

SEINO VALUE REPORT

Transcending boundaries between companies and industries
to clean the air rather than move it.



Seino Holdings Value Report 2025



Transcending the logistics industry toward the sustainable development of Japanese society

Employees and
their families

Employees'
well-being
P47-48

Improvement
of engagement

Maintaining
logistics
infrastructure
P38

Society

Customers

Concentration on their main businesses and
productivity improvement

P31-32

Working On Behalf of
customers in logistics and
peripheral areas

On Behalf

Team
Green
Logistics

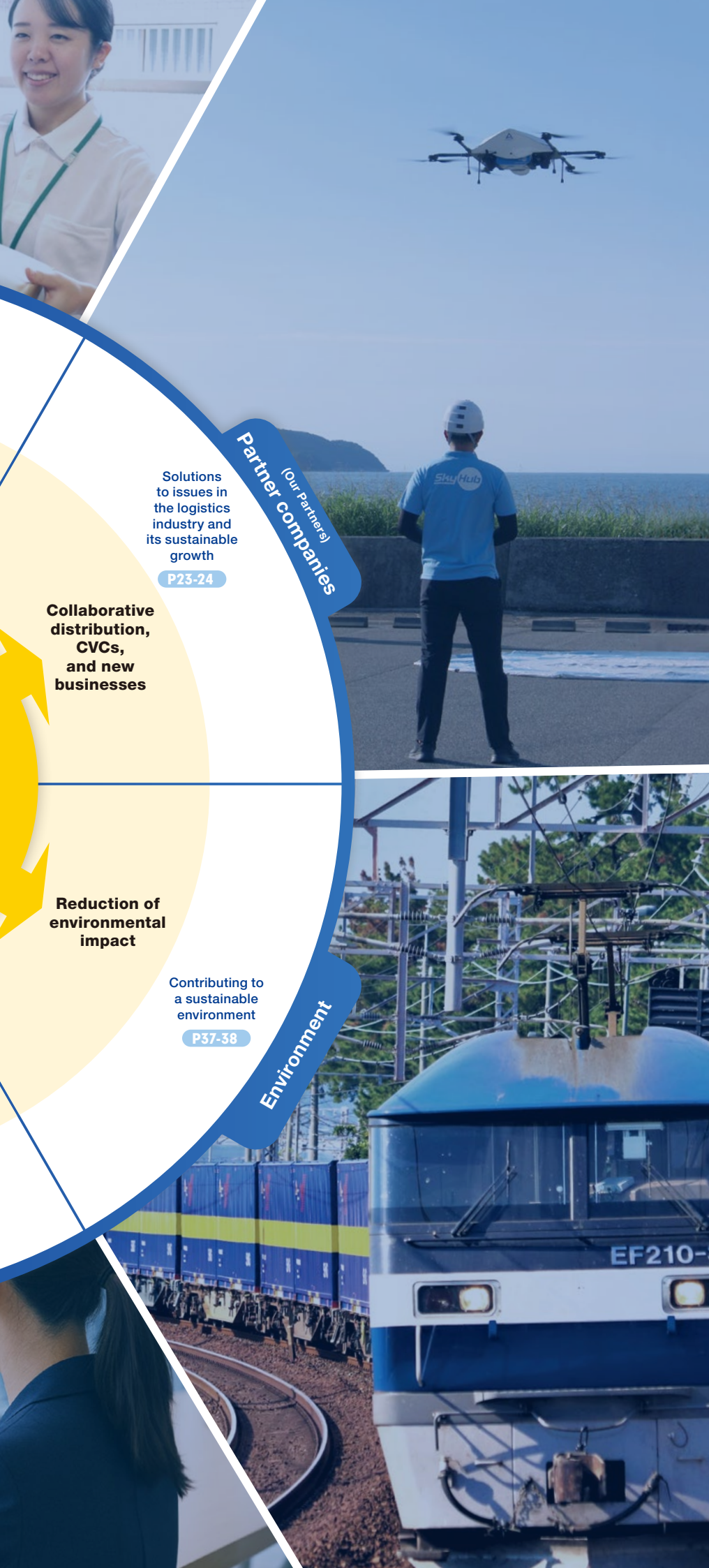
O.P.P.

Improving capital
efficiency through asset
sharing and optimization

Sustainable enhancement of
corporate value

P43-46

Shareholders



Partner companies
(Our Partners)

Solutions to issues in the logistics industry and its sustainable growth

P23-24

Collaborative distribution, CVCs, and new businesses

Reduction of environmental impact

Contributing to a sustainable environment

P37-38

Environment

CONTENTS

03-08 Current Position of the Seino Group

- 03 Seino Group in figures
- 05 Our path of growth
- 07 Issues in the industry that we want to address

09-22 The Seino Group's spirit of Value Creation

- 09 Message from the president
- 13 Dialogue with co-creation partners: 01
- 17 Our Mission: Value Creation
- 21 The Seino Group's Strengths: Supporting the Creation of Value

23-34 Value Creation through co-creation

- 23 Collaborative distribution
- 25 Dialogue with co-creation partners: 02
- 29 A digital platform for FTL
- 31 On Behalf of customers
- 33 The creation of added value leveraging MD LOGIS, a new member of the Group

35-48 Foundation supporting our initiatives for Value Creation

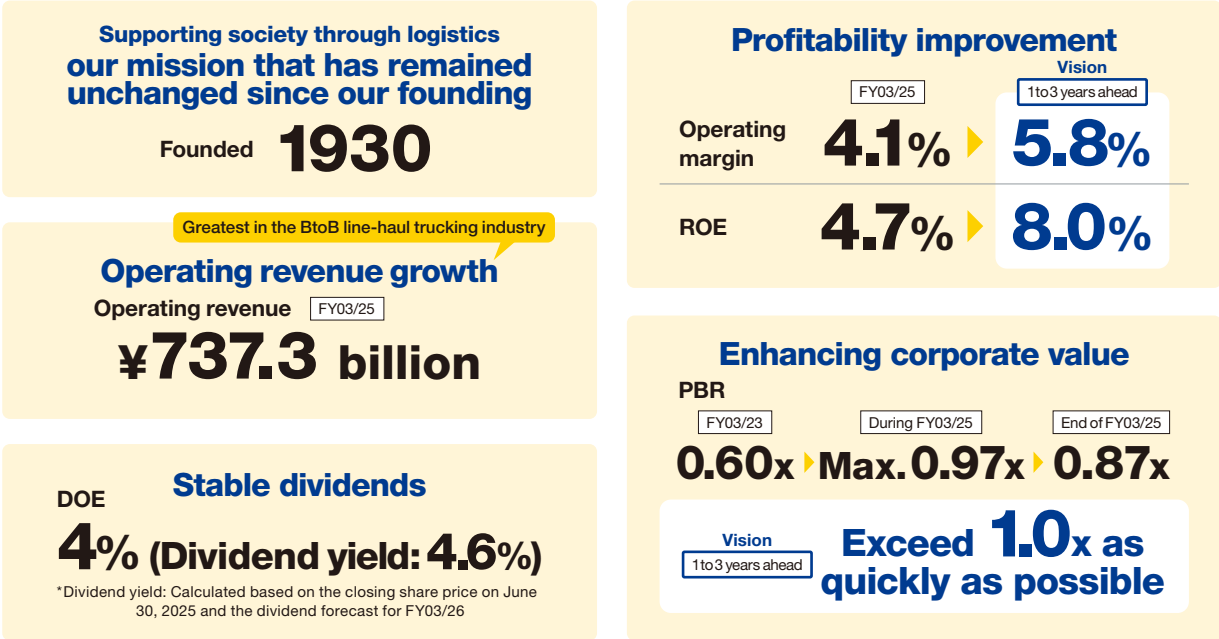
- 35 System for promoting sustainability and material topics and targets
- 37 Embracing challenges in pursuit of sustainable transportation methods
- 39 Corporate governance that supports corporate value
 - Messages from newly appointed directors for the enhancement of corporate value/ Advisory Board
- 43 A Financial Strategy Facilitating Both Improved Capital Efficiency and Profit Growth
- 47 A human capital strategy of pursuing employee well-being

49-50 Company information and editor's note

Seino Holdings is
a pioneer in BtoB logistics.

We use **logistics infrastructure** and **IT solutions** to contribute to the prosperity of our customers.

Seino Group in figures



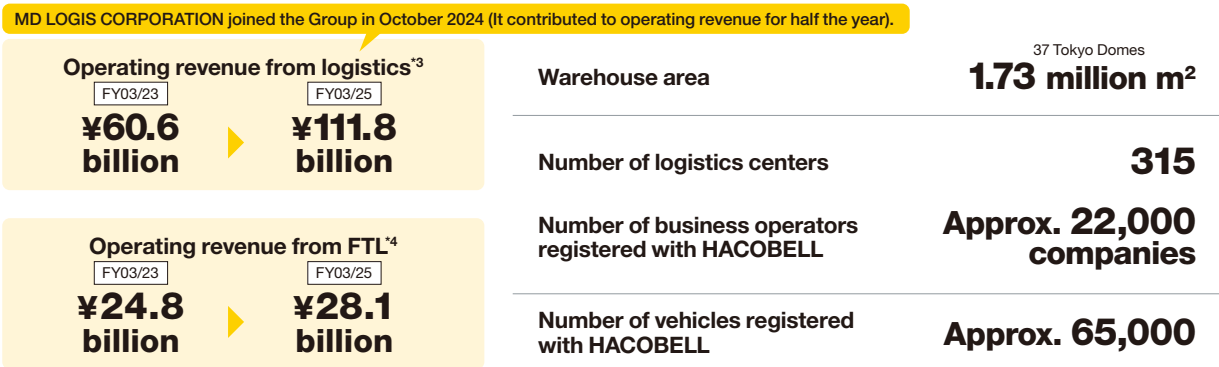
We work for co-creation beyond the boundaries between industries.



We support customers' logistics operations using our nationwide transportation infrastructure.



We are strengthening our logistics and Full Truckload (FTL) businesses.



*1 Sites in Japan including those of equity method affiliates *2 Including consignees *3 Management accounting *4 Management accounting at Seino Transportation



Businesses of Seino Holdings

① Transportation Services Business Operating revenue FY03/25 **¥554.1 billion**

LTL

In the Less than Truckload (LTL) business, we operate mixed small-lot freight transportation services. We are the industry leader in fixed-route trucking. With a nationwide transportation network centered on a customer base of 830,000 companies, we have strengths in long-distance and heavy-load transportation, which is a feature of our business. We link our network to the diverse networks of our customers to improve transportation efficiency. We are enhancing profitability by appropriately setting freight rates to increase unit prices and by increasing the transportation volume through collaborative distribution (open public platform/O.P.P.).

Logistics

In the logistics business, we offer one-stop services for the storage, processing, and transportation of cargo. We provide diverse solutions using our infrastructure network of distribution centers and warehouses and IT systems. We strengthened our business in the electronics field by bringing MD LOGIS CORPORATION (formerly Mitsubishi Electric Logistics Corporation) into the Group in 2024. We are accelerating our evolution from LTL Seino to Logistics Seino, with the goal of improving profitability by increasing added value.

FTL

In the FTL business, we provide transportation services using single trucks exclusively for specific shippers. We transport large-lot freight whose volume is below the full truckload together with freight from other shippers depending on its volume, thus offering consistent transportation services regardless of the cargo volume. Moreover, we provide a digital matching platform for shipping and transportation companies via HACOPELL, which is a joint venture we established with RAKSUL Inc. This helps streamline customers' logistics and contributes to the increase of the productivity of the logistics industry as a whole.

② Vehicle Sales Business Operating revenue FY03/25 **¥115.3 billion**

In the Vehicle Sales Business, we deal in trucks from Hino Motors and passenger and commercial vehicles from Toyota Motor Corporation. We engage in the sale and maintenance of new and used vehicles. We also create synergy by applying the maintenance techniques and parts-related knowledge developed in the Vehicle Sales Business in the daily maintenance operation in the Transportation Services Business.

③ Merchandise Sales Business

Operating revenue FY03/25 **¥38.7 billion**

As an integrated logistics trading company, we leverage the Seino Group's advantages of scale to offer a wide range of merchandise, including fuel for trucks, tires, logistics materials, and household paper. Seino Trading plays the leading role in these activities.

④ Real Estate Leasing Services Business

Operating revenue FY03/25 **¥2.3 billion**

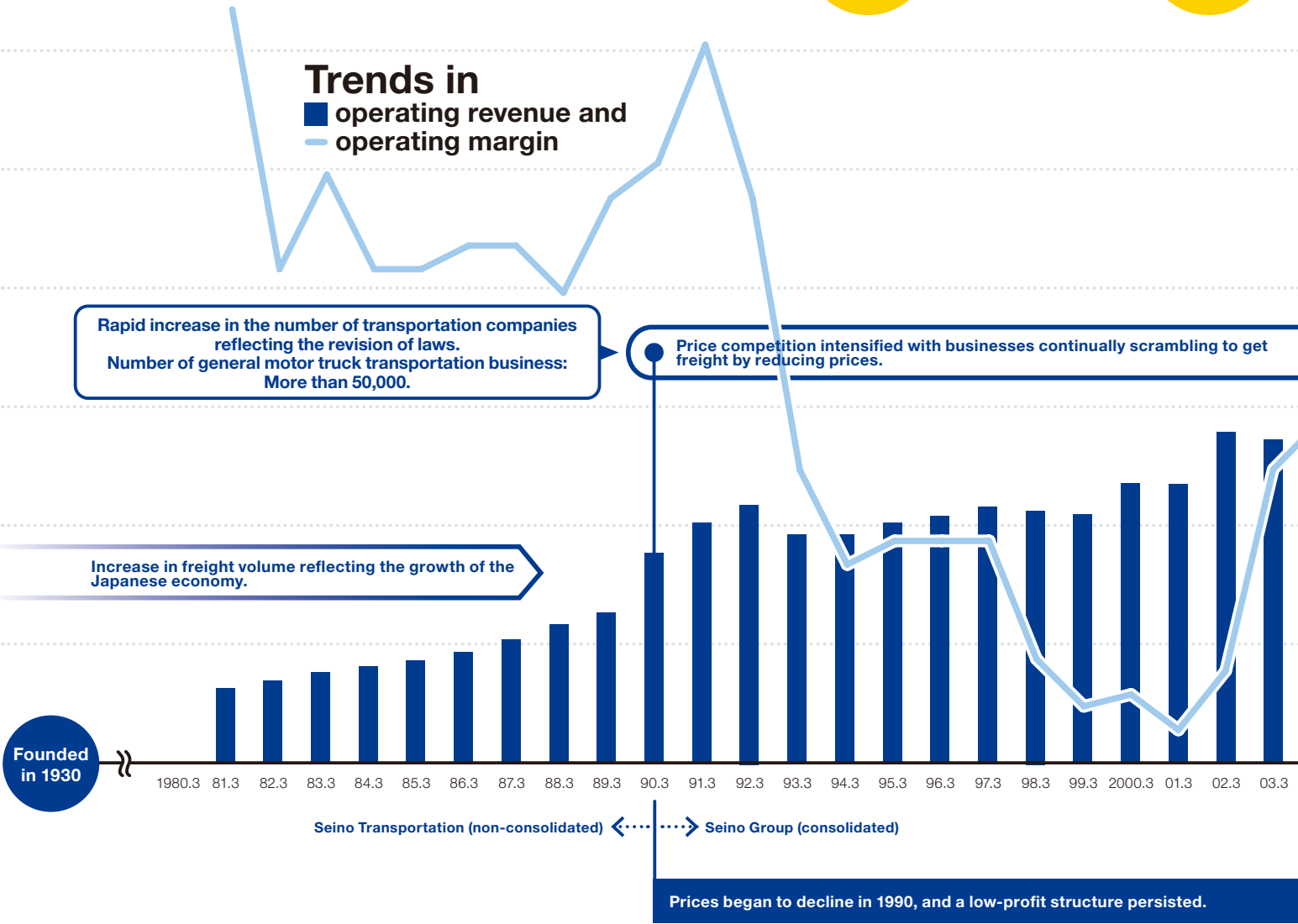
We monetize Group-owned lands, mainly the former sites of terminals, effectively using them for condominiums for rent that have high utility value.

⑤ Other Business Operating revenue FY03/25 **¥26.7 billion**

We provide diverse services in peripheral areas surrounding customers in our logistics business, including information, construction work, insurance agency, and personnel services. Leveraging the Group's infrastructure, we are expanding the range of the value that we provide to customers.

With an unwavering spirit,

we aim to achieve growth in the logistics industry, which is undergoing major changes.



For the sustainable growth of profit

Use of assets and digital technologies

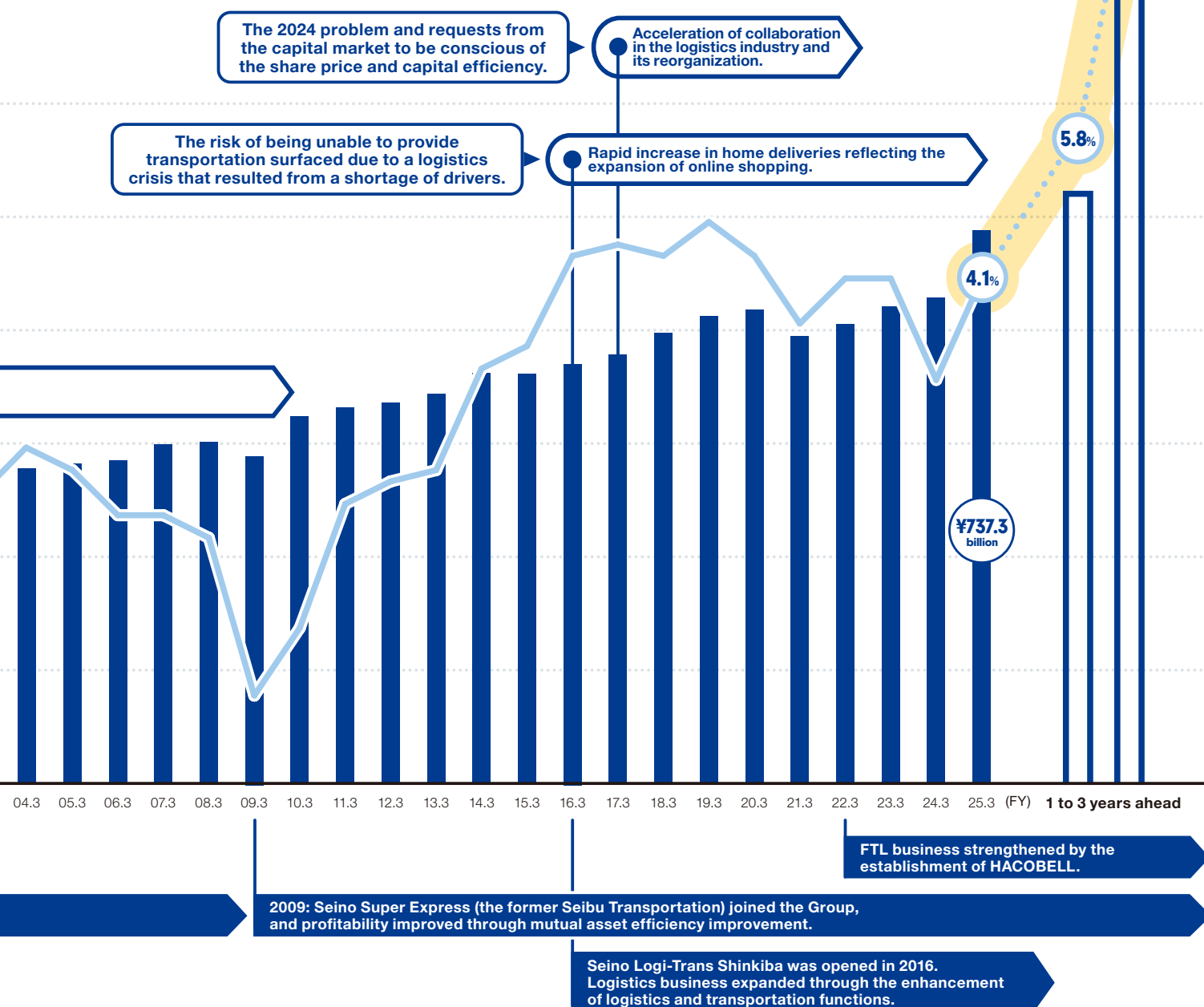
Collaboration with other companies

Receipt of appropriate freight rates

Vision

“The Three Treasures”

