displayed on the monitoring map, drivers can take naps or breaks as needed, thereby reducing the risk of accidents.

### Thorough safety education

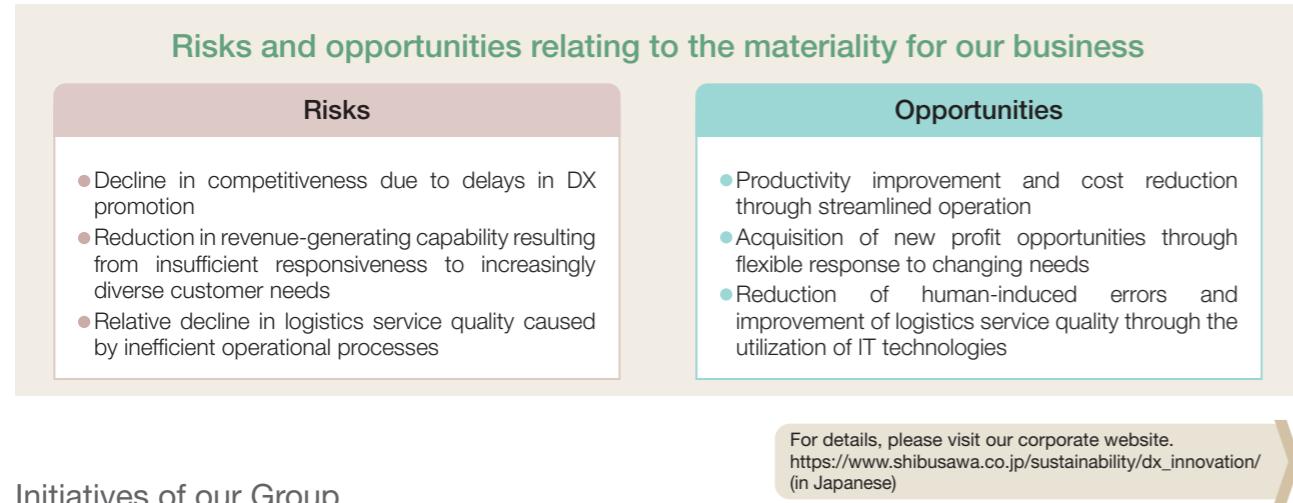
Our Group continuously provides regular and recurring safety education and training to truck workers both inside and outside the Group, including those of subcontractors, to ensure safe and secure transportation. In addition to providing sufficient ride-along training for new drivers, we hold monthly safety meetings that include classroom-based instruction on safe driving and reviews of past accident cases. We also actively encourage lively discussion and the sharing of experiences among drivers.



We work to ensure safety at logistics sites through efforts such as providing safety education and technical training to warehouse workers. For new workers, we provide not only basic instruction on equipment and operational procedures but also share past accident cases to help instill a strong awareness of safety. In addition, we offer forklift training conducted by external specialists and conduct a broad review of basic forklift operation procedures for employees, regardless of experience years, from veterans to new hires.



# Utilization of Innovation



## Initiatives of our Group

### Establishment of the Innovation Promotion Office

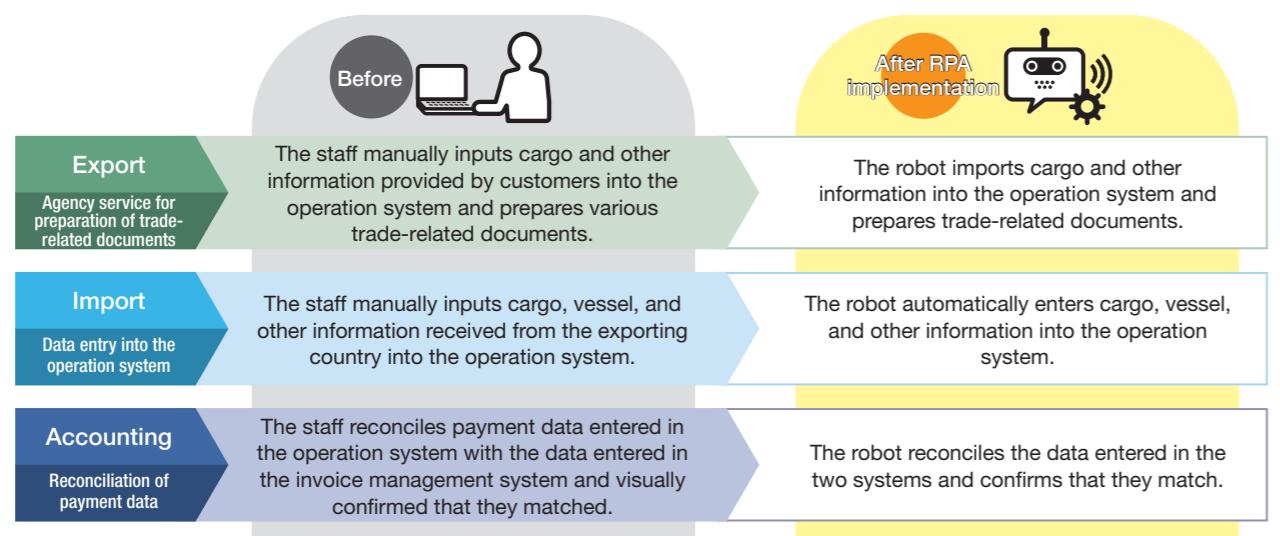
To further accelerate the promotion of DX, we have established the Innovation Promotion Office as a central organization for these efforts. Under the Shibusawa 2030 Vision, our Group's long-term vision, we have set goals to strengthen competitiveness in the logistics business and expand our service domains. The Midterm Plan 2026 likewise aims to enhance profitability through the advancement of logistics DX.

The Innovation Promotion Office is conducting activities such as gathering information, piloting, customizing, and company-wide rollout related to logistics DX to realize the

### Automation of simple clerical tasks

We are promoting operational efficiency through the use of robotic process automation (RPA). In our import/export forwarding operations, our dedicated development team automates various processes—including data entry into the import/export cargo handling system, preparation of trade-related documents, and accounting procedures. These initiatives accelerate and streamline import/export procedures

### Examples of operational improvements through RPA implementation

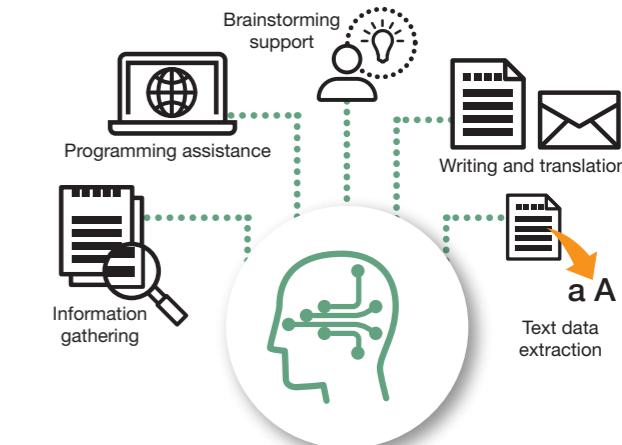


### Operational efficiency improvement through the use of generative AI

Since January 2025, our Group has introduced a generative AI application as a business support tool to enhance operational efficiency and productivity. In addition to providing human-like responses through natural conversation, generative AI offers a wide range of capabilities, such as extracting text from images or PDF files.

Generative AI is now being utilized across various tasks, including drafting emails, preparing meeting minutes, supporting information gathering, assisting with brainstorming, and aiding in code development.

As of July 2025, more than 300 user accounts have been authorized. To further promote the use of generative AI within the Company, we are also sharing instructional videos featuring effective use cases, as well as guidance materials that compile best practices for prompt creation, through our internal portal site.



### Response to risks associated with the use of generative AI

While generative AI is expected to significantly contribute to streamlining operations, it also carries risks such as leaking confidential information, producing inaccurate information, and violating privacy and copyrights in an unintended manner. Our Group is therefore making efforts to promote proper use of generative AI among employees by taking these concerns into account.

To prevent information leakage, our generative AI is designed so that the input data is not used for training at the time of its implementation. In addition, all employees who wish to use it are required to complete an e-learning course in advance, and only those mark the passing score are allowed to use it. We also actively remind users

that information output by generative AI is not always accurate and encourage them to verify its correctness themselves.

Furthermore, in accordance with our Information Security Policy, we have established Generative AI Usage Guidelines to ensure the safe and effective use of generative AI. The guidelines prohibit the input of personal information, confidential information, and copyrighted content, as well as the use of generative AI for unethical purposes such as handling illegal information, fake news, or defamatory content. Users are instructed to regenerate the output or discontinue its use if unintentionally discriminatory or offensive expressions are generated.

### Acquisition of DX Certification

Our Company obtained certification as a DX Certified Operator in February 2025 under the DX Certification Program established by the Ministry of Economy, Trade and Industry.

The DX Certification Program is a framework through which the government certifies companies that comply with basic requirements of the Digital Governance Code, in accordance with the Act on Facilitation of Information Processing. Through this certification, our Company has been recognized as being "ready to transform its business through digital technologies."

We have formulated a company-wide direction and medium-to long-term plans for the utilization of information-processing technologies, and, led by the Innovation Promotion Office, we are working toward their realization. At the same time, we are strengthening our cybersecurity measures and developing an internal environment that enables the stable and effective useutilization of innovation.



Through the strategic utilization of innovation, our Group aims to enhance its competitiveness while contributing to the advancement of the logistics industry as a whole.

Going forward, we will continue to promote workstyle reform and the optimization of society as a whole, striving to help realize a more prosperous society.

# Respect for Human Rights

## Risks and opportunities relating to the materiality for our business

### Risks

- Organizational homogenization and reduced adaptability to change resulting from a lack of talent diversity
- Serious talent shortage caused by delays in workstyle reform
- Loss of social trust due to inadequate attention to human rights risks

### Opportunities

- A resilient and adaptable organization enabled by the effective utilization of diverse talents
- Enhancement of competitiveness in talent acquisition through the cultivation of a culture that respects diverse values
- Increase of social trust through sincere engagement with human rights risks

For details, please visit our corporate website.  
[https://www.shibusawa.co.jp/sustainability/human\\_capital/](https://www.shibusawa.co.jp/sustainability/human_capital/)  
 (in Japanese)

## Initiatives of our Group

### Promotion of diversity

In order to create new value amid significant changes in the business environment, we strive to cultivate a corporate culture where individuals can thrive by securing talents with diverse values and experiences and respecting that diversity.

In fiscal year 2024, we revised our post-retirement re-employment system. We aim to increase the collective strength as organization by clarifying the roles of rehired retirees, maintaining/ enhancing their motivation, and improving their treatment.

Furthermore, we also believe that the active participation of women is essential for organizational vitality, and are working to create a workplace in which female employees can thrive, and to foster a corporate culture that supports this. We are also actively working to support our employees in balancing work and family life and particularly focused on encouraging men to take childcare leave. In addition, we promote the use of the nursing care leave system to help employees balance their work with caring for family members, and provide an environment where they can continue to work with peace of mind. This enables us to offer support that caters for the various life events of our employees.

