



Grow the new Story.
New logistics, nurturing a new society together.

SGH **Story** 2027

FY2025-2027 Mid-term Management Plan

Today's Points

Continue to be an indispensable presence (=infrastructure) for our customers and society

- We will maintain our role as a social infrastructure by steadily growing the Delivery Business, including the express package delivery service
- By combining the business domains and know-how we have cultivated to date with the domains we have acquired through M&A of two companies such as cold-chain logistics and international logistics, we will provide Total Logistics and become an indispensable presence for the business growth of our customers
- We will expand our provision of solutions that can solve social issues such as disaster relief, and reverse logistics that solves problems relating recycling and reuse of resources



Improving corporate value and stock price FY2030 target: 15% ROE and 10% ROIC

- We will increase corporate value and share price by allocating the cash generated from growth investments, including the new facility investments in the Delivery Business and the M&A of two companies, to returns to shareholders and to the next round of growth investments
- Therefore we will formulate a business portfolio strategy based on return on capital and growth potential, and achieve and increase ROE that exceeds the cost of equity
- We will build a relationship of trust with the capital market through medium- and long-term business growth as well as information disclosure and proactive dialogue



1

Review of “SGH **S**tory 2024”

Review of Current Mid-term Management Plan “SGH Story 2024” – Management Targets

- As the impact of the spread of COVID-19 is subsiding, the decline in the volume and freight rates at Expolanka progressed more than expected. Additionally, the number of packages by express package delivery services decreased due to weak domestic consumption, **resulting in both operating revenue and operating income being lower than planned**
- Despite progress in receiving appropriate freight tariffs to address entrenched inflation, costs are leading due to factors such as a decline in operating revenue and addressing the 2024 problem*¹ etc.
- **Implemented large-scale capital investment**, including the acquisition of shares in Chilled & Frozen Logistics Holdings Co., Ltd. (C&F) and the delisting of Expolanka. In addition, we decided to acquire shares in Morrison Express Worldwide Corporation (Morrison)*², a global freight forwarder (acquisition scheduled to be completed in FY2025), and are **making significant progress in expanding resources to achieve the “SGH Vision 2030”**

Management Targets

(Unit: billions of yen)

	FY2021 Results	SGH Story 2024 Management targets	FY2024 Forecasts
Operating revenue	1,588.3	1,650.0	1,478.0
Operating income	155.7	160.0	87.0
Operating margin	9.8%	9.6%	5.9%
Net income attributable to owners of the parent	106.7	105.0	56.0
Total number of packages	1.42 billion packages	1.45 billion packages	1.31 billion packages
Average unit price	646 yen	648 yen	662 yen

Total investment (3-year cumulative total)*³

(Unit: billions of yen)

	SGH Story 2024 Management targets	3-year Estimate
Capital investment	—	158.0
Facility investment* ⁴	145.0	57.0
Vehicle investment	35.0	42.0
IT investment	25.0	10.0
Other	10.0	2.0

(Reference) Major difference in facility investment: change in property acquisition method, postponement of asset recording

*1 2024 Problem: Problems triggered by promotion of workplace reform relevant laws. The limit for overtime work of 960 hours per year is applied to vehicle drivers since April 1, 2024, leading to decrease in number of packages that can be transported *2 Morrison Express Worldwide Corporation, a global freight forwarder in Taiwan *3 Amount of investment assets recorded *4 Facility investment includes real estate investment and material handling investment.

Review of Current Mid-term Management Plan “SGH Story 2024” – Key Strategies

Basic Policy | Creation of next-generation competitive advantages to realize sustainable growth

■ With the aim of establishing a competitive advantage in the first three years of the “SGH Vision 2030,” we aimed to provide **more advanced comprehensive logistics solutions by enhancing our management resources** as a source for this

Overview

- ① While we have expanded our service lineup through alliance with other companies, we continue to **need to expand the scale of each service and improve profitability** in light of the severe competitive environment
- ② The plan is being implemented as planned in light of the external environment, where cost increases and a decline in the labor force are accelerating, **further efforts continue to be needed**, such as maintaining and securing internal and external resources and utilizing DX
- ③ The advancement of governance is progressing as planned. In light of the TSE reform and the expectations of shareholders and investors, **it is necessary to further promote management that is conscious of cost of capital and stock price, and enhance disclosure**

	Results	Issues
① Enhancement of comprehensive logistics solutions	<div>■ Full digitization of express package delivery slips, diversification of package receipt methods</div> <div>■ Service expansion through alliances (mail box drop-off service, Hikyaku JR Container Express, etc.)</div> <div>■ Expansion of low-temperature logistics solutions by making C&F part of the SG Holdings Group (hereafter "the Group")</div> <div>■ Expansion of cross-border e-commerce services</div>	<div>■ Service expansion to counter the intensifying competitive environment and maintaining and improving profitability based on the premise of an inflationary environment</div> <div>■ Expansion of the competitiveness of low-temperature logistics solutions</div> <div>■ Expanding the customer base for global logistics, improving and stabilizing profitability</div>
② Expansion of management resources leading to creation of competitive advantages	<div>■ Start of investment in large-scale transfer centers, verification of introduction of AI-equipped cargo loading robot</div> <div>■ Strengthening investment and partnerships with employees and partner companies</div> <div>■ Expansion of open innovation activities to the Group</div>	<div>■ Securing and strengthening resources through further investment in employees and partner companies, based on the premise of an inflationary environment and a decrease in the labor force</div> <div>■ Penetration of DX and R&D, acceleration of execution speed and volume</div>
③ Further advancement of governance	<div>■ Strengthening the system for growth of global logistics (establishment of specialized department, development of internal controls, etc.)</div>	<div>■ Optimization of the global governance structure</div> <div>■ Management with an awareness of return on capital</div>

2 | SGH Vision 2030

External Business Environment

- The business environment is changing rapidly, and the environment surrounding companies is becoming more complex
 - The labor shortage is becoming more serious throughout the entire domestic economy, and it is necessary to accelerate operational efficiency improvements on the assumption of rising wages and inflation
- ➔In order to achieve sustainable growth for the Group, we need to take an approach to expand our business in overseas markets, which are growing markets



- Change in political representatives in Japan and the US
(Changes in global supply chains due to tariffs and other policy changes)
- Concern over intensifying US-China rivalry
- Increase in geopolitical risk due to the continuation of wars and conflicts in various countries



- Medium- to long-term growth in the global economy
- Rising long- and short-term interest rates in Japan
- Intensification of exchange rate fluctuations
- Rising wages and accelerating inflation



- Domestic population decline, aging population, and worsening labor shortage due to the 2024 problem
- Increase in inbound demand due to relaxation of immigration regulations
- Diversification of consumer needs and the advancement of e-commerce
- Growing demand for management that is conscious of the cost of capital
- Growing demand for disclosure of non-financial information, including ESG



- Full-scale spread of generative AI
- Evolution of communication standards such as 5G and 6G
- Global shift to EVs
- Advance of environmentally friendly technology
- Progress in business transformation in various industries through DX

SGH Vision 2030 – What we want to be

The Cornerstone of the
Group's Foundation

“**Hikyaku no kokoro**” (the spirit of Edo-era express messengers) devoting ourselves wholeheartedly to serving customers

SGH Vision 2030

Grow the new **Story**.

New logistics, nurturing a new society together.

What we want to be
Indispensable presence (=infrastructure) for customers and society

New logistics

■ Expansion of the Total Logistics service area provided by the Group

- The core of our service is making reliable package delivery
- We will continue to create new logistics solutions that meet the customer demands
- We are expanding our services not only in Japan, but also overseas and globally, where growth continues

Nurturing a new society

- In an environment where the speed of change is increasing both in Japan and overseas, **we will contribute to the realization of a sustainable society** by solving increasingly diverse and complex logistics needs and creating new value

Together

- By earning the trust of our customers and society, we will establish a competitive advantage and **achieve sustainable growth together with our customers' businesses**

[Image of Business scale in FY2030]

(Unit: billions of yen)

Real Estate, Other **50.0**

Global Logistics
600.0

Logistics
300.0

Delivery
1,250.0

Operating revenue:
2.2 trillion yen

Operating income:
140.0 billion yen

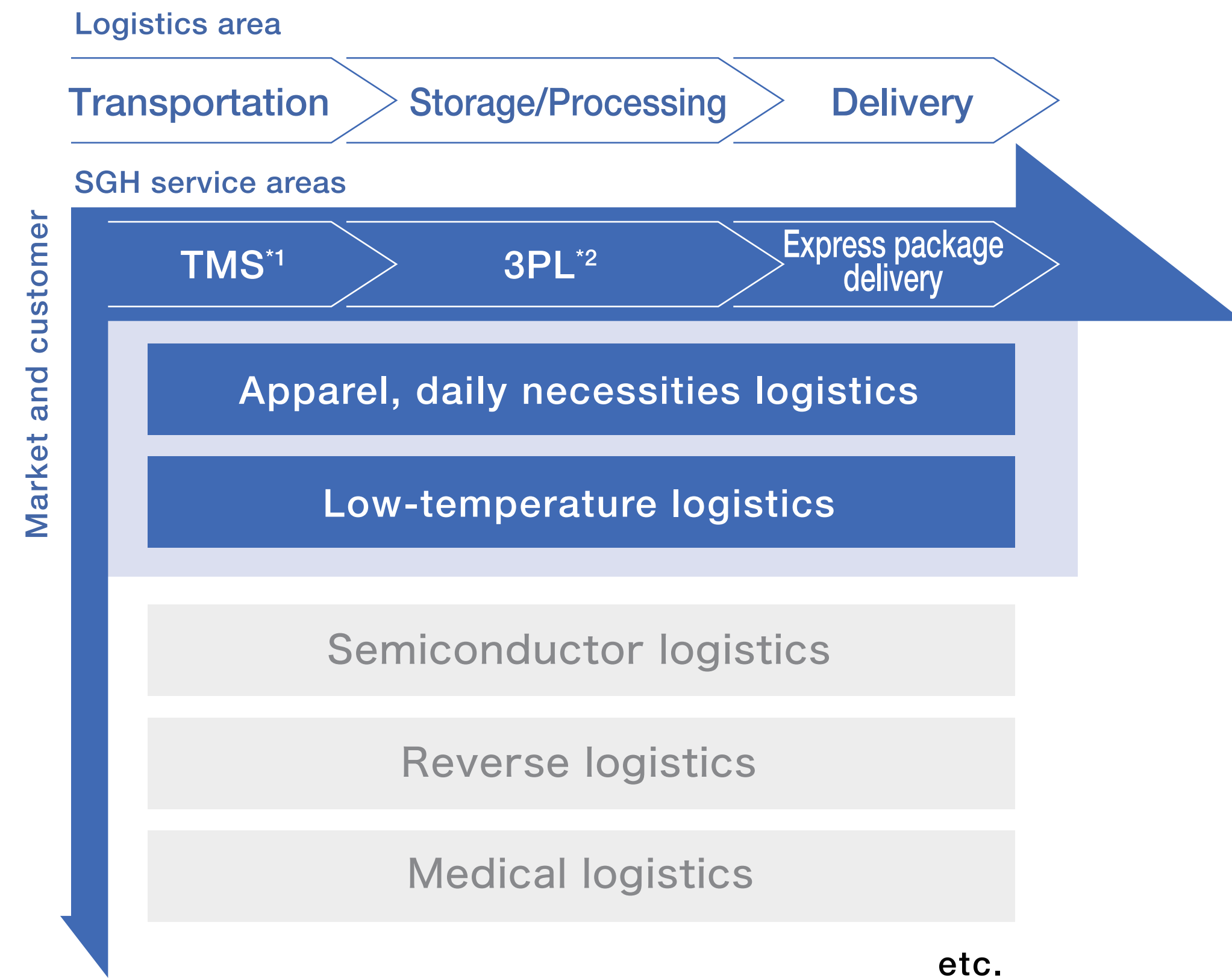
ROE
15%

SGH Vision 2030 – Strategy for Providing Total Logistics

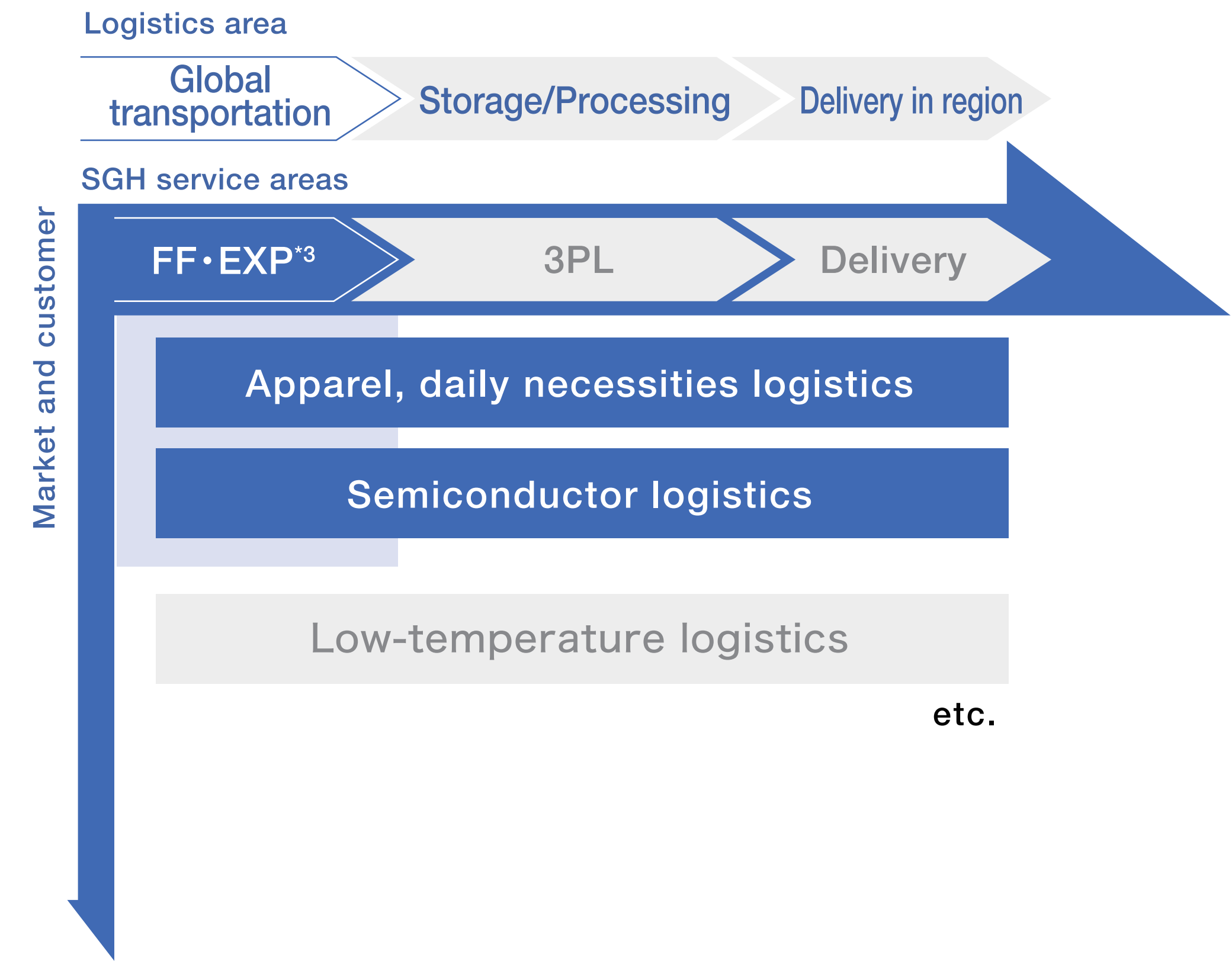
Current Situation

- Building on the domestic express package delivery business, we are expanding our Total Logistics service, including 3PL and TMS. Most recently, we have acquired the foundations for low-temperature logistics and semiconductor logistics
- For overseas businesses, we are developing solutions centered on the freight forwarding business