Labor-Management Harmony / Courtesy-Centered Conduct / Fukujusō Resilience

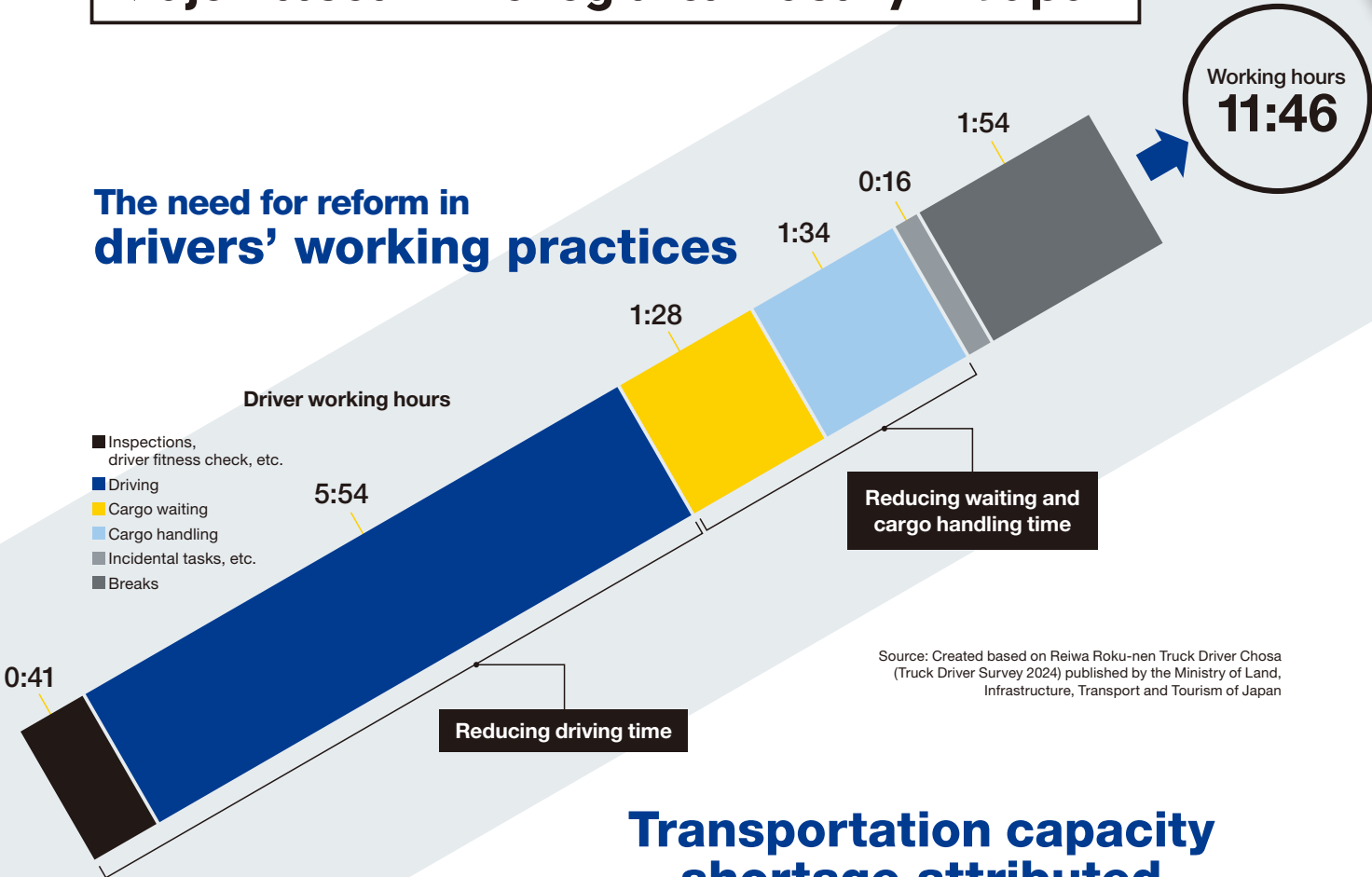


Issues in the industry

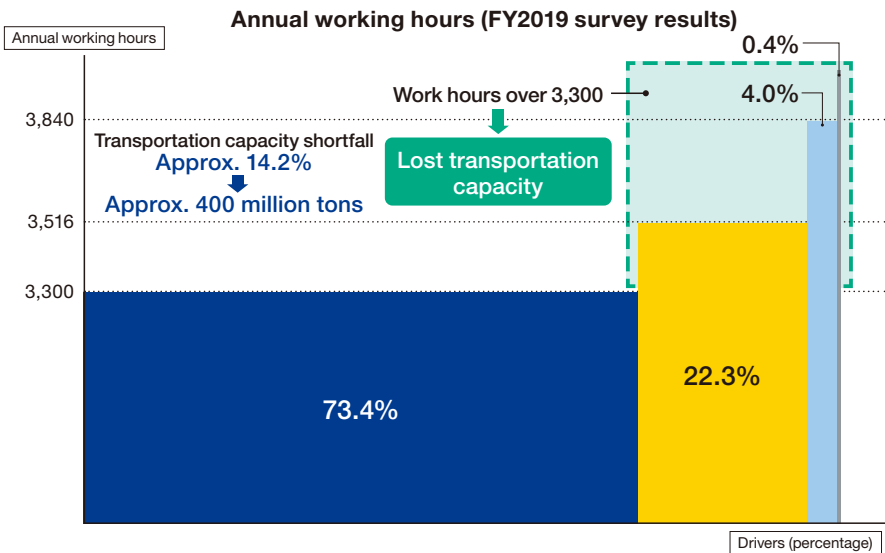
that we want to address | Sustainable logistics infrastructure in Japan

Major issues in the logistics industry in Japan

The need for reform in drivers' working practices

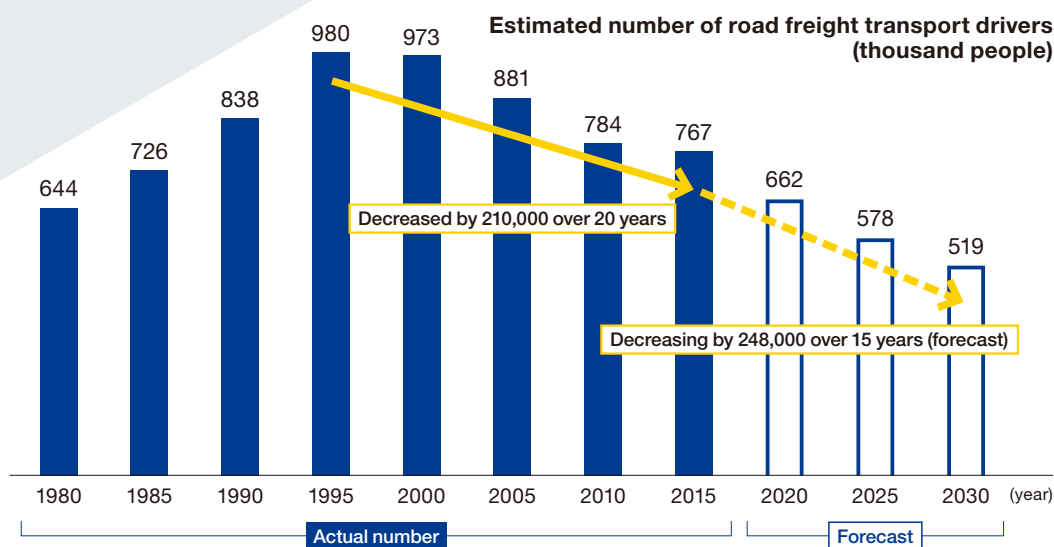


Transportation capacity shortage attributed to the 2024 problem



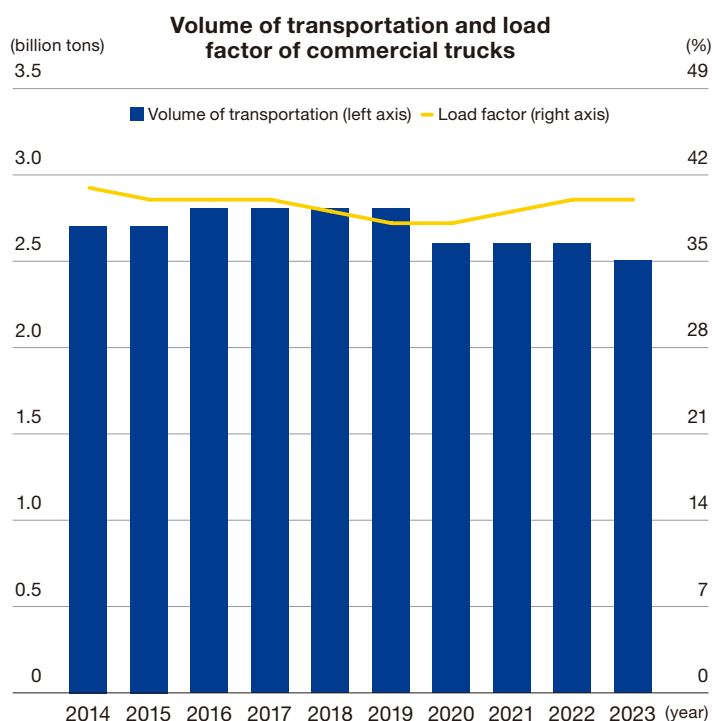
Source: Ministry of Land, Infrastructure, Transport and Tourism of Japan website pages providing information about Jizoku Kano-na Butsuryu-no Jitsugen-ni Muketa Kentokai (a study group for realizing sustainable logistics)

Truck driver shortage



Source: Logistics Concept 2030 published by Japan Institute of Logistics Systems (JILS) in January 2020

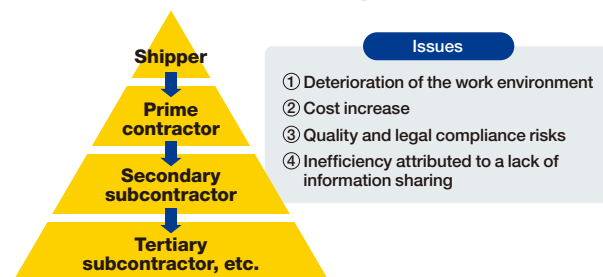
Low load factor



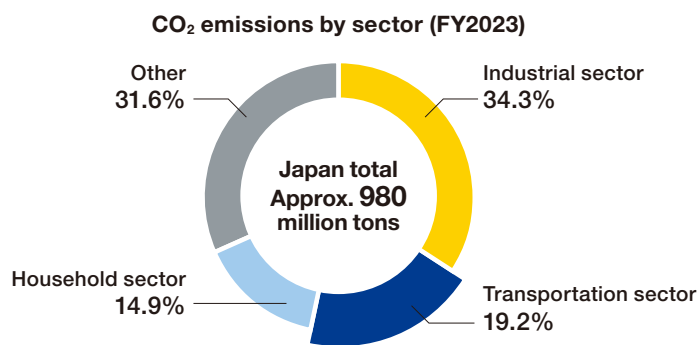
Source: Jidosha Yuso Tokei Nempo (Annual Report on Motor Transportation) published by the Ministry of Land, Infrastructure, Transport and Tourism of Japan

*Regarding load factor, chronological continuity was not maintained because the survey method and aggregation method were partially changed at the time of the 2020 survey.

Multi-tiered subcontracting structure



Necessity of CO₂ emissions reductions



Source: Greenhouse Gas Inventory Office of Japan



How will the Seino Group solve these problems that society in Japan is facing?

TOP MESSAGE

We are committed to

President and
Chief Executive Officer
Yoshitaka Taguchi

creating value through

Team Green Logistics

What I want to tell you as the president

- Centered on respect for people, we draw on collective intelligence to strengthen corporate governance.
- Our goal is to evolve into a value creator that has logistics at its core.
- We are driving an open public platform (O.P.P.), a collaborative initiative extending beyond boundaries between companies and industries.
- We are pushing forward with On Behalf initiatives, which are aimed at providing greater value to customers.
- We aim to achieve a PBR above 1.0 as quickly as possible.
- To achieve an ROE of 8.0% or higher, we are squarely facing and addressing issues.
- We are striving to create and visualize both financial and non-financial value.

Through co-creation, we will transform BtoB logistics in Japan

Seino Holdings is deepening its dialogue with its diverse stakeholders, including its customers, employees, other companies in the logistics industry, startups, local governments across Japan, and long-term investors. Our goal is to create the future together with them. The reports we publish will facilitate our efforts to listen to your opinions and achieve continuous improvements. We welcome your honest feedback.

The Seino Group was established by founder Rihachi Taguchi with the mission of supporting society through logistics. Honorary Chairman Rihachi Taguchi's stance has been to contribute to society in Japan through logistics. This has been a part of our DNA throughout the many years of our history, and it has become widely entrenched within the Group. My own belief is that my mission as the manager of a BtoB logistics company is to enhance both our corporate value and social value. At the same

time, I also understand that we need to be flexible in adapting the methods for enhancing value according to the changes of the times. I very much feel that the logistics industry is at an unprecedented turning point. This is because of structural issues that have become apparent, such as the driver shortage linked to the decrease and aging of the population, as well as the growing demands of society that companies reduce their impact on the environment. In this context, an approach in which logistics companies seek to remain competitive solely by staying within their own closed networks is no longer sufficient to meet societal expectations or ensure economic rationality. I think this makes it more important to take on new challenges, even difficult ones, to enhance both corporate value and social value.

Instead of adopting a passive stance on these issues, we have established the Team Green Logistics vision. We are determined to use it to streamline logistics and reduce our environmental impact by transcending the boundaries between companies. This initiative will not only solve

issues in the industry but also help strengthen our customers' supply chains and eventually increase the competitiveness of the Japanese economy as a whole. We are confident that this will enhance our corporate value as well.

We will press forward with O.P.P. and On Behalf

In the future of logistics that we have envisioned, there will be a shift from the existing competition-based model to a co-creation model. The structure of the Japanese BtoB logistics industry has long been inefficient. Each company has its own delivery network and multiple trucks operate in the same area. This has resulted in a low loading efficiency of freight trucks, 40% on average, and have not made significant progress in terms of profitability, asset efficiency, or reducing CO₂ emissions. To change this structure, we need to overcome the boundaries between companies to share logistics assets and transportation data and optimize the network. The Seino Group is pursuing four initiatives.

The first one is the open public platform (O.P.P.). O.P.P. is a cross-industrial initiative that facilitates collaborations beyond the boundaries between companies and industries with the goal of optimizing the overall logistics network through co-creation. The expected results of this initiative include the improvement of labor productivity and loading efficiency. One initiative that embodies this idea is the matching platform for shippers and drivers operated by HACOPELL. This platform is helping to improve the loading efficiency of approx. 65,000 vehicles operated by approx. 22,000 transportation partner companies, mainly small and medium-sized FTL business operators. Collaborative distribution operations are also implemented in LTL transportation. In this area,

our dedicated team reaches out proactively to other companies in the same industry.

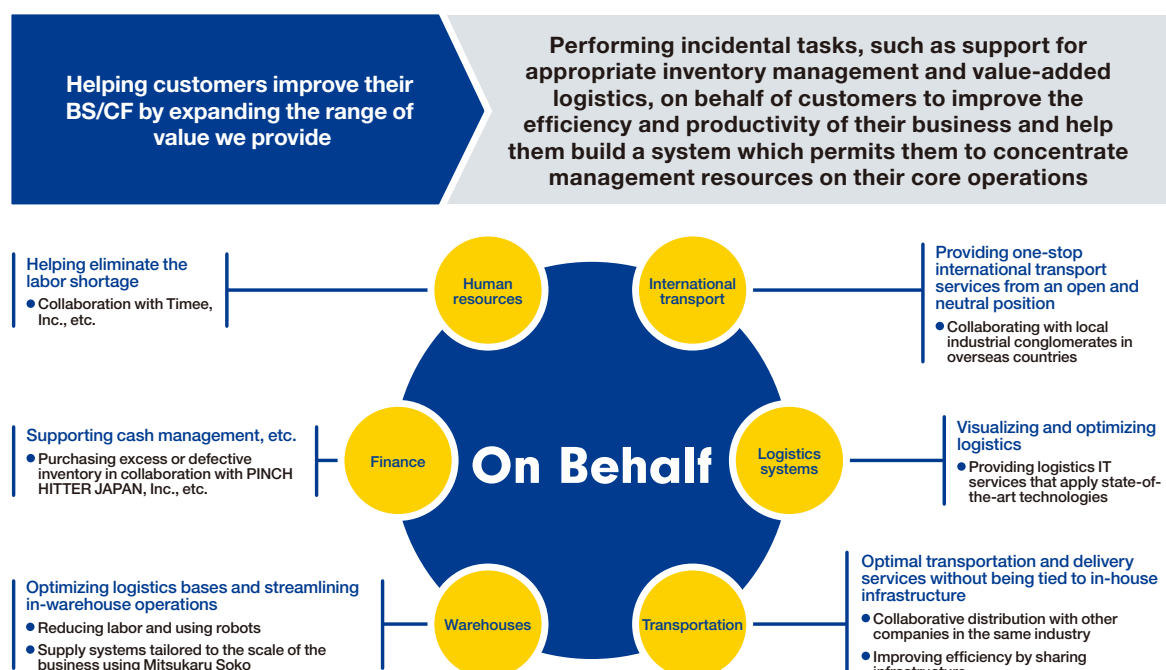
We are also moving ahead with initiatives to form capital alliances as an in-depth form of co-creation. In FY2024, we injected capital into a logistics subsidiary of Mitsubishi Electric Corporation, bringing this company (currently MD LOGIS CORPORATION) into the Seino Group. Mitsubishi Electric Corporation is our customer. Therefore, this capital injection was also an initiative for deepening our co-creation with a customer. In addition, Japan Logistic Systems, Fukuyama Transporting, Sankyu, and other companies took stakes in HACOPELL. This is another example of progress in our industry-wide initiatives.

Additionally, we will transform the value we provide to customers. Under the On Behalf concept, we are advancing activities where we implement tasks on behalf of our customers, including inventory management, delivery operations, and working capital solutions. We change customers' fixed costs into variable ones, which helps them concentrate their management resources on their main businesses. We are stepping up these activities so that expanding the range of value we provide will lead to substantial business in the future.

The final initiative is co-creation with venture firms which have technologies and an entrepreneurial spirit. HACOPELL was created by RAKSUL, which excels at the use of digital technologies, and it was developed by the Seino Group, which has a strong business foundation (For details, see pages 25 to 30). We are also the first in the industry to focus on corporate venture capital (CVC). We are advancing co-creation with startups, including the use of drones in depopulated areas.

Through these efforts, we aim to create value beyond the framework of a single company. We are

Contributing to customers' creation of value through On Behalf



sure that this is a bold attempt to make an innovative change in the structure of the industry, which will eventually contribute to increasing the industrial competitiveness of Japan as a whole.