### Hosting the 2nd Joint Sustainability Promotion Opinion Exchange Meeting: Promoting the Active Participation of Women in the Workplace

In February 2025, the sustainability promotion divisions of six logistics companies including Shibusawa Logistics Corporation held a joint opinion exchange meeting to encourage women to promote the active participation of women in the workplace. Following the first discussion meeting for female employees held in fiscal year 2023, this second meeting also focused on the theme of promoting diversity.

Creating a workplace and fostering a corporate culture where female employees can thrive has become a top priority in the logistics industry as well. Eighteen management-level employees from each company participated in the meeting in the hope of applying the insights gained from the discussion to their own company's initiatives. Participants deepened their understanding of specific initiatives and challenges related to promoting women's advancement through a lecture by an experienced guest speaker. They then shared their thoughts and opinions on the lecture, which sparked lively discussions.

### Enhancement of employee well-being

We believe that the physical and mental health of each employee is the source of our energy to take on new challenges, and promote the wellness of our employees and their families through collaborative health initiatives with the Shibusawa Health Insurance Association, based on data-driven health plans.

Specifically, we conduct specific health checkups that incorporate designated items into regular health examinations, encouraging those eligible for specific health guidance to actively participate, and promoting plans to prevent lifestyle-related diseases and enhance overall health. We also provide a stress check system, 24-hour health consultation service provided by an external organization, and mental health counseling services, helping employee wellness in a holistic manner. Furthermore, as part of our health promotion initiatives, we introduced a health management app in fiscal year 2024. It allows employees to see their health check-up results and medical expense notifications. We aim to raise health awareness among employees through app-based health events.

Many participants commented that the exchange of opinions with peers from other companies had inspired them, and that it had given them the opportunity to rediscover the challenges in their own organizations.

Our Company will strive to create an environment in which diverse talents get together and perform to the best of their abilities.

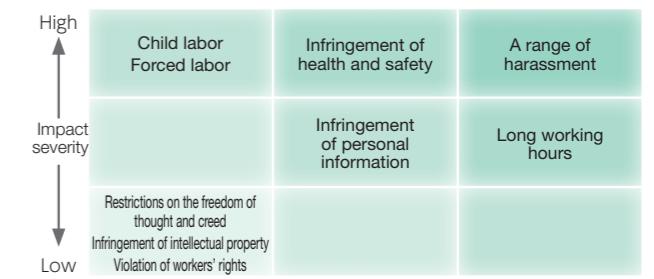


## Due Diligence on Human Rights

Positioning respect for human rights as one of its materiality, the Shibusawa Logistics Group has implemented the human rights due diligence based on the Group Human Rights Policy to identify, evaluate, prevent, and mitigate human rights risks, thereby seeking to support the realization of a sustainable and prosperous society through business activities respecting human rights.

For details, please visit our corporate website.  
[https://www.shibusawa.co.jp/sustainability/sustainability\\_policy/#sustainPolicy\\_03](https://www.shibusawa.co.jp/sustainability/sustainability_policy/#sustainPolicy_03)  
 (in Japanese)

### Human rights risk map



\*Stakeholders potentially impacted by these risks: our Group and suppliers

### Identifying human rights risks in business activities

The Shibusawa Logistics Group examined a diverse range of information from both inside and outside the Group to identify and recognize major themes on human rights. As a result, after having recognized and identified "prohibition of forced labor and child labor," "prohibition of discrimination and harassment" and "prevention of inhuman treatment" as the major human rights themes, it has been working to eliminate human rights risks based primarily on these themes.

## Human rights initiatives

### For our employees

#### Improving working environment

By respecting diverse values, promoting work-life balance, and engaging in health and productivity management, our Group will create an internal environment in which each and every employee is able to work energetically, safely and securely in good health and spirits irrespective of their gender, age, nationality, and disability.

#### Preventing long working hours

Our Group has put in place a labor situation management system to visualize the work status of its employees so that both workers and managers can understand the status. The system is designed to alert workers and managers in the event they are anticipated to work long hours. Also, we periodically hold dialogues with the workers, thereby seeking to maintain the current favorable working environment and further improve it.

### For our suppliers

#### Evaluating suppliers

Our Company periodically investigates its suppliers to confirm whether there have been any violations of labor standard laws and regulations. We also constantly monitor any human rights infringements our Group has been involved in or fomented.

In fiscal year 2024, we conducted a human rights survey for suppliers particularly with large transaction volumes, by distributing a questionnaire to 138 companies to investigate their human rights initiatives. The items surveyed this time are mainly as shown on the right.

We will continue these periodical assessments and investigations, while making efforts to come up with a more accurate method.

### Establishing and raising awareness of the Code of Conduct

Our Group has established the Shibusawa Logistics Group Code of Conduct, including respect for human rights; all its officers and employees, as well as those involved in its business operations are well informed about the content of the code. In addition, as part of our efforts to educate on human rights, we will work to strengthen our training programs regarding the code of conduct.

### Setting up a helpline (whistle-blowing system)

We have set up a helpline (telephone consultation desk) to receive reports and consultations regarding human rights from any persons engaged in our Group's operations. Based on the details of these reports and consultations, we take measures to solve and prevent the recurrence of the issues reported by the whistleblowers and other callers under the supervision of the person in charge. We also strictly protect the information about the whistleblowers and other callers.

For details, please refer to this page.

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### Human rights survey themes

(1) Status in human rights policy formulation	(7) Employee safety, health and wellness
(2) Working conditions	(8) Human rights due diligence process
(3) Labor union	(9) Status in setting up a hotline
(4) Forced labor	(10) Local communities
(5) Child labor	(11) Supply chains
(6) Foreign workers	

### Number of companies subject to human rights due diligence

	Fiscal Year 2023	Fiscal Year 2024
Number of companies	600 companies	600 companies

Note: Number of companies investigated for violations of labor standards laws and regulations

# Pursuit for Coexistence and Co-prosperity

## Risks and opportunities relating to the materiality for our business

### Risks

- Insufficient operational resources resulting from weakened partnerships
- Decline in corporate brand value due to inadequate social contribution

### Opportunities

- Realization of stable business operations through collaboration with partners
- Enhancing social reputation through active social contribution activities

For details, please visit our corporate website.  
<https://www.shibusawa.co.jp/sustainability/partnership/>  
 (in Japanese)

## Initiatives of our Group

### Shibusawa Logistics Cooperative Association

We have formed the Shibusawa Logistics Cooperative Association with our logistics partners, with the aim of maintaining and improving logistics quality through business activities, as well as promoting the business development and mutual prosperity of our members. Established in 1998, it is marking its 28th anniversary in 2025 and consists of 44 member companies.

Every year, the association plans and conducts training sessions led by external experts and specialized training for different roles. We provide participants with the opportunity to learn about the social conditions and laws/regulations surrounding the industry, including how to deal with the increasingly serious driver shortage, while also facilitating information exchange among them. We also organize tours to our customers' factories and take other measures to deepen our understanding of the products we handle.

By further enhancing our collaboration with our logistics partners, we will establish a stable business plan.



### Logistics tours

We hold logistics tours for students every year. We provide students with opportunities to learn about society and aim to contribute to enhancing the overall recognition and image of the logistics industry to secure future logistics talents.



## External Recognition and Participation in initiatives

### External recognition

#### FTSE Blossom Japan Sector Relative Index

Our Company has been selected for the first time as a constituent stock of the FTSE Blossom Japan Sector Relative Index.

The index by FTSE Russell, a leading ESG rating agency, serves as a benchmark that reflects the relative performance of Japanese companies whose ESG initiatives stand out within their respective sectors. Recognized by investors as an important criterion for investment decisions, it has also been adopted by the Government Pension Investment Fund (GPIF) as a passive investment benchmark for ESG investments.



**FTSE Blossom  
Japan Sector  
Relative Index**

#### CDP

Following the previous fiscal year, we were awarded a "B" score (management level) in the Climate Change Report published by CDP, an international non-profit organization running a global environmental disclosure system in fiscal year 2024.

This shows that the Shibusawa Logistics has been recognized as a company that is conscious of its environmental risks and the impact of such risks and is taking actions based on this awareness (management level).



### Participation in initiatives

#### UN Global Compact

Our Group supports the UN Global Compact, and has been registered as a participating company since April 2023.



#### Minato SDGs Partner

We participate in the Minato SDGs Partner Registration System established by the Ministry of Land, Infrastructure, Transport and Tourism with the aim of promoting efforts to resolve the issues outlined in the SDGs as well as contributing to the increased appeal and sustainable development of port-related industries.



#### Participation in local initiatives

We are taking part in these initiatives with the theme of coexisting with local communities.

- In Matsudo City, we participate in the Matsudo SDGs Caravan Membership.



# Corporate Governance

## Corporate Governance Policy

We believe that our corporate governance efforts should contribute to the establishment of an optimal management structure for enhancing corporate value. Through our efforts to strengthen corporate governance, we strive to achieve sustainable growth of our business, fulfill our social mission and responsibilities, and ensure fair and transparent management.

For details on the Corporate Governance Policy, please visit our corporate website.  
[https://www.shibusawa.co.jp/sustainability/governance/ \(in Japanese\)](https://www.shibusawa.co.jp/sustainability/governance/)

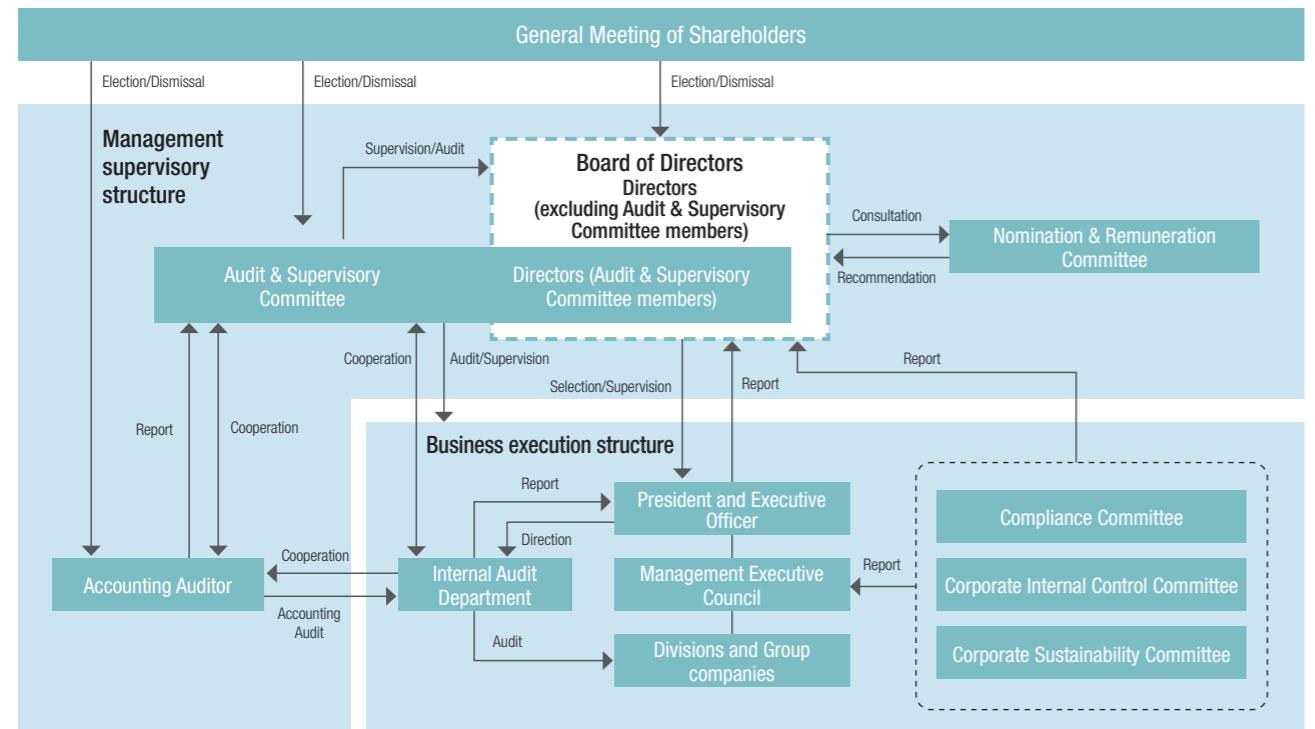
## Transition to a Company with an Audit & Supervisory Committee

We transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee with an approval at the 178th Ordinary General Meeting of Shareholders held on June 27, 2025. This is intended to build a structure that allows us to respond to changes more flexibly and quickly with the business environment changing greatly.

This makes the Audit & Supervisory Committee members, who take on the responsibility of auditing and supervising directors' execution of duties, members of the Board of Directors, thereby further strengthening the supervisory

functions of the Board of Directors and enhancing management transparency and objectivity. In addition, promoting the separation of execution of operations and supervision and allowing wider delegation of authority for the execution of important operations from the Board of Directors to executive directors will expedite decision-making in management. Meanwhile, the Board of Directors will focus more on deliberating management policy and strategy to strengthen and enhance its supervisory functions, working towards further improvement of corporate value.

### Overall structure after the transition to a company with an Audit & Supervisory Committee (as of June 30, 2025)



Composition	Directors: 11 persons (including 6 are outside)	Directors (other than Audit & Supervisory Committee members): 6 persons (including 3 are outside)	Directors (Audit & Supervisory Committee members): 5 persons (including 3 are outside)
Term of office	Directors (other than Audit & Supervisory Committee members): 1 year	Directors (Audit & Supervisory Committee members): 2 years	
Decision-making for execution of important operations	Totally or partially delegated to directors (other than Audit & Supervisory Committee members) from the Board of Directors		

## Major meeting bodies and their roles

### Board of Directors

The Board of Directors consists of 11 directors, six of whom are outside directors (including one female). Meetings are held once a month in principle to receive reports on important matters related to business execution and the progress of business performance, and functions as a supervisory body through deliberations centering on management policy and strategy.

Directors have a wide range of expertise such as management, finance, law, and sustainability, and the Board of Directors as a whole is composed so that such expertise is well balanced. Directors' skills and experiences are selected to suit our business strategies and risk characteristics according to the skills matrix formulated by the Board of Directors.

### Audit & Supervisory Committee

The Audit & Supervisory Committee consists of five members, including three outside directors. It holds a meeting once a month in principle to share information and have discussions on key audit issues. From the standpoint of an independent body with a fiduciary duty to shareholders, the Audit & Supervisory Committee members audit and supervise directors' execution of duties by attending Board of Directors and other important meetings.

The Audit & Supervisory Committee specifically reviews matters such as preparation of audit reports, decisions to select and dismiss Audit & Supervisory Committee members,

### Nomination & Remuneration Committee

The Nomination & Remuneration Committee consists of four members, including three outside directors and the president, and is chaired by Outside Director Mr. Matsumoto. It decides on matters concerning nomination of candidates for directors and dismissal of directors, selection and dismissal of the president, and remuneration of directors (excluding

## Auditing structure

Our internal audits are taken charge of by the Internal Audit Department, an independent body under direct control of the president. Under internal audit regulations and audit plans, the Internal Audit Department conducts an exhaustive audit of the business processes, information systems, compliance structure, and risk management structure of our Company and Group companies and assesses their effectiveness. Furthermore, the Internal Audit Department conducts an internal control assessment in financial reporting under the Financial Instruments and Exchange Act and reports its results to the Corporate Internal Control Committee and the Board of Directors.

As a result, active discussions are made from diversified perspectives, which helps improve the effectiveness of management supervision.

### Major items deliberated (fiscal year 2024)

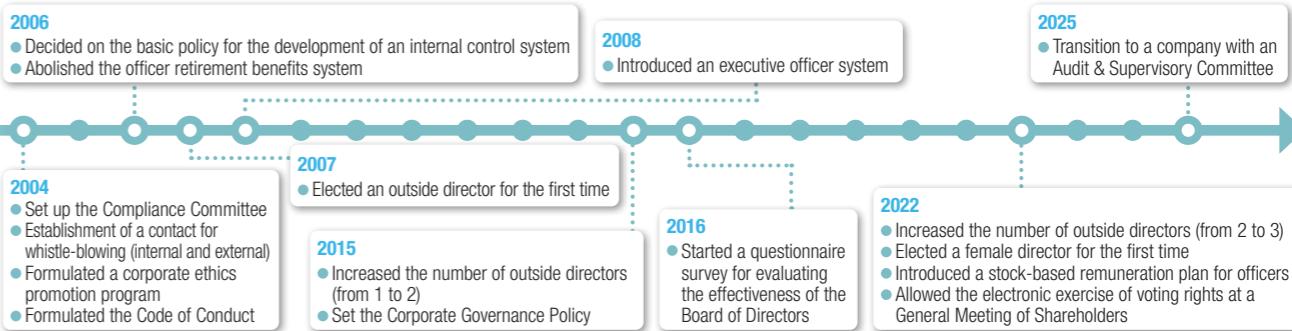
- Progress report of the Shibusawa Group Midterm Plan 2026
- Present data analysis of management that is conscious of capital cost
- Report of analysis, etc. of business portfolios
- Progress of efforts related to sustainability issues
- Matters related to the settlement of accounts and finance (sale of cross-shareholdings and purchase of treasury shares)
- Transition to a company with an Audit & Supervisory Committee and its disclosure

formulation of audit policies and key audit items, methods of investigating the status of business and assets, the status of development and operation of internal control systems, responses to sustainability, and other matters related to the execution of duties of Audit & Supervisory Committee members and Audit & Supervisory Board members. It also considers matters concerning election, dismissal, and refusal of reelection of accounting auditors, consent to remuneration for accounting auditors, and other matters based on a resolution of the Audit & Supervisory Committee.

directors who are Audit & Supervisory Committee members) and executive officers subject to the annual salary system. It also deliberates on candidates to succeed the president and decides on matters related to remuneration of directors and executive officers subject to the annual salary system upon delegation from the Board of Directors.

Problems identified through an audit are reported regularly with the progress of corrective measures to the Board of Directors and the Audit & Supervisory Committee so that they lead to speedy improvement activities. In addition, the Internal Audit Department promotes closer ties with the Audit & Supervisory Committee and exchanges opinions from the stage of formulating an audit plan in order to improve the comprehensiveness and effectiveness of auditing. It also appropriately shares information and cooperates with accounting auditors regarding the development and evaluation of internal control related to financial reporting, thereby building a more reliable auditing structure.

## History of our efforts to strengthen governance



## Corporate Governance

## List of officers

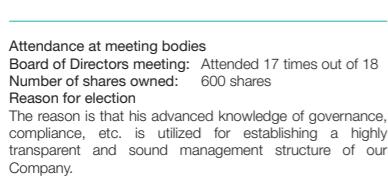


**Takeshi Osumi** President, Director & CEO  
Nomination & Remuneration Committee member

Attendance at meeting bodies  
Board of Directors meeting: Attended 18 times out of 18  
Number of shares owned: 8,400 shares  
Reason for election  
The reason is that he has abundant experience as a corporate manager and extensive knowledge on all aspects of management.  
He served as the General Manager of the East Japan Sales Department of our Company drawing on his rich experience in national and international logistics practices. After that, he was engaged in all aspects of business planning of our Group as the General Manager of the Corporate Planning Division.  
Since he took the position of director in 2015, he has taken charge of all aspects of the Logistics Division. Since 2017, he has served as president.



**Nobuyuki Kuratani** Director, Senior Managing Executive Officer  
Independent officer  
Chair of the Nomination & Remuneration Committee



**Shinya Matsumoto** Outside Director  
Independent officer

Attendance at meeting bodies  
Board of Directors meeting: Attended 17 times out of 18  
Number of shares owned: 600 shares  
Reason for election  
The reason is that his advanced knowledge of governance, compliance, etc. is utilized for establishing a highly transparent and sound management structure of our Company.

As an attorney-at-law, he has been engaged in legal issues of many companies and is expected to exercise supervision and provide advice on all aspects of business execution, especially from the perspective of governance, compliance, etc.



**Takeshi Ohashi** Director, Managing Executive Officer  
Independent officer  
Nomination & Remuneration Committee member

Attendance at meeting bodies  
Board of Directors meeting: Attended 18 times out of 18  
Number of shares owned: 6,500 shares  
Reason for election  
The reason is that he has abundant experience and knowledge as a corporate manager.

He served successively as a general manager, an executive officer and a branch manager of a financial institution. Since 2018, he has been responsible mainly for business development as the Senior Executive Officer and Assistant to the Member of the Board in charge of the Logistics Sales Division of our Company. Since he took the position of director in 2019, he has taken charge of the Logistics Division as well as the Real Estate Division. Since 2022, he has taken charge of the Administrative Division.



**Masatoshi Hoshi** Director (Full-time Audit & Supervisory Committee Member)  
Independent officer

Attendance at meeting bodies  
Board of Directors meeting: Attended 14 times out of 14  
Audit & Supervisory Board meeting: Attended 11 times out of 11  
Number of shares owned: 5,400 shares  
Reason for election  
The reason is that he has abundant experience and knowledge as a corporate manager.

He has deep experience in the warehousing business and the harbor transportation business. He has worked to win new businesses and introduce new types of business as the General Manager of the Business Development Division of our Company.

Since he took the position of director in 2021, he has taken charge of the Logistics Division and pushed forward reforms in the process of logistics operations.



**Susumu Mori** Director (Full-time Audit & Supervisory Committee Member)  
Independent officer

Attendance at meeting bodies  
Board of Directors meeting: Attended 13 times out of 14  
Audit & Supervisory Board meeting: Attended 10 times out of 11  
Number of shares owned: 2,800 shares  
Reason for election  
The reason is that his abundant experience and extensive knowledge has been utilized for the auditing of our Company through his auditing work as an Audit & Supervisory Board member (full-time) of our Company since June 2024.