Japan



Overseas



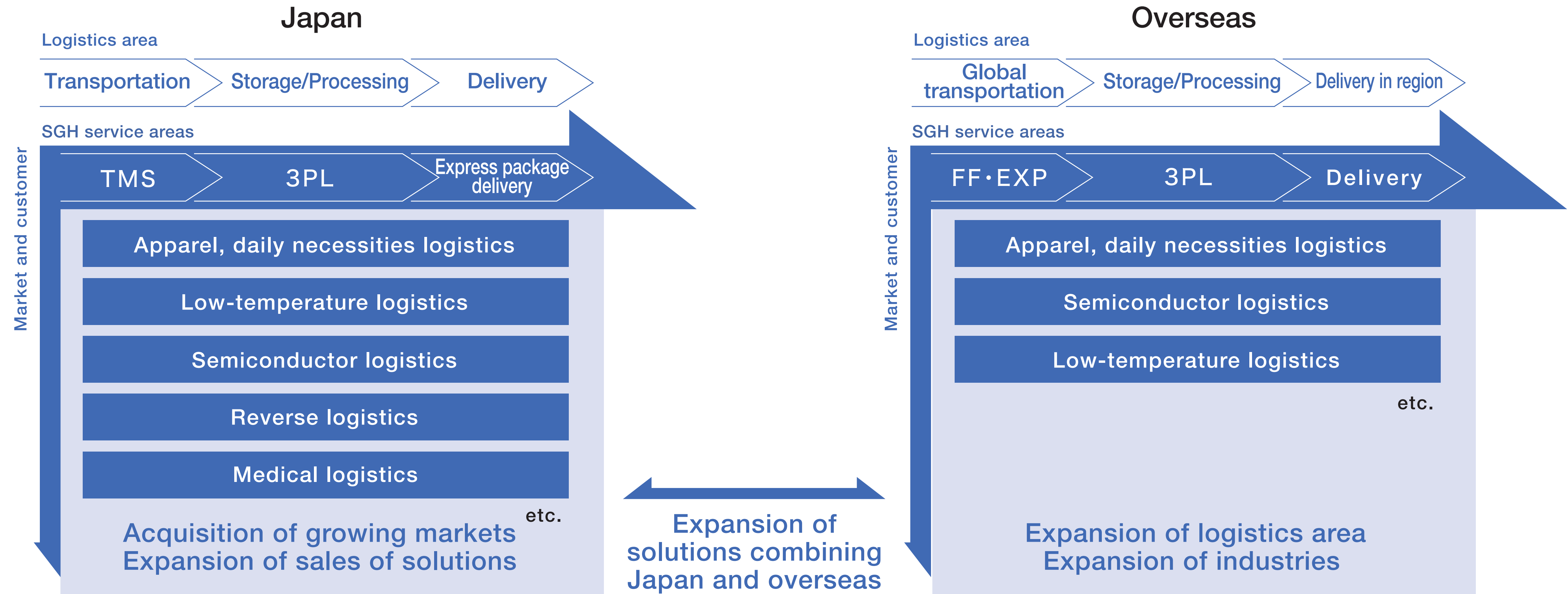
^{*1} TMS: Transportation Management System. A value-added transportation service other than express package delivery service utilizing the Group's logistics network.

^{*2} Logistics business centered on warehousing ^{*3} FF: freight forwarding, EXP: global express package delivery service

SGH Vision 2030 – Strategy for Providing Total Logistics

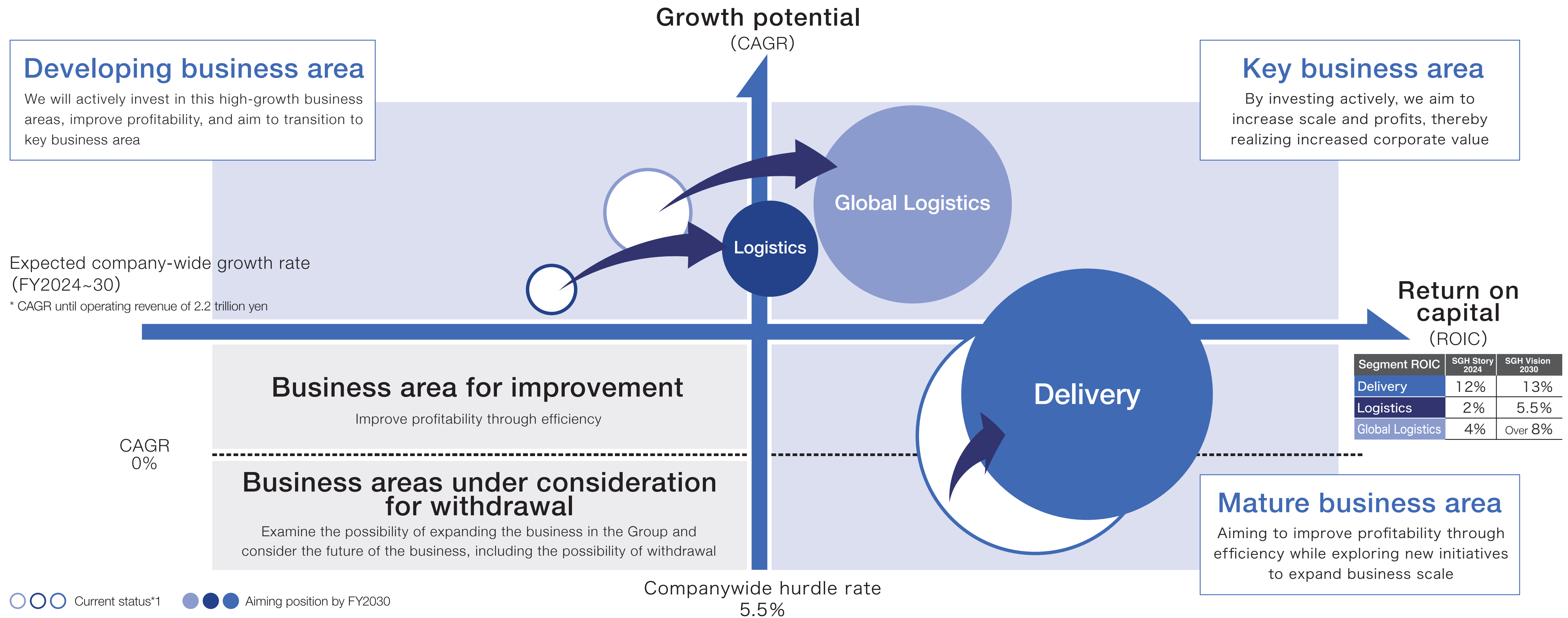
Our Vision

- We provide a combination of logistics solutions that extend from upstream to downstream, and coordinate the entire supply chain for our customers
- By providing solutions that meet the needs of a wide range of customers and expanding the logistics domain, especially in overseas markets, the Group as a whole has achieved advanced Total Logistics and sustainable growth



SGH Vision 2030 – Business Portfolio

- Set the direction of strategies in each business area from the perspective of market growth and capital profitability
- While expanding the synergies between each business, we will maintain and improve the growth potential and return on capital of the entire Group with good balance

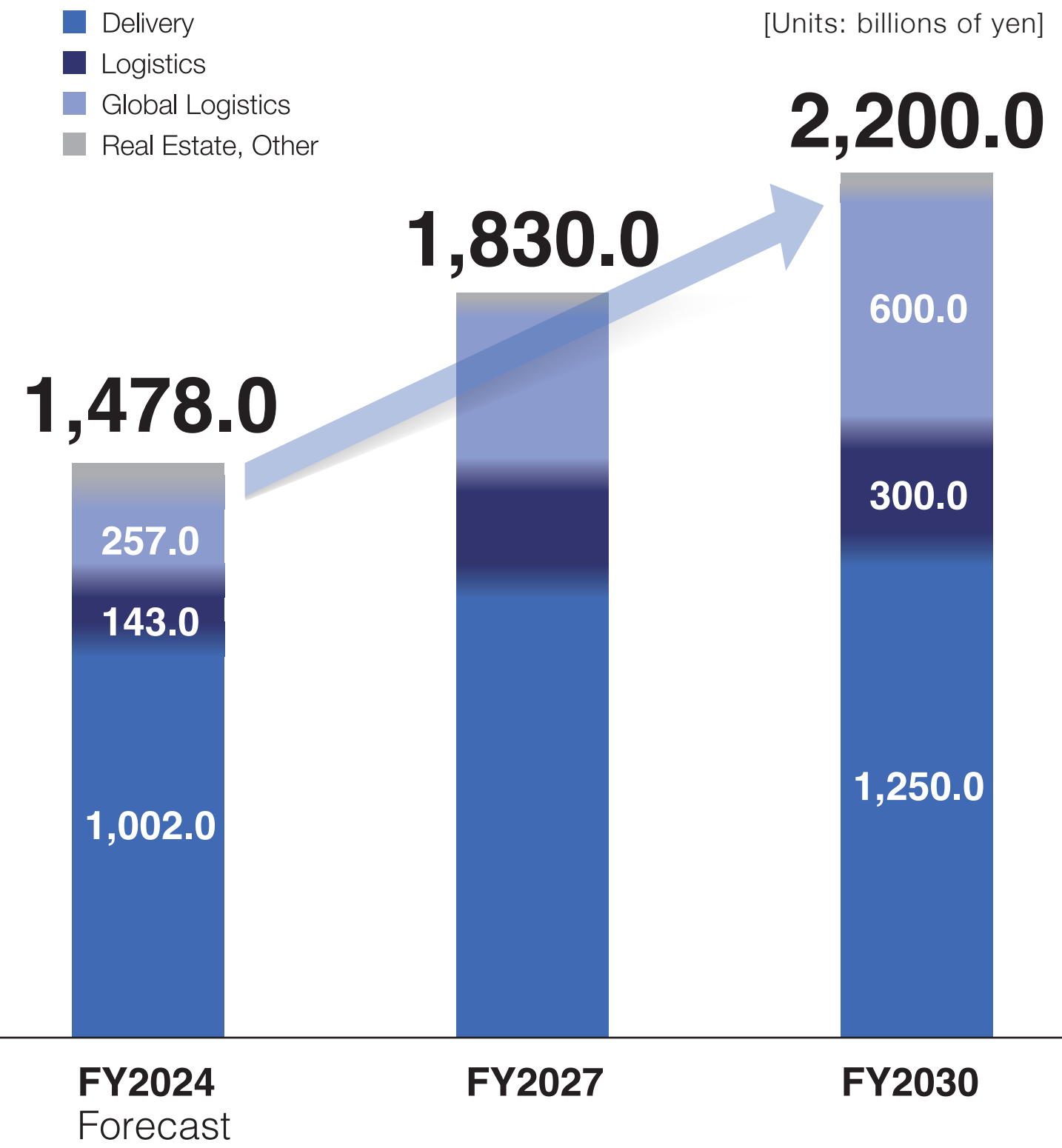


* The size of the circle indicates the sales scale *1 SGH Story 2024 figures that excludes one-off fluctuations in performance for each business, etc.

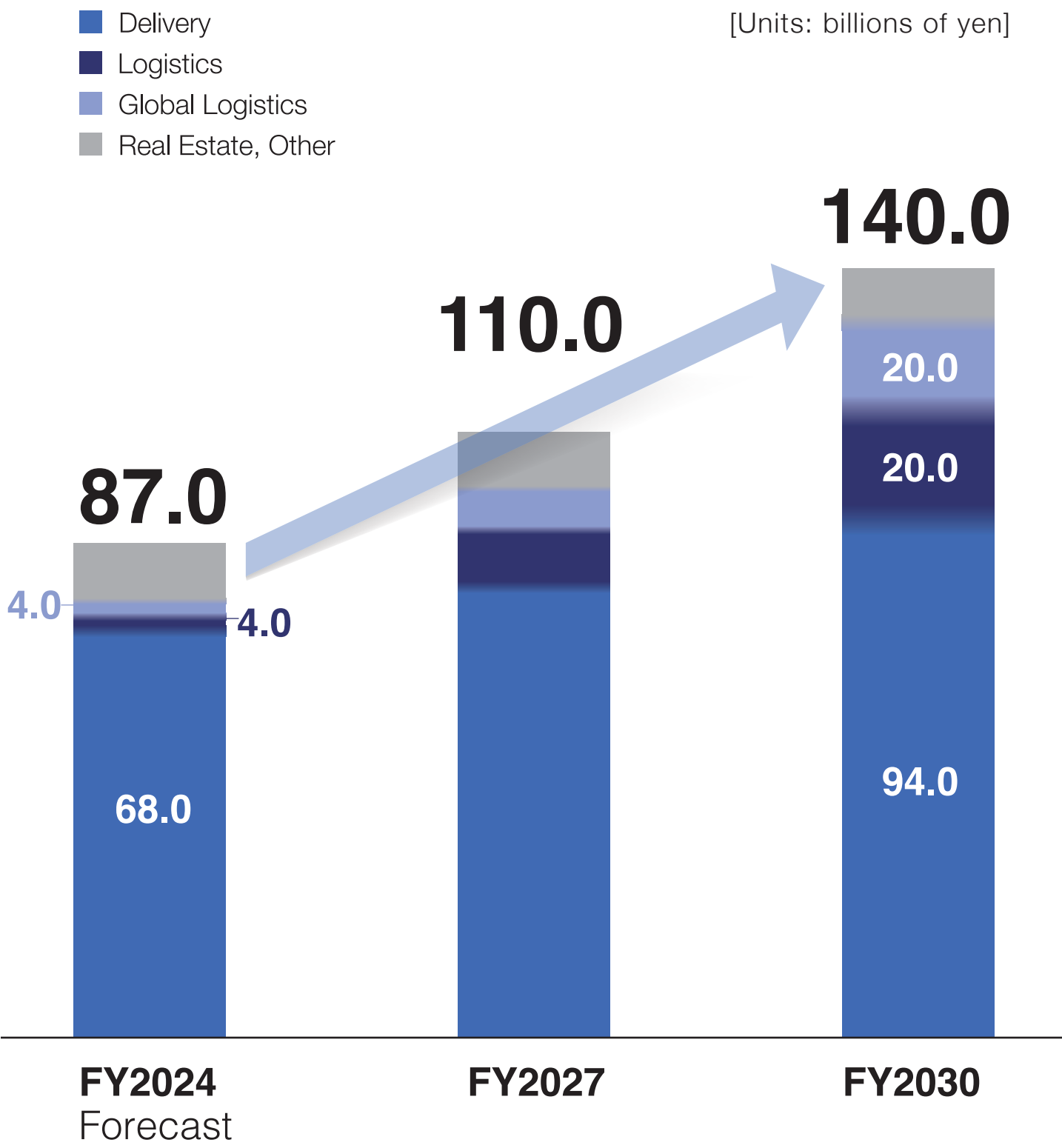
SGH Vision 2030 – Management Targets

- Aiming for consolidated operating revenue of **2.2 trillion yen** in FY2030, **we will expand operating revenue and income in each segment**
- Aiming for **ROE of 15%** through improved capital efficiency and financial strategy for each business