We will accelerate initiatives under Roadmap 2028

To ensure that this innovative change will lead to corporate value, we formulated Roadmap 2028 in 2023. While engaging in customer-oriented management, we were unable to break away from low profitability and low capital efficiency, resulting in our being evaluated harshly by the stock market for our PBR of approx. 0.4. We took this evaluation seriously, looked squarely at the issues in each business, and reconsidered all of our measures and policies, including our capital policy. We then set the targets of achieving an ROE of 8.0% or higher and a PBR of more than 1 as quickly as possible. While we are still at the halfway point, our market capitalization has increased 116%, and our PBR has increased temporarily to almost 1.0. As of the end of FY03/25, however, many targets had yet to be achieved, such as our PBR and ROE targets. Our PBR was 0.8, and our ROE was 4.7%. Therefore, we need to accelerate our initiatives. We have begun to see results in the receipt of appropriate freight rates, the implementation of M&A activities, the acquisition of treasury shares, shareholder returns with a DOE of 4%, dialogue with investors and analysts, the improvement of employee work engagement, and other aspects of our business. On the other hand, we understand that the tasks we have yet to complete include the further improvement of profitability, the development of logistics and FTL businesses, and the improvement of asset efficiency.

We will continue to improve our corporate culture

The hands-on approach is part of the Seino Group's corporate culture that has been passed down since our foundation. To increase our knowledge of customers and transportation sites, Seino Transportation, our core operating company, has introduced a training program in which officer candidates drive trucks and gain experience in

pickup and delivery operations for approximately one year. We believe that it is rare for listed companies our size to take such an uncompromisingly hands-on approach.

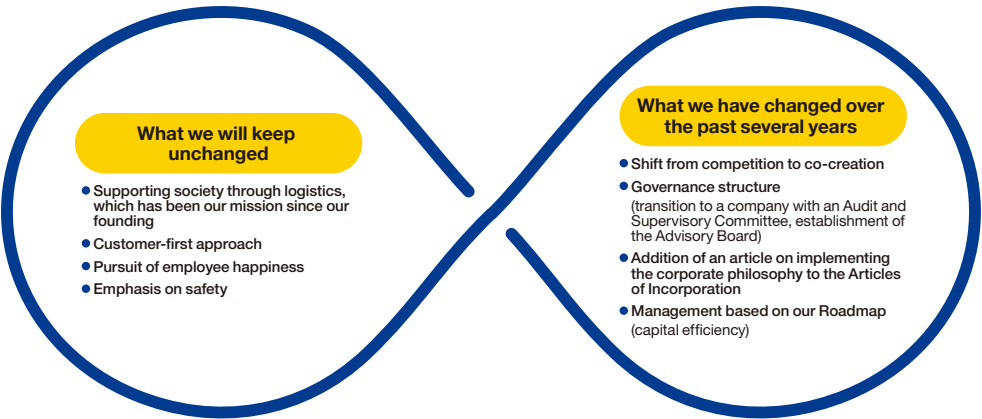
We provide support for our baseball club and other sports clubs and community activities because teamwork is important on the front lines of the Transportation Services Business. To our pleasure, in 2025, our team again advanced to the national tournament in the Intercity Baseball Tournament. Rooting for our peers in a companywide manner leads to stronger cooperation and teamwork in daily operations and also to the development of a sense of unity among employees. This helps build a strong organization.

In addition to these initiatives, in 2024 we added an article on the implementation of the corporate philosophy to our Articles of Incorporation, which can be called the company's constitution. This reflects our belief that the consistent implementation of our corporate philosophy and our corporate culture which enables us to implement it are the sources of the value we create. This initiative is implemented by only a few companies in Japan, including Eisai and the Marui Group. We promise to be fully committed to implementing it as we have received our shareholders' approval.

We leverage external perspectives in our management

We believe it important to continue to pay attention to global trends, harness collective intelligence, and continue to review our ways of doing things, even as we improve our unique corporate culture. Since I became the president of Seino Transportation in 2003, I have been focused on the prosperity of our customers and have been concentrating my efforts on increasing operating revenue and profit, which are indicators for our management philosophy: Advancing Our Company and Supporting Employee Well-Being. My experience as an outside director of the Marui Group, which engages in forward-thinking management, together with my dialogues with people who have wide-ranging knowledge, made me aware that, as a manager of a listed company, I needed to step up dialogue with investors and rethink our approach to capital efficiency.

Consequently, I made a course correction. This resulted in Roadmap 2028. We were able to significantly improve the quality and scope of our dialogue with external stakeholders. We would like to better leverage this in our management activities. We were also able to reaffirm that the financial well-being of employees is compatible



with shareholder return. We will therefore enhance the employee stock ownership plan on an ongoing basis.

In addition, in 2024, we transitioned from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee, which has facilitated prompt decision making. We were joined by new outside directors, including Mr. Takahiko Ijichi, who has been an executive vice president and representative director of Toyota Motor Corporation, and Ms. Makiko Sato, who has experience in supporting startups and venture investment. This has increased the diversity of the Board of Directors. We also substantially transformed the Advisory Board in 2023. Every month, we invite professionals in the fields of corporate governance, management strategy, sustainability, and other fields to participate in a lively exchange of views with me, our business managers, and our future management executives on a specific theme. We have begun to implement a cycle in which I, as a management executive, am responsible for promptly changing whatever needs to be changed to strengthen our organization.

We will build a sustainable future with all of our stakeholders

Our dialogue with our investors, including Commons Asset Management, a long-term investor and an impact investor, made me aware of the need to visualize the path for creating corporate value and, in particular, to quantify both the financial and non-financial aspects of our progress along this path. We have positioned non-financial indicators, including GHG emissions reduction, improvements in loading efficiency, employee retention rate, and employee engagement at the core of integrated management of economic and social value and have commenced a cycle of implementation, verification, and dialogue. This initiative is still in its early phase, but we would like to make improvements based on feedback from you.

As a management executive, I am sure of one thing. That is, a company must be an entity that continues to create value together with society, instead of only pursuing profit. I believe that, for long-term growth, it is essential for a company to establish trust and create value for all stakeholders—customers, employees, their families, business partners, other partners in collaborations, shareholders, society, and the environment—and contribute to their sustainable development. Through Team Green Logistics, we will achieve our continued evolution, from a company which transports goods into a value creator with logistics at its core, one that combines a wide array of value rooted in logistics and that facilitates the growth of its customers even as it creates solutions to social issues. This is not just a management strategy. It is also our responsibility to future generations and our mission as a company engaged in logistics, which is a part

of social infrastructure. We will continue to pursue value that lies beyond transportation and grow together with society. We look forward to your frank feedback about this report and your opinions about our management.



COLUMN

Where I started

I apply what I have learned from sports in my daily decision-making and organizational operations. As a child, I started practicing kendo, which taught me the spirit of courtesy and respect for people. Later, as a student, I became obsessed with rugby and American football, which taught me the importance of delegating tasks and teamwork. In my 40s, I began participating in triathlons, and I complete about six each year. They have taught me to think based on factorization and hypothesis testing. All of them form the foundation for the actions that individuals and organizations should take to continue to grow through cooperation between work sites and head office.

My experiences on work sites are the foundation for my management style. Immediately after I joined the company, I worked hard loading containers and driving delivery trucks in the United States. This allowed me to learn through experience about real issues and the value of logistics. Having been involved in management since then, I have continued to think about how to balance comprehensive optimization and the implementation capabilities of on-site workers, always centered on that on-site perspective. Several years later, I became the manager of a local subsidiary. I faced challenges due to a lack of knowledge and experience, but I learned through this experience that I can solve issues by delegating them to people who can do them. I had opportunities to co-create with people who could tell me things that I didn't know, people (or companies) who were good at things that I'm not good at, and people who have different values. These experiences have been valuable.

Tetsuro Ii

Commons Asset
Management Inc.
President, Representative
Director & CIO

Yoshitaka Taguchi

Seino Holdings Co., Ltd.
President and Chief
Executive Officer

Dialogue with co-creation partners : 01

Transcending the dichotomy of
social and economic value

Management transformation

through dialogue with

a long-term investor

For the sustainable future of logistics

Q1

**Against the backdrop of the 2024 problem,
environmental changes in the land transport industry are accelerating.
How do you view the industry as an investor?**

“**Shift from competition to co-creation**”

Ii The 2024 problem is often framed as an issue of driver shortages and labor regulations; however, at its core, it is rooted in the changes in Japan's social structure, including the concentration of the population in Tokyo and rural depopulation. Logistics are not just the transportation of goods. They are the main arteries of society connecting production and consumption areas.

Logistics problems are linked to greater problems connected to the structure of society. Therefore, we must maintain logistics services while preventing the decline of rural areas by fully leveraging DX technologies and other innovations to establish a sustainable society, which includes a sustainable environment. From the perspective of an investor, the logistics industry has not been able to address this major social issue, and it has had difficulty improving its earnings structure.

Taguchi I see. Our dialogue with Commons Asset Management increased our awareness of the

importance of a long-term perspective. In the land transport industry, companies previously invested in infrastructure and competed with each other in the era of the demographic dividend. However, these days we have an excess of infrastructure due to the decreasing population, so we need the idea of co-creation rather than competition.

From a long-term perspective, we are aware that now is the time to implement reforms, starting with reform of our framework. This has led to the Team Green Logistics vision. Guided by this vision, we intend to streamline logistics and reduce environmental impact by transcending the boundaries between companies. As a part of these measures, we aim to establish green logistics, in which the environment is considered even as we increase the efficiency of the industry as a whole through collaborative distribution and other initiatives. We also aim to embody the concept of cleaning the air, rather than moving it.

Taguchi Thank you. We value the wisdom of the many, which helps us increase and maintain the competitiveness that you mentioned. This enables us to gain strengths that cannot be acquired by only a single industry or company. For example, collaborations with other industries enable us to push forward with our DX, and we have gained a long-term perspective by sharing knowledge with investors. We also value a hands-on approach. Our management team members have experience in on-site work, and this has unified the management and the on-site workers.

li I suppose this has developed your corporate culture and increased your competitiveness. This is something that I evaluate highly as an investor. Through impact meetings, we applied a logic model to organize the outcomes that will be produced by the input of Seino Holdings, including human and social capital. This helps visualize the invisible assets and make them known to the capital market.

Taguchi The creation of logic models has enabled us to deeply explore the fundamental nature of KPIs. For example, when our target is a load factor of 100%, we not only monitor that figure but also discuss its

effectiveness, such as whether waiting time has increased or not. I think that, in the era of population decline, productivity per hour is important, and the key to increasing Japan's competitiveness is digital transformation to increase efficiency.

li We can safely say that productivity per hour is an important indicator from the perspective of environmental impact and the well-being of truck drivers.

Taguchi We have become able to improve efficiency from an industry-wide perspective, and collaborative distribution has been realized in Tokyo and other regions. We have also achieved results through productivity improvement. This has enabled us to reduce the cost of recruiting, which is beneficial for other companies in the same industry as well. As a result, the load factor has also been rising.



Q3

What changes have you observed in the mindset of management through dialogue?

“Returning to the management philosophy, and then moving into the future”

Taguchi In dialogue with investors who have a long-term perspective, we are asked why we exist, rather than what numerical results we have achieved in the short term. As a result, we were able to return to the management philosophy that was set at the time of our founding. Our founder had a vision of supporting society through logistics—a mission of contributing to society in Japan through the provision of optimal services through logistics. We share this mission with our employees, and this is our strength.

ii The original role of financial institutions is supplying funds to valuable industries and facilitating the development of strong companies. I think that, in the present era where people's values have become more diverse and complicated, financial institutions have a duty to supply funds to companies that have high social value. Accordingly, we value a company clearly stating its intent to solve specific social issues through its main business.

Seino Holdings clearly conveyed this intention and their active stance regarding the disclosure of information, which is essential for the visualization of their invisible assets. Regarding financial information, one example is that Seino Holdings has clearly organized the drivers for the improvement of its ROE and linked them to quantified figures in a reverse ROE tree to explain them. The number of companies doing this is still low.

Taguchi Sharing information with investors has enabled us to make judgments based on objective indicators.

ii We talked about not only investor relations but also non-financial KPIs. This has resulted, for example, in a back-office employee commenting that learning about the positive impact of our work has increased their motivation. I felt that visualizing invisible assets for external parties also impacts us positively internally.

Q4

Finally, what are your expectations regarding Seino Holdings' creation of corporate value in the future.

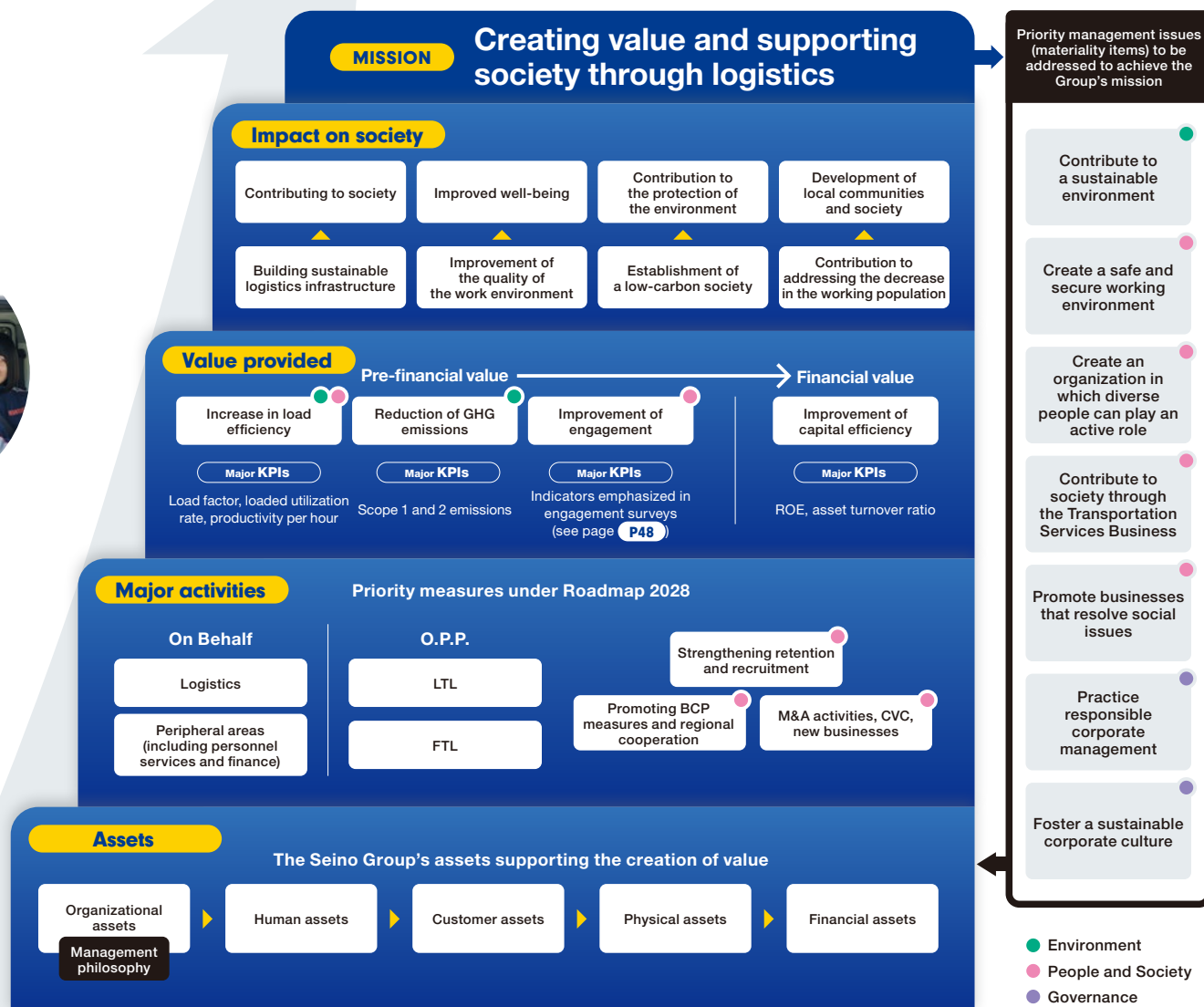
ii The logistics industry is closely linked to major issues faced by society as a whole. Therefore, to create a bright future for the industry, we must not only increase horizontal and vertical cooperation within the industry but also cooperate with other industries. For example, advanced technologies, such as drones, and collaborations with local industries, such as the agriculture and fishing industries, will expand the scope of possibilities. We see Seino Holdings as the most proactive in the industry in terms of cooperation and collaboration. We hope that you will accelerate your reforms.

Taguchi O.P.P. is very much an attempt to create a system for cooperation beyond the boundaries between industries and companies. It can never be completed within just the logistics industry. Tie-ups beyond the framework of the logistics industry are essential to supporting society through logistics. The statement that Seino cannot do it alone leads us to start seeking new partnerships. We will continue to open up a path to a sustainable future for logistics while listening to frank opinions.

Our Mission

VALUE CREATION

Value creation tree



What is the value creation tree for achieving the management philosophy?

The Seino Group's mission that it has had since its founding is supporting society through logistics. Since the post-war reconstruction period, we have supported the development of society and our customers through transportation. This is a history of our provision of not just logistics services but value to society, which we have continued by addressing issues in each period.

With the expansion of the Group, this mission of supporting society through logistics transcended the framework of the Transportation Services Business and evolved into value creation, which is a broader concept. Value creation means empowering our customers to prosper by providing value-added support and bringing joy and Well-Being to everyone.

We have made a value creation tree to link these missions to our management strategy and present an overall picture of our activities. A tree is a logic model showing the chain of processes to create value. In the tree, pre-financial and financial value is created through corporate activities based on accumulated tangible assets and intangible assets, including the Group's philosophy, its human resources, and its customer base. All of this ultimately impacts society.





What is the Team Green Logistics vision?

Our Team Green Logistics vision is an answer to social issues that Japan is facing. The logistics industry is one of the industries that is most vulnerable to the issues of the labor shortage attributed to a declining birthrate and an aging population, environmental problems, and the stability and flexibility of supply chains. We believe that logistics are major arteries of society, and structural reforms are essential for the establishment of a sustainable society. This is why we named our desire to create new value with diverse players beyond the framework of the industry and pass this value down to future generations Team Green Logistics.

The Team Green Logistics vision is organized into three core concepts. One is **Green**. This embodies the concept of cleaning the air, rather than moving it. We will integrate digital and physical resources to increase loading efficiency, aiming to build a logistics ecosystem whose environmental impact is minimal. The second concept is **One Stop**. We will be a comprehensive point of contact for our customers, providing convenience for them being ready to provide advice and fulfill requests regarding logistics and peripheral operations—not individually, but comprehensively. By doing this, we will optimize entire supply chains without stress. The third concept is **Support**. This means doing cumbersome peripheral tasks for customers to help them concentrate on their main businesses. This enables us to build relationships to grow together. With these three core concepts, we will transform logistics from simply the task of moving goods to a foundation for the creation of value.

O.P.P. and On Behalf are our policies for achieving this vision.