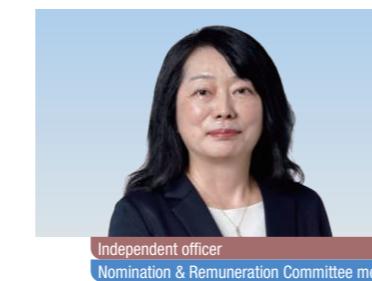
He has long experience of working at the Administrative (finance and accounting) Division of our Company and fully understands the finance and accounting, and internal control of our Group.



**Masashi Shishime** Outside Director (Audit & Supervisory Committee Member)  
Independent officer

Attendance at meeting bodies  
Board of Directors meeting: Attended 18 times out of 18  
Audit & Supervisory Board meeting: Attended 15 times out of 15  
Number of shares owned: 1,600 shares  
Reason for election  
The reason is that his abundant knowledge and experience is utilized for auditing the whole management of our Company.

He has been engaged in legal issues of many companies as an attorney-at-law and has been active as an outside officer at multiple listed companies.



**Keiko Baba** Outside Director  
Independent officer  
Nomination & Remuneration Committee member

Attendance at meeting bodies  
Board of Directors meeting: Attended 17 times out of 18  
Number of shares owned: 1,200 shares  
Reason for election  
The reason is that he has long been engaged in the management of a comprehensive shipping company, and his abundant experience and knowledge is utilized for the management of our Company.

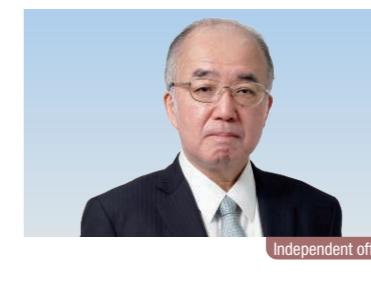
He is expected to exercise supervision and provide advice on all aspects of business execution, including the Logistics Division, especially taking advantage of his global knowledge and experience obtained through the management of a comprehensive shipping company.



**Yoshiichi Yoshida** Outside Director (Audit & Supervisory Committee Member)  
Independent officer

Attendance at meeting bodies  
Board of Directors meeting: Attended 18 times out of 18  
Audit & Supervisory Board meeting: Attended 15 times out of 15  
Number of shares owned: - shares  
Reason for election  
The reason is that his expert knowledge and practical experience is utilized for auditing the whole management of our Company.

He has long been engaged in tax management at a regional taxation bureau and has abundant knowledge and experience of tax and accounting as a certified tax accountant.



**Hirohisa Kashiwazaki** Outside Director (Audit & Supervisory Committee Member)  
Independent officer

Attendance at meeting bodies  
Board of Directors meeting: Attended 18 times out of 18  
Audit & Supervisory Board meeting: Attended 15 times out of 15  
Number of shares owned: 100 shares  
Reason for election  
The reason is that his abundant knowledge and experience is utilized for auditing the whole management of our Company.

He served successively as the deputy president of a financial institution and the president of a comprehensive insurance agency.



**Koichi Chikaraishi** Outside Director  
Independent officer

Attendance at meeting bodies  
Board of Directors meeting: Attended 14 times out of 14  
Number of shares owned: 500 shares  
Reason for election  
The reason is that her experience and expertise in the real estate business and her abundant insights as a public body committee member and a mediator are utilized for the management of our Company.

She is expected to exercise supervision and provide advice on all aspects of business execution, including the Real Estate Division, especially taking advantage of her experience and expertise in the real estate business and her abundant insights as a public body committee member and a mediator.

## Policy on training for officers

For the objective of ensuring that officers appropriately perform their expected roles and responsibilities, we provide the following training distinguishing between internal and outside directors.

## Internal directors

- Lectures on the Companies Act and other important laws and regulations by our legal counsel on a regular basis
- Participation in external seminars on important matters related to our Company's business, or lectures by guest lecturers

## Outside directors

- Access to the annual securities report for the past fiscal year and other reports at the time the officer takes office, and briefings on our Company's overall business by each division in charge
- Visits to logistics sites to gain a better understanding of our Company's operations

Note: The above skills matrix does not represent all the expertise and experience of each person.

For details, please refer to the corporate governance report on our corporate website.  
<https://www.shibusawa.co.jp/sustainability/governance/> (in Japanese)

Areas of expertise and experience	Directors (excluding directors who are Audit & Supervisory Committee members)						Directors who are Audit & Supervisory Committee members				
	Takeshi Osumi	Nobuyuki Kuratani	Takeshi Ohashi	Shinya Matsumoto	Koichi Chikaraishi	Keiko Baba	Masatoshi Hoshi	Susumu Mori	Masashi Shishime	Yoshiichi Yoshida	Hirohisa Kashiwazaki
Corporate management	●	●	●		●		●			●	
Business strategy/M&A	●	●	●							●	
Logistics DX	●		●				●				
Global business	●				●						
Real estate		●				●					
Sustainability/ESG	●	●	●			●					
HR/labor		●		●			●	●			
Finance/accounting		●				●		●	●	●	
Legal/compliance/internal control		●		●	●	●	●	●	●	●	



## Corporate Governance

## Evaluation of effectiveness of the Board of Directors

We conduct an annual analysis and evaluation of the effectiveness of the Board of Directors with the aim of further enhancing its functionality. The evaluation for fiscal year 2024 confirmed that our Company's Board of Directors was operated appropriately, that there was an environment where all of its members could speak freely, and that the decision-making process was reasonable. It was also confirmed that the outside directors fully performed their roles and responsibilities and that the effectiveness of the Board of Directors was secured and improved.

## ● Analysis and evaluation process

Evaluates: Members of the Board of Directors

(1) Questionnaire survey of all evaluatees (anonymous)

(2) Collecting and reporting responses to the questionnaire

(3) Discussion of future efforts at a meeting of the Board of Directors

## Questionnaire items

- (1) Evaluation of improvements made in this year
- (2) Composition of the Board of Directors
- (3) Operation of the Board of Directors
- (4) Individual agenda items
- (5) Self-evaluation as a member of the Board of Directors
- (6) Open-ended question regarding efforts to invigorate deliberations and strengthen the functions of the Board of Directors

## ● Evaluation of major improvements made in fiscal year 2024

Issues	Deepening discussions on important themes	Themes	<ul style="list-style-type: none"> <li>• Corporate strategy and midterm plan</li> <li>• Major risks</li> </ul>	<ul style="list-style-type: none"> <li>• Approach to sustainability issues</li> <li>• Business portfolio strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of management that is conscious of cost of capital and stock price</li> </ul>
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- In the progress report of the Shibusawa Group Midterm Plan 2026, we made discussions to achieve key goal indicators on the basis of reports such as present data analysis of management that is conscious of cost of capital and analysis of business portfolios.
- Based on the results of efforts in the previous fiscal year regarding material issues related to sustainability issues, we updated evaluation items and indicators (KPIs) and discussed approaches.

## Opinions about future efforts mentioned through improvement activities

- Regarding key issues for corporate strategy such as investment in human capital, branding strategy, and research and development investment, discussions should not be limited to proposals for individual projects but should be made in a budgetary context, including their scale, assuming that they are part of investment leading to growth.
- To make corporate strategy and midterm plan more effective, it is also necessary to discuss quantitative and qualitative follow-ups and measures for the progress of strategies according to the materiality of individual strategies.
- Regarding risk-taking realities and risk management systems, it is necessary to deepen discussions with the entire Group in mind.

## ● Actions to be taken based on analysis and evaluation

What the Board of Directors should be	<ul style="list-style-type: none"> <li>• With the transition to a company with an Audit &amp; Supervisory Committee, it is necessary to reconsider affairs delegated to the execution side. The Board of Directors will further improve discussions on management policy and strategy, etc., and thereby strengthen and upgrade its supervisory functions in order to further improve corporate value.</li> </ul>
Information input	<ul style="list-style-type: none"> <li>• We will provide opportunities to extend knowledge about the latest trends and trends in sustainability issues.</li> <li>• We will enrich opportunities to deepen the understanding of the present situation of our business through actual visits to business sites.</li> </ul>

## Policy for determining remuneration

It is our basic policy to ensure that remuneration of our directors serves as an appropriate incentive to pursue the realization of our Group vision and continued improvement of corporate value, and that the remuneration structure reflects the roles and responsibilities that officers shoulder and the performance of officers.

Remuneration for our directors (excluding directors who are Audit & Supervisory Committee members) consists of fixed remuneration, performance-linked remuneration, and stock-based remuneration. Stock-based remuneration is intended to raise awareness of contributing to medium- to long-term improvement of corporate value and share profits with shareholders. Outside directors (excluding directors who are

Audit & Supervisory Committee members), who are independent of business execution, shall receive fixed remuneration only. Under the delegation of the Board of Directors, the Nomination & Remuneration Committee determines the amount of remuneration for each director within the limit of the total amount approved at a General Meeting of Shareholders in order to ensure transparency and fairness.

The remuneration of directors who are Audit & Supervisory Committee members is fixed remuneration only in consideration of their independent roles. The total amount of remuneration is determined at a General Meeting of Shareholders, and individual allocations are decided by the Audit & Supervisory Committee.

## Compliance

Our founder, Eiichi Shibusawa, advocated harmony between morality and economy, putting the public interests of society before private interests. Believing that, for an economy to develop, it must be founded on the moral principle of humanity and justice, he was committed to serving society and benefiting the people.

Following this spirit, our Company pursues business activities with a constant awareness of compliance.

## Code of conduct

Our officers and employees are expected by customers and other stakeholders to behave and act in a lawful, sound, and ethical manner.

Our Company has established the Code of Conduct so as to maintain and improve its social credibility. The Code of Conduct is posted on the website for employees, as well as our corporate website together with the president's message aimed at officers and employees. This Code of Conduct sets out matters that must be observed by our officers and employees, including their responsibilities and standards of conduct; their relationships with society; their relationships with customers, partner companies, client companies, etc.;

the management of our Company's assets and information; respect for safety and human rights, so that our officers and employees use it as the criteria for action. The management team also has declared that they will take the lead in putting the code into practice by themselves and strive to improve internal systems.

In the event any acts that violate or potentially violate this Code of Conduct are discovered, we make it a rule to report to or consult our superiors or the consultation desk inside the company. In addition, the Shibusawa Logistics Group prohibits any action that is detrimental to whistleblowers and other callers in response to their reporting or consultation.