Operating revenue



Operating income



FY2030 Consolidated Targets

Operating revenue	2.2 trillion yen
Operating income	140.0 billion yen
Net income attributable to owners of the parent	98.0 billion yen
ROE	15%
ROIC	10%

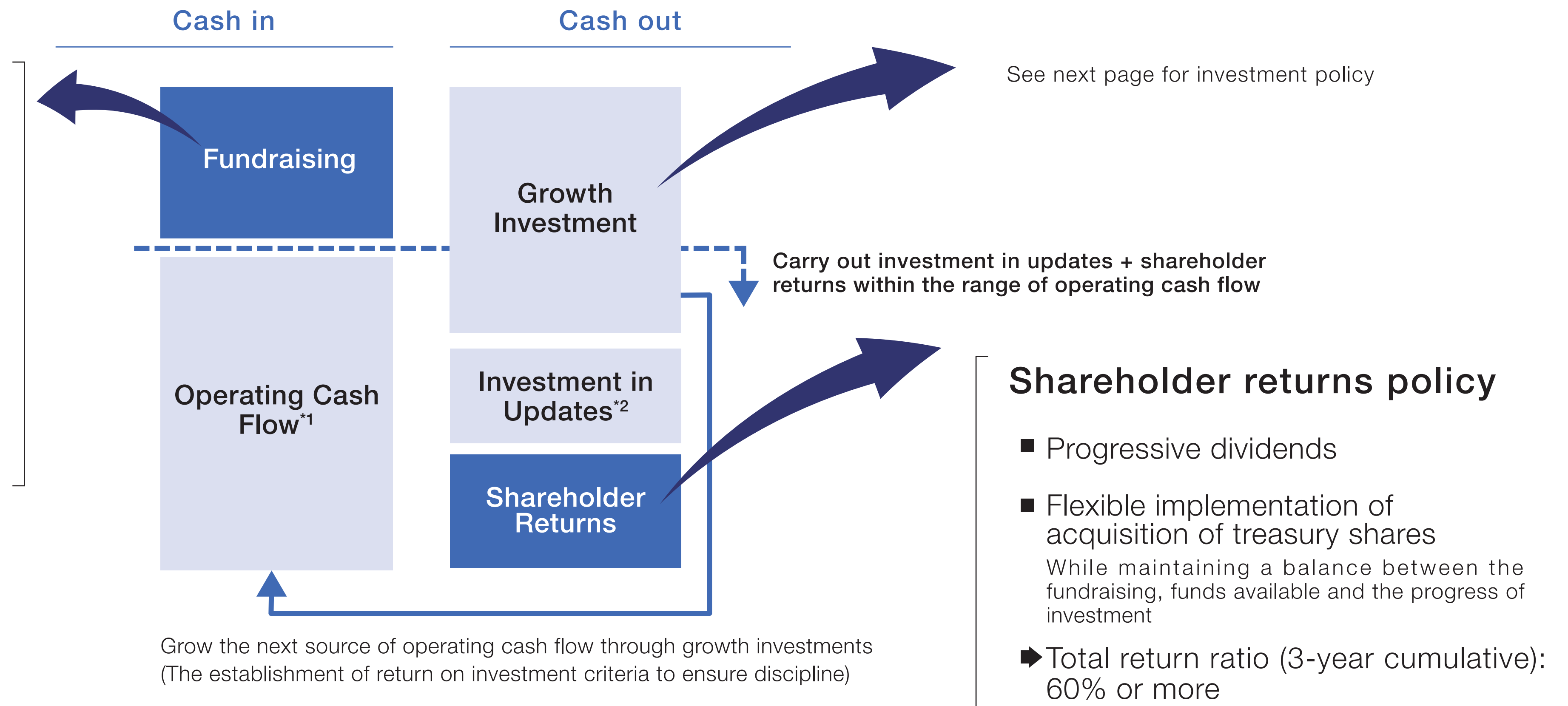
(Reference) Equity ratio: Around 45%

SGH Vision 2030 – Cash Allocation

- Cash allocation approach
 - ① Carry out investment in updates + shareholder returns using operating cash flow as the source of funds
 - ② Growth investments will not be limited to operating cash flow, but will also utilize fundraising
 - ③ Implement growth investments to develop the source of operating cash flow and achieve sustainable growth

Fundraising policy

- Fundraising in growth investments **basically utilizes debt**. As the cost of debt is lower than the cost of equity, **we will minimize WACC increase as much as possible**^{*2}
- Considering financial leverage and soundness, **the equity ratio will be around 40% as the lower limit**



^{*1} The source is the cash flow from operations after incorporating the return to employees and partner companies.

^{*2} Against the backdrop of rising long-term interest rates in Japan and the expansion of Global Logistics Business operations, both the cost of equity and the cost of debt are expected to rise by FY2030.

- Investment approach
- By around FY2025, we will have completed our large-scale growth investments, and **will focus on investments that contribute to functional complementation and improved profitability to expand synergies**
 - **In investment decisions, we will refine the quantitative decision criteria for return on capital**, and control invested capital and returns

	Delivery	Logistics	Global Logistics
Main purposes of investment	<ul style="list-style-type: none">■ Maintaining express package delivery infrastructure (investment in transfer centers and sales offices, labor saving and efficiency improvement, sustaining line-haul and maintenance partner companies, etc.)■ Improving customer convenience (system development, etc.)■ Strengthening business foundations in high value-added areas (circular logistics*, etc.)	<ul style="list-style-type: none">■ Labor saving and improving efficiency (Material handling equipment, etc.)■ Strengthening the business foundation in high-value-added areas (Medical equipment, electronic components, etc.)	<ul style="list-style-type: none">■ Establishing a business foundation for total logistics (Stabilization of earnings, expansion of 3PL logistics area)■ Labor saving and improving efficiency (Material handling equipment, etc.)

- Investment decision criteria
- We use quantitative criteria to determine whether or not it is possible to secure **a return that will improve corporate value over the medium to long term**
 - We make comprehensive decisions based on qualitative criteria such as the Group strategy and business continuity needs



* Circular logistics is a form of logistics that integrates the forward logistics used for the delivery of products and goods with the reverse logistics used for the collection of recyclable and waste materials.

SGH Vision 2030 – Perceptions and Target Levels of Return on Capital

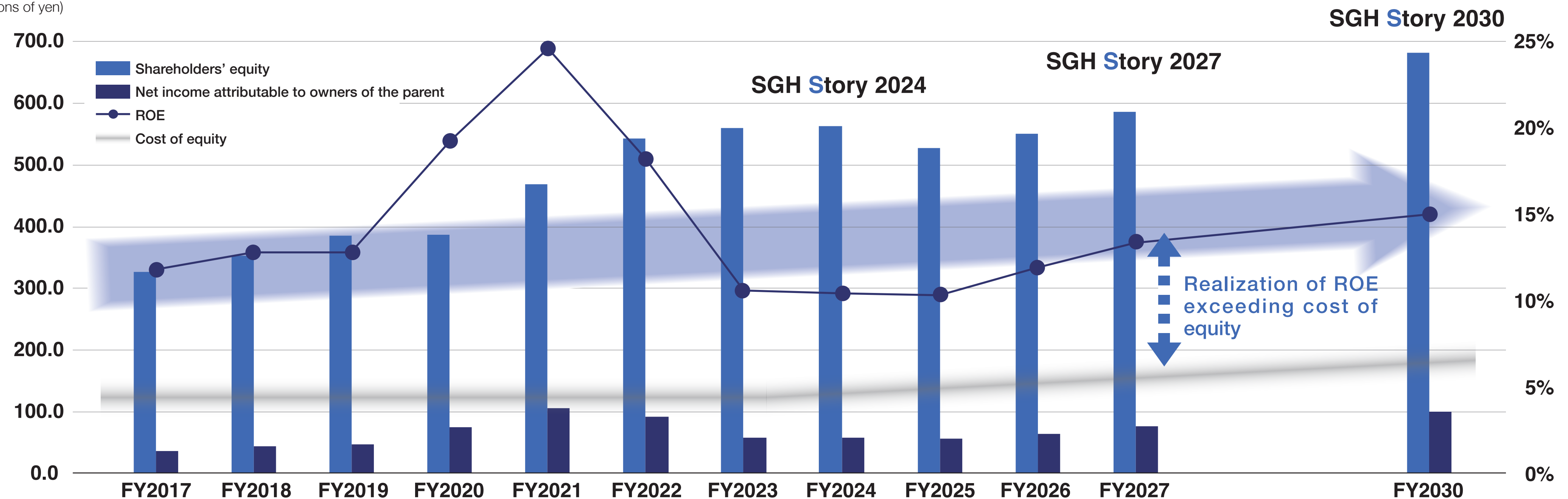
Awareness of the current situation

- Since listing, **we have continuously achieved ROE that exceeds the cost of equity recognized by our company**
- In the FY2020-22 period, ROE reached a record high as a result of rapid growth in business performance, mainly due to the disruption of international logistics and the expansion of domestic express package delivery demand in the wake of the COVID-19 pandemic
- While prioritizing the expansion of logistics solutions other than express package delivery, the return on capital of each business is on the road to improvement

Target level

- Based on the results of the current Mid-term Management Plan, we aim to **achieve a long-term ROE trend of 15% by FY2030** (Improving the return on capital of each business, expanding shareholder returns, etc.)

(Units: billions of yen)



3

New Mid-term Management Plan “SGH **Story 2027”**

- The management base was greatly strengthened through SGH Story 2024. **We will work to create investment effects while making up for any deficiencies ahead of FY2030**
- By expanding the scope of our services and adding value to our logistics solutions, **we are enhancing Total Logistics**
- In global logistics, as part of Total Logistics, **we aim to build a business foundation that is less affected by market conditions and customer cargo movements** by expanding customer industries and augmenting the areas covered and the logistics domain



Management Targets

Operating revenue	Operating income	Net income attributable to owners of the parent	ROE	ROIC	(Reference) Equity ratio: Around 45%
1.83 trillion yen	110.0 billion yen	70.0 billion yen	12%	8%	

* Exchange rate: Expected to be 1\$=151yen

- In order to realize the basic policy of “More advanced Total Logistics and expansion of global logistics infrastructure”, we set the following key strategies.
As the foundation of our business activities, we will promote the resolution of social and environmental issues and the advancement of governance, and we will work to improve corporate value in unison with our business strategy

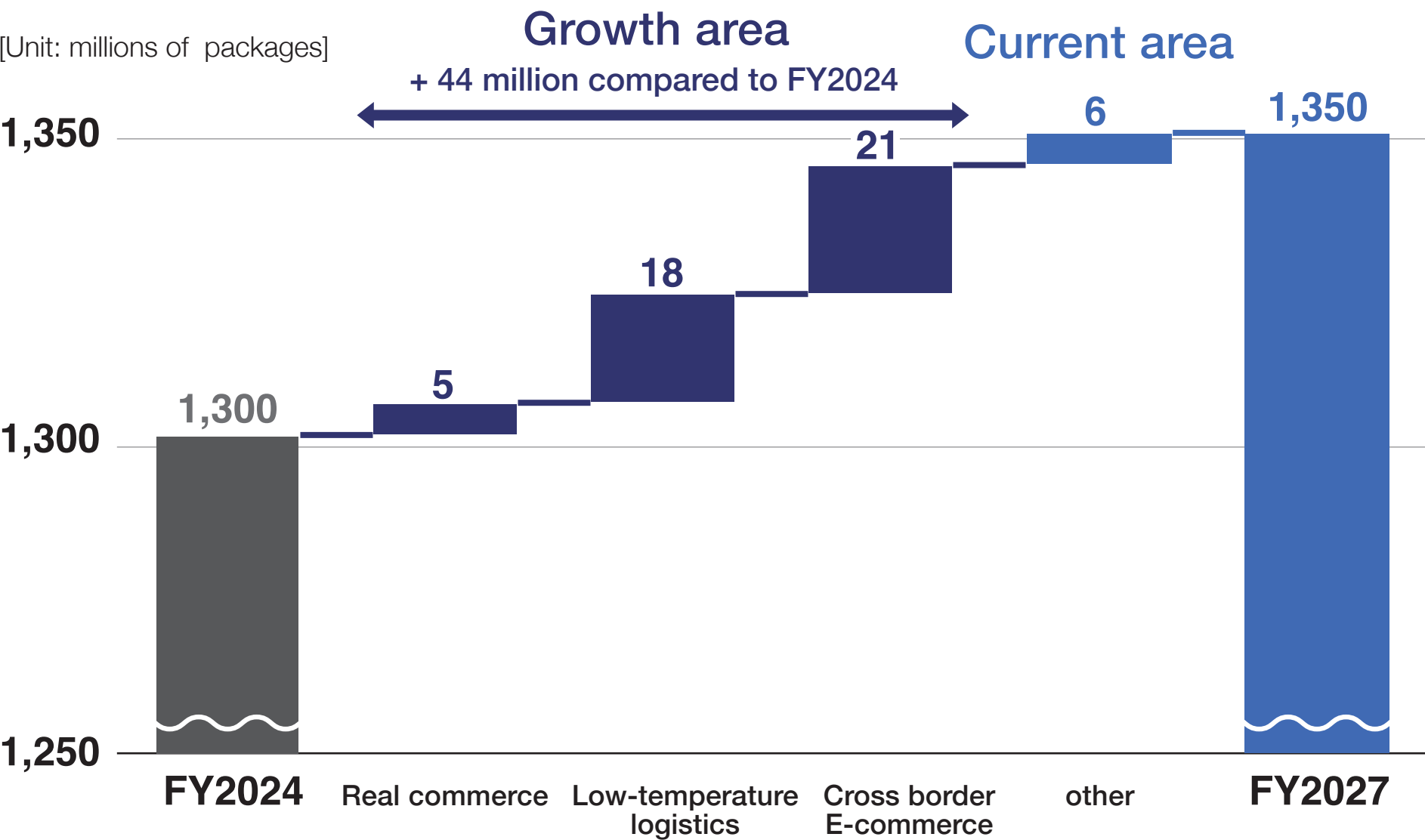
Key Strategies



- We will use Group synergies to capture growth markets and expand the number of packages in express package delivery services.
- We will achieve sustainable growth in express package delivery services by improving the retention rate of existing customers and continuing to receive appropriate freight tariffs.