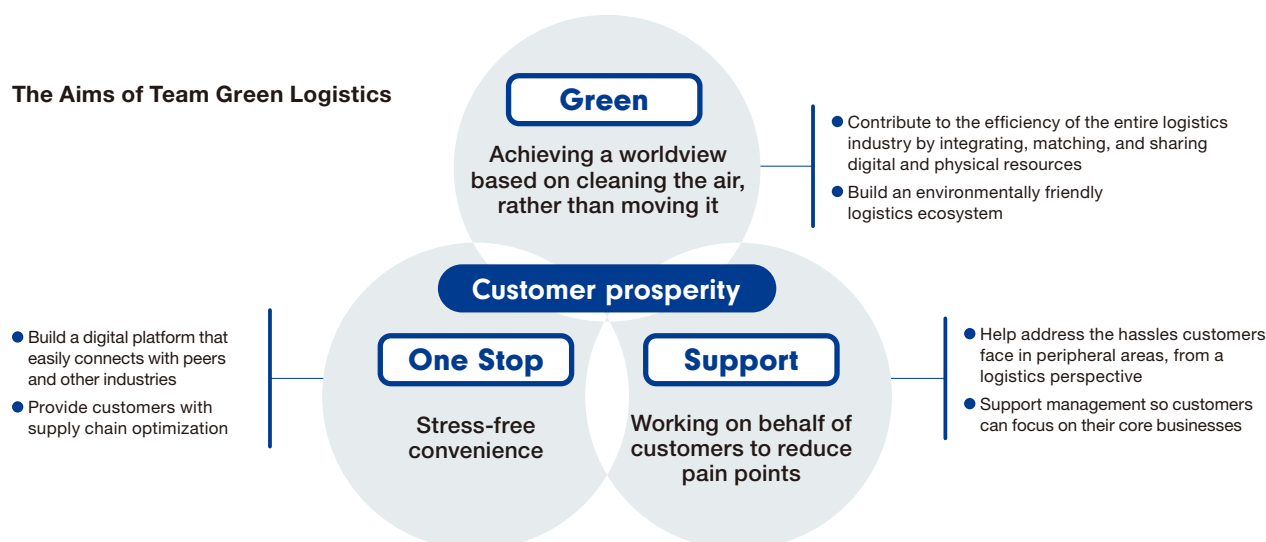
Our Open Public Platform (O.P.P.) is a system for co-creation. On it, many different players engage

with each other and share logistics resources. Previously, each logistics company had its own bases and system, which was inefficient. Using O.P.P., we transcend the boundaries and make resources, including vehicles, warehouses, and information, available for the entire industry and have them shared, thus optimizing the overall network and simultaneously achieving reduction of environmental impact and efficiency improvement. This initiative is not just a system for streamlining. It indicates a new form of logistics that involves the entire industry.

On the other hand, On Behalf means our intention to solve issues for customers. On behalf of customers, we do complicated logistics operations and various troublesome tasks involved in their daily operation, thereby allowing them to concentrate on what they should focus their efforts on. This is more than just outsourcing services. It is an idea of supporting customers as their long-term partner based on relationship of trust with them. On Behalf is an important policy for becoming an essential entity for customers. It also serves as the driving force in reflecting Team Green Logistics in our daily business activities.

Our aim is to balance solutions to social issues and economic achievements. We will push forward with Team Green Logistics via two essential initiatives, expanding co-creation through O.P.P. and providing value focused on support for customers under the On Behalf policy. Through these efforts, we will build a logistics ecosystem that supports a sustainable society, and this will lead to the improvement of our capital efficiency, which is indicated by ROE and ROIC. That is, Team Green Logistics is our vision for the future that embodies our philosophy. At the same time, it is also our growth strategy for the sustainable increase of our corporate value.

The Aims of Team Green Logistics

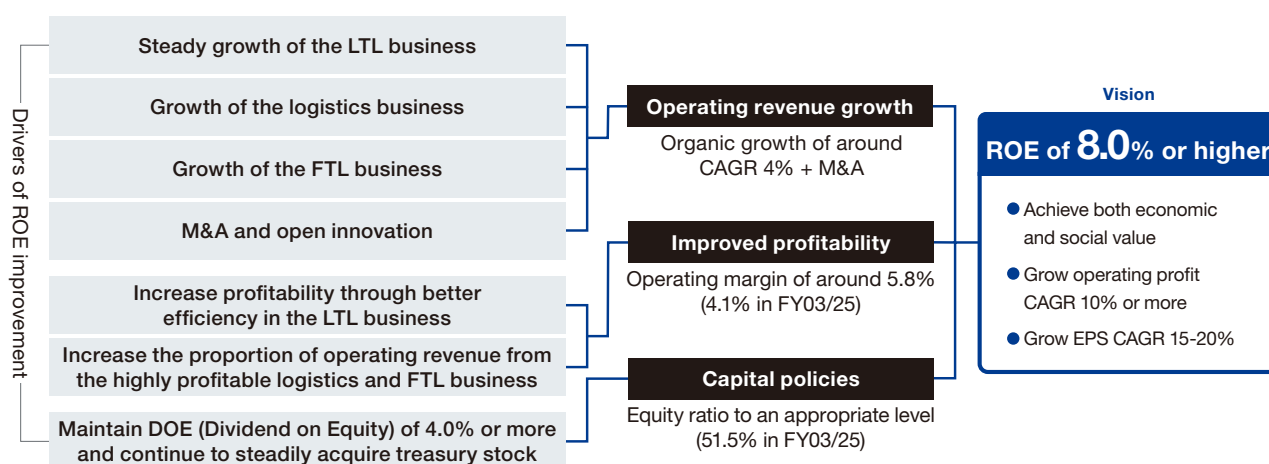




For the creation of economic value

Roadmap to the fast achievement of an ROE above 8.0%

Reverse ROE tree for the achievement of an ROE of 8.0% or higher

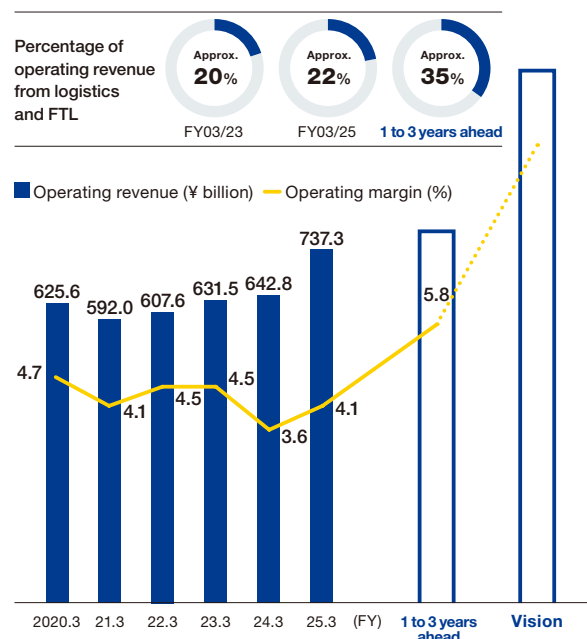


To use the establishment of green logistics and solutions to customers' issues to create economic value, we shifted the focus of our management from profit and loss to capital efficiency in 2023. A specific measure for this was our formulation of the Roadmap 2028 medium-term strategy. We used an approach of backcasting from our vision to formulate the Roadmap, and transitioned to management with the goal of achieving an ROE above 8.0% as quickly as possible.

The structure of the Roadmap includes three integrated elements, operating revenue growth, improved profitability and capital policies, to increase both earning power and capital efficiency. Regarding operating revenue, we are focusing our efforts on enhancing high value-added services, such as logistics and FTL services, based on the foundation of the stable growth of LTL business. At the same time, we are striving to achieve growth in steps through M&A activities and open innovation. We are working to achieve the sustainable improvement of profitability by improving loading efficiency using O.P.P. and increasing the proportion of areas that are highly profitable. In our capital policies, we are working to ensure stable dividends with a DOE of 4.0% and improve EPS by acquiring treasury stock while also pursuing a balance between these efforts and investments in growth with an awareness of an

optimal equity ratio. The accumulated results of these initiatives will drive our management with an awareness of the cost of capital. We aim to quickly achieve a PBR of more than one and sustainably increase our corporate value.

Operating revenue and operating margin



Roadmap progress (as of FY03/25)

As of FY03/25, we have been making steady progress in each strategy in Roadmap 2028. Due to the effects of our setting appropriate freight rates and engaging in M&A activities, operating revenue has grown significantly, with a CAGR of 8.1%. In contrast, operating margin temporarily declined to 4.1% due in part to growth investments in logistics facilities. We are striving to increase our operating margin by reforming operations and revising our profit structure. In our capital policies, we acquired treasury stock valued at ¥40.7 billion in FY03/25, as we did in the previous year. We are simultaneously improving capital efficiency and enhancing shareholder value.

Operating revenue growth

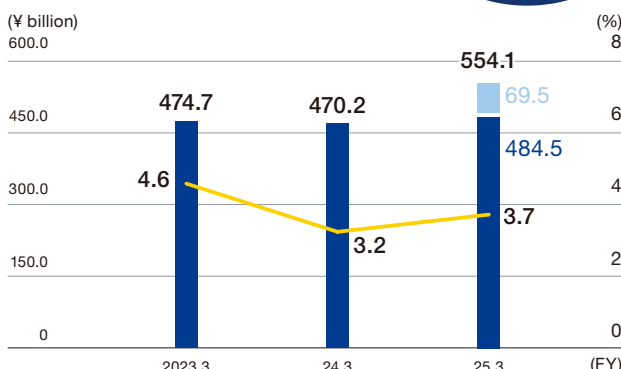
Target Organic growth of around CAGR 4% + M&A

Operating revenue
¥631.5 billion
FY03/23

Operating revenue
¥737.3 billion
FY03/25

Operating revenue from the Transportation Services Business

■ Organic ■ M&A ■ Profit margin



CAGR

8.1%

Organic growth

CAGR 2.8%

Contributions due to M&A activities

¥69.5 billion Impact of newly consolidated (around ¥120.0 billion on a full-year basis)

Improved profitability

Target Operating margin Around 5.8%

Operating margin
4.5%
FY03/23

Operating margin
4.1%
FY03/25

Profit margin declined temporarily. This was mainly due to an increase in costs related to transportation partners responding to the 2024 problem and upfront investments to expand logistics warehouses. **However, it has recovered and has been trending upward following the implementation of various measures.**

Progress in the Transportation Services Business: Achievements and issues

We have further clarified our achievements and the issues in the Transportation Services Business. In the LTL business, productivity improved due to the expansion of collaborative distribution operations with partner companies, and progress was also made in the streamlining of the overall logistics industry network using O.P.P. On the other hand, cost burdens have been increasing chiefly due to expenses related to the renovation of facilities and an increase in payments to transportation partners. We therefore moved forward with the visualization of profitability and the reinforcement of the monitoring system to promote continuous improvement.

In the logistics business, we were able to secure a certain level of profit following the commencement of the operation of newly built warehouses. However, the issues of quickly achieving full occupancy and increasing average customer spend per tsubo (approx. 3.3 m²) remain. We are addressing these issues by strengthening digital marketing and streamlining in-warehouse operations. In the FTL business, we aim to receive even more orders by streamlining vehicle dispatch operations and cross-selling to LTL shippers. We will continue to clarify the points that require improvement in each business based on data we obtain from work sites and past records and take measures promptly when necessary.

	Achievements		Key issues
LTL	Unit price per kg (Seino Transportation/general) 106.0% compared to FY03/23	Expansion of cooperation with 12 O.P.P. partner companies Number of areas in which we cooperate: 46	- Greater-than-expected increase in facility renovation expenses and payments to transportation partners - Productivity improvement using O.P.P. - Visualization of profit-and-loss analysis at the transaction (shipping label) level
Logistics	Operating revenue growth rate (Seino Transportation/management accounting) 113.5% compared to FY03/23 ^{*1}	Operating margin (Seino Transportation/management accounting) 9.6% Cumulative total (estimate) for January to March 2025 for logistics warehouses opened more than two years ago ^{*1}	- Fast achievement of full occupancy and increase of average customer spend per tsubo (approx. 3.3 m²) - Soaring rent expenses - Visualization of income and expenditures in the logistics department
FTL	Operating revenue growth rate (Seino Transportation/management accounting) 113.4% compared to FY03/23	Operating margin (Seino Transportation/management accounting) 13.4% Cumulative total (estimate) for January to March 2025	- Expanding FTL to existing LTL shippers to make them new users - Responding to requests for long-haul FTL transportation - Streamlining of operations reflecting the increasing number of outsourcing contracts
M&A	Percent of operating profit due to their contributions (MD LOGIS/NICHYU) 14.2% ^{*2}	Consolidated operating margin (MD LOGIS/NICHYU) 6.1%	- Expansion of sales through MD LOGIS' deployment of solutions - Expansion of functions provided by the Seino Group to the Mitsubishi Electric Group - Increase in inter-group synergy

^{*1} Excluding shipping revenue and expenses

^{*2} Percent of operating profit due to their contributions: Operating profit from newly consolidated companies in FY03/25 ÷ consolidated operating profit

Supporting the Creation of Value

The Seino Group's Strengths

A nationwide logistics network facilitating high-level transportation capabilities and an international logistics network

The Seino Group has achieved high-level transportation capabilities, leveraging a domestic transportation network that includes 860 interconnected bases across Japan and an extensive lineup of transportation services that cater

to the needs of customers. Overseas, we provide integrated international transport services from import and export customs clearance to air freight, ocean freight (Less than Container Load/LCL), and logistics warehouse operations.

Domestic transportation network leveraging diverse means of transportation

LTL bases	348 locations
Air freight bases	187 locations
Cold chain bases	58 locations
Last Mile	48 locations
Number of vehicles owned	Approx. 27,000



Number of registered operators	Approx. 22,000
Number of registered vehicles	Approx. 65,000



LTL (Kangaroo Service)
Our BtoB logistics capabilities are industry leading.

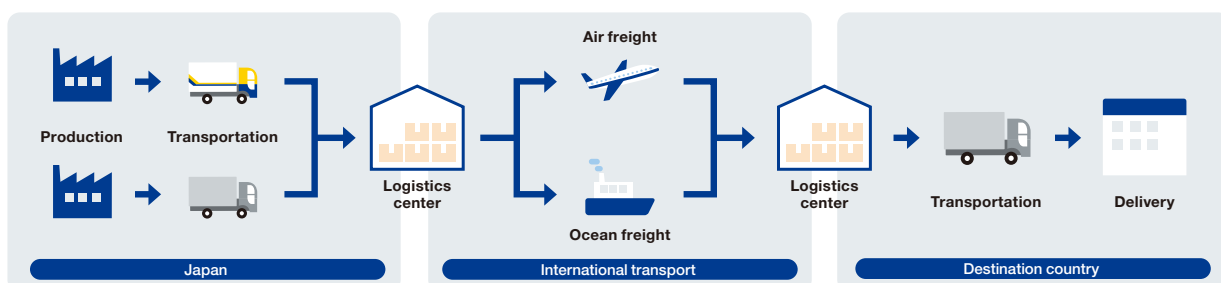


LTL (Express Service)
We combine trucking and air freight to offer next-day delivery nationwide.



Shared FTL
We offer transportation services for combinations of different items which are difficult to handle through LTL services, such as items that are long, heavy or irregularly shaped.

International transport services that are offered irrespective of the size of the customer's business



International transport and customs clearance



MDロジクス株式会社



セイノーロジクス株式会社
SEINO LOGIX CO., LTD.



Overseas subsidiaries*

US	Mexico	China
India	Thailand	Vietnam
Indonesia	Malaysia	

*Consolidated subsidiaries only



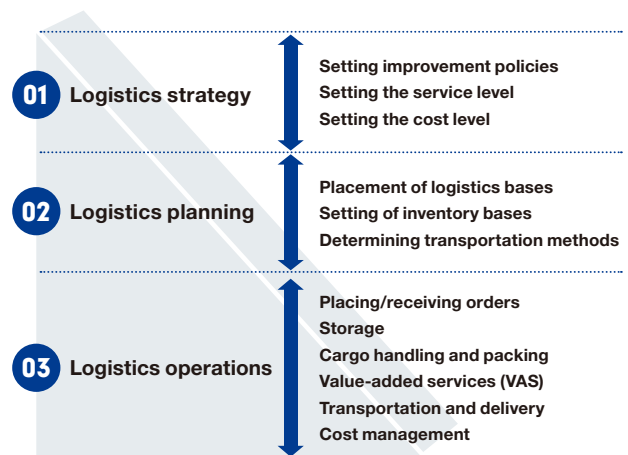
Logistics services leveraging logistics IT solutions and many different business synergies

We have a group of IT solutions that extend into all areas of logistics, from procurement and production to transportation and delivery. They enable us to offer optimal solutions tailored to the customer's issues and needs. We also provide consulting

services for processes from the formulation of logistics strategies to operations leveraging our expertise in logistics and the solutions we have been cultivating for many years.

A wealth of solutions that can be chosen according to need

Logistics consulting and management
Coordination capabilities and ability to improve



Intangible and tangible assets that support our strengths

We believe that sources of our corporate value are not only tangible assets, such as logistics infrastructure, distribution centers, and stable financial structure, but also intangible assets including the desire to fulfill our mission

(organizational assets), approx. 41,000 employees (human assets), and approx. 830,000 corporate customers (customer assets). We are strengthening investment in our intangible assets, aiming to enhance our corporate value.



(As of March 31, 2025)

Solving industry issues through co-creation O.P.P.

Expanding

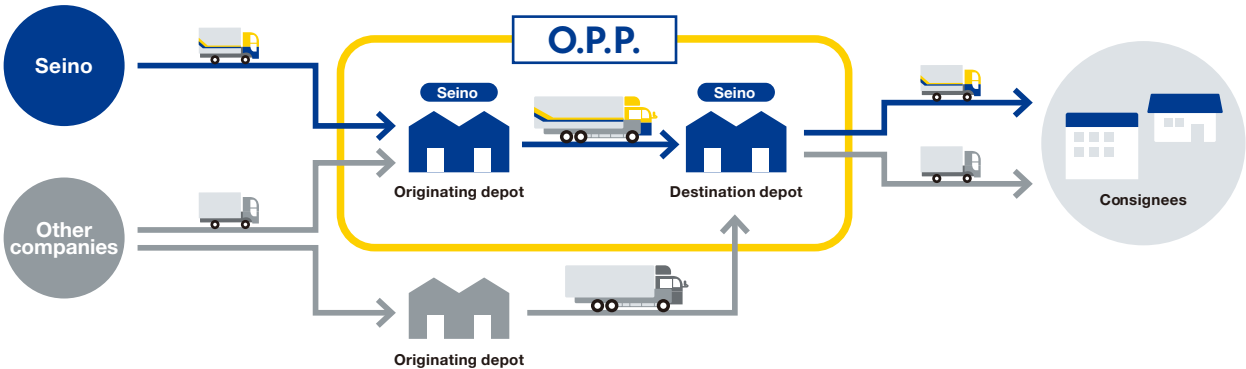
collaborative

distribution

 Logistics infrastructure for co-creation developed by combining digital solutions and physical assets

The Seino Group facilitates co-creation by the industry as a whole using our own digital solutions and physical assets to realize sustainable logistics. Presently in the logistics industry, companies have built their own independent transportation networks. This has caused a situation where vehicle and warehouse operations in each region are not integrated, and there are constant inefficiencies such as the movement of empty vehicles and unused space. As a result, the driver shortage and the rising cost of transportation have grown even more serious. To overcome this, we will use our own assets as a starting point to build a platform

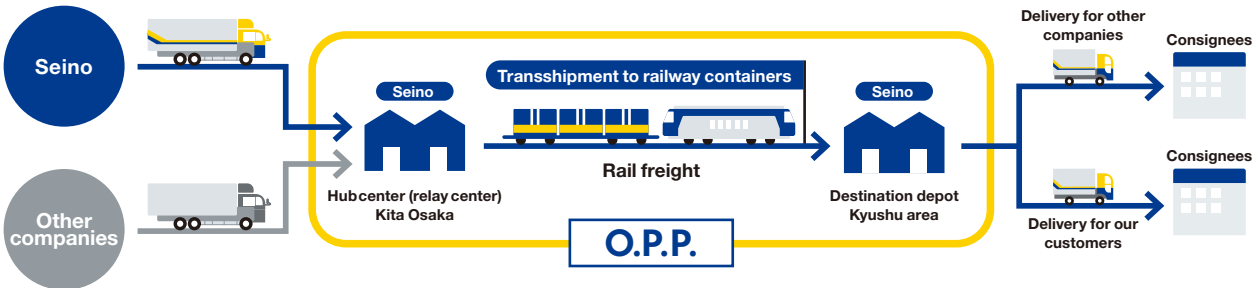
that involves the industry as a whole and functions as shared infrastructure. With respect to the physical aspects of this, we will share terminals and railway transfer stations to promote joint trunk transportation. And in the digital aspects of this effort, we will build a system that will enable the integration of other companies' transportation information to visualize the status of transportation and facilitate flexible cooperation. By combining digital solutions and physical assets in this way, we will build an open public platform (O.P.P.), in which diverse players participate, and evolve logistics as a social infrastructure.