## The Shibusawa Logistics Group Code of Conduct

- 1. Comply with corporate ethics, social norms, and international norms
- 2. Respect for human rights
- 3. Place the highest priority on safety
- 4. Create a better work environment
- 5. Promote social contribution and environmental conservation
- 6. Appropriately record and disclose information
- 7. Appropriately manage the company's assets
- 8. Protect intellectual property
- 9. Make fair transactions
- 10. Prevent corruption and corrupt acts
- 11. Sever connections with antisocial forces
- 12. Prohibit acts with conflicting interests

For details, please refer to the Code of Conduct on our corporate website.  
<https://www.shibusawa.co.jp/sustainability/compliance/> (in Japanese)

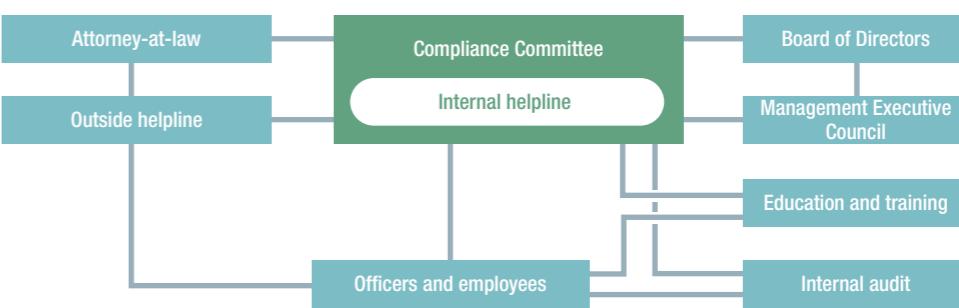
## Compliance structure and whistleblowing system

We aim to build an organization with fair, highly transparent corporate management and strong ability for inhouse control through officers and employees of our Company, its subsidiaries and affiliates complying with laws and regulations and behaving soundly and ethically.

In addition, we have established the Compliance Committee, chaired by the member of the Board in charge of the Administrative Division, in order to step up compliance efforts. This committee holds meetings regularly, manages and revises the Code of Conduct, conducts surveys of compliance awareness of officers and employees and activities to improve their awareness, and develops and implements an education and training plan regarding legal compliance and ethics. In addition, the committee collects information and estimates risks regarding legal compliance and ethics. If a problem is expected to occur, the committee strives to prevent it in cooperation with persons concerned. The committee's

activities, matters resolved, and problems are reported regularly to the Board of Directors and the Management Executive Council.

For cases where there are questions about compliance with laws and regulations and ethical issues and where there are concerns about harassment, helplines serving as the consultation desk for officers and employees are set up internally and externally (a third-party attorney-at-law independent of the management team) to abide by the Whistleblower Protection Act. The Compliance Committee works together with the parties concerned in activities to investigate the causes of the cases reported, resolve the problems, and prevent recurrence. In addition to protecting the privacy of the whistleblower, the most careful attention will be paid to preventing the reporting from causing any disadvantage to the person or organization to which the person belongs in terms of appointment, treatment, or business transactions.



# Risk Management

## Risk management structure

Our Group's mission is supporting the realization of a sustainable and prosperous society through the creation of new values beyond logistics. To accomplish this mission, we think that one of the key management issues is to recognize and analyze various possible risks in a timely manner in a business environment that is becoming more complicated and diversified from day to day and ensure that risks are properly reduced, transferred, avoided, and accepted.

Our Group's businesses are influenced by wide-ranging external and internal factors in Japan and abroad. A risk factor coming to the surface may have a serious impact on growth

strategy, business activities, financial health, brand image, etc. At the same time, we think that proper management of risks will lead to the discovery of new business opportunities and the establishment of a competitive advantage.

Based on this understanding, our Group established the Risk Management Department in fiscal year 2024 to enhance the management system for risks and opportunities. The Risk Management Department grasps and evaluates risks of the entire Group in a cross-sectional manner and promotes the establishment and operation of an integrated risk management framework, thereby contributing to continued improvement of corporate value.

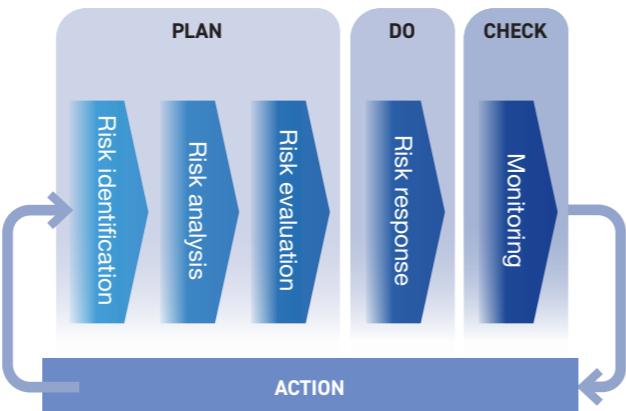
## Risk management structure

Board of Directors	Determines risk management policy and monitors and supervises the operation of the risk management structure.
Management Executive Council	Promotes the development of the risk management structure, checks the analysis and evaluation of all risks, and determines important measures.
Risk Management Department	Makes management strategy consistent with divisions and Group companies, formulates the framework for risk management, rolls it out to all Group companies, and promotes the establishment and operation of an integrated risk management structure.
Divisions and Group companies	Divisions and Group companies recognize and evaluate risks in operations for which they are responsible for, and implement specific measures. The status of these risks and measures is regularly monitored by the Risk Management Department and the Internal Audit Department.
Internal Audit Department	Evaluates from an independent position whether the risk management structure of the whole Group is constructed properly and functions effectively. Reports the evaluation results as appropriate to the Board of Directors and the Audit & Supervisory Committee, and encourages improvement if necessary.
Audit & Supervisory Committee	Receives reports from the Internal Audit Department and the Risk Management Department and supervises the effectiveness of risk management for the whole Group by the Board of Directors and the management team.

## PDCA of risk management

Our Group promotes management improvement activities using the Plan-Do-Check-Action (PDCA) cycle in order to continuously increase the effectiveness of the risk management structure.

Specifically, our Group identifies and evaluates risks comprehensively in consideration of economic and geopolitical trends, changes in the industry structure, evolution of technologies, regulatory revisions inside and outside Japan, natural disaster risks and other factors. For identified risks, our Group sets priorities in terms of business continuity and impacts on customers and plans and implements measures, such as risk reduction, avoidance, transfer, and acceptance, in order from risks with a higher priority. After that, our Group monitors and evaluates the progress and effects of measures implemented and reconsiders measures as necessary according to its results, thereby pursuing continuous improvement of risk management. Our Group will adapt to a constantly changing business environment and strengthen its ability to respond to risks.



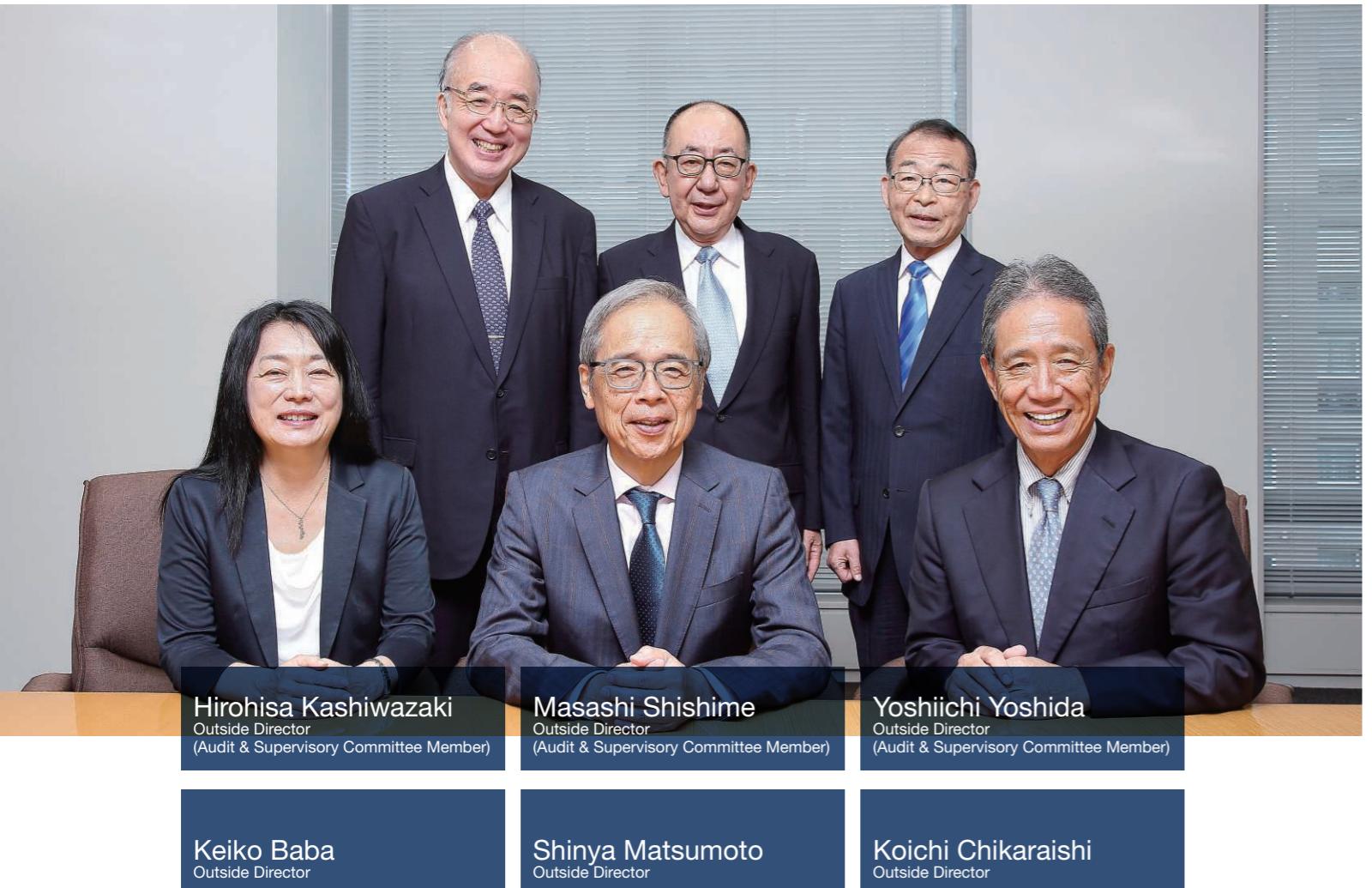
## Business risks

Major risks and opportunities that may have a significant impact on our Group's business are as follows.