Sustainable growth of express package delivery services

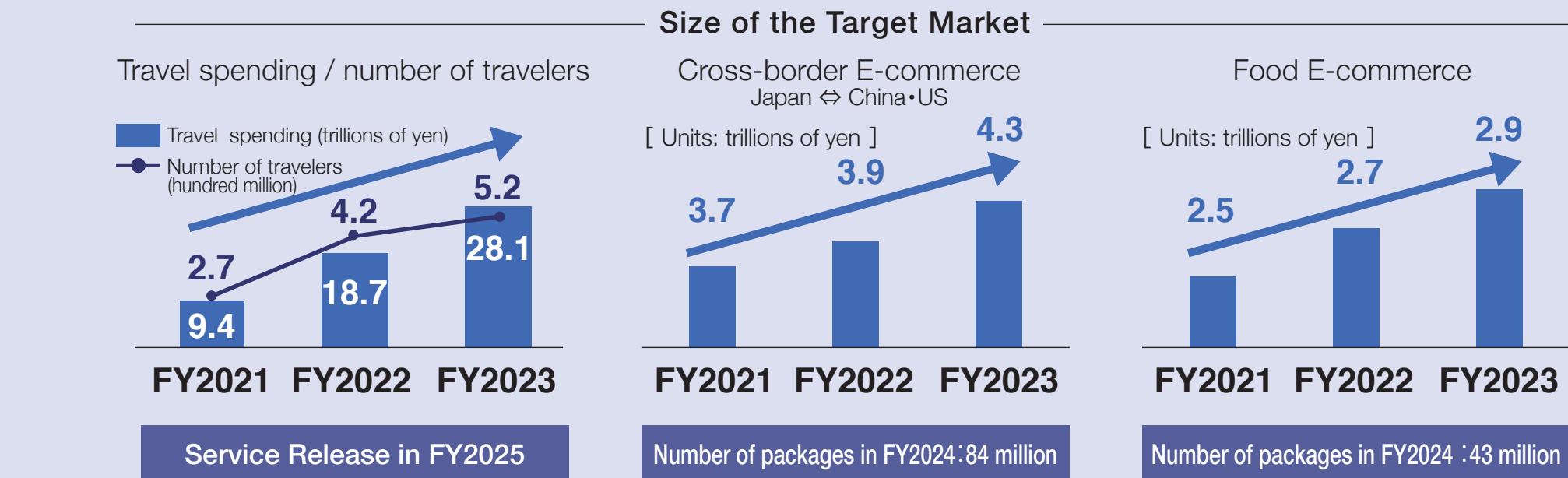
Trends in the number of packages by express package delivery services



	FY2024	FY2025	FY2026	FY2027
Number of packages*2	1.30 billion packages	1.32 billion packages	1.34 billion packages	1.35 billion packages
Average unit price	661 yen	674 yen	689 yen	702 yen

Volume Strategy

Growth area ■ Expanding services for the three areas of real commerce*1, cross-border E-commerce, and low-temperature logistics (details of measures on next page)



* Travel spending, number of travelers (domestic) Source: Japan Tourism Agency, "Survey on Travel and Tourism Consumption Trends"
* Number of travelers (foreigners to Japan) Source: Japan National Tourism Organization (JNTO) "Statistics on Visitors to Japan"
* Cross-border E-commerce, food E-commerce market Source: Ministry of Economy, "Trade and Industry, Market Survey on E-commerce"

Current area ■ Improve customer retention rate, develop new customers

- Improve quality and enhance convenience for customers
- Expand sales system, etc. (zero sales staff onboard rate, sales force training to enhance sales capabilities)

Price Strategy

- Continue the initiative in receiving appropriate freight tariffs
- Increase unit prices by expanding high-unit-price services

*1 Delivery service provided to locations where consumers (individual customers) stop by. *2 For details of the change in the number of packages in Delivery business, see P43

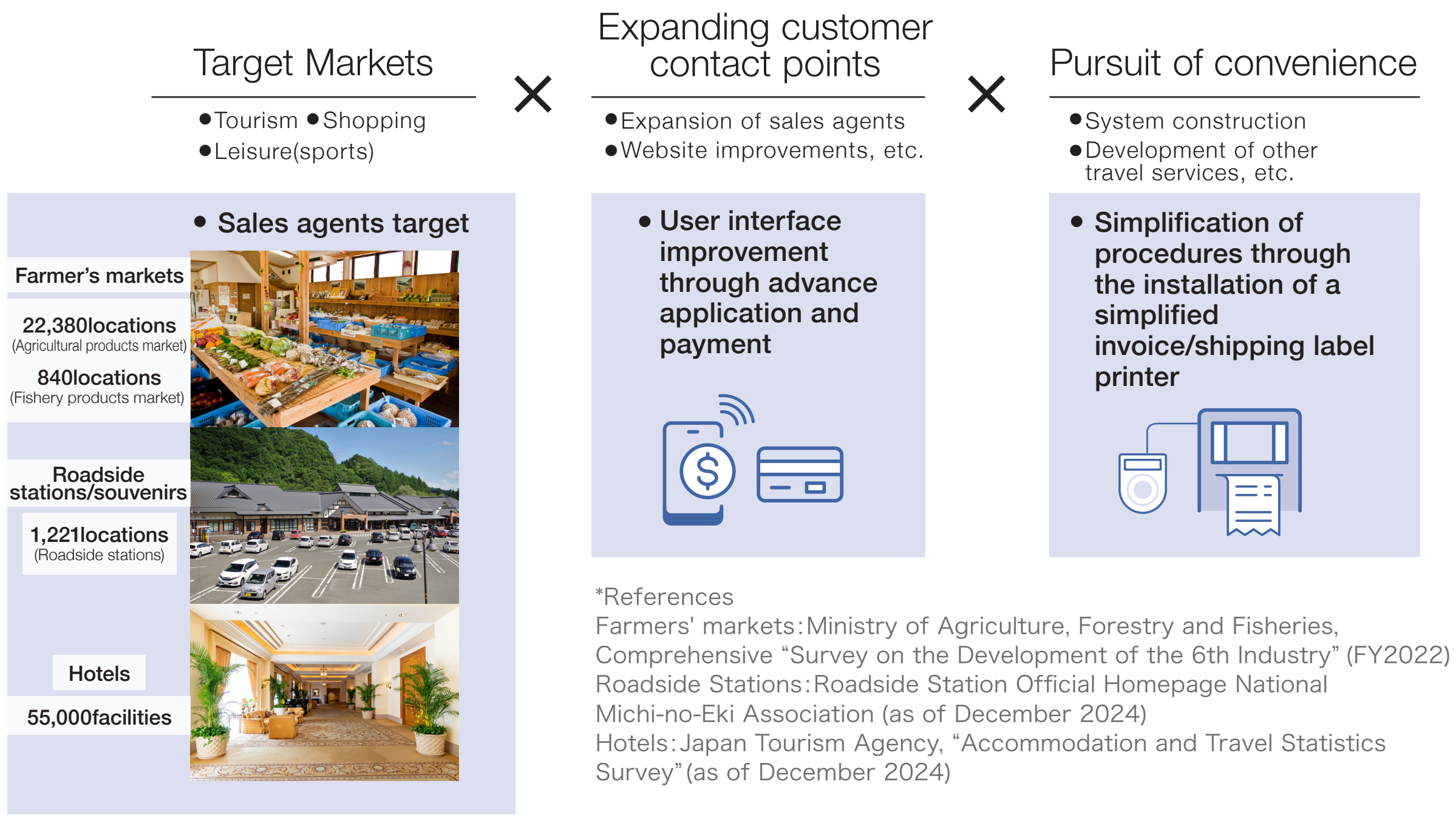
- We will expand customer base in the tourism and leisure market, etc., where continuous growth is expected (From C to B to C area)
- By leveraging the synergy of Group functions, we aim to provide services with even greater added value and expand our revenue

Expanding package delivery services to growing markets to increase revenue

■ Real commerce^{*1}

Detail: Appendix P37

Developing services for the growing tourism and leisure market



■ Cross border E-commerce^{*2}



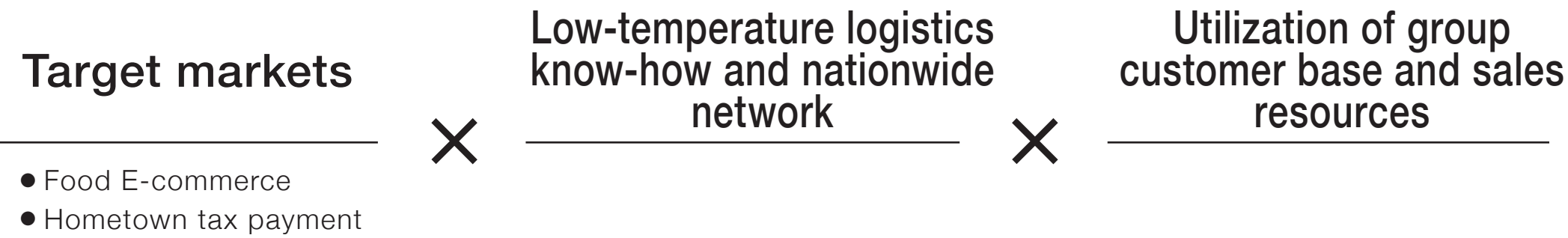
Expanding cross-border E-commerce competitiveness through Group synergies



■ Low-temperature logistics^{*3}



Acquisition of cool delivery business from upstream through Group synergies



Number of packages in Delivery Bussiness: 1.35 billion packages (+3.8%)
Of these, the number of packages in above three areas: 170 million packages
Unit price:702 yen (+6.2%)

* Figures are targets for FY2027, figures in () are compared to FY2024 *1 Delivery service provided to locations where consumers (individual customers) stop by.
*2 For details of the measures, see P23 for Global Logistics Business Strategy. *3 For details of the measures, see P21 for Logistics Business Strategy.

- TMS will expand its transportation services in the entire logistics market, including in-house logistics, by capturing the demand for outsourcing due to the 2024 problem
- As a social infrastructure, we aim to enhance the delivery network infrastructure that reliably delivers packages and expand service competitiveness to be chosen by customers

Expansion of transportation services other than express package delivery services

TMS

Responding to the outsourcing needs caused by the 2024 problem

Expansion of Customer Base

•Acquiring contracts for in-house
•Logistics Expanding sales to express package delivery services and 3PL
•Customers

×

Service improvement including partner companies

•Improving vehicle allocation capabilities
•Environmentally friendly transportation

×

Maximum utilization of resources through data visualization

Improving the efficiency of operations and loading rate

TMS sales 150.0 billion yen(+20%)

Maintaining and strengthening sustainable transport and delivery infrastructure

- Transportation and distribution sites

Dealing with increased volume and aging infrastructure and improving efficiency through consolidation of bases Scheduled to be completed during the medium-term period: Tokyo Transfer Center, Kansai Transfer Center, Kyushu Transfer Center

Detail: Appendix P38

Available number of packages per year: +10%*1
Aggregation effect: 3.5 billion yen*2
- Partner company support

Expansion of support programs, including review of consignment unit prices and establishment of business succession contact points

Increase in consignment fees: 12.0 billion yen over three years
- Receiving appropriate freight tariffs

In order to secure the funds needed to maintain infrastructure, we will continue to work on improving productivity and receiving appropriate freight tariffs.

Increasing service competitiveness

- Service quality and convenience

Further strengthening to be the service of choice, ensuring that packages are delivered reliably

Quality Improvement

•Maintaining time quality
•Improvement in the number of cargo accidents
•Strengthen response quality

Enhance convenience

• Improving the UI of various systems (member services, invoices/shipping labels, etc.)
- Cost competitiveness

By utilizing digital technology, we can improve our profitability without placing an unnecessary burden on our customers, even in an inflationary environment.

AI-equipped Loading Robots・R&D introduction

Detail: Appendix P38

Optimization of collection and delivery routes using AI

(Initiatives in partnership with Google Cloud Japan G.K., etc.)

Labor-saving and material handling investments at Sales Offices

AI-equipped Loading Robots effect*3
700-800 million yen/year

- We will maximize group synergies to build one of the best cold chains in Japan. The cold chain will not only be a pillar of revenue for the Logistics Business, but will also contribute to the expansion of the number of packages for the express package delivery services in the Delivery Business.

Building one of the best cold chains in Japan

■ Low-temperature E-commerce

Providing integrated solutions from storage, distribution processing to delivery

Service sales
+24.0 billion yen

■ Low-temperature joint delivery

Proposal for joint delivery that makes use of the existing facilities and routes of Meito Transportation and Hutech Norin

Service sales
+2.5 billion yen

■ Low-temperature TMS

Provision of low-temperature TMS in collaboration with the Delivery Business TMS team

Service sales
+4.5 billion yen

■ BtoB lot delivery

Providing cool transportation for small and medium BtoB lots

Service sales
+4.0 billion yen

■ Overseas low-temperature logistics

Providing end-to-end solutions from within Japan to overseas locations Building a cold chain in Vietnam

Service sales
+1.5 billion yen

■ Joint use of resources

Joint use of transfer centers and line-haul transportation by Meito Transportation, Hutech Norin and Sagawa Express

Cost Effectiveness
▲500 million yen

■ Expanding sales to existing customers

Proposals that utilize the Group's solutions for existing Meito Transportation and Hutech Norin customers

Service sales
+13.5 billion yen

Cold-chain logistics solutions
Operating Revenues: 220.0 billion yen(+25%) Operating Income: 13.0 billion yen*1 (+65%)

(Includes existing low-temperature operations at Sagawa Express, with Operating Revenues of 55.0 billion yen and Operating Income of 3.0 billion yen. See page 39 for details.)

*1 Before amortization of goodwill. As a result of the PPA related to the acquisition of C&F, out of the provisional goodwill of 77.1 billion yen, 70.5 billion yen was recorded as intangible assets (customer-related assets of 10.5 billion yen, goodwill of 60.0 billion yen), with a projected amortization period of 20 years (before the completion of the audit).

Logistics Business Strategy (Other than Low-temperature Logistics) Key Strategy ③

- In addition to low-temperature logistics, we aim to expand its business scale and improve profitability by providing high-value-added services and investing in material handling equipment that leads to greater efficiency in its 3PL business.

Provision of services with high added value

■ Enhancing proposals to existing customers

Building and horizontally deploying problem-solving models tailored to customer industries/products

Deepening our understanding of the needs of major existing industry customers and solving their problems

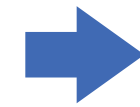


Horizontal deployment to customers in the same industry/product category

Main customer products
Apparel/
daily goods/
general merchandise

■ New services Creation of services utilizing highly competitive business know-how

Delivery Agent FLS*1
Customized Logistics



Growth area products
Semiconductors, mechanical parts, cosmetics

Store support
(Contracted work such as store back-yard operations)

Large-scale condominium support
(in-apartment logistics)

Cosmetics fulfillment service
(A series of services including inspection, storage, and shipping. Joint use of material handling)

Expansion of 3PL services in the high-tech area through synergies with Morrison



Expansion and streamlining of existing services

■ Expansion of locations

Optimization of nationwide locations, including strategic closures and the use of LMS*2



Floor area of domestic 3PL warehouse contracts
Approx.198,000 m²(+25%)
Revenue increase:1.6 billion yen

■ Labor saving and streamlining

Expansion of the introduction of material handling equipment leading to increased work efficiency and storage efficiency

Example:
Automatic packing machine
Automatic sorting machine
High-rise medium-volume racks
Shuttle type automated warehouse, etc.