 Kita Osaka Branch opened to other companies as a facility for loading cargo onto railway containers

A specific example is the reorganization of Kita Osaka Branch of Seino Transportation into the Kita Osaka Hub Center, which is dedicated to relay transportation. Having departed from our previous use of this branch as a distribution point, we now use it as a place for consolidating cargo to be transported from areas to the east of Kansai to Kyushu. We use JR containers, which significantly reduces the time long-distance

drivers spend driving, accelerating our measures to address the 2024 problem. It also reduces CO₂ emissions, which lessens the impact on the environment. We have also opened this facility to other companies in the same industry, promoting collaborative freight transportation and the modal shift. This model is an embodiment of the O.P.P. concept that will lead to the streamlining of not only individual base but the industry as a whole.



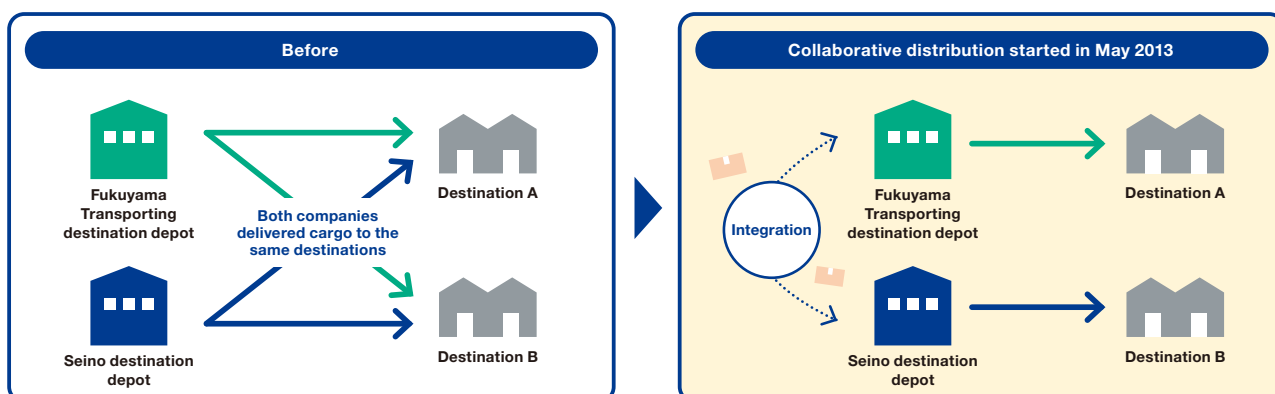


Examples: Collaborative distribution with Fukuyama Transporting and Sagawa Express (SGHD)

At the Seino Group, we began to establish collaborative distribution operations ahead of others to realize a sustainable logistics industry. The first of these initiatives was our collaboration with Fukuyama Transporting. The two companies exchange freight addressed to specific delivery destinations to consolidate deliveries. We have continued to operate this system that enables both companies to streamline operations and reduce their environmental impact. This long-standing initiative is an advanced solution to common issues in the industry, such as the truck driver shortage and the need to reduce CO₂ emissions. It has been contributing to the establishment of a foundation for sustaining logistics as a part of social infrastructure. Based on the history we have established, the collaborative network within the industry is expanding. For example, our cooperation with Sagawa Express has taken the form of the collaborative distribution of cargo bound for Shimokita-gun, Aomori. This effort has been

certified as an integration and streamlining plan in a Ministry of Land, Infrastructure, Transport and Tourism program under the Act on Advancement of Integration and Streamlining of Distribution Business. The cargo shipped by the two companies is consolidated in Iwate and transported together on the same trucks. This initiative has produced remarkable achievements, including an 8,083-hour (41.8%) reduction in work hours per year and a 94.6-ton (53%) reduction in CO₂ emissions per year. In these examples, the philosophy behind the Seino Group's O.P.P. concept has taken shape as specific collaborations. Going forward, we will move ahead with our cooperation with other companies in the same industry throughout Japan, leveraging the experience we developed through our longstanding collaboration with Fukuyama Transporting and our achievements together with Sagawa Express. Through these efforts, we will increase the sustainability of logistics infrastructure and open the path to the future of green logistics.

Collaborative distribution with Fukuyama Transporting (diagram)



Streamlining logistics and maintaining a sustainable nationwide network

Logistics Consortium baton, an industry-wide relay transportation network

Logistics Consortium baton was launched as an intercompany framework with 11 corporate members. We are a member of this consortium. The baton positions the realization of relay transportation at its core and focuses on the four areas of efficient logistics matching, securing and improving relay bases, the improvement of drivers' work environments, and risk management adapted to the new form of business. As a neutral, fair and open place, Logistics Consortium baton brings together the knowledge of companies and facilitates their cooperation and sharing of information. Moving forward, it will solicit member companies even more widely, aiming to be a platform where transportation operators and other diverse entities related to the industry gather. It was named "baton" to express the intension to connect people and companies and work together to pass the baton to future generations of people. As a member of baton, we will contribute to creating new value in the Japanese logistics industry through continuous co-creation with the goal of establishing a relay transportation network that includes multiple companies working together beyond the boundaries between them.



物流コンソーシアム
流れを変える 新たなリレーション



セイノドライブ
SEINO DRIVE

Collaborative distribution accelerated!

Seino Transportation's passion for its logistics platform,
which it is actively building

<https://seinodrive.seino.co.jp/movie/20241029161911.html>





Yasukane Matsumoto

RAKSUL INC.
Director & Chairman

Yoshitaka Taguchi

Seino Holdings Co., Ltd.
President and Chief
Executive Officer

Dialogue with co-creation partners : 02

**Transcending the dichotomy of
social and economic value**

Reforming inefficiencies in the logistics industry using digital solutions

Birth of HACOBELL and its future

Q1

**First, please tell us how HACOBELL was established.
What was the background behind its establishment?**

“Digital solutions to inefficiencies in the logistics industry”

Matsumoto While we were eliminating inefficiencies in the printing industry via RAKSUL's first business, we saw the logistics industry as our next target. Similar to the printing industry, the oligopoly level is low in the logistics industry, and there were inefficiencies due to its multi-tiered subcontracting structure. In particular, the locations of trucks, human resources, and other assets and the degree to which they were used had not been visualized by the industry as a whole, which was an issue. We thought that visualizing the status of the operation of assets would eliminate inefficiencies and facilitate more efficient matching.

Taguchi You thought that technologies would solve inefficiencies observed on site, such as the empty space in trucks used for FTL services, yes?

Matsumoto Yes. At that time, the evolution of the internet and cloud computing technologies had

made it possible to create systems to match supply and demand in real time. We expected that digitalization would increase the efficiency of supply-demand matching, so we decided to launch the business first and then improve by collecting and analyzing data.

Taguchi This approach is commonly used by managers of startups. You first decide to do a thing and then you think about how you do it later.

Matsumoto For startups, it is important to make a decision to do it. Normally, major enterprises excel in businesses which are reasonably expected to go well. Startups need to compete by taking risks that major enterprises cannot take. Our stance must be to start first and then explore ways to increase our profit margin and improve services, instead of looking for reasons why we cannot do a thing.

You released HACOBELL in 2015 to address issues in the logistics industry. You later established a joint venture with Seino Holdings. Why?

“The decision to establish a joint venture”

Matsumoto In logistics, the comprehensive optimization of the process from pickup to trunk transportation and then to last mile delivery is important. Initially, HACOBELL focused its efforts on last mile delivery, but we were made painfully aware that this was not enough to enable us to provide sufficient value. In response, we thought that by collaborating with a major enterprise involved in logistics as a whole we would be able to have a bigger impact on society. Some other companies were also interested in the HACOBELL business, but we decided to collaborate with Seino Holdings because our on-site leaders wanted very much to work with Seino Holdings.

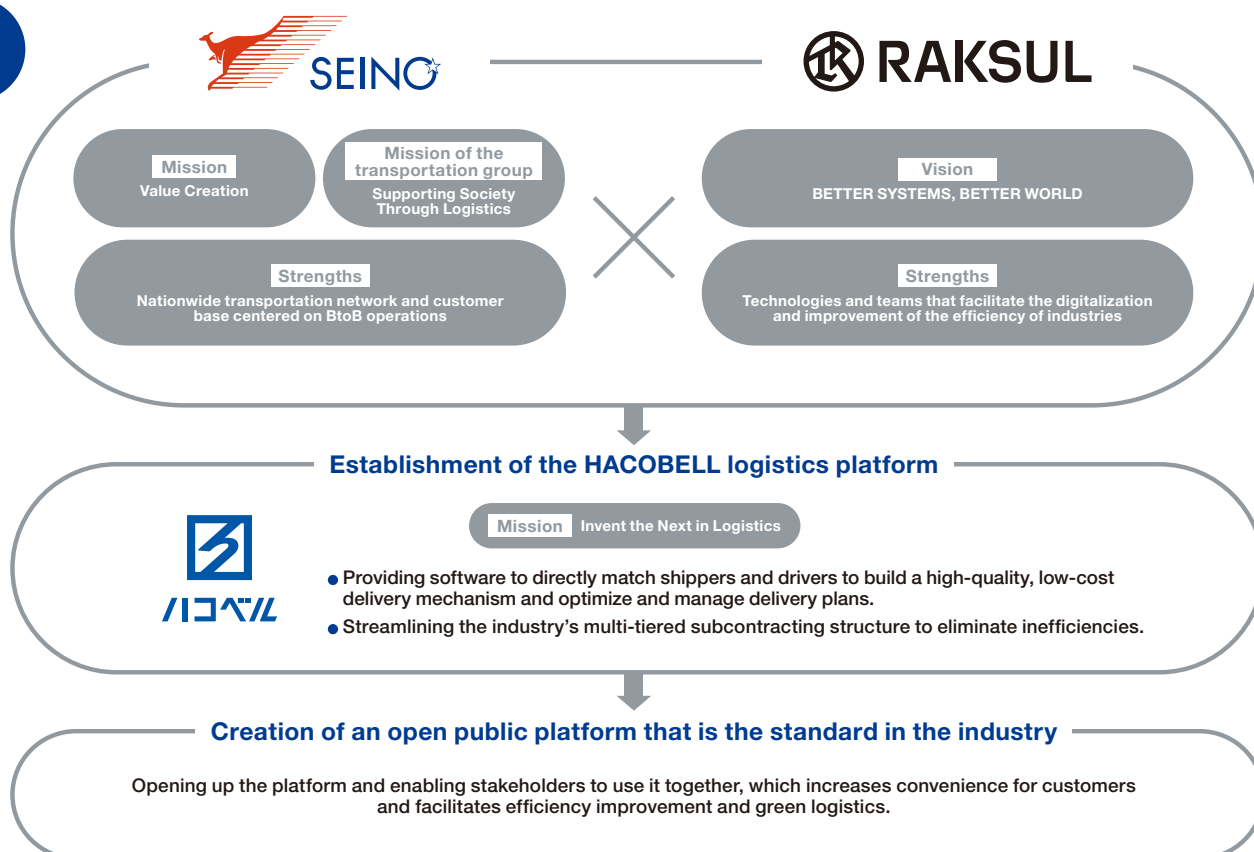
Taguchi I'm really grateful. People from HACOBELL got deeply involved in our on-site work and shared what our employees felt in their bones. We realized that we are compatible with

each other.

Matsumoto I think we found ourselves compatible because our corporate culture is also one of taking a hands-on approach.

Taguchi Just as crops will not grow if they are not compatible with the field, no matter how good the field may be, a good collaboration is not possible without cultural compatibility. On our work sites, we are able to flexibly adapt, an ability we have cultivated due to our experiences serving various customers, and thinking outside the box to creatively devising measures is a part of our corporate culture. I think our corporate culture is very compatible with the speed that is unique to startups and the drive to take on challenges to create new things from scratch.

Medium- to long-term growth potential through co-creation



Q3

What features does Seino Holdings have?

“**The solidarity of all of its team members, from the top executives to the on-site workers,**”

Matsumoto I think that having the head office in Gifu is a great strength. Speaking only for myself, I think that companies in regional areas think independently in ways that are not affected by their surroundings, and this facilitates future-oriented management. It is also possible to say that all of Seino Holdings' team members, from its top executives to the on-site workers, are unified under the strong leadership because of the company's ownership by its founding family. At large enterprises, projects often come to a standstill due to gaps between top executives' intentions and the thoughts of the people working on the front lines. At Seino Holdings, however, the top executives' perspective and priorities are

identical to those of the on-site workers. This may be the greatest reason why our team members wanted to work with Seino Holdings.

Taguchi I think that if our good point is our ability to think independently and use a backcasting approach to predicting the future and act, we should continue to do this as an organization. As a business manager, I have continued to value thinking about the things that are necessary from the perspectives of customers and users, the collection of wisdom from experts and the leveraging of collective intelligence. In this ongoing collaboration, people from RAKSUL have shared various bits of wisdom with us and presented us with learning opportunities.



Q4

What is HACOBELL to Seino Holdings?

“As the industry’s platform”

Taguchi It plays a role as the platform of the industry. For example, if we directly approach other companies in the same industry, they tend to be on guard. Via HACOBELL, however, we can build relationships with them as an equal under the banner of streamlining the industry as a whole. We hope that the use of our assets and network via HACOBELL and other companies participating in the platform will lead to progress in the optimization of the industry as a whole.

Matsumoto HACOBELL is a joint venture that was created by RAKSUL and fostered by Seino. The idea of the startup is linked to the resources of

major enterprises, and it has been developed into a major innovation. I think it is an ideal form of open innovation.

Taguchi We are not aiming to be a rare success story. Collaboration is essential in Japan, not competition, as the population continues to decrease. We would like to join forces with many peers via HACOBELL and press forward with the improvement of the logistics industry’s position and efficiency. This stems from our mission that we have pursued since our founding, Supporting Society Through Logistics.

Q5

Finally, please tell us about the challenges that HACOBELL is facing and its future prospects.

“Challenges and prospects”

Matsumoto A major challenge going forward will be further expanding the platform. The issue is how to improve profitability while maintaining the platform’s role as a part of infrastructure. We think that the next challenge is to add various services to the HACOBELL platform to establish it as a business. The key will be how we add data utilization, account settlement, financial and many other services to the base infrastructure for logistics matching that we have.

Taguchi By bringing MD LOGIS into the Group, we are able to provide highly professional logistics services. This has made it likely that we will also be able to offer new services in the value chain from procurement to sales. As the value chain expands, we will be able to attract more participants.

Matsumoto We are sure that our partnership with

Seino Holdings has opened up the possibilities for HACOBELL. The vision of the RAKSUL Group is BETTER SYSTEMS, BETTER WORLD. We are sure that we can greatly impact the future together with Seino Holdings via HACOBELL. We hope that HACOBELL will develop into a part of Japan’s logistics infrastructure. As the decreasing population is a particular social issue in Japan, we understand that the two companies are responsible for streamlining and collaborating to establish sustainable logistics infrastructure.

Taguchi Let us decide to do this and make it a reality. Let us work together to open up the path to a completely new world of logistics, where transactions are streamlined, and the process up to settlement is seamless using a logistics data platform.

O.P.P. A digital platform for FTL from HACOBELL to

redefine the future of logistics



HACOBELL

Corporate profile HACOBELL is redefining the future of logistics through a mission to “Invent the Next in Logistics.” By leveraging cutting-edge digital technologies, we provide sustainable platforms and systems for the modern era.

Our ecosystem features Matching Services, a 24/7/365 digital marketplace for nationwide freight, alongside advanced Logistics DX Platform that automate dispatch planning and strip away operational friction. We don’t just move goods; we empower our customers’ logistics strategies through total digital transformation.

Backed by strategic investment from industry leaders, building the definitive platform for the logistics

Seino Holdings

Sankyu

Fukuyama Transporting

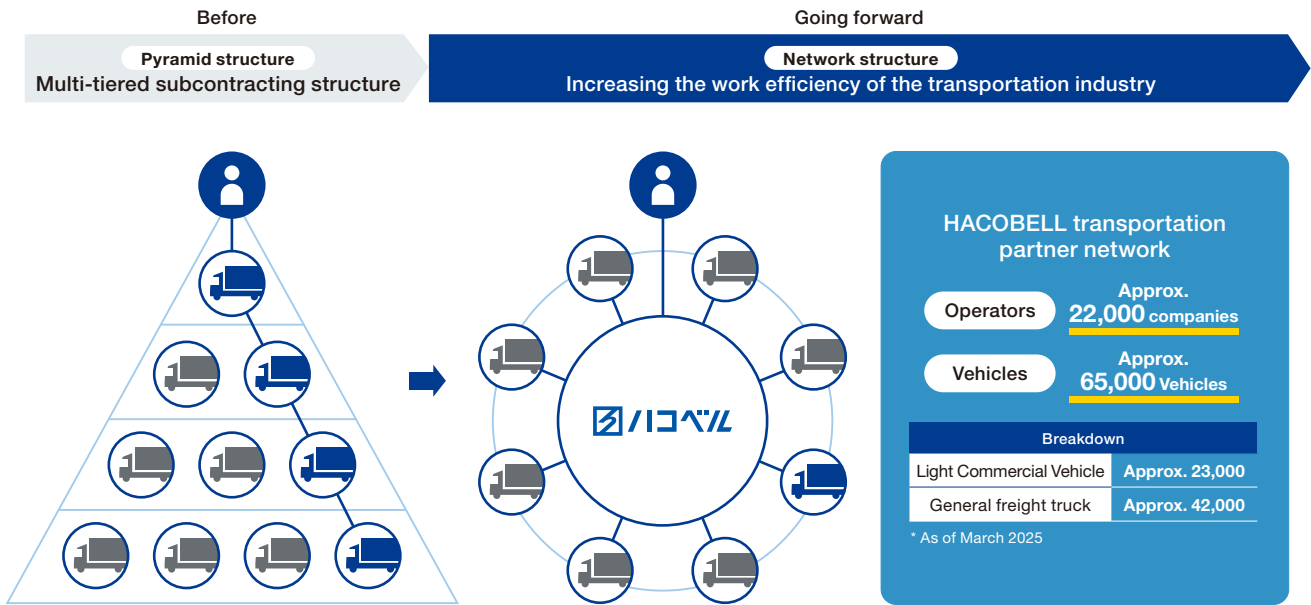
Japan Logistic Systems

↓

HACOBELL

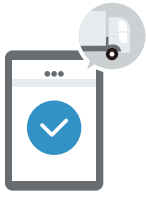
Transportation Dispatch Arrangement matching platform

Solving industry issues using **logistics and IT**



Transforming an analog, fragmented industry by bridging the gap between freight owners and trucking operators. Our direct-connect platform redefines operational efficiency and user experience.