Classification of risks	Typical risks and opportunities	Actions taken
Changes in the business environment	<p><b>Risks:</b> Reduced flow of goods due to economic fluctuations, lower profits due to higher energy procurement costs, and worsened balance of supply and demand in the real estate (rental office) market</p> <p><b>Opportunities:</b> Enforcement of competitiveness, diversification of services, enhancement of business domain, and enhancement of corporate value</p>	Reflecting growth strategy, M&A and business tie-up strategy, and market trend forecasts in management plans Real estate portfolio strategy
Changes in legal regulations and systems	<p><b>Risks:</b> Delay in responding to revisions of laws relating to logistics and real estate, and opportunity loss and compliance risks due to changes in overseas regulations, politics and economy</p> <p><b>Opportunities:</b> Market development, and trust building</p>	Collecting information on administrative trends Strengthening the compliance structure Strengthening cooperation with local specialized organizations
Disasters	<p><b>Risks:</b> Human loss, facility loss and business opportunity loss due to natural disaster, and human loss and business opportunity loss due to an infectious disease</p> <p><b>Opportunities:</b> Improvement of business quality, social contribution, and enhancement of corporate value</p>	Implementation of a business continuity plan (BCP) Developing crisis management systems of the whole Group Implementing insurance coverage and earthquake-resistant measures
IT and information management	<p><b>Risks:</b> Decline in social credibility due to leakage of customer information and personal information, business continuity risks due to system failures caused by cyber attacks, and incurrence of compensation for damage</p> <p><b>Opportunities:</b> DX promotion, improvement of business resilience, and earning trust of customers</p>	IT strategy, DX strategy Disaster recovery Implementation of the latest measures against unauthorized access
Finance	<p><b>Risks:</b> Decline in social credibility due to inadequate development and operation of internal control related to financial reporting, lower profitability due to inadequate management systems of our Group companies, and increased financing costs due to interest rate fluctuations</p> <p><b>Opportunities:</b> Utilization of financial leverage, improvement of capital efficiency, and enforcement of group governance</p>	Continuation of initiatives in line with the basic policy for internal control, using hedging instruments, monitoring, and maintenance of management systems
Securing and development of talents/labor	<p><b>Risks:</b> Risks of interruption of service provision and structure maintenance due to a shortage of talents such as drivers and workers, occupational accidents, excess overtime, harassment, etc.</p> <p><b>Opportunities:</b> New businesses, enhancement of business domain, promotion of work style reforms, and social contribution</p>	Expansion of recruitment channels, expansion of training programs, and promotion of diversity and inclusion Implementation of appropriate working hours management

# Roundtable Discussion with Outside Directors

## Evolution of Corporate Governance and Driving the Sustainable Growth of the Shibusawa Logistics Group



Our six outside directors exchanged views on the roles expected to outside directors, the transition to a company with an Audit & Supervisory Committee, and future management challenges and outlook—all with the aim of realizing a more effective and transparent governance structure.

### (1) Role as an outside director

**How do you view the key functions expected to outside directors? In addition, how do you perceive the role expected to you as an outside director of our Company?**

**Matsumoto:** Although it may sound textbook-like, I believe the most important functions of outside directors are to oversee management and to ensure transparency. That said, while the term “oversight” often evokes the image of acting as a brake, I do not see that as the primary emphasis. Management is granted broad discretion in running the

business, and that must be respected. For our Company, this means that outside directors are expected to work alongside management to verify whether the organization is being steered in alignment with the Shibusawa 2030 Vision, which was formulated based on our corporate slogan, “Mission to Endure.” To fully carry out this role, I believe it is essential to build a relationship of trust with management while maintaining an appropriate level of constructive tension.

**Chikaraishi:** As an outside director of our Company, I recognize I am expected to fulfill two roles.

The first is to provide oversight and provide advice

from an independent perspective. In this transformative period—where our Company is combining its long-cultivated experience and track record in the warehousing business with recent DX promotion and taking on new business domains—it is important for outside directors to offer objective opinions and recommendations from an external viewpoint on how management is steering our Company. Through this, we can evaluate risks from multiple perspectives and contribute to building a more robust governance structure.

The second role is to make contributions through my expertise and experience. By drawing on our professional backgrounds and specialized knowledge, we can provide concrete advice and recommendations on matters such as business strategy, financial management, and risk management, thereby helping to enhance corporate value. Particularly in today's rapidly changing environment, incorporating external expertise is essential for creating new business opportunities and strengthening competitiveness.

**Kashiwazaki:** As outside directors who serve as stewards of corporate governance from an independent position, we hope to further contribute to our Company's sustainable growth and the medium- to long-term enhancement of its corporate value by fulfilling the following roles.

The first is the supervisory function for overall management. It is important to discuss the direction of management strategies and other key matters from multiple perspectives, grounded in our Group's mission and long-term vision, which form the foundation for enhancing corporate value, and to follow up on and evaluate the progress made. I also place emphasis on monitoring whether risk tolerance is sufficiently considered in decision-making and whether internal control systems are appropriately operated in business execution.

The second is the function of providing recommendations at Board of Directors meetings. Many outside directors bring a high level of expertise from a variety of fields.

By drawing on our specialized knowledge and experience, we aim to offer recommendations on management strategies, business plans, and other important matters, and to devote our full efforts to supporting better decision-making.

The third is the function of serving as a bridge between the Board of Directors and stakeholders. To enhance transparency and fairness in management, it has become increasingly important not only to promote appropriate information disclosure but also to ensure that the views of diverse stakeholders—including shareholders, employees, customers, business partners, creditors, and local communities—are appropriately reflected in the Board's decision-making. By earning the trust of stakeholders and fulfilling our responsibilities to society, I hope to contribute to further strengthening our corporate governance.

### (2) Current governance structure

**In June 2025, we made a transition to a company with an Audit & Supervisory Committee. Under this new structure, which includes outside directors who serve as Audit & Supervisory Committee members, how do you think the oversight function of the Board of Directors will be strengthened? What changes do you foresee, and what expectations do you have for management going forward?**

**Shishime:** My understanding is that the transition to a company with an Audit & Supervisory Committee in June 2025 was intended to further strengthen corporate governance and enhance corporate value. Compared to the previous system with a board of corporate auditors, having directors who serve as Audit & Supervisory Committee members hold voting rights in the Board of Directors will enable the supervisory function over management to operate more effectively.

By having the Audit & Supervisory Committee oversee the execution of duties by directors from an independent standpoint, I believe that management transparency and soundness will be further enhanced. This in turn will help ensure the effectiveness of internal control systems and lead to the prevention of misconduct and the strengthening of risk management.

**Yoshida:** I expect that, in addition to the existing independent outside directors, the inclusion of directors who serve on the Audit & Supervisory Committee—a body

## Roundtable Discussion with Outside Directors



clearly separated from the executive side—will enable the Board of Directors to operate with a stronger focus on its oversight function. On the executive side, this structure should improve both the speed and quality of management decision-making, allowing for more agile managerial judgment.

Furthermore, strengthening the effective governance structure required by Japan's Corporate Governance Code will enhance corporate credibility and improve investor evaluations. As management transparency and efficiency increase, sustainable growth can be expected, ultimately contributing to enhanced corporate value and the maximization of shareholder returns.

**Baba:** I look forward to Audit & Supervisory Committee members participating directly in the management decision-making process as members of the Board of Directors and, through active discussion, providing deeper and more effective oversight.

I believe that further separating execution from oversight will enhance managerial agility—for example, by allowing the Board of Directors to focus on its oversight role while



delegating executive authority primarily to executive officers. Moreover, transparency should increase through multifaceted oversight involving not only Audit & Supervisory Committee members but also independent outside directors. Enhancing the quality of governance in this way will help build greater trust among our stakeholders.

**Matsumoto:** In a company with an Audit & Supervisory Committee, management can be granted decision-making authority more flexibly. This allows the Board of Directors to adopt a structure that places greater emphasis on its monitoring function, similar to that of a company with Nominating Committee. Such an approach prioritizes speed in management decision-making. However, a critical challenge is ensuring that adequate oversight mechanisms are in place prior to the delegation of authority.

For our Company, I believe the key challenge going forward will be to appropriately define the scope of decision-making authority delegated to management, while at the same time devising effective and well-considered monitoring frameworks to support it.

### (3) Effectiveness of the Board of Directors

**How would you evaluate the effectiveness of the Board of Directors? Please share any positive aspects or areas of concern relating to its composition, the substance of its discussions, or its operations. Also, regarding the evaluation of effectiveness that we conduct, do you feel that improvements have been made in response to the identified issues?**

**Shishime:** Regarding the effectiveness of the Board of Directors, my assessment is that it is functioning effectively. The recent transition to a company with an Audit & Supervisory Committee demonstrates our strong commitment to improve oversight functions and transparency. And I feel that concrete efforts to further enhance the effectiveness are being continuously implemented.

Transitioning to a company with an Audit & Supervisory Committee has resulted in a structure where independent outside directors constitute the majority in the Audit & Supervisory Committee. This aligns with the intent of

Japan's Corporate Governance Code and can be evaluated as contributing to our Company's sustainable growth, pursuit of its mission, and the enhancement of its corporate value.

**Baba:** I believe the current composition ensures a balanced mix of expertise and diversity, thereby promoting discussions from multiple perspectives. On the other hand, for highly important agenda items, we may need to devise ways to facilitate more substantive and in-depth discussions. In addition to securing sufficient deliberation time, I also think it would be effective to establish more opportunities for internal information sharing. This would enable individual directors to participate in discussions with broader knowledge and perspectives.

**Kashiwazaki:** Our directors are passionate about achieving better corporate governance to drive sustainable growth and enhance corporate value over the medium to long term. My assessment is that each director freely engages in constructive discussions without hesitation, enhancing the effectiveness of the Board of Directors. With our transition to a company with an Audit & Supervisory Committee, I believe that strengthening and advancing the governance functions of the Board of Directors will become increasingly important in order to support management in making accurate and swift business decisions.

In the area of "proactive governance," we engage in multifaceted discussions on matters such as the medium- to long-term direction of our management strategy—including perspectives on profitability and capital efficiency—and how we should strengthen the frameworks that support appropriate risk-taking.

Meanwhile, in the area of "defensive governance," we conduct vigorous discussions on accurately and swiftly monitoring changes in the business environment and emerging risks, reinforcing Group-wide risk management, and further enhancing the internal control systems that underpin it.

**Yoshida:** My understanding is that the results of the effectiveness evaluation have been appropriately analyzed. I would also like to see continued sharing take place as to how its content is reflected in the Board of Directors' discussions and operations. In particular, my view is that



the transition to a company with an Audit & Supervisory Committee itself constitutes an improvement measure that addresses key issues identified in past effectiveness evaluations, such as "strengthening oversight functions" and "ensuring independence." I hope to see in-depth discussions based on these initiatives, as well as continuous improvements aimed at enhancing effectiveness.

### (4) Message to stakeholders (future challenges and expectations)

**Finally, we would like to ask you to express a message to our stakeholders. In particular, please tell us where you see our Company's potential, what is needed to realize that potential (including what may be lacking today), and what expectations you have for the future.**

**Shishime:** I see tremendous potential in the stable business basis and extensive expertise that our Company has built over many years of involvement in the logistics industry,



## Roundtable Discussion with Outside Directors



guided by its corporate philosophy. I also see significant potential in our corporate culture, which responds proactively to changes in the business environment and is unafraid to take on new challenges. This combination suggests that we possess the capability not only to meet the diverse needs of society but also to create new value that extends well beyond the traditional scope of logistics.

In particular, I believe that promoting DX and strengthening our ESG initiatives represent a clear vision—one that contributes to the realization of a sustainable society while opening up new areas of growth. These efforts can also serve as a powerful message to our stakeholders.