Automatic sorting machine

Domestic 3PL: Operating profit per employee: 1.6x *4

* Figures are targets for FY2027, figures in () are compared to FY2024 *1A service that carries out various tasks related to facility management, such as in-house delivery, cleaning, and security.

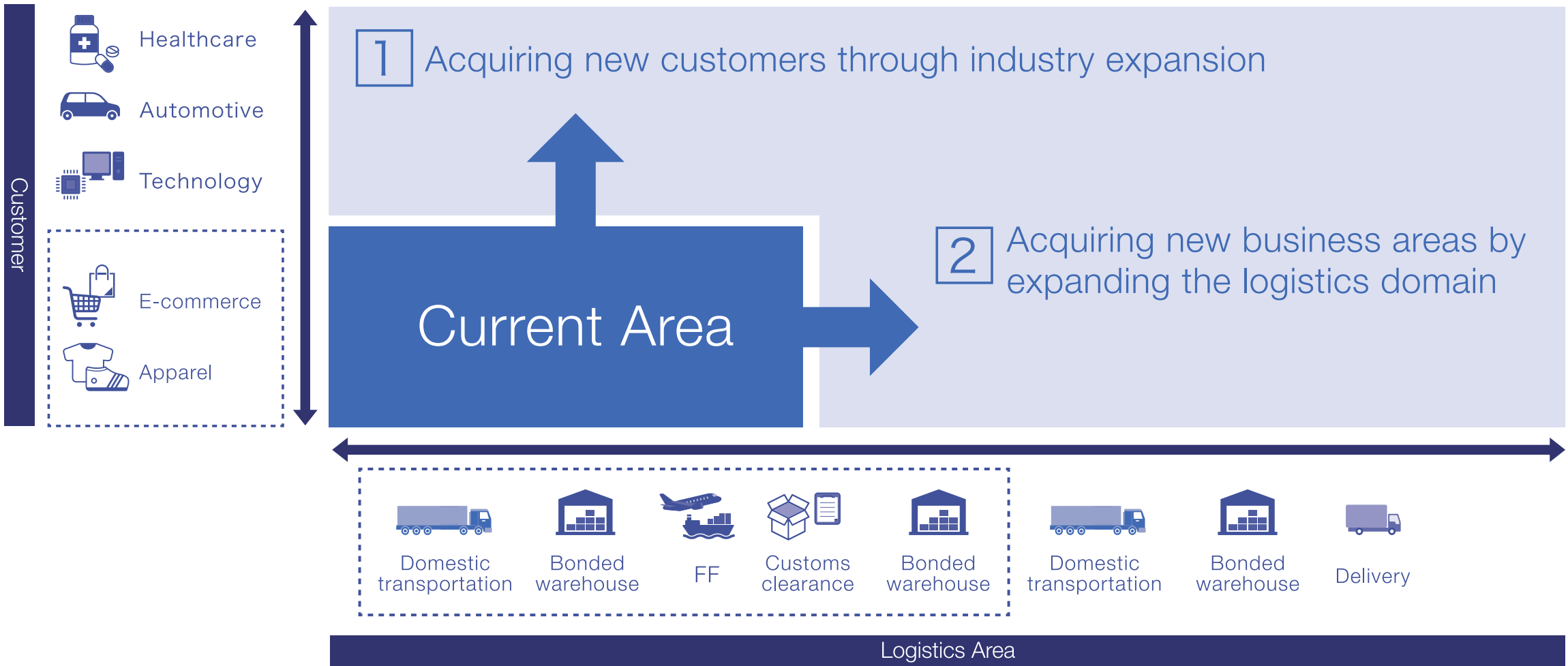
*2 LMS: 3PL services provided through coordination with partner companies *3 Areas other than low-temperature logistics *4 Compared to FY2024

- The forwarding business, which focuses on Asia to the United States, will expand its volume and customer base and work to stabilize earnings
- The express business, which focuses on Asia to Japan, will focus on cross-border E-commerce to/from Japan and boost the growth of the Delivery Business's express package delivery services

Expanding and improving profitability of forwarding business

Expansion of business scale and customer base

- Acquiring new customers through industry expansion
- Acquiring new business areas by expanding the logistics domain



Improvement of profitability

- Improvement of air and ocean freight procurement due to increased handling volume
- Improving operational efficiency and promoting IT and digitalization

Expanding the competitiveness of the express business

Advancement of cross-border E-commerce solutions

- Provision of integrated services from import customs clearance to nationwide shipping
- Establishment of a cross-border E-commerce operation center specializing in small-lot freight
- Promotion of labor savings through the consolidation of bases and the introduction of automated equipment

Kansai International Airport Cross-border E-commerce Operation Center (to be operational in April, 2025)



	<Before>	<After>
Capacity	number of packages 0.8million/month	number of packages 1.1million /month
Lead-time	Kansai to Kansai, Northern-Kyushu:2days Kansai to Southern-Kyushu:3days	Kansai to Kansai, Northern-Kyushu: 1day Kansai to Southern-Kyushu: 2days
Cost	Outsourcing	Cost control through in-house production

Number of cross-border E-commerce packages to/from Japan (Global Logistics Business) 50 million (+40%)

- We will leverage Morrison's expertise in the aviation freight forwarding business in the electronic components and semiconductor industries to expand the scale of our freight forwarding business, centered on EFL^{*1}, and stabilize earnings. Furthermore, we will create synergies that will boost the growth of the entire Group by increasing the volume of cargo to/from Japan through coordination with domestic Group companies.

Strengthening business base by making Morrison part of the Group

1 Logistics Know-how

Sharing air and ocean procurement and semiconductor-related operational know-how. Stabilization of freight forwarding business quality, price, and lead time

2 Industry expansion and acquisition of new customers

Reaching new customers in growth segments in each area
It will serve as a foothold into new fields of logistics

3 Strengthening Business Base in Asia

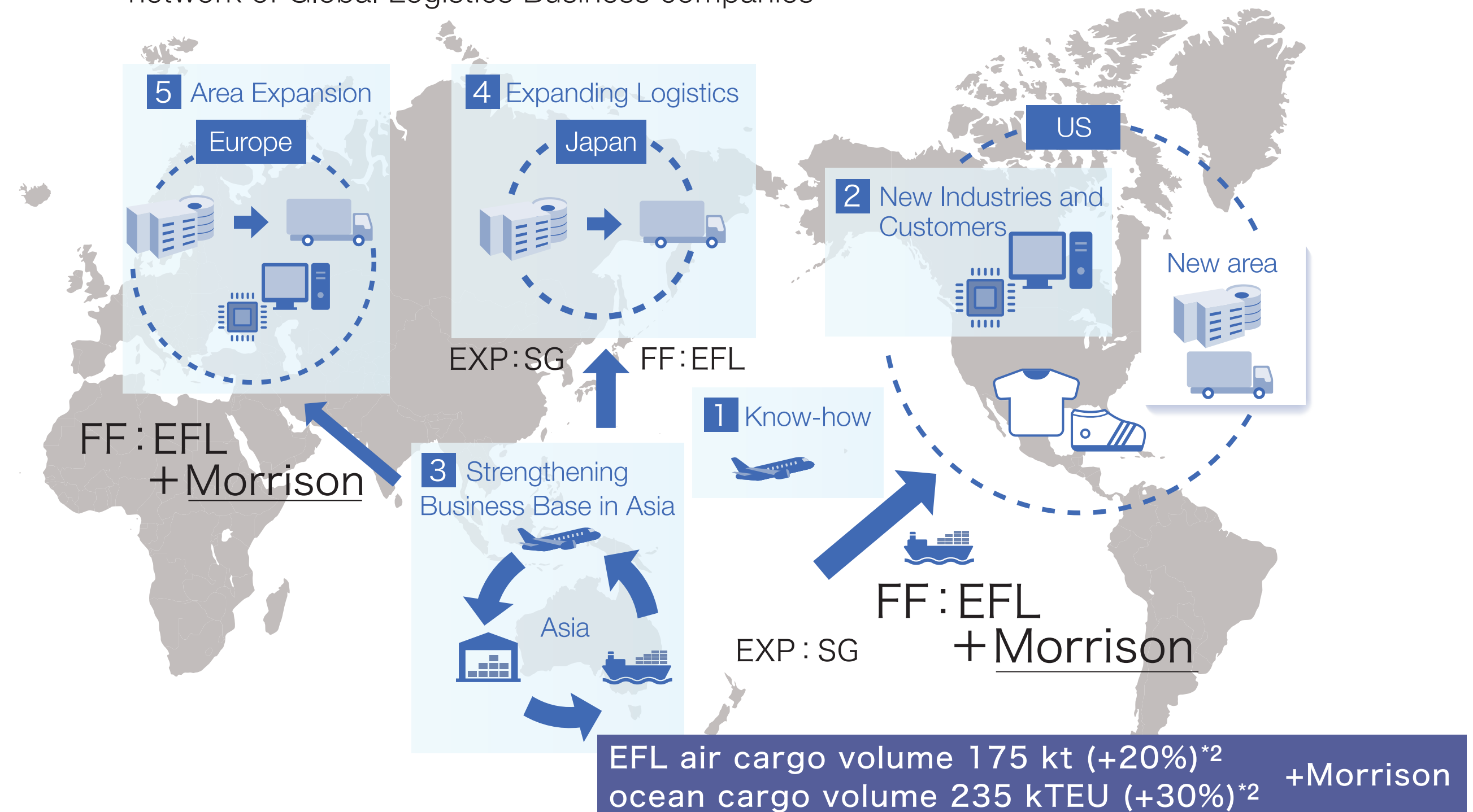
Expanding the range of solutions we can provide to our customers regarding cargo to and from Asia

4 Expansion of the logistics areas for Japan from overseas

Connecting customers in the semiconductor industry from overseas to Japan
Contributing to the expansion of business such as the Delivery and Logistics businesses in Japan

5 Area Expansion

Expand business into new areas such as Europe based on the customer base and location network of Global Logistics Business companies

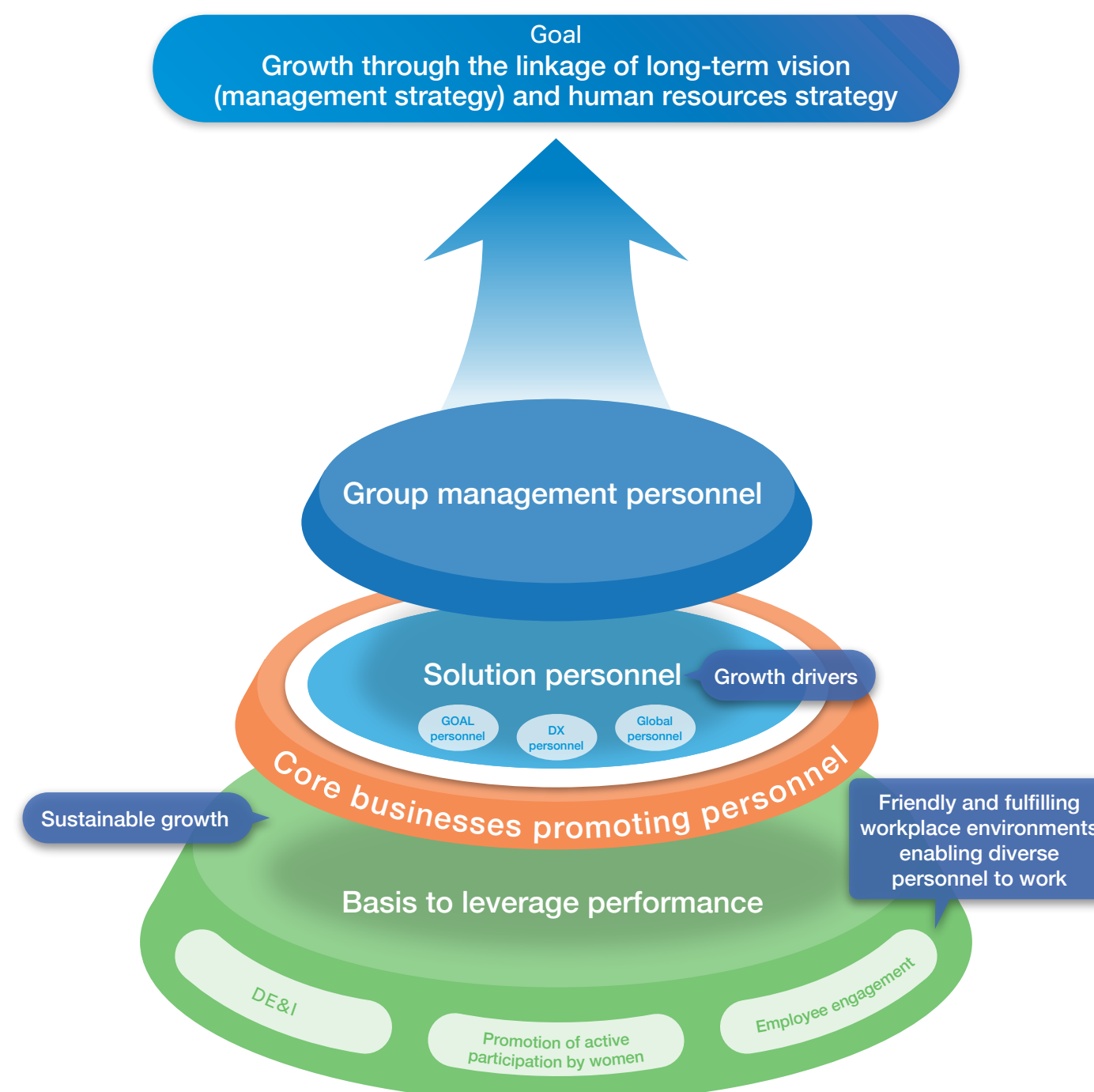


* For details, see page 40 and pages 28 onward of the Results Presentation for FY2025/3 Q3. *1 A general term for Group companies with forwarding functions that are subsidiaries of Expolanka.