Logistics DX Platform



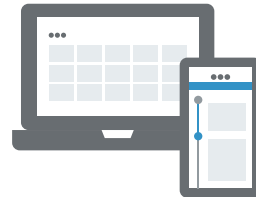
Truck Book (Truck Dock Booking System)

Optimize the truck dock operation with precision scheduling. Our service tackles congestion by digitalizing truck appointments and arrival tracking, delivering complete operational visibility



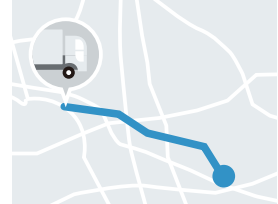
Dispatch Planning

Automating the art of dispatch. Our AI replaces tedious manual planning with instant, optimized routing, making expert-level scheduling accessible to everyone



Dispatch Management

Streamline the end-to-end operations by dispatch requests, vehicle tracking, and billing into a single digital workspace. Stay ahead of regulatory changes while maintaining total control over the existing partner network



Fleet Tracking

Eliminate redundant inquiries by sharing real-time ETAs and delay alerts across the entire network—shippers, carriers, and consignees. Achieve superior delivery quality through total operational transparency

Value prop for



Shippers

Our strength lies in an intuitive UI and a seamless, integrated digital ecosystem. Trusted by over 100,000 customers, we are setting the new standard for modern logistics.

Matching Services

Our Matching Services provide a digital-first experience, offering instant 24/7/365 quotes and real-time shipment visibility while leveraging a vetted driver network to ensure premium, cost-effective delivery at any scale.

Logistics DX Platform

Our Logistics DX Platform offer key tools to modernize operations, including automated berth management, AI-driven dispatch planning, centralized partner workflows, and real-time location intelligence to maximize fleet efficiency. As evolving regulations demand greater operational efficiency from shippers, HACOBELL provides the strategic DX infrastructure needed to accelerate logistics transformation.

Value prop for



Carriers

HACOBELL empower our carrier partners by delivering two core values: operational productivity and financial stability.

Digital Efficiency

Our platform streamlines the entire workflow—from searching for loads to invoicing—eliminating the friction of manual paperwork and redundant coordination.

Optimized Earnings

With access to a diverse range of spot, local, and recurring contracts, carriers can proactively manage their fleet utilization to secure a steady and scalable revenue stream.

In addition, HACOBELL goes beyond matching by supporting sustainable business growth. Through specialized services like vehicle leasing and factoring, we provide the financial tools needed to stabilize cash flow and back long-term operations.

On Behalf of Customers

Providing services with added value

Improving productivity and reducing the total cost of customers' warehouse operations



Seino Information Service

Corporate profile Based on the expertise in the field of logistics and the ability to propose IT services that it has cultivated in the Seino Group, Seino Information Service identifies issues that customers are facing on-site using the latest technologies and combines services flexibly to provide optimal solutions, enabling it to contribute to the productivity improvement.

The latest IT services

Logistics specialists supporting operations



Seino Information Service's use of robots and AI: BRAIS

Seino Information Service is applying leading-edge technologies such as BRAIS, which is short for big data, robot, AI, IoT, and sharing. The company applies BRAIS in the field of logistics, aiming to innovate to increase efficiency and the shared use of limited resources. The company has established a dedicated department, and it has begun fully working toward the practical application of BRAIS

in the logistics field. It is advancing a wide range of initiatives, including initiatives already being practically implemented that have begun to produce results. Moving forward, the company will continue to apply resource sharing and other technologies to enhance logistics solutions and automate and streamline logistics sites.

Example applications

Big Data

Utilization of data, including data about incoming and outgoing deliveries, inventory storage and operation and tasks that have been done

Robot

Use of logistics robots specialized in various operations, which reduce the workload of human workers

AI

Use of image recognition technology to increase inspection accuracy and video analysis technology to enhance the safety and security of logistics operations

IoT

Use of optical sensors to measure packaging and temperature and humidity sensors to remotely monitor warehouses

Sharing

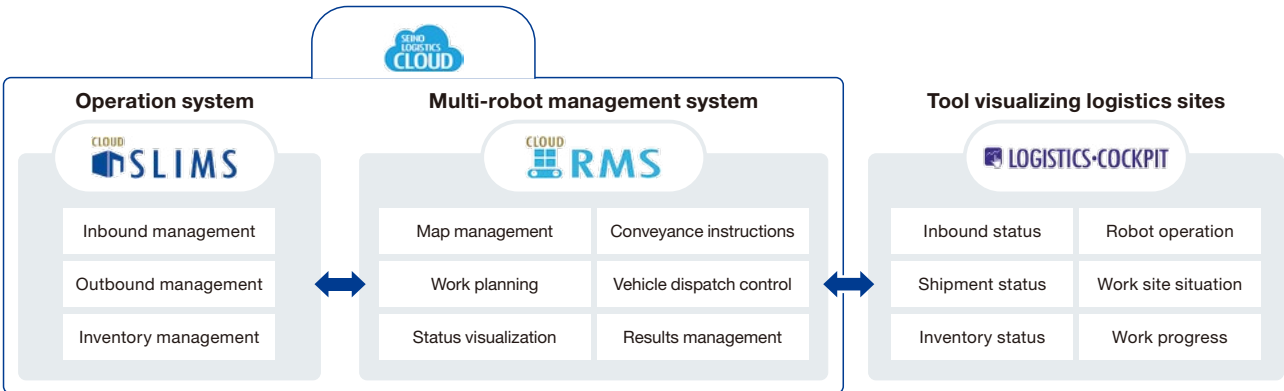
Matching information about logistics and commercial distribution channels to level inventories and cargo volumes to increase the efficiency of logistics resources



Leveraging the power of humans and robots to support the optimization of logistics

Based on customers' work site environments, Seino Information Service proposes optimal combinations of robots, material handling devices and other systems from multiple manufacturers.

The company helps improve the productivity of human workers and robots by designing operations with the goal of comprehensive optimization based on expertise the company has cultivated over more than 20 years and the visualization of logistics data.



Providing value to Skater

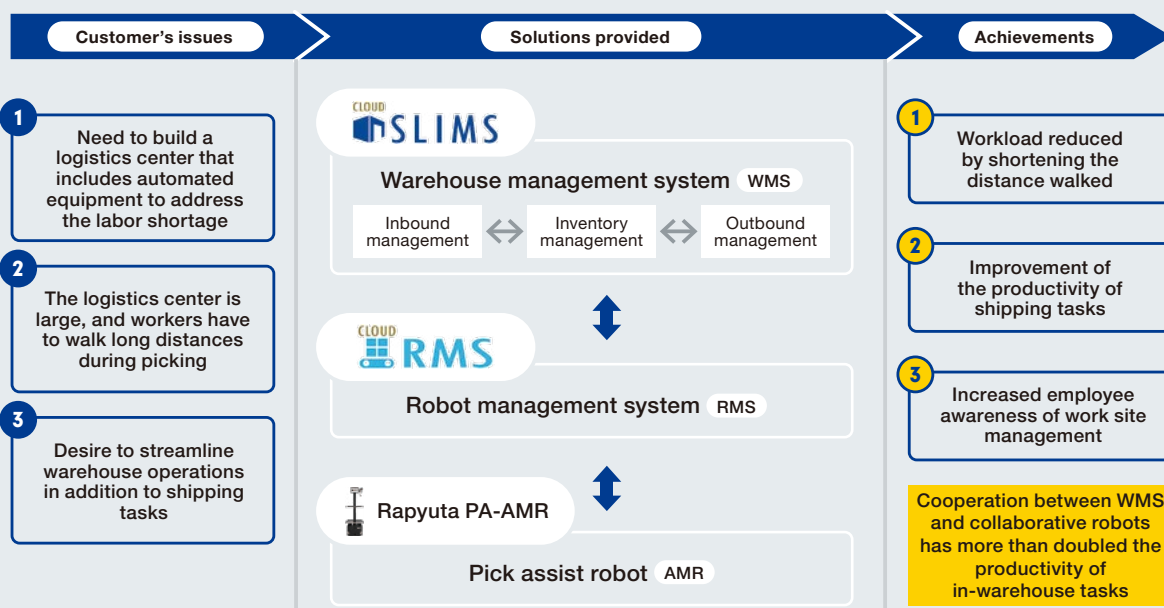
Skater

Corporate profile Skater Co., Ltd. engages in the planning, manufacturing and sale of a wide variety of character goods, including lunchboxes, water bottles, and stainless-steel bottles. The company has recently opened a new approx. 15,500 m² logistics center.



Collaborative autonomous mobile robots (AMRs) are a solution making not just automation possible, but also optimal collaboration between humans and robots. In a vast logistics center, picking takes time and workers have to walk from place to place, which is an issue. By combining centralized management using RMS and SLIMS and the visualization of sites, Seino Information Service reduced the distance walked by workers and increased the efficiency of picking. Its effect has flexibly expanded from large BtoB shipments to small BtoC shipments.

This has also led to innovations in warehouse design and location management. Additionally, the visualization revealed issues, which led to the development of a culture where employees proactively implement improvements. This has resulted in a structure where work progresses efficiently, even when the number of workers is limited. Through these efforts, Seino Information Service has provided value—the increase in the efficiency of the entire work site while reducing the impact of the labor shortage.



Customer feedback

Providing services with added value

The number of items and shipments continues to increase at present, and we will expand our operations further. Because logistics is a support sector, we would like to respond promptly to changes like these in companies and society. The effects of the SLIMS warehouse management system, the robot management system (RMS), and AMR, which we introduced this time, are significant. We are aiming to continue to increase the efficiency of operations, and we would also like to consider increasing the number of units in operation in the future. We believe that visualization is important to quickly check the current status. We are therefore highly interested in LOGISTICS COCKPIT, which would enable us to visualize logistics sites. It is believed that robots and AI will continue to develop rapidly. Accordingly, we hope to use them more than we are now.



Mr. Soichiro Konoike
Representative Director and
President Skater Co., Ltd.

The creation of added value

leveraging MD LOGIS, a new member of the Group



MD LOGIS

Corporate profile MD LOGIS CORPORATION provides high-quality, high-efficiency logistics services that address diverse issues, leveraging the experience and advanced technologies it has cultivated through its provision of logistics services for an electric appliance manufacturer to contribute to the provision of value to customers.

Production and procurement logistics solutions

Sales logistics solutions

International logistics solutions

Construction logistics

Heavy haulage and precision equipment transportation services

Semiconductor and electronic components logistics services

Corporate relocation, loading and unloading services

MESSAGE

MOVE & DELIGHT — Moving and delighting people through logistics

Since our founding in 1958, we have been developing with our comprehensive logistics services, handling electronics ranging from semiconductors to home appliances and satellites as a company in charge of logistics for the Mitsubishi Electric Group. In October 2024, we became a member of the Seino Group, which enables us to use the Group's logistics infrastructure, including its wider-ranging transportation and delivery network and digital platform. We also changed the name of our corporation to MD LOGIS CORPORATION, with "MD" standing for "MOVE & DELIGHT," reflecting our goal of moving and delighting people through logistics. To help establish a sustainable society, we will pursue the increase of the quality and efficiency of logistics and provide services that move and delight customers.



Masahiko Konishi
President & CEO
MD LOGIS CORPORATION



Strengths of MD LOGIS: Highly specialized logistics technologies and flexible response ability enabled by integrated logistics

MD LOGIS' strengths are in the specialized transportation of large machines and equipment and other cargo, and fields where advanced logistics technologies are required, such as semiconductors and precision machines. With these strengths, the company has been providing optimal logistics services for a wide range of products. Another feature of the company is its integrated logistics system, which includes storage environments for products that are vulnerable to vibration, static, and dust and development of dedicated containers for these products. Taking advantage of the expertise it has cultivated as a logistics company affiliated with a comprehensive electric appliance manufacturer, MD LOGIS provides logistics management services with full knowledge of commercial distribution channels, logistics characteristics, and logistics forms for each individual product, from semiconductors to home appliances, FA equipment, power generators, and products in the fields of defense and space. The company delivers diverse products safely and reliably to customers.

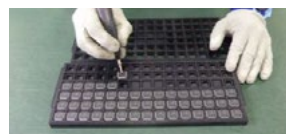
Dust-proof semiconductor storage environment



Dust-proof packaging for electronic parts



Sorting semiconductors in a specific quantity in an anti-static environment



Data logger to check the status of equipment being transported



MD LOGIS also supports the advanced transportation of large turbine power generators, transformers, and similar equipment, from planning to installation.



Bringing MD LOGIS into the Group to further expand the value the Group provides

The integration of MD LOGIS into the Group is an important step forward for the Seino Group's advancement to the next phase of its growth. To be of as much service as possible to electrical and electronic equipment manufacturers in their implementation of their domestic and overseas growth strategies, we build efficient, stable supply chains that support the process from procurement to sales using our LTL transportation network and logistics bases across Japan. With an eye on international strategies as well, we will be a partner who supports globally

expanding business activities over the medium to long term. Integration is an opportunity to improve our automation equipment and digital platforms and accelerate investment in the development of human resources as we work to continue to improve our on-site productivity and our ability to respond to customers. We will leverage the system and knowledge we have developed in this way to assist the Seino Group's broad customer base, including in the area of electronics, and we will enhance our logistics services to cater to more diverse needs.

Creating added value for electrical and electronic equipment manufacturers

Domestic transportation capacity

Stably maintaining and optimizing supply chains with a vehicle supply capacity that leads the industry in Japan

Broad international network

Flexibly using a freight forwarder network to optimize international supply chains in pursuit of low-cost operations

Logistics IT solutions for the entire world

Contributing to the streamlining of complicated international logistics operations by visualizing the movement of cargo and inventories around the world using a tracking system that makes the integrated management of international logistics operations possible.



MD LOGIS' next challenge, now that it has joined the Group

MD LOGIS will reinforce its structure for external sales and provide services to customers who demand high-functionality logistics solutions. The company will provide advanced solutions that are both safe and efficient in fields where special transportation services are needed, including services for large equipment, semiconductors, and precision equipment, as well as solutions for the storage and transportation of products that require

vibration, static and temperature control. Further, the company will leverage the Seino Group's features to press forward with initiatives to support the process from overseas procurement to production and sales. Through these initiatives, MD LOGIS will further expand its provision of value in the area of external sales and achieve sustainable growth together with its customers.

To customers who demand high-functionality logistics solutions

Seino Group

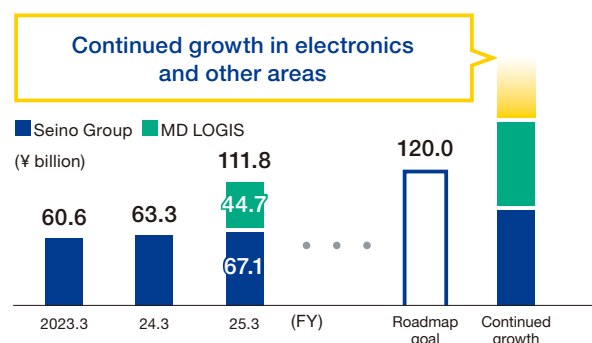
Logistics solutions



MD LOGIS

A wealth of expertise in electronics and other areas

Growth of the logistics business (operating revenue)



System for promoting sustainability and material topics and targets that support the Team Green Logistics vision

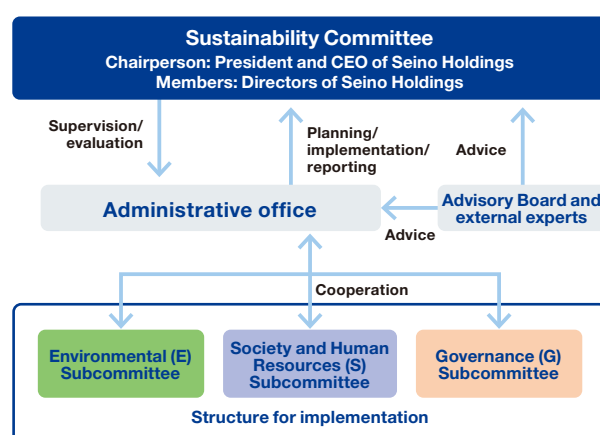


Establishment of a Sustainability Committee

In April 2025, we established the Sustainability Committee to bolster the connections between sustainability initiatives and management. This committee was established as an organization directly controlled by directors as an evolution of the previous system, in which the promotion department played the leading role. This has enabled us to establish a system for considering ESG-related policies and measures in an integrated manner so that they are aligned with management strategies. This committee will supervise and evaluate all initiatives based on material topics and make recommendations as necessary to promote sustainability and the growth of business in an integrated manner.

Using this system, we will strengthen our strategic response to social and environmental

issues and achieve the medium- to long-term enhancement of our corporate value.



Material topic targets and progress

To coexist in harmony with society and achieve sustainable growth, the Seino Group has identified seven material topics based on our management philosophy. We have identified them by clarifying the Group's strengths and the roles it should fulfill through internal discussions that operational departments were involved in and by listening to

the opinions of investors and other external parties. We have linked them to quantitative targets and KPIs to manage their progress. We will continue to enhance our corporate value while updating our identified material topics and upgrading our activities in response to the business environment and the expectations of society.

Material topics	Activity targets	Actual number
Contribute to a sustainable environment	35% reduction in GHG emissions (Scopes 1 and 2)	20.6% reduction in GHG emissions
Create a safe and secure working environment	Zero major traffic accidents (fatalities) Zero serious industrial accidents (fatalities) 5% YoY reduction in occupational accidents	Two major traffic accidents (fatalities) Zero serious industrial accident (fatality) 2.6% YoY reduction in occupational accidents* ¹
Create an organization in which diverse people can play an active role	Retention rate: 98% Engagement: 80% (positive response rate) Percentage of employees eligible for secondary checkups that receive them: 100% (regular checkups) Training content viewed 10,000 times per month	Retention rate: 92.5% Engagement: 65.9% (positive response rate) Percentage of employees eligible for secondary checkups that receive them: 99.6% (regular checkups)* ¹ Training content viewed 21,000 times per month
Contribute to society through the Transportation Services Business	Percentage of safety confirmation drills conducted: 100%	Percentage of safety confirmation drills conducted: 95.5%
Promote businesses that resolve social issues	—	—
Practice responsible corporate management	Zero serious information security accidents G-Mark certification rate: 100% * ¹ Zero violations of laws and regulations* ²	Zero serious information security accidents G-Mark certification rate: 95.2% * ¹ One violations of laws and regulations* ²
Foster a sustainable corporate culture	—	—

*1 Figure for Seino Transportation alone *2 Excluding violations which were redressed immediately

[More information about our material topics identification process](#)

Major material topics activities

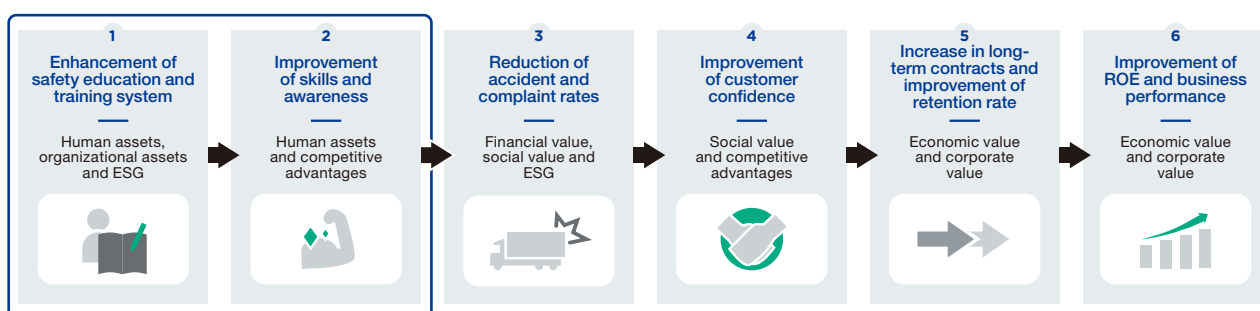
For safe, secure transportation

We believe that safe, secure transportation is the basis of, and an indispensable factor in, our provision of value to customers. At the same time, it is a fundamental responsibility that we have as a company supporting social infrastructure. This idea is also a value shared by our employees. It fosters a sense of security and pride and it is an initiative that

we in the Transportation Services Business, which requires on-site capabilities, believe is important.

We believe that through a chain reaction, the series of measures that start with the creation of a safe and secure foundation ultimately contribute to the enhancement of our corporate value (our business performance and capital efficiency).