**Baba:** Amid significant changes in social and economic conditions, I believe that taking a proactive approach to exploring new initiatives has tremendous potential. Within

the framework of ESG management, which is essential for a company to grow sustainably, I would like to commend our Company's efforts such as the active adoption of renewable energy and the promotion of modal shift. Going forward, I believe we need to establish more comprehensive non-financial targets and disclose concrete progress toward them, thereby further strengthening social trust and enhancing our corporate brand value. This is also crucial for attracting top talent and securing long-term investments.

**Yoshida:** I believe that acquiring and developing talents are crucial for a company's sustainable growth.

The logistics industry is undergoing a major transformation, driven by factors such as the expansion of the e-commerce market, increasing supply chain complexity, and labor shortages. In this environment, traditional logistics skills alone are no longer sufficient to remain competitive. I think acquiring and developing talent with diverse backgrounds and high level of expertise will be key to future growth. In addition, it will be important to harness diverse insights from

both inside and outside our Company and promote open innovation in order to capture new business opportunities.

**Chikaraishi:** As new business opportunities, I expect the enhancement of logistics networks in emerging markets, including Asia, to serve as an active investment destination in growing markets or the provision of highly specialized services in specific regions.

However, in pursuing global expansion, it is essential to fully understand each country's legal and regulatory frameworks, business practices, and cultural differences, while also placing strong emphasis on collaboration with local partners. Investment decisions must be made by carefully assessing risks and returns and undertaking strategic investments through appropriate risk-taking that will lead to future growth. As an outside director, I intend to engage in thorough discussions on these matters as part of the Board's deliberations.

**Matsumoto:** I strongly expect that, by earnestly addressing each of the challenges ahead and driving transformation, our Company will not only remain an indispensable part of social infrastructure but also evolve into a "leading logistics company" that continues to create new value.

Our Company's execution skills on the field and trustful relationships with customers are invaluable strengths. I look forward to our Company further advancing its development as a business that contributes to the realization of a sustainable society.



## ESG Data

## Environment

CO<sub>2</sub> emissions

		Unit	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Total CO <sub>2</sub> emissions	t-CO <sub>2</sub>	32,166	29,317	28,702	27,291	22,414	19,095	
By scope	Scope 1	t-CO <sub>2</sub>	15,876	15,256	15,051	15,834	14,861	14,367
	Scope 2 (market-based)	t-CO <sub>2</sub>	16,290	14,061	13,650	11,457	7,552	4,728
By business	Logistics business	t-CO <sub>2</sub>	23,750	22,124	21,846	22,766	20,441	18,054
	Real estate business	t-CO <sub>2</sub>	8,416	7,193	6,856	4,524	1,973	1,042
Total CO <sub>2</sub> emissions per operating revenue	t-CO <sub>2</sub> /million yen	0.49	0.45	0.42	0.36	0.32	0.25	
CO <sub>2</sub> emissions reduction rate per operating revenue (compared to fiscal year 2019)	%	-	7	14	25	35	48	
CO <sub>2</sub> emissions per area of logistics service office	t-CO <sub>2</sub> /1,000 m <sup>2</sup>	40.71	37.43	37.87	37.08	32.51	28.00	

\*Calculation scope: consolidated group companies in Japan (period: each fiscal year from April 1 to March 31)

\*CO<sub>2</sub> emissions from consolidated subsidiaries in fiscal year 2019 include estimates.

\*The area of logistics service offices is calculated as of the fiscal year-end.

Category	Unit	Fiscal Year 2023	Fiscal Year 2024
		221,979	249,786
Scope 3		6,035	6,382
1 Purchased goods and services		7,115	24,843
2 Capital goods		4,470	4,399
3 Fuel and energy related activities (not included in Scope 1 or Scope 2)		196,193	206,451
4 Upstream transportation and distribution		1,406	914
5 Waste generated in operations		157	157
6 Employees' business trips		443	418
7 Employees' commute		-	-
8 Upstream leased assets		-	-
9 Downstream transportation and distribution		-	-
10 Processing of sold products		-	-
11 Use of sold products		-	-
12 End-of-life treatment of sold products		93	102
13 Downstream leased assets		6,067	6,119
14 Franchises		-	-
15 Investments		-	-
16 Other		-	-

\*Calculation scope: consolidated group companies in Japan (period: each fiscal year from April 1 to March 31)

\*The "-" in the table indicates that the item is not relevant to our Group's businesses.

\*Among the items that increased in fiscal year 2024 compared with the previous fiscal year, the rise in capital goods is due to the completion of large warehouses, and the increase in upstream transportation is attributable to higher outsourcing expenses.

## Energy consumption

	Unit	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
City gas	m <sup>3</sup>	448,440	435,027	449,119	483,918	523,082
LPG	kg	99,064	108,017	144,535	133,671	96,872
Diesel oil	L	5,285,442	5,213,133	5,433,761	4,981,156	4,819,407
Gasoline	L	118,825	115,719	160,363	182,948	165,190
CNG	m <sup>3</sup>	23,611	17,530	3,266	86	67
Electricity	kWh	31,539,434	31,309,738	33,736,332	32,567,145	37,427,339
Renewable energy sourcing	%	-	2	22	46	71
Self-consumption of solar power	kWh	-	-	217,086	314,117	519,723
Renewable energy sourcing in the real estate business	%	-	4	44	82	100

\*Calculation scope: (Self-consumption of solar power) for solar power generation equipment installed in our Group's facilities (as of the fiscal year-end)

(Other) Consolidated Group in Japan (as of the fiscal year-end)

## Promoting modal shift

	Unit	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Number of containers via rail transportation	units	4,735	4,353	4,107	4,329
Number of containers and chassis via ferry transportation	units	26,706	25,107	24,027	23,306

\*Calculation scope: Consolidated Group in Japan (as of the fiscal year-end)

## Conversion to a circular economy

	Unit	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Number of security boxes installed	boxes	1,905	1,920	2,076	2,164
Number of boxes of stored documents for recycle and dissolution	boxes	28,420	31,213	32,517	38,565

\*Number of security boxes installed at the Shibusawa Logistics Group companies and equity-method subsidiaries is calculated (as of the fiscal year-end).

## ESG Data

## Society

## Employees

	Unit	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Number of employees	people	541	534	541	556
Female employee ratio	%	31.24	31.65	32.16	32.91
Ratio of employees with disabilities	%	1.80	1.74	1.73	1.58
Number of employees in managerial positions	people	226	237	235	229
Ratio of female employees in managerial positions	%	11.06	10.55	10.64	11.79
Number of mid-career hires in managerial positions	people	24	28	31	32
Number of new graduate hires	people	31	16	19	
Ratio of female new graduate hires	%	41.94	37.50	31.58	
Number of mid-career hires	people	2	5	17	
Annual average paid leave taken	days	10.63	11.43	11.91	
Rate of paid leave taken	%	55.39	57.66	48.04	
Rate of childcare leave taken	%	55.56	83.33	69.23	
Rate of male employees	%	20.00	50.00	60.00	
Rate of female employees	%	100.00	100.00	100.00	
Average employee tenure	years	18	18	18	
Average employee age	years	43	43	43	
Employee engagement positive response rate	%	47.67	44.49	43.84	
Rate of people under high stress	%	10.68	9.76	8.33	

\*Calculation scope: Shibusawa Logistics Corporation (ratio of employees with disabilities: as of June 1 of each fiscal year; number of employees (female ratio) and number of employees in managerial positions (female ratio and mid-career hires in managerial positions): as of April 1 of each fiscal year; other metrics: as of the fiscal year-end)

\*Employee engagement positive response refers to positive responses regarding willingness to continue working.

\*Rate of people under high stress is the proportion of employees identified as under high stress among those who underwent the stress check, targeting all employees of our Company in Japan.

\*From fiscal year 2024, the number of paid leave days granted to second-year employees and beyond has been changed from 20 days to 25 days.

## Safety measures

	Unit	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Occupational injury frequency rate	-	4.24	4.47	3.65	2.87
Number of business continuity training conducted	times	2	2	2	3
Safety and Quality Meeting (land transportation operations)	Number of meetings	398	398	393	351
	Cumulative meeting hours	h	228	175	203
					190.5
Safety and Quality Meeting (warehousing operations)	Number of meetings	1,618	735	798	1,007
	Cumulative meeting hours	h	1,041	320	381
					434

\*Calculation scope: (Occupational injury frequency rate) Consolidated Group in Japan, based on employees whose working hours can be calculated using management systems, etc. (as of the fiscal year-end)

(Number of business continuity training conducted) Shibusawa Logistics Group (as of the fiscal year-end)

(Safety and Quality Meeting) Consolidated Group in Japan (as of the fiscal year-end)

\*Safety and Quality Meeting are meetings held at service offices and affiliates aimed at improving the safety and quality of transportation and cargo handling services.

## Internal training

	Unit	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Hierarchical training	Number of sessions	times	10	10	12
	Total hours	h	1,513	2,683	1,658
Operational training	Number of sessions	times	129	129	326
	Total hours	h	979	425	2,044
					1,253

\*Calculation scope: Shibusawa Logistics Corporation (as of the fiscal year-end)

## Innovation

	Unit	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
New projects with importing technologies to improve operational efficiency	cases	27	5	21

## Collaboration with stakeholders

	Unit	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Number of meetings with business partners held	times	1	7	12	6
Number of activities held to contribute to local communities	times	9	7	5	6

\*Calculation scope: Shibusawa Logistics Corporation (as of the fiscal year-end)

## Governance

## Major meetings held

	Unit	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Board of Directors	times	19	18	18	18
Audit & Supervisory Board		14	14	14	15
Management Executive Council		27	27	27	27
General Manager/Branch Manager Meeting		4	3	3	2
Group Management Meeting		2	2	2	2
Subsidiaries and Affiliates Update Meeting		9	9	9	8
Overseas Subsidiaries and Affiliates Update Meeting		2	2	2	2
Governance Committee		3	3	3	3
Compliance Committee		3	2	2	2
Corporate Internal Control Committee		2	2	2	2
Corporate Sustainability Committee		1	2	2	2

## Remuneration for officers (Fiscal Year 2024)

Officer category	Total remuneration amount (millions of yen)	Total amount by remuneration type (millions of yen)			Number of eligible officers
		Fixed remuneration	Performance-based remuneration	Non-monetary remuneration	
Directors (excluding outside directors)	107	87	9	9	3
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	25	25	-	-	4
Outside officers	33	33	-	-	6

\*The number of eligible officers and the total remuneration amount include two Audit & Supervisory Board members who retired at the conclusion of the 177th Ordinary General Meeting of Shareholders held on June 27, 2024.

\*The amount of non-monetary remuneration represents the provision for stock-based remuneration in the fiscal year under review.