* 2 Figures are targets for FY2027, figures in () are compared to FY2024

- Amidst a shortage of human resources and ongoing inflation, we will continue the initiatives in securing human resources to support sustainable growth and securing and developing solution personnel, which are the drivers of the Group's growth
- In order to realize the "SGH Vision 2030" and achieve sustainable and accelerated Group growth, we will strengthen the commitment of employees in managerial and higher positions to enhance corporate value, and promote the recruitment, training and retention of Group management personnel

SGH Vision 2030



Securing and Developing Human Resources to Support Sustainable Growth

Group management personnel

- Continuing the management development program aimed at developing successors to Group officers
- We are considering introducing a share-based remuneration system as a way of retaining, developing and hiring talented management personnel

Solution personnel

- In addition to GOAL®/DX personnel, expanding the development of global personnel who support the Global Logistics Business

Number of people trained
as solution personnel 3-year
cumulative total: 210 personnel

Core businesses promoting personnel

- Reviewing operations using DX (labor saving x reduced workload)
- Continuous basic pay raise assuming an inflationary environment
- Strengthening ties with partner companies

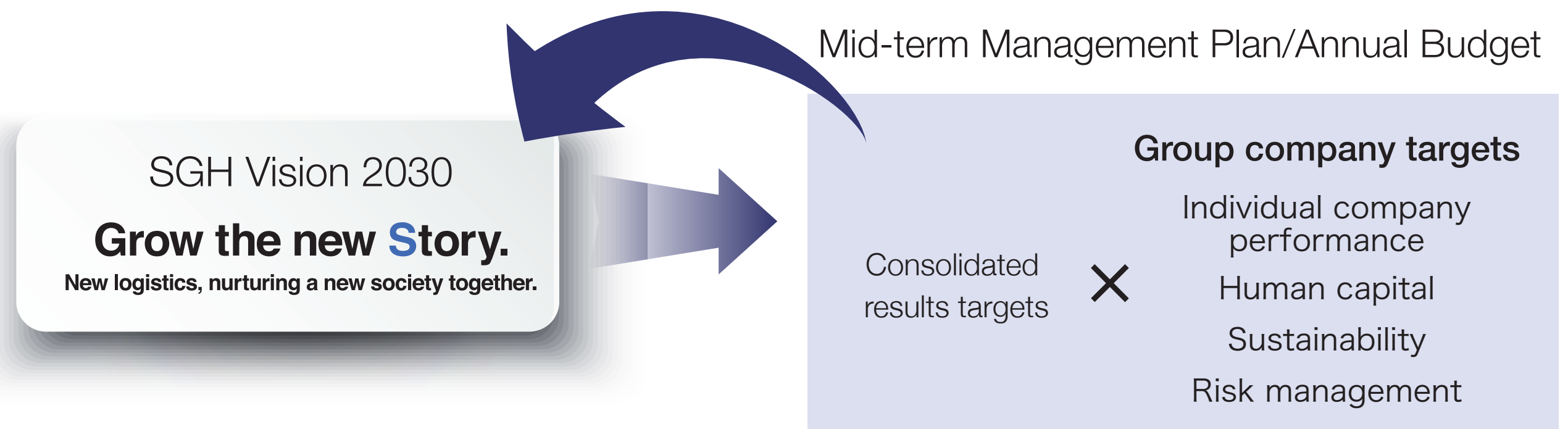
Basic pay raise 3-year
cumulative total : 18.0 billion yen

Penetration of group management awareness/ Strengthening commitment to improving corporate value

■ Consideration of Introduction of share-based remuneration plan for employees

We are considering to introduce share-based remuneration for employees in managerial and higher positions, including Group companies, with the aim of raising awareness of the results of initiatives to achieve the SGH Vision 2030 and enhance corporate value

Evaluation items | Achievement of annual targets based on the SGH Vision 2030



(Draft) Remuneration will be paid according to the degree of achievement of targets at the operating company level.
Source of funds: Using 30% of the amount by which the consolidated NOPAT for the fiscal year exceeds the budget

Eligible personnel
Group total: Approx. 2,000 people

Continuing to develop a platform for active participation

■ Engagement

Penetration of organizational goals through communication between management and employees

■ Promotion of active participation by women / DE&I

Continuous development of female managers and promotion of work style reform
Creating a comfortable workplace for a diverse range of people (DE&I seminars for management and general managers, Women's Career Support Training, etc.)

Female ratio among employees: 35%

Female ratio among managers: 12%

Rate of Employment of Persons with Disabilities : Achieve the legally mandated employment rate

- As a logistics company group, we will continue to promote initiatives aimed at achieving a decarbonized society as a prerequisite for business continuity
- We plan to review the strategy for the decarbonization interim target of FY2030 and carbon neutrality by FY2050

Review of SG Holdings Group
Decarbonization Vision

Taking into account the Japanese government’s “7th Strategic Energy Plan” and the impact of M&A, we plan to announce a new Decarbonization Vision in May 2026 that strikes a balance between the environment and the economy

Major Changes	Current Decarbonization Vision	Review Points
Reduction targets	FY2030: 46% reduction (compared to FY2013) FY2050: Aim to become carbon neutral	Review according to the Japanese government’s “7th Strategic Energy Plan”
Reduction standard	In accordance with the Japanese government’s emission reduction targets	Same as above (also referring to international reduction targets)
Boundary	Group companies in Japan	Group companies in Japan and overseas
Emission reduction measures	<p>Reducing emissions from vehicles Introduction of biofuels, introduction of environmentally friendly vehicles</p> <p>Reducing emissions from facilities Procurement and creation of electricity from renewable energy</p> <p>Utilization of forest resources Maintenance of owned forests, carbon offsets</p> <p>Measures to reduce carbon emissions that contribute to a decarbonized society Improving transportation efficiency through Joint delivery networks, modal shift, etc.</p>	Addition and changes in reduction measures and initiatives

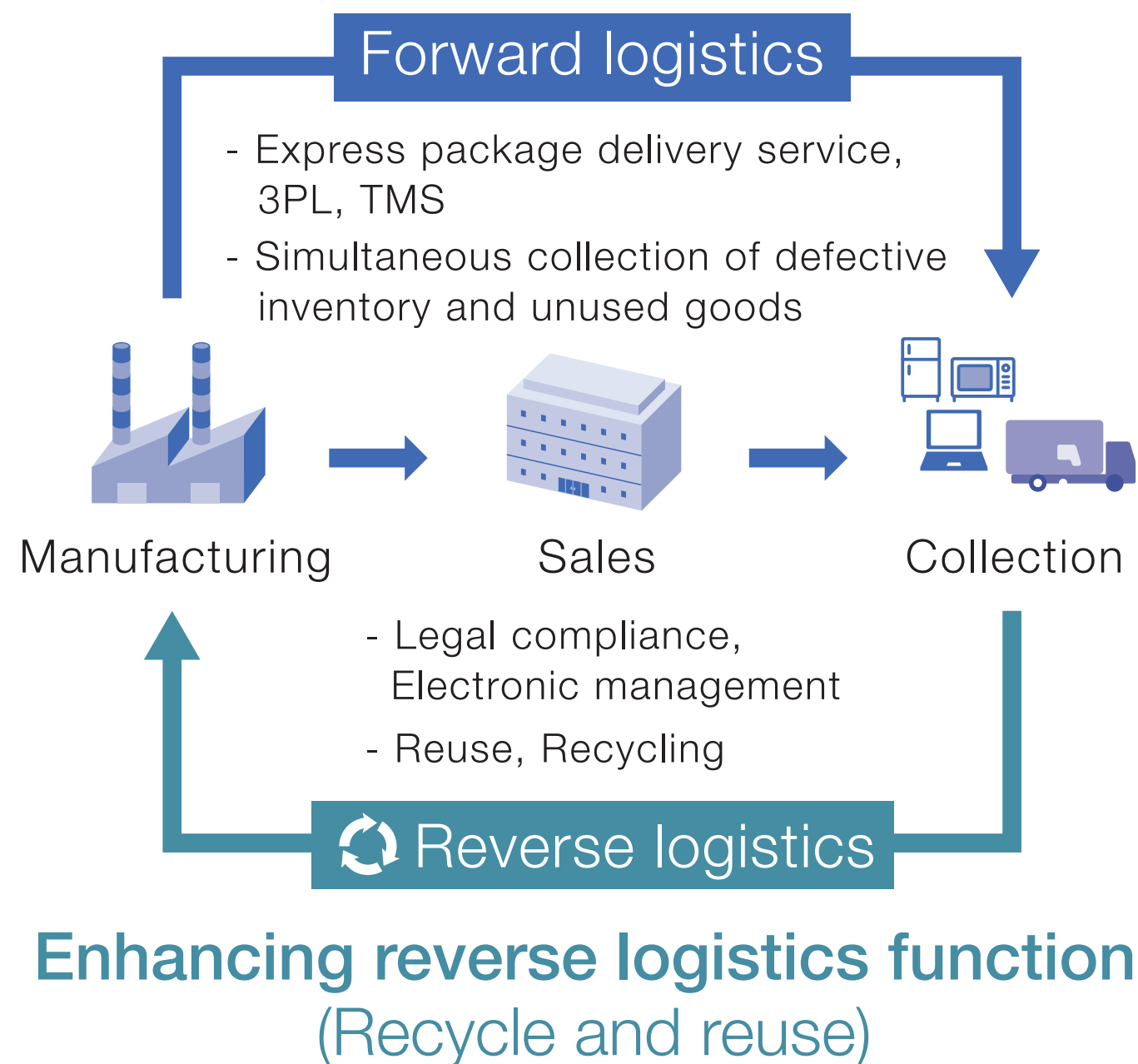
Addressing Social and Environmental Issues Such as Decarbonization Key Strategy ⑧

- We are promoting the creation of a recycling-oriented society by linking the forward logistics for delivering goods to consumers with the reverse logistics of recycle and reuse of defective inventory and unused goods that arise in the process
- In Japan, where disasters are increasing in frequency, we are strengthening disaster support in collaboration with the national government, going beyond the framework of existing disaster cooperation agreements

Solving Social and Environmental Issues

■ Circular logistics service

Promoting resource recycling through integrated services for forward and reverse logistics

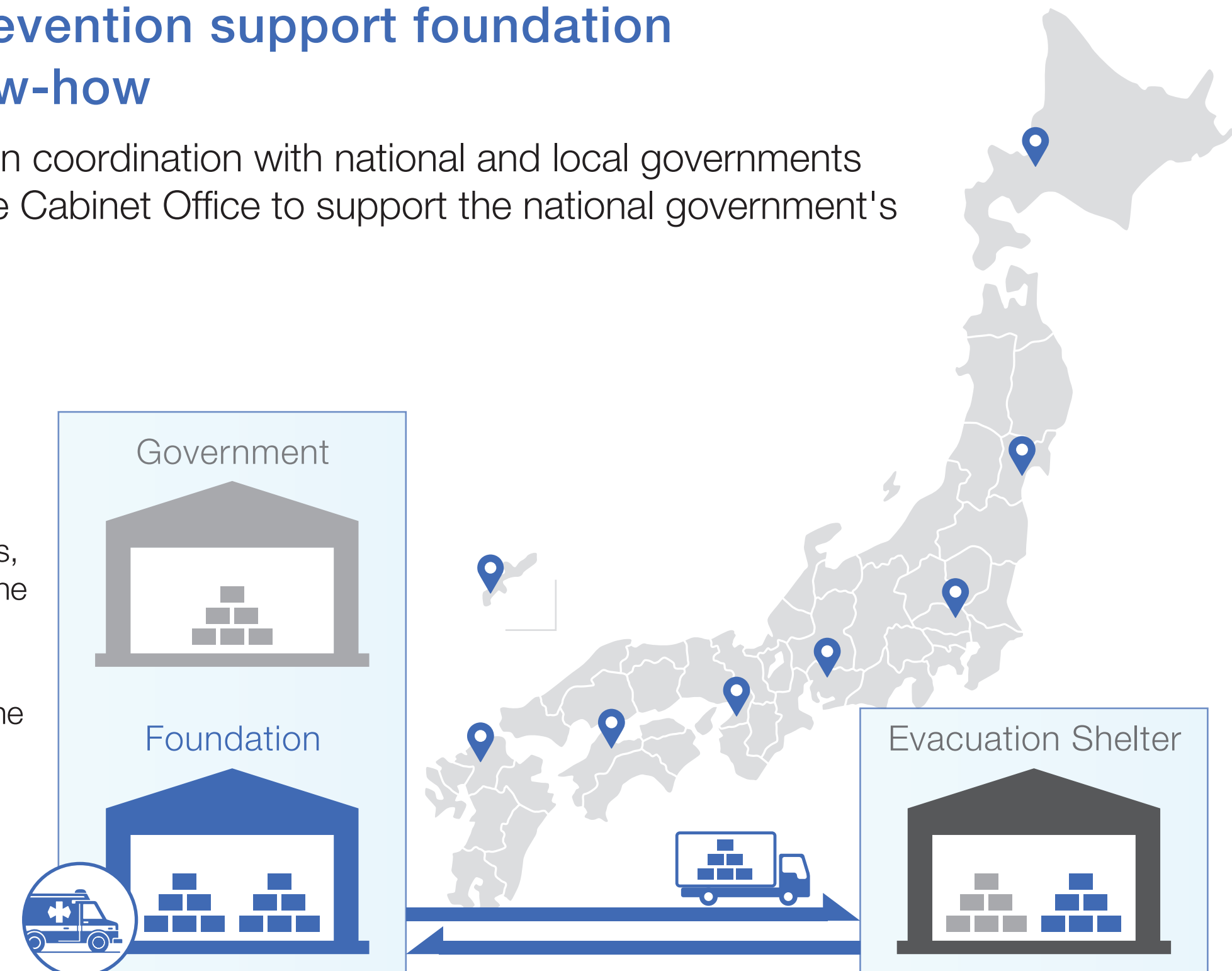


■ Establishment of a disaster prevention support foundation that utilizes disaster relief know-how

Disaster relief at eight locations nationwide in coordination with national and local governments
Planning to conclude an agreement with the Cabinet Office to support the national government's push-type emergency relief supplies

<Main activities of the foundation>

- Implementing support for the government's push-type assistance for goods
 - Storage of the government's distributed stockpiles, and transportation to wide-area supply bases in the event of an emergency (in some areas)
 - Ownership and provision of materials and equipment to support the supply of goods from the national government and local governments (e.g. roller conveyors, roll box pallets etc.)
 - Removal, maintenance, and re-storage of the government's distributed stockpiles after use, etc.
- Maintenance of medical containers that can be deployed at any time, etc.



Enhancing Governance to Increase Corporate Value

Key Strategy ⑨

- We will enhance the corporate value of the company by strengthening the commitment of Directors to improving corporate value, upgrading the global governance system, operating management and decision-making standards that are conscious of capital profitability, and reflecting feedback from proactive dialogue with investors in management strategies.

Enhancing the governance structure

Strengthening the functions of Directors

Increasing the incentive for executives to contribute to business performance and improve share price, and contributing to the improvement of corporate value

Executive compensation system (already implemented)

Establishment of an executive stock ownership association (including Group company Directors)

Global Governance Structure

Upgrading the company's structure in line with de-listing of Expolanka and global logistics strategy

Reorganization of the Board of Directors
(Management and Control of Global Logistics through SGG*1, Election of Outside Directors, etc.)