Steps in the provision of value to enhance corporate value



Specific activities

Activities	Details
Development of an organizational structure and culture supporting safety and security	Development of a structure based on safety management regulations, formulation and implementation of safety guidance plans, and internal audits
Training, awareness-raising and safety literacy improvement for employees	Implementation of training programs, including accident recurrence prevention training, and the safety instructor system
Enhancement of risk management using technologies and on-site support	Introduction of a system app to notify users of hazards, construction of an accident information database and release of educational materials
Encouragement of everyday safety and security behaviors entrenched in the workplace	Implementation of a nationwide accident prevention campaign and eco-friendly and safe driving and use of driving aptitude testing
Visualization of indicators and evaluations and use of them in management	Setting of targets and implementation of PDCA cycles to achieve zero fatal accidents and zero industrial accidents and obtainment of G-Mark certification



Safety Instructors and the National Truck Driver Contest

Seino Transportation, the core company of the Transportation Services Business, began to deploy safety instructors to major bases in 2016 and later expanded their deployment to the entire Group to reinforce its driver training structure. Safety instructors are responsible for providing employees with individualized instruction and safety training based on the traits of the individual. Their achievements have been proven by the many awards that have been received, including winning first place in the National Truck Driver Contest for two consecutive years. Participating in competitions provides opportunities for drivers to enhance their skills, including their techniques and knowledge. It is also an opportunity for us to ensure that our employees share our safety-first approach. These activities have led to not only the reduction of accidents but also the establishment of safety awareness and safety culture, which are long-term benefits.

Embracing challenges in pursuit of sustainable transportation methods

Reducing environmental impact and advancing driver work reforms

Challenges we have been embracing in pursuit of industry-pioneering transportation methods

Logistics are essential in our society. However, the sustainability of logistics is being questioned, particularly in terms of environmental protection and the labor shortage in Japan. There is an urgent need to reduce CO₂ emissions in the transportation sector. At the same time, the industry is facing a major turning point in terms of the workstyles of people working on logistics sites.

We believe that the key to opening the path to the future of logistics lies in the reduction of environmental impact and the improvement of employee well-being. We are not merely aiming to reduce CO₂ emissions and work hours. We are taking specific measures that include implementing the modal shift, collaborative distribution, digital transformation, autonomous trucks, along with making effective use of hydrogen and increasing our cooperation with parties inside and outside the industry. Through these efforts, we are creating new value in logistics as a whole and pressing forward with the transformation of the industry into one where drivers can work proudly.

Activities to realize sustainable logistics

Modal shift

Expansion of cooperation with railways and RORO ships

Medium- to long-distance trucking is responsible for large amounts of CO₂ emissions. To address this, we are expanding our cooperation with railways and roll-on/roll-off (RORO) ship operators to both reduce environmental impact and improve drivers' well-being in terms of safety, health, and comfort of work in particular.

Block trains operated on **3** railway lines

Rail freight (dedicated trains)

CO₂ emissions reduction **28,431tCO₂**



Operated on **10** ocean routes

RORO ship transportation

CO₂ emissions reduction **880tCO₂**

Next-generation logistics

Innovation balancing digital transformation technologies and human capital

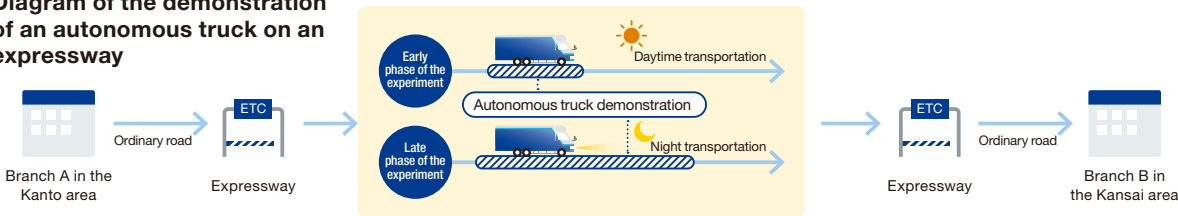
To open the path to a future logistics industry that is safe and worker-friendly, we began the trial operation of a heavy truck equipped with autonomous driving technologies (SAE level 4-equivalent) developed by T2 Inc. on specific sections of expressways in 2024. AI correctly understands the vehicle's position and its surroundings and automatically steers the vehicle, reduces speed, and stops the vehicle, making it possible for the vehicle to travel on an expressway without a driver. This technology has the potential to address multiple social issues, including the burdens of long drives placed on drivers, the driver shortage, and the need to reduce traffic accidents. This initiative, which involves the stable operation

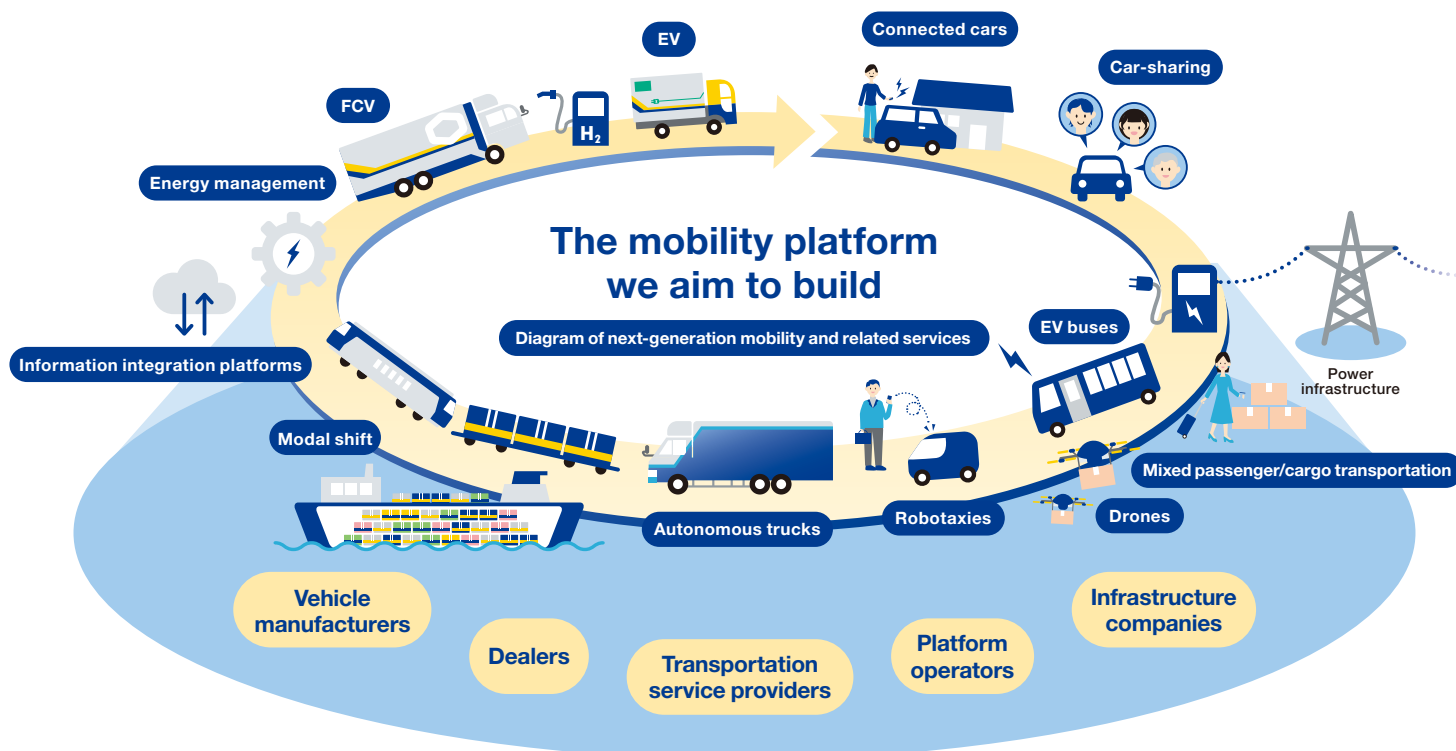
of vehicles and improvement of safety on expressways and the establishment of flexible operations combining drivers and autonomous vehicles, is more than just the demonstration of a technology. It is a measure that will lead to the redesign of the inter-site transportation model, starting with the reform of drivers' workstyles and the use of autonomous vehicles.

We also participate in the L4 Truck Operation Conference, with the goal of quickly achieving autonomous vehicle operations through co-creation with more partners.



Diagram of the demonstration of an autonomous truck on an expressway



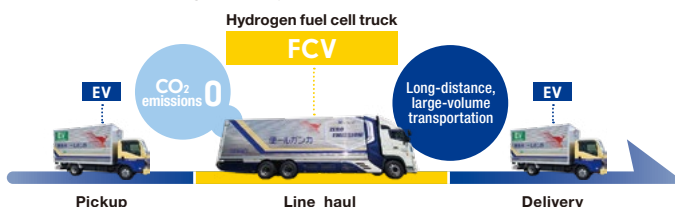


Zero exhaust gas truck demonstration experiments

Establishing long-haul transportation using hydrogen

Heavy trucks are useful for large-volume transportation, but they emit large amounts of CO₂. Therefore, they are key to decarbonization. However, compared to passenger vehicles, the electrification of midsize and heavy trucks among other vehicles has been delayed, and technological, cost, and infrastructure development issues remain. The generally known electric trucks are unsuitable for long-haul transportation because of their charging time and limited load capacity and cruising distance. However, fuel cell vehicles (FCVs) are a likely option because hydrogen fuel cells can be refilled quickly, making it possible for them to travel long distances. This makes them appropriate for line-haul transportation. In these circumstances, the Seino Group is participating in a New Energy and Industrial Technology Development

Organization (NEDO) project financed by the national government's Green Innovation Fund with the goal of commercializing EVs and FCVs as quickly as possible. In this demonstration project, we operate EVs and FCVs in cooperation with automotive manufacturers and infrastructure companies to examine integrated energy and operational management. We are embracing this challenge to build the next generation of logistics, with the goal of facilitating the evolution of not only vehicles, but also the logistics system as a whole.



Collaborative distribution

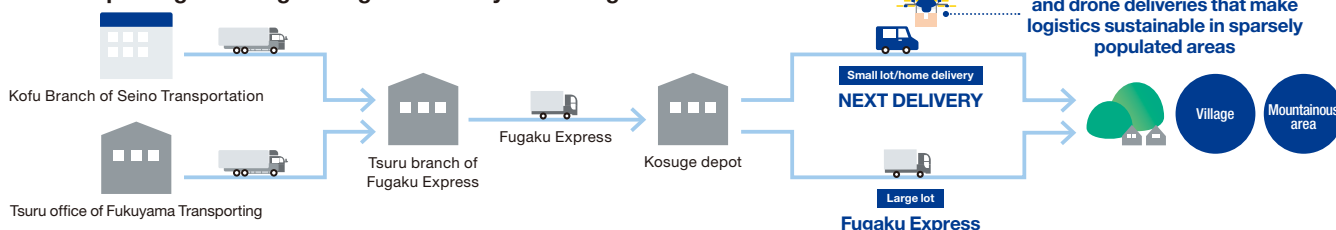
Horizontal cooperation transcending the boundaries between shippers and industries

In areas where the birthrate is continuing to decline and the population is aging and decreasing, delivery services are a foundation that supports people's lives. Logistics are a lifeline. However, because it has become difficult to provide services in these areas with the existing system, the Seino Group is pushing forward with the development of a regional

Kosuge Village, Yamanashi Reduction of approx. **3 tons** of CO₂ per year

collaborative distribution system by combining network consolidation, mixed transportation and delivery, use of drones, and commercial cooperation in collaboration with other companies and local governments. We are rebuilding logistics, which are a part of infrastructure, with the goal of helping build sustainable local communities.

Collaborative distribution with AERONEXT, Fugaku Express, and Fukuyama Transporting in Kosuge Village and Tabayama Village in Yamanashi



[Detailed report on our response to the TCFD recommendations](#)



Corporate governance that supports corporate value

Basic approach to corporate governance

In engaging in its corporate activities under our management philosophy, “Advancing Our Company and Supporting Employee Well-Being,” the Seino Group’s top priority is its customers’ development. To realize this management philosophy, we strive to manage the company from medium- and long-term perspectives, and we aim to establish a long-term relationship of trust with each one of our stakeholders, including our shareholders, to enhance our corporate value. This is our basic approach to corporate governance. Based on this, we understand that enhancing and strengthening corporate governance is a priority issue in management. We are striving to enhance our management monitoring and supervision functions management. At the same time, we are establishing a structure that facilitates prompt decision-making and the agile execution of business and building an internal control system. We are making these efforts to increase the efficiency of corporate management as well as its transparency, compliance with laws and regulations, and soundness in a way that reflects the characteristics of our businesses.

Board of Directors

Our Board of Directors consists of ten members, including four outside directors. It is playing a central role in our efforts to strengthen our corporate governance. Since we transitioned to a company with an audit and supervisory committee

in June 2024, three directors who are Audit and Supervisory Committee members have had voting rights at meetings of the Board of Directors. This has strengthened the Board’s supervision of the executive directors.

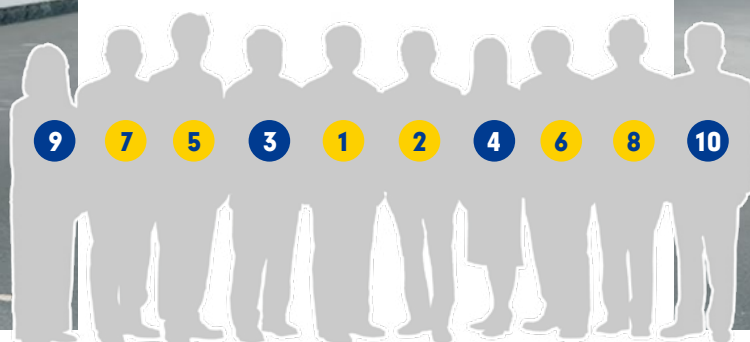
Committees and their roles		Chairperson	Number of director members
Audit and Supervisory Committee	Supervising the directors’ execution of their duties as an independent organization	(Full-time) Director who is an Audit and Supervisory Committee member	
Nomination and Remuneration Committee	Being involved in and giving advice on director candidates, remuneration and important personnel affairs as an advisory body to the Board of Directors	President and Chief Executive Officer	
Board of Directors Evaluation Meeting	Verifying the effectiveness of the Board of Directors based on the evaluations of directors, including outside directors	President and Chief Executive Officer	
Risk Management Committee	Managing business risks and opportunities to prevent and mitigate risks	Director in charge of the Corporate Promotion Department	



Directors

- | | |
|---------------------|--------------------|
| 1 Yoshitaka Taguchi | 6 Hidemi Maruta |
| 2 Takao Taguchi | 7 Nobuyuki Nozu |
| 3 Hiroyuki Masuda | 8 Nobuhiko Ito |
| 4 Keiko Komatsu | 9 Makiko Sato |
| 5 Satoshi Takahashi | 10 Takahiko Ijichi |

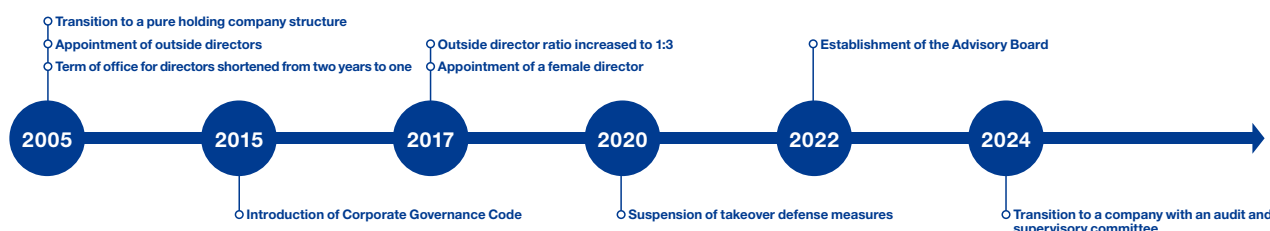
● Outside
 ● Inside



To strengthen corporate governance

Initiatives to strengthen corporate governance

We have been enhancing our various initiatives to strengthen governance. These initiatives include our changing our organizational structure and our increasing the outside director ratio.



Increase of the outside director ratio



Major subjects of deliberations and strategic discussions at meetings of the Board of Directors

To sustainably enhance our corporate value, our Board of Directors deliberates and discusses important subjects linked directly to our management foundation or growth strategy in light of changes in the external environment and the direction of the Group's management.

Major matters deliberated at meetings of the Board of Directors

- Subjects related to management strategy, sustainability, and governance
- Financial results and finance-related matters
- Matters related to risk management, internal control, compliance, etc.

Major subjects of strategic discussions at meetings of the Board of Directors

- Countermeasures taken against the 2024 problem and future strategies
- The Seino Group's growth strategy in light of MD LOGIS becoming a part of the Group
- Business strategies aimed at achieving Team Green Logistics, etc.

[Corporate Governance Report](#)
[More information about the evaluation of the effectiveness of the Board of Directors](#)

Director Makiko Sato's name on the official family register is Makiko Shigematsu, and Director Keiko Komatsu's name on the official family register is Keiko Ichihashi.

New
Directors

Messages for the enhancement of
corporate value



Newly appointed outside director
Makiko Sato

The future of logistics created
using technologies and the
power of the next generation

I was appointed to be an outside director of Seino Holdings. Based on my experience supporting numerous growing companies at a venture capital firm, I believe that embracing technologies and the power of the next generation drives the evolution of society. Logistics are the lifeblood of social infrastructure, and their sustainability underpins Japan's resilience. Seino's strengths are evident in the images of its employees posted on its official X account. Employees proudly driving their polished trucks, their techniques that enable them to parallel park trucks with centimeter-level precision, and the sense of unity symbolized by Seino's corporate baseball team—it is easy to see Seino's pride and cohesion in these images. In addition, the green logistics advocated by President Taguchi is the idea of industry-wide collaboration to solve issues that single companies previously faced alone to protect the environment and streamline logistics at the same time. As we face the issues of a decreasing population and climate change, we will mobilize technologies and the power that young people wield to embrace this challenge, push forward with future-oriented change, and contribute to the sustainable enhancement of corporate value.

Having gained experience in venture capital investing at CyberAgent Inc., she was appointed to be an outside director in June 2025.

Ms. Sato has extensive experience in supporting startups and venture capital investing. She has supported the growth of many companies with her deep knowledge. We hope that, by leveraging this knowledge, she will contribute greatly to our ability to innovate and ensure the diversity of our management.



Newly appointed outside director
Takahiko Ijichi

Get Back to the Basics

What we call corporate value is the total current value of the cash flows that we expect to generate in the future. The only way to increase corporate value, i.e., cash flows, is to earn cash by continuing to eagerly provide customers with prompt, punctual and optimal services, a thing that Seino has adhered to since its founding. There is no magic wand to wave to enhance corporate value. I think our understanding should be that the company's businesses increase the value that all of its stakeholders obtain by being engaged with it, and the sum of this value is the true corporate value of Seino. I believe that the most important thing is to continue doing ordinary things in ordinary ways while keeping Fukujusō Resilience, the founder's spirit, in mind. How we ensure smooth logistics has now become a social issue. I would like to think that taking on the challenge of solving this issue provides great opportunities for the company to leap forward and enhance its corporate value.

Having been a director of Toyota Motor Corporation, he was appointed to be an outside director in June 2025.

We hope that Mr. Ijichi will advise us and supervise our execution of business from the perspectives of corporate governance, risk management, and human capital, based on the broad knowledge he has cultivated over many years being involved in corporate management in accounting, finance, personnel, and other administrative departments.

Nomination and
Remuneration
Committee

These two people participate in the selection of officer candidates and the determination of remuneration from an independent standpoint as members of the Nomination and Remuneration Committee to contribute to the strengthening of sound and transparent governance.

Transforming management

Advisory Board

by leveraging the knowledge of external experts

Reason for the establishment of the Advisory Board

We began to hold meetings of the Advisory Board in 2022 to improve management and enhance our corporate value by using external expertise on a regular basis. We will enhance sustainable growth and enterprise power by ensuring that our management reflects diverse perspectives.

Major topics discussed by the Advisory Board

- Corporate governance
- Challenges in the establishment of new businesses and their direction
- Tangible and intangible asset policies
- ESG initiatives
- Development of infrastructure to promote sustainability

Members of the Advisory Board in FY03/25 (random order)

Name	Affiliation	Brief profile and expectations
Hidehiko Aoki	Professor, Department of Management of Technology, Graduate School of Management, Tokyo University of Science Outside director of Kato Sangyo Co., Ltd. and World Co., Ltd.	For a total of 31 years, Mr. Aoki has worked as a securities analyst in charge of domestic and overseas retail and e-commerce industries. He has been in charge of a large number of major retail companies. He was also an interim member of the Distribution Committee of the Industrial Structure Council and a member of the preparatory committee for Sei-Hai-Han Renkei Kyogikai (manufacturer-distributor-retailer cooperation council) and he has held other positions. Global perspective and knowledge for the analysis of the structure of and digital strategies for the supply chain as a whole
Kentaro Iemoto	President and CEO, CLARA, Inc.	Mr. Iemoto is a young businessperson who founded a company at the age of 15 and is working successfully in the IT industry. In March 2012, he was selected to be a member of the World Economic Forum's Young Global Leaders class of 2012. Advice leveraging a wealth of management experience and a strategic perspective and knowledge regarding the use of digital technologies
Ryusuke Ohori	Executive Director, Institutional Investors Collective Engagement Forum Outside director of LIXIL Corporation and Maeda Road Construction Co., Ltd.	Mr. Ohori has experience as a buy-side and sell-side analyst. He has also served as a member of the Ministry of Economy, Trade and Industry's Competitiveness and Incentives for Sustainable Growth: Building Favorable Relationships between Companies and Investors project. A wealth of experience and knowledge as an analyst and in asset management
Makiko Sato	Representative partner, ISGS Investment Works Inc. (appointed to be an outside director of Seino Holdings in June 2025)	Ms. Sato was a member of multiple industrial and administrative programs, including the Ministry of Education, Culture, Sports, Science and Technology's Exploration and Development of Global Entrepreneurship for NEXT generation (EDGE-NEXT) program, where she was an evaluation committee member, and the Ministry of Economy, Trade and Industry's J-Startup program. Knowledge based on investments in startups in the field of venture capital investment
Makiko Horie	Partner of SDG Impact Japan Inc. and outside director of Arisawa Mfg. Co., Ltd.	Possessing experience in sales activities targeting institutional investors, direct-engagement corporate research and investment related to Japan's stock market, she has been promoting sustainable investments and the field of impact finance at SDG Impact Japan Inc. Her perspective as a long-term investor and knowledge regarding the promotion of sustainability are strongly connected to business strategies

ADVISORY BOARD MESSAGE

The Sustainability Committee was established in April 2025 based on the discussions of the Advisory Board. Pressing forward with initiatives by formulating a sustainability strategy linked to Team Green Logistics

As a participant in the Advisory Board, I have confirmed that Seino's clear mission is directly linked to the creation of social value. ESG initiatives are steadily progressing in each department. I have made recommendations, and I have stated that it is important to build a system that permits external parties to understand how the company as an organization pushes forward with these initiatives. Top management led the prompt establishment of the Sustainability Committee, and the Board of Directors has confirmed its importance. This is great progress. The initiatives are being implemented



Member of the Advisory Board
Makiko Horie

with clear targets and chains of command, and I hope this will increase the reproducibility of actions and lead directly to the increase of corporate value. Now that the system is in place, the next step is to deeply explore each issue. Given the nature of Seino's business, I believe that environmental initiatives and the improvement of employee well-being throughout the entire supply chain in particular form the foundation of our sustainability strategy for the maximization of cash flows and the minimization of risk over the medium to long term.



Executive Officer
in charge of Corporate
Promotion Department
and Human Resources
Department
Hisato Watanabe



Director in charge of
Finance & IR Department,
Accounting Department,
Corporate Promotion
Department, and Human
Resources Department
Nobuyuki Nozu

A Financial Strategy Facilitating Both Improved Capital Efficiency and Profit Growth

Achieving both sustainable growth and stable shareholder returns with a high dividend yield with a DOE of 4% and the steady growth of EPS

We take our current share price seriously, and we aim to close the gap.

At present, our price-to-book value ratio (PBR) is below 1. We accept this as the market's rigorous evaluation of our capital efficiency and future growth potential, and we perceive it as an important management issue. We are therefore improving our capital profitability and effectively using capital to achieve an ROE of 8% as quickly as possible, improve our ROA, and revise our capital structure. As a measure to return profits to our shareholders, we have revised our dividend policy to include a dividend on equity ratio (DOE) of 4%. Going forward, we will continue to deepen our dialogue with investors, aiming for the sustainable enhancement of our corporate value.

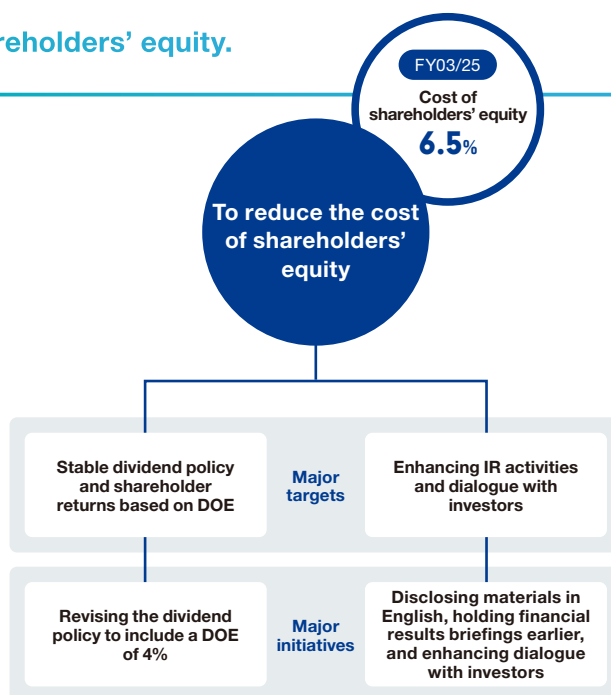
We aim to achieve an ROE of 8% or higher as quickly as possible by improving asset efficiency and setting appropriate capital policies—two essential measures.

To achieve an ROE of 8% as quickly as possible, we are working to improve capital efficiency based on the cost of capital in addition to improving revenue and profitability. Regarding investment decisions, we will pursue growth investments with a focus on achieving returns that exceed the cost of capital while making comparisons with WACC. We are also selling cross-shareholdings to improve asset efficiency and financial flexibility.

Regarding our capital policies, we will acquire treasury stock in accordance with the market environment in addition to ensuring stable dividends with a target DOE of 4% to balance shareholder returns and capital efficiency. By taking these measures in steps, we will develop the foundation for achieving an ROE of 8%.

We are working to reduce the cost of shareholders' equity.

We believe that, to reduce the cost of shareholders' equity, we should present stable returns centered on a new dividend policy of a DOE of 4% based on the assumption that a sound financial structure will be maintained, because this will lead to our shares being evaluated as an asset that is worth holding for the long term. In addition, we will work to increase investors' understanding of our strategies and risk management by implementing measures to improve transparency, such as enhancing our timely disclosure of appropriate information to investors and our dialogue with them, disclosing materials in English simultaneously, and holding financial results briefings earlier. This will increase investor confidence. We believe that the comprehensive effects of these initiatives will reduce the uncertainty of investment, leading to a decrease in risk premiums and enabling lower-cost financing, which will contribute to a reduction in the cost of capital.

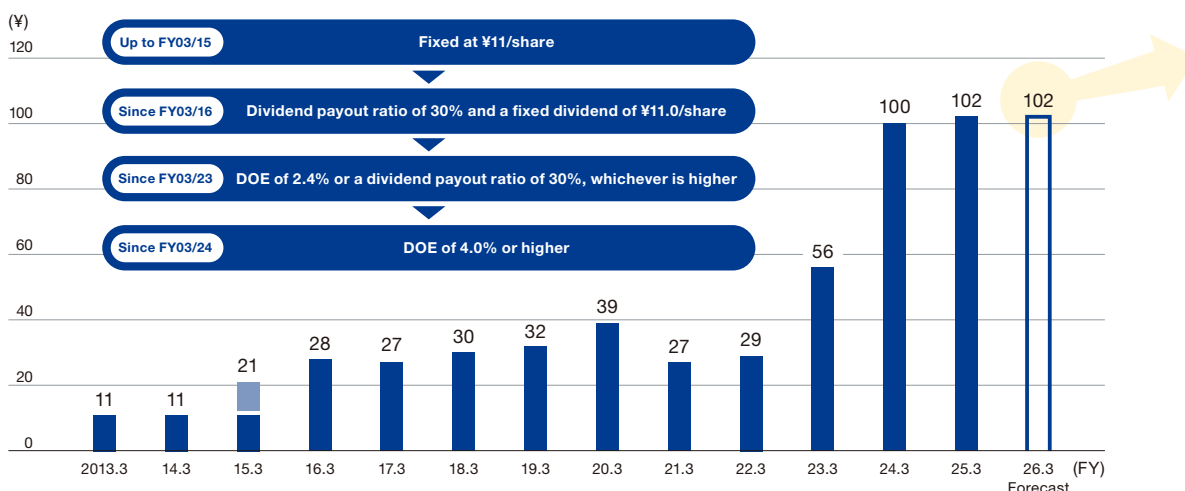


We will pay high-level, stable dividends with a DOE of 4%.

We previously revised our dividend policy in steps. Previously, we paid a fixed dividend of ¥11. In FY2014, however, we revised the policy, targeting a dividend payout ratio of 30%, to distribute profits in accordance with profits. Now, we have introduced dividend on equity ratio (DOE) to improve capital efficiency while continuing to stably return profits to shareholders. In addition, as a measure to return

profits to our shareholders, we acquired ¥30.0 billion in treasury stock in FY03/24 and ¥40.7 billion in FY03/25 in accordance with Roadmap 2028. With this series of initiatives, we will achieve both stability and efficiency, aiming to enhance shareholder value and achieve the long-term growth of business.

Trend in dividends per share



*A special dividend of ¥10.0 was paid in FY03/15.



A Financial Strategy Facilitating Both Improved Capital Efficiency and Profit Growth

We are striving to improve our balance

We are considering the flexible allocation of cash to sustainably enhance our corporate value.

Regarding cash allocation, we prioritize well-balanced capital allocation from the three perspectives of investment, financial soundness, and shareholder returns to sustainably enhance our corporate value.

First, regarding investment, we prioritize areas where there is significant growth potential, by concentrating capital on highly profitable logistics and FTL businesses. Specifically, we invited MD LOGIS into the Group in October 2024. By doing this, we enhanced our expertise in logistics and reinforced our system for providing high value-added logistics services.

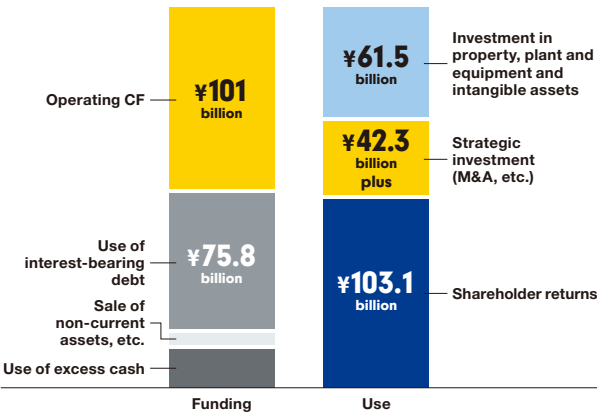
Further, regarding strategic investment, we have strengthened our investments in advanced technologies and new businesses we have conducted via startup investment funds, in addition to investing in the last mile area to address regional issues associated with the declining birthrate and the aging of the population. Through these initiatives, we are creating social value while also continuing to be conscious of the medium- to long-term transformation of the structure of our business and the reinforcement of our foundation to increase our competitiveness.

At the same time, we also value securing financial soundness. Our policy is to avoid possessing an excess of cash, secure minimal operating funds, and then reallocate excess funds to more productive areas. We will also procure funds with a consciousness of the cost of capital by appropriately using financial leverage such as external borrowings. At the same time, we will improve the flexibility of our growth investments while reducing financial risks by managing soundness indicators, including our equity ratio.

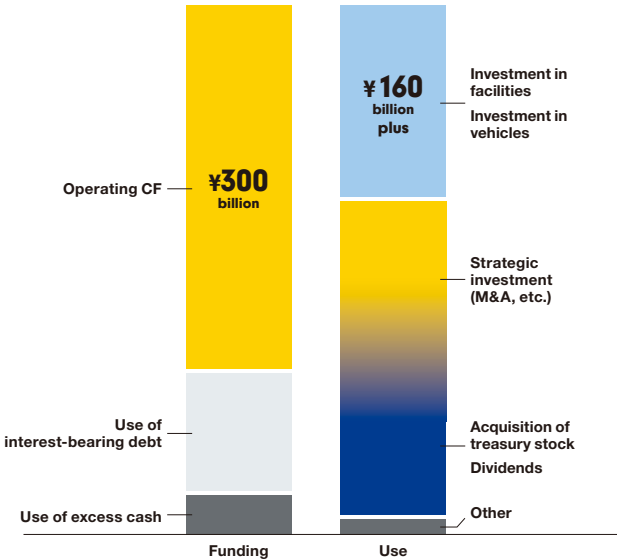
Regarding shareholder return, our basic policy is to pay dividends stably and continually with a target DOE of 4% and we consider the ongoing and flexible acquisition of treasury stock in light of our financial standing and stock price.

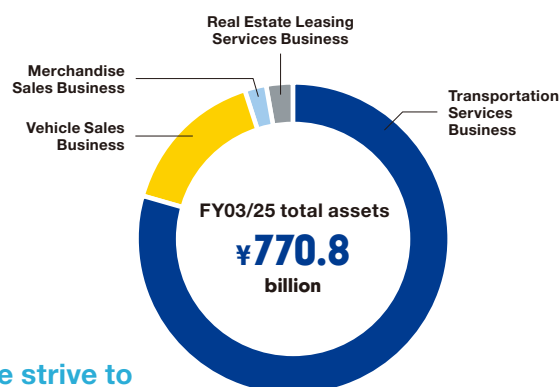
We will continue to optimize cash allocation to achieve both sustainable growth and high capital efficiency with the goal of further enhancing our corporate value.

Results cumulative total over two years



Forecast cumulative total over five years





We review our existing assets as we strive to improve asset turnover.

Regarding our existing assets, we position the improvement of capital efficiency as an important task in management, and we review and strategically use assets to improve asset turnover. We do not just rebuild aging buildings. We take a flexible approach with an eye on the actual situation of our businesses and the improvement of our competitiveness.

For example, when we rebuild a facility, we may add a warehouse function to increase its added value. By multiplying the functions of each one of our bases in this way, we increase the competitiveness of our businesses. We also use warehouses leased to control excess investment and efficiently manage assets while responding promptly and flexibly to changing market needs.

We will divert idle land to the highly profitable Real Estate Leasing Services Business, sell sites

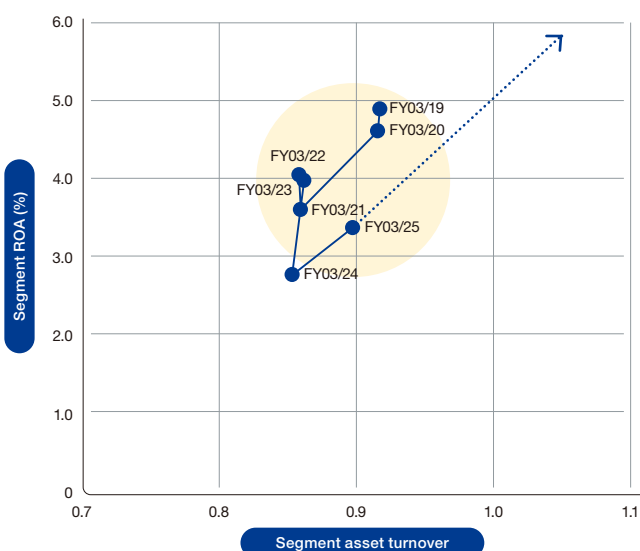
that are difficult to use for business and require high maintenance expenses, and take other initiatives to improve the profitability and operating efficiency of our assets and to effectively use them in a Group-wide manner.

Regarding trucks, we control investment costs by taking advantage of volume discounts, tapping into the amount that is procured within the Group. We also leverage economies of scale in the procurement of parts and in person-hours to perform maintenance in a well-planned manner in our efforts to maintain the utilization rate and extend vehicles' lives.

We will continue to improve capital efficiency in terms of both asset turnover and profitability while remaining flexible in our reallocation of assets and use of external resources to maximize our corporate value.

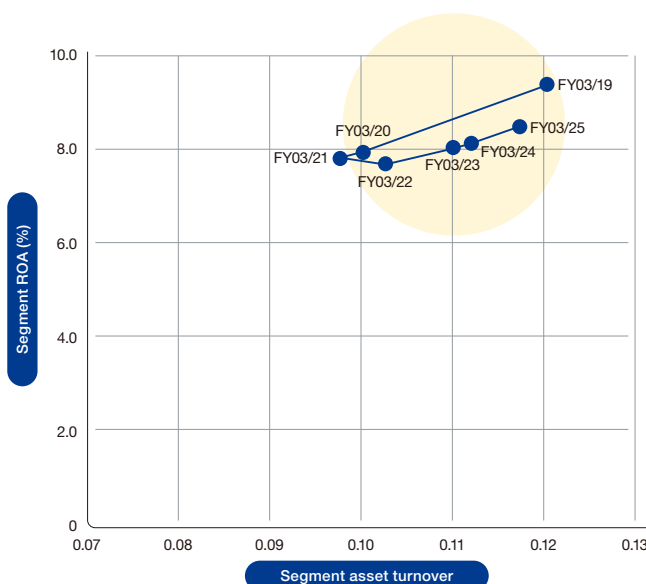
Transportation Services Business

Asset turnover has remained below 1.0. We will work to improve both the operating margin and asset turnover to increase our ROA.



Real Estate Leasing Services Business

We will divert land and empty lots that we own to use for leasing services, for which they have high use value, aiming to continue to stably generate ROA.



Customer prosperity and the development of the company make our employees happy.

A human capital strategy of pursuing employee well-being

We believe that the happiness of employees is the source of our competitiveness.

The power of people is at the center of our value creation initiatives. We will establish an environment that enables every employee to embrace challenges with peace of mind, and to take pride in their work and feel satisfied with their job. We believe this will lead to the sustainable provision of services and solutions to social issues. The logistics industry faces major challenges, including the labor shortage and concerns regarding workstyles. We are creating systems and a culture that reflect the realities of our work sites in our efforts to enhance employee well-being. We believe that employee happiness is the source of all of our strategies and the foundation of our provision of value.



We are striving to enhance employee engagement.

Human capital strategy supports Team Green Logistics. We attach importance to creating an environment that enables employees to co-create value with pride and respect for their colleagues. Accordingly, we will focus our efforts on creating programs that support employees in embracing

challenges and creating a culture that fosters a sense of unity, building a workplace where employees can work with peace of mind in a mutually supportive environment, and enhancing engagement, so that our human capital facilitates sustainable competitiveness.

Specific initiatives of our human capital strategy

Theme	Specific