# Financial Summary

	Unit	2015/03	2016/03	2017/03	2018/03	2019/03	2020/03	2021/03	2022/03	2023/03	2024/03	2025/03
Operating revenue	(millions of yen)	55,061	56,762	58,081	63,286	64,604	66,831	65,328	71,746	78,504	73,417	78,620
Logistics business	(millions of yen)	49,409	51,084	52,485	57,680	58,847	61,065	59,535	66,056	72,549	67,665	72,685
Real estate business	(millions of yen)	5,756	5,759	5,677	5,685	5,878	5,879	5,991	5,838	6,199	6,002	6,403
Intersegment transactions	(millions of yen)	(105)	(80)	(81)	(79)	(121)	(112)	(197)	(148)	(244)	(250)	(468)
Operating profit	(millions of yen)	2,680	2,770	3,406	3,353	3,738	3,906	3,627	4,516	4,894	4,271	4,668
Logistics business	(millions of yen)	1,546	1,698	2,367	2,564	2,659	2,809	2,525	3,330	3,706	3,275	3,884
Real estate business	(millions of yen)	2,727	2,694	2,792	2,825	3,053	3,033	2,981	3,026	3,255	2,996	3,350
Head Office expenses	(millions of yen)	(1,593)	(1,622)	(1,754)	(2,036)	(1,974)	(1,936)	(1,880)	(1,841)	(2,068)	(2,000)	(2,566)
Ordinary profit	(millions of yen)	2,689	2,714	3,413	2,498	3,996	4,174	3,929	6,924	5,847	5,091	5,583
Profit before income taxes and other adjustments	(millions of yen)	3,290	2,714	2,874	2,918	3,481	4,174	4,099	6,796	5,335	5,409	7,083
Profit attributable to owners of parent	(millions of yen)	1,995	1,681	1,753	1,606	2,272	2,816	2,750	5,257	3,759	3,728	4,908
Total assets	(millions of yen)	98,021	91,405	95,230	96,657	98,099	98,994	104,397	108,991	115,831	112,772	117,446
Total liabilities	(millions of yen)	58,390	51,758	53,433	53,959	54,780	54,482	56,145	55,336	57,958	50,145	52,117
Total net assets	(millions of yen)	39,631	39,646	41,797	42,944	43,319	44,512	48,251	53,655	57,872	62,627	65,328
Equity ratio	(%)	39.5	42.3	42.9	43.4	43.1	44.0	45.9	48.9	49.3	54.7	54.8
Debt Equity Ratio (D/E)	(times)	1.0	0.9	0.9	0.8	0.9	0.8	0.8	0.7	0.7	0.4	0.5
Return on equity (ROE)	(%)	5.4	4.3	4.4	3.9	5.4	6.6	6.0	10.4	6.8	6.3	7.8
Depreciation	(millions of yen)	2,583	2,640	2,632	2,870	2,890	2,956	3,163	3,141	2,916	2,786	2,848
Increase in fixed assets (Capital expenditures)	(millions of yen)	5,414	2,670	2,215	1,599	3,405	4,733	1,604	1,267	1,458	8,543	4,801
Cash flow from sales activity	(millions of yen)	4,638	2,440	5,729	4,105	4,972	6,403	6,952	6,033	6,729	5,829	6,350
Cash flow from investing activities	(millions of yen)	(363)	(4,866)	(2,192)	(1,902)	(1,931)	(6,013)	(3,285)	(868)	(2,742)	(6,941)	(6,013)
Cash flow from financing activities	(millions of yen)	317	(2,832)	(831)	(361)	(1,025)	(781)	1,361	(3,686)	(2,035)	(11,685)	(1,410)
Cash and cash equivalents at end of balance	(millions of yen)	12,550	7,289	9,981	11,815	13,826	13,430	18,450	20,146	22,324	9,547	8,521
Net earnings per share	(yen)	26.25	22.12	115.34	105.63	149.44	185.24	180.90	345.79	247.80	246.07	337.22
Net assets per share	(yen)	508.67	508.80	2,686.30	2,759.81	2,781.29	2,861.73	3,150.74	3,507.76	3,766.62	4,074.00	4,472.42
Annual dividends per share	(yen)	7.5	8.0	10.0	4.50/22.50	46.0	50.0	52.0	70.0	85.0	100.0	140.0
Dividend payout	(%)	28.6	36.2	43.3	42.6	30.8	27.0	28.7	20.2	34.3	40.6	41.5

# Corporate Profile & Stock Information

## Corporate profile (As of March 31, 2025)

Trade name:	Shibusawa Logistics Corporation	Capital stock:	7,847 million yen
Address:	37-28, Eitai 2-chome, Koto-ku, Tokyo, Japan	Number of Group employees:	1,287
Date of foundation:	March 30, 1897	Principal lines of business:	Logistics business (warehousing, harbor transportation, land transportation, international transportation) Real estate business
Date of establishment:	July 15, 1909		

## Stock information (As of March 31, 2025)

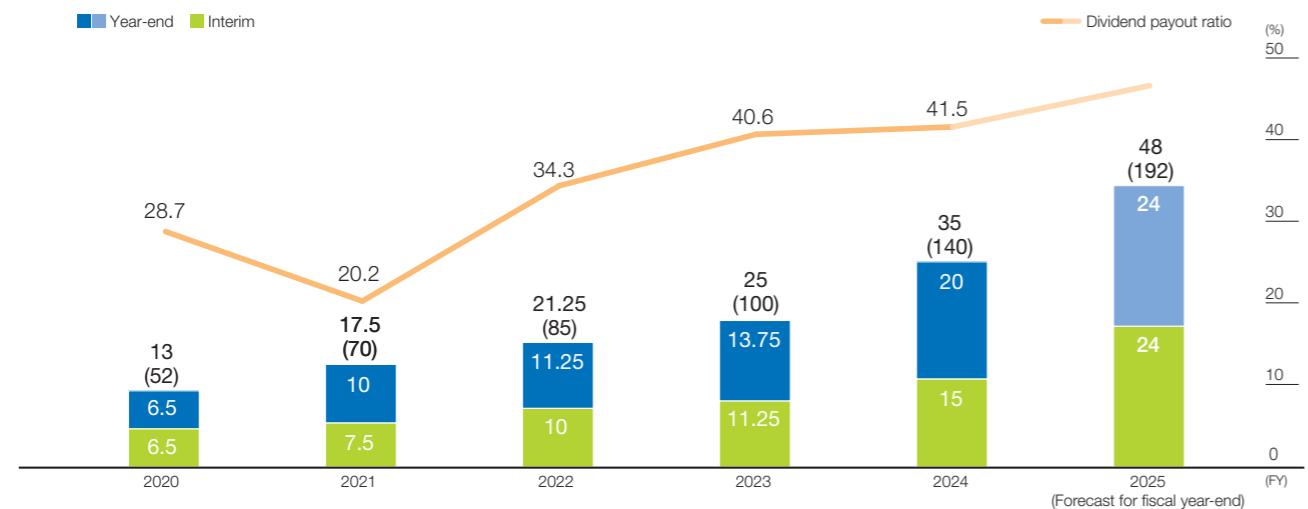
Total number of shares authorized:	48,000,000
Total number of shares issued:	15,217,747
Number of shareholders:	5,469

### Major shareholders

Name	Number of shares held (1,000 shares)	Shareholding ratio (%)
Pan Pacific International Holdings Corporation	1,448	10.0
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,085	7.5
SHIMIZU CORPORATION	749	5.2
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	716	5.0
The Toa Reinsurance Company, Limited	652	4.5
Chuo-Nittōchi Co., Ltd.	528	3.7
Teikyo University	422	2.9
Saitama Resona Bank, Limited	400	2.8
Zeon Corporation	334	2.3
Custody Bank of Japan, Ltd. (Trust Account)	327	2.3

Note: The shareholding ratio is calculated by deducting the number of treasury shares (743,000 shares).

## Dividend per share and payout ratio (Unit: Yen/%)



Notes: • At the Board of Directors meeting held on August 7, 2025, the Company implemented a 4-for-1 stock split of common shares, effective as of October 1, 2025.  
The dividends have been calculated assuming that a stock split was conducted at the beginning of fiscal year 2020.

• Amounts in parentheses are before the stock split.

## Group Network (As of March 31, 2025)

### Group companies in Japan

The Shibusawa Transport Co., Ltd.	Head Office: 37-28, Eitai 2-chome, Koto-ku, Tokyo 135-8513, Japan <a href="https://www.shibusawa.co.jp/rikuun/">https://www.shibusawa.co.jp/rikuun/</a> (in Japanese)
Omiya Transport Co., Ltd.	Head Office: 914-1, Onari-cho 4-chome, Kita-ku, Saitama-shi, Saitama 331-0815, Japan <a href="https://www.omiya-tsun.co.jp/">https://www.omiya-tsun.co.jp/</a> (in Japanese)
Nissho Transport Co., Ltd.	Head Office: 37-28, Eitai 2-chome, Koto-ku, Tokyo 135-8513, Japan <a href="https://www.nissho-unyu.co.jp/">https://www.nissho-unyu.co.jp/</a> (in Japanese)
Hokkai-Shibusawa Transport Co., Ltd.	Head Office: 3-46, Chuo 3-Jo 4-chome, Shiroishi-ku, Sapporo-shi, Hokkaido 003-0013, Japan <a href="https://hokkai.shibusawa.co.jp/">https://hokkai.shibusawa.co.jp/</a> (in Japanese)
Shibusawa Facilities Co., Ltd.	Head Office: 37-28, Eitai 2-chome, Koto-ku, Tokyo 135-8513, Japan <a href="https://www.shibusawa-f.co.jp/">https://www.shibusawa-f.co.jp/</a> (in Japanese)
Heiwa Mirai Co., Ltd.	Head Office: 9-1, Toyoda 1-chome, Suruga-ku, Shizuoka-shi, Shizuoka 422-8650, Japan <a href="https://www.heiwa-mirai.co.jp/">https://www.heiwa-mirai.co.jp/</a> (in Japanese)
Shibusawa Connect Co., Ltd.	Head Office: 37-28, Eitai 2-chome, Koto-ku, Tokyo 135-8513, Japan <a href="https://www.shibusawa-connect.co.jp/">https://www.shibusawa-connect.co.jp/</a>
Kyushu-Shibusawa Transport Co., Ltd.	Head Office: 9-26, Shimonofu 2-chome, Shingu-machi, Kasuya-gun, Fukuoka 811-0112, Japan
Chubu System Transport Co., Ltd.	Head Office: 822 Irukadeshinden, Komaki-shi, Aichi 485-0084, Japan <a href="https://chubu-system-butshuryu.co.jp/">https://chubu-system-butshuryu.co.jp/</a> (in Japanese)
Data Keeping Service Co., Ltd.	Head Office: 1-1 Kanda Ogawamachi, Chiyoda-ku, Tokyo 101-0052, Japan <a href="https://www.dks.co.jp/">https://www.dks.co.jp/</a>
Shibusawa DyDo Group Logistics Co., Ltd.	Head Office: Nakanoshima Central Tower 19F, 2-7 Nakanoshima 2-chome, Kita-ku, Osaka-shi, Osaka 530-0005, Japan

### Logistics centers in China & Southeast Asia