Accounting Audits (including Tax Audits)

J-SOX Implementation (for Morrison)

Reorganization of Duty and Authority Regulations

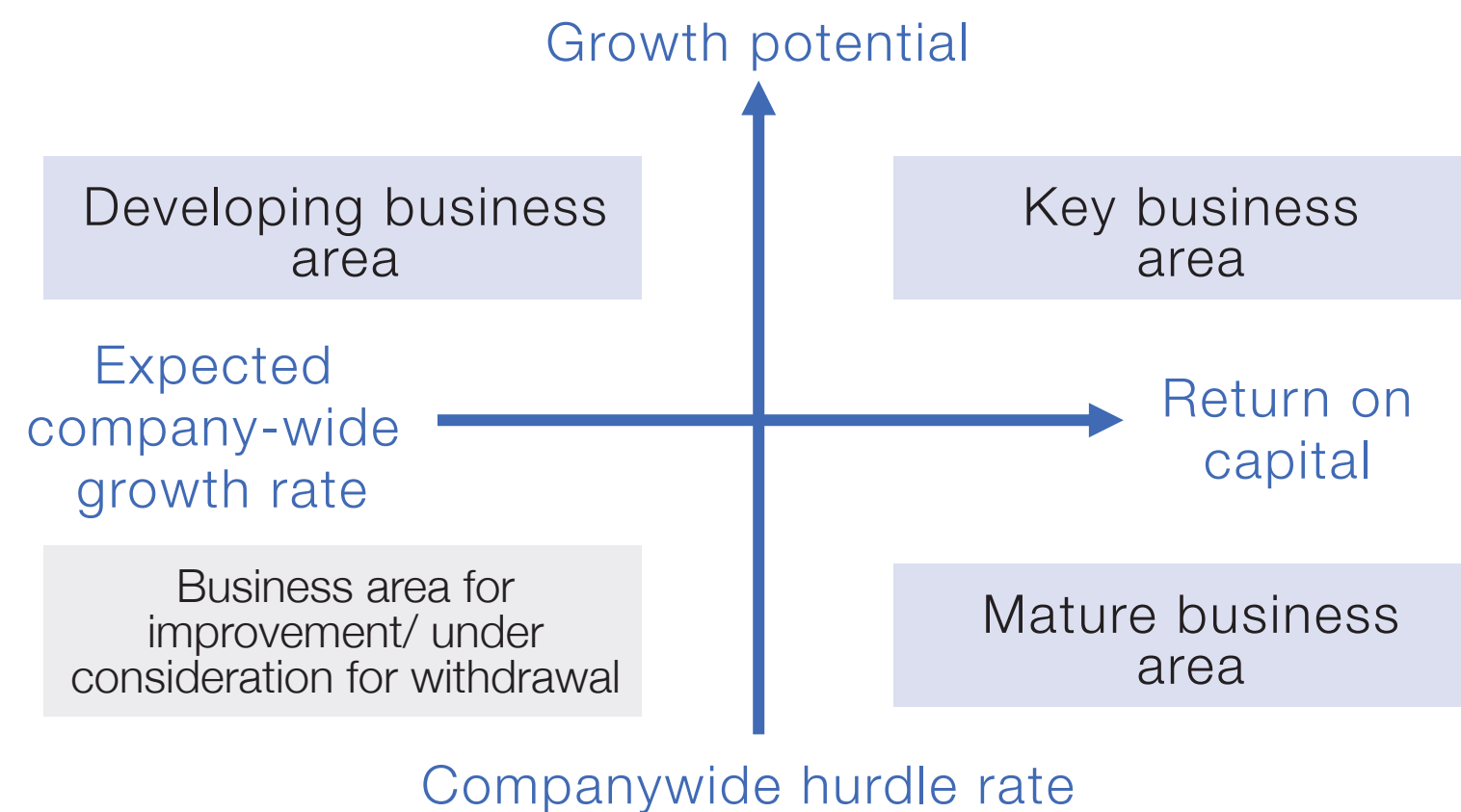
Internal Audits (for Morrison, review of audit targets and priorities)

Management with an awareness of capital profitability

Business Portfolio Management

Further sophistication of capital decisions based on capital profitability

Strengthening business competitiveness by clarifying the criteria for considering business improvement/withdrawal



FY2030

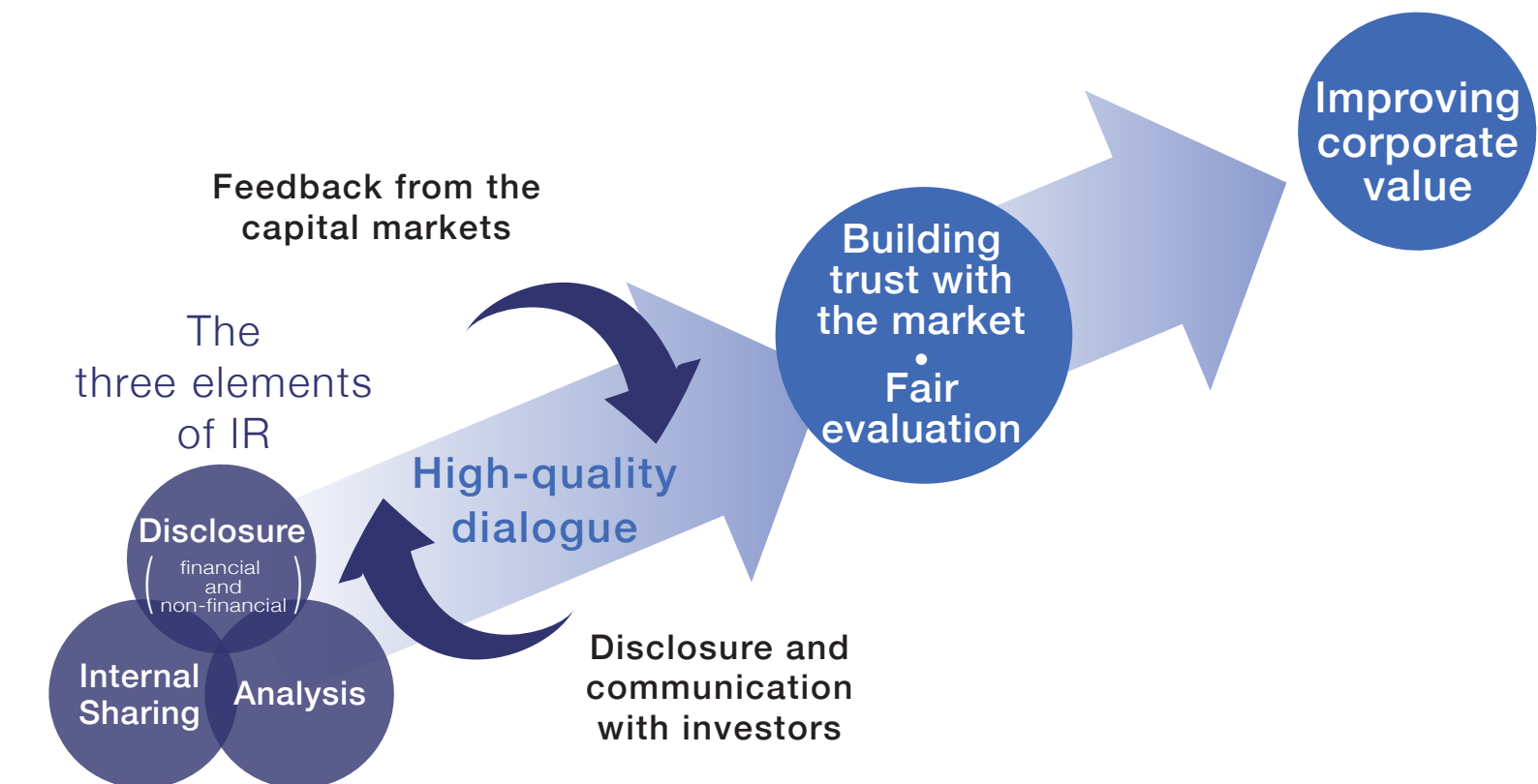
ROIC by business > Companywide hurdle rate

Dialogue with stakeholders

Information disclosure and dialogue enhancement

Expansion of disclosure including non-financial information

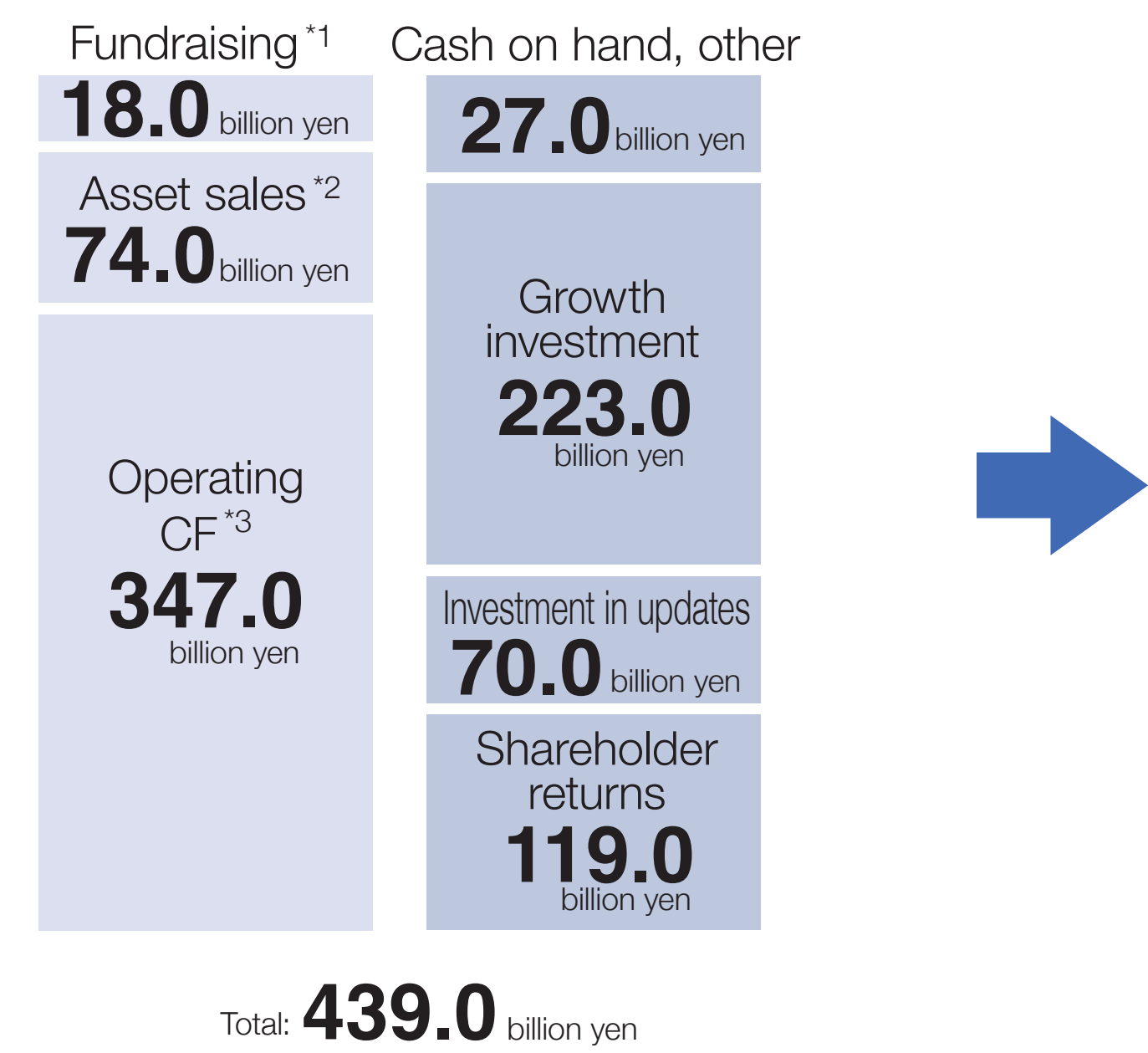
Feedback of opinions through dialogue to management and reflection in management strategy



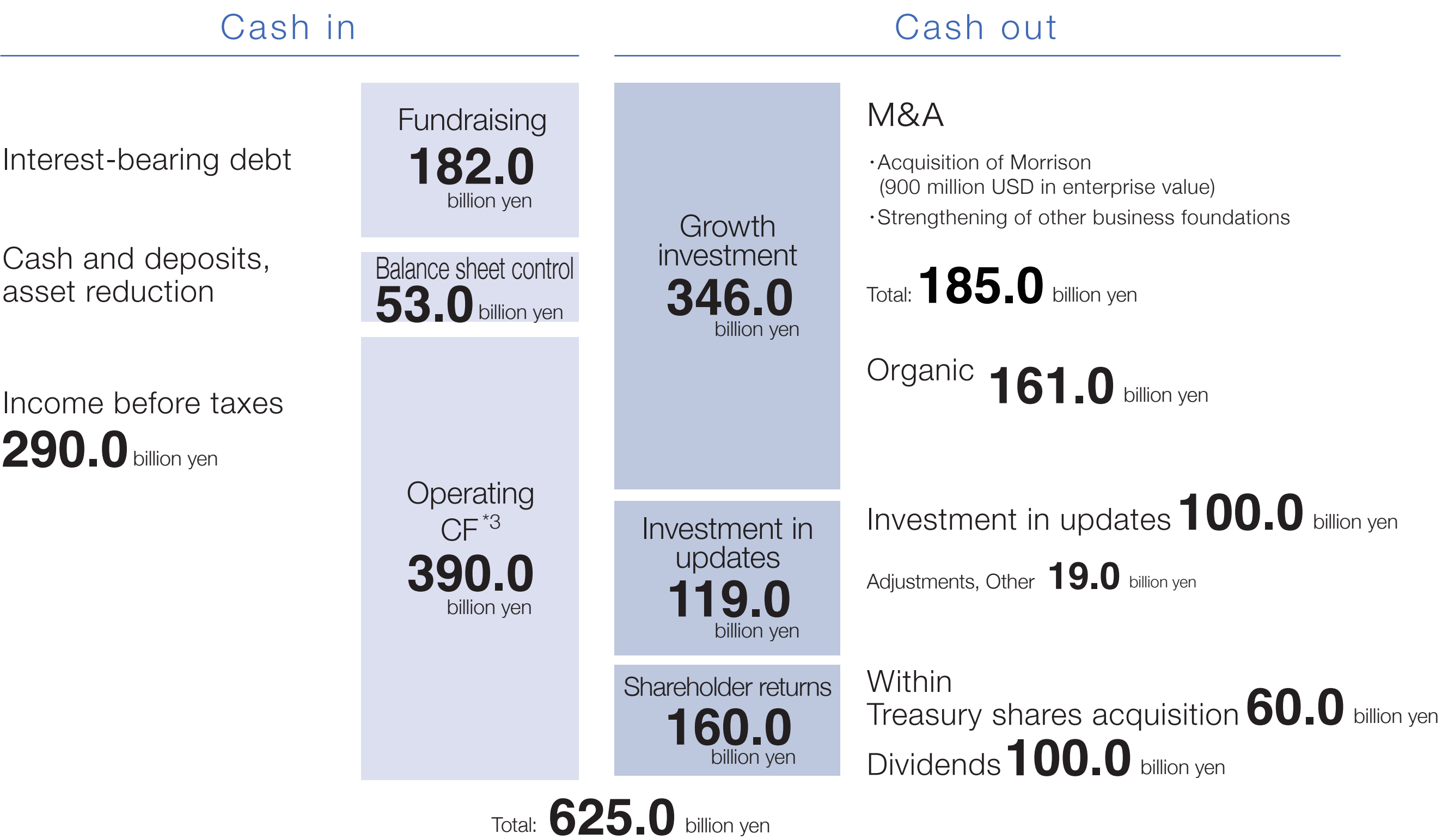
Small meetings with the President and Outside Directors: once per year
Thematic small meetings: Held as needed (at least 3 times in FY2025)
Meetings with investors and analysts: Approx. 300 times per year
Enhancing overseas IR

Three-Year Cash Allocation

SGH Story 2024



SGH Story 2027



	FY2021	FY2024	FY2027
Equity ratio	53.8%	55.0%	45.0% ^{*4}
Cash and deposits at end of fiscal year	87.3 billion yen	116.0 billion yen	63.5 billion yen

^{*1} Net change in interest-bearing debt is shown ^{*2} Sale of LOGISTEED, Ltd. shares ^{*3} Includes proceeds from sale and leaseback transactions associated with the securitization of real estate ^{*4} This is not a target to be achieved, but a reference value. Copyright © 2025 SG HOLDINGS CO., LTD. All Rights Reserved.

Three-year Investment Plan (Excluding M&A)



Growth investment

(main investments contributing to expansion of business base)

Type of investment	Assets recorded over 3 years	Major investments
Facility investment	140.0 billion yen	Development of a new transfer center, introduction of material handling and automation equipment, opening of new sales offices (normal temperature and low temperature warehouse), etc.
Vehicle investment	14.0 billion yen	Increase in the number of refrigerated and frozen vehicles (in line with the expansion of low-temperature solutions), etc.
Information investment	4.0 billion yen	Construction of a new common business system, Support for full cashless express package delivery services, etc.
Other (including capital investment)	3.0 billion yen	REIT investment, new business creation activities, etc.

Investment in updates

(main investments contributing to infrastructure maintenance and enhancement)

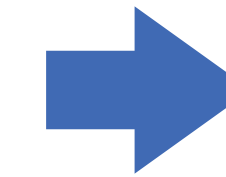
Type of investment	Assets recorded over 3 years	Major investments
Facility investment	20.0 billion yen	Repair work on existing facilities, etc.
Vehicle investment	65.0 billion yen	Replacement of existing vehicles (including refrigerated and frozen vehicles)
Other	15.0 billion yen	Replacement of existing systems (service-related, management, security, etc.)

3-year Plan for Shareholder Returns

SGH Story 2027 Policies

Progressive dividends

Flexible implementation of
acquisition of treasury shares



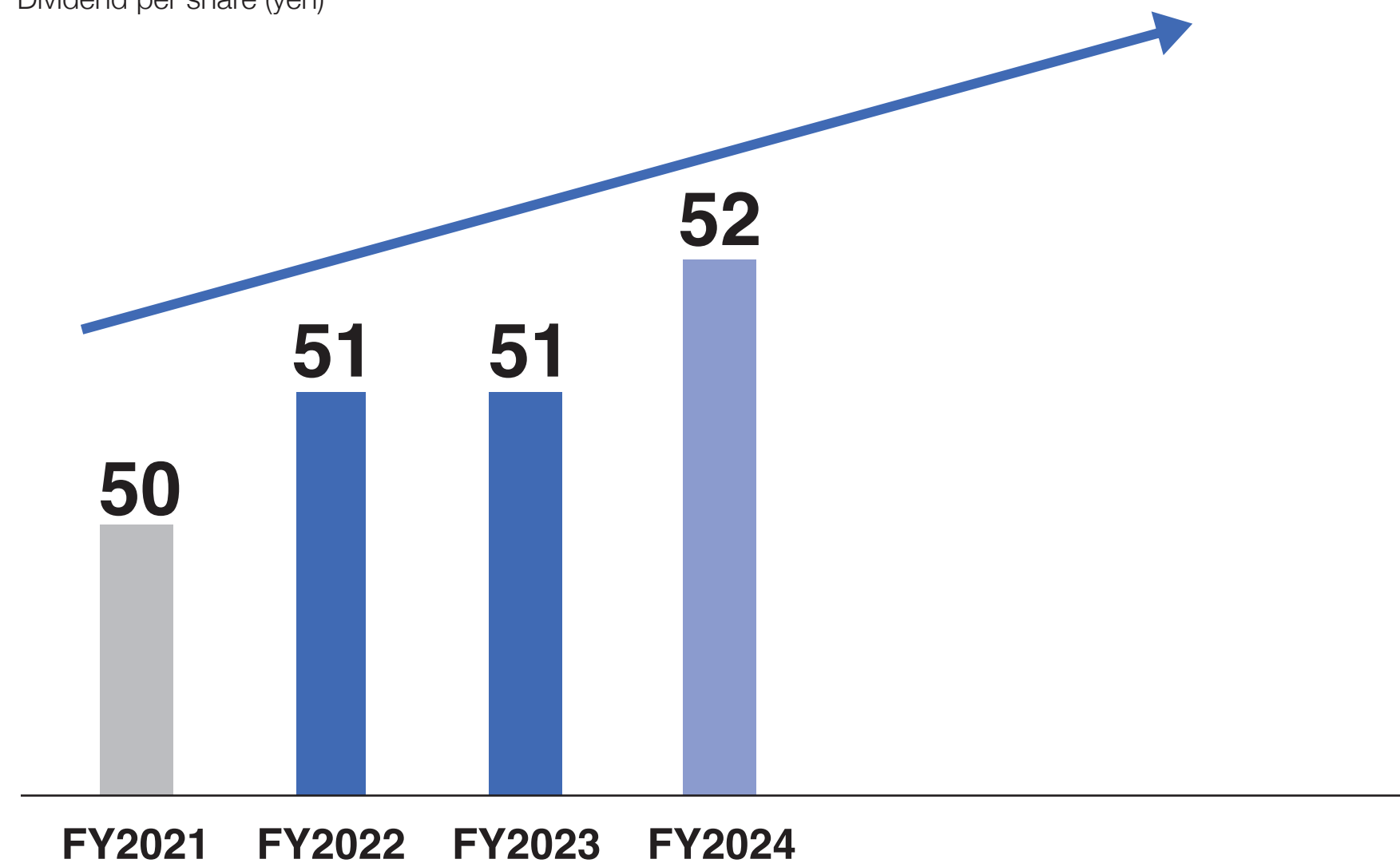
Total return ratio (3-year
cumulative): 60% or more

Approach to the acquisition of treasury shares

- We will consider acquiring treasury shares at the appropriate time while communicating with our business partners in order to eliminate cross-shareholdings
- We expect to acquire about 60.0 billion yen worth of treasury shares over the next three years through purchases on the open market

Trends in dividends per share

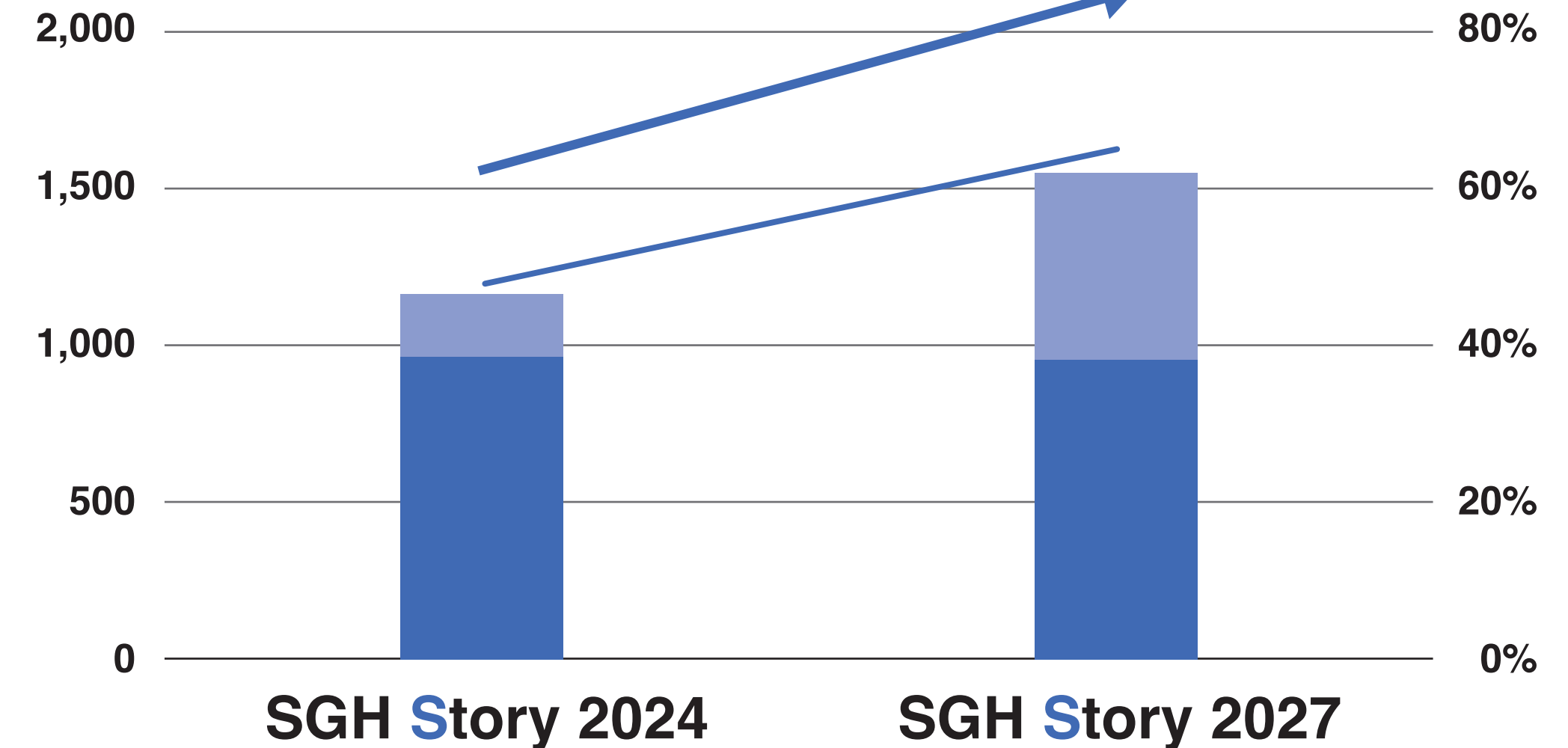
Dividend per share (yen)



Total amount of returns to shareholders (3-years cumulative)

■ Total dividends ■ Acquiring Treasury shares — Total return ratio

Total amount of returns to shareholders (billions of yen)













Management Targets

Management Targets

Operating Revenue	1,830.0 billion yen
Operating income	110.0 billion yen
Net income attributable to owners of the parents	70.0 billion yen
ROE	12%
ROIC	8%

Reference: Equity ratio: Around 45%

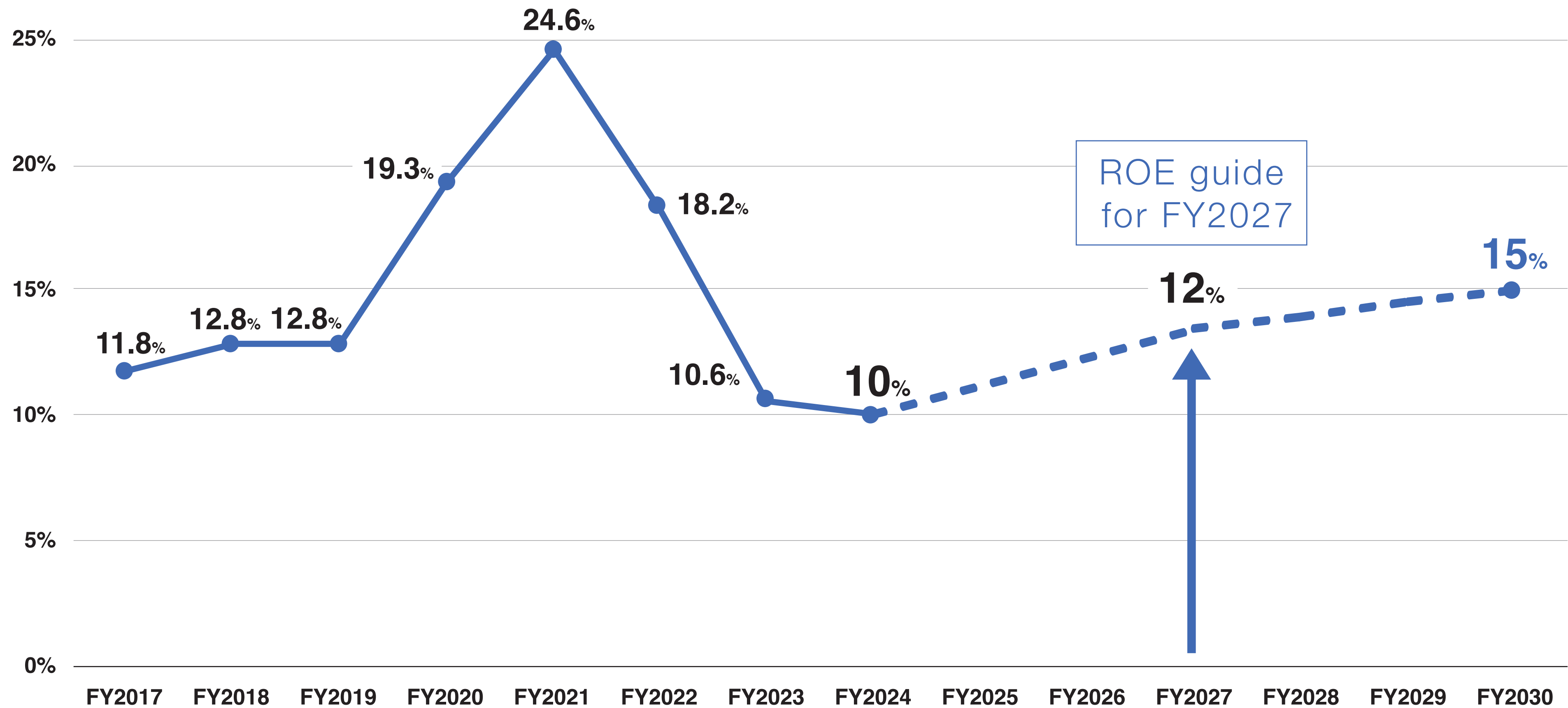
[Units: billions of yen]		Earnings forecast for FY2024 (announced on March 27, 2025)	FY2027	
			Mid-term Management Plan	FY2024 Comparison
Operating Revenue	Total	1,478.0	1,830.0	124%
	Delivery Business*1	1,002.0	1,065.0	106%
	Logistics Business*1	143.0	250.0	175%
	Global Logistics Business	257.0	450.0	175%
	Real Estate Business	24.0	15.0	63%
	Other Businesses	52.0	50.0	96%
Operating Income	Total	87.0	110.0	126%
	Delivery Business*1	68.0	82.0	121%
	Logistics Business*1	4.0	9.0	225%
	Global Logistics Business	4.0	9.0	225%
	Real Estate Business	10.0	6.0	60%
	Other Businesses	2.0	3.0	150%
Adjustments		▲ 1.0	1.0	-

* 1 World Supply Co., Ltd. will be reclassified from the Delivery Business to the Logistics Business (reflecting the fact that the company's core business of value creation has shifted to the Logistics Business due to changes in its business structure)

* 2 Exchange rate: Expected to be 1\$=151yen

Management Targets ~ROE Guide~

- Based on the results of the current Mid-term Management Plan, we aim to achieve **a long-term ROE trend of 15% by FY2030** (Improving the return on capital of each business, expanding shareholder returns, etc.)



- We set the strategies to address the four key issues that must be resolved to achieve the SGH Vision 2030 equivalent as Mid-term Management Plan
Meanwhile, we will reorganize issues in light of changes in the Group resources due to recent M&A, and explain the details to stakeholders in the FY2025 Integrated Report



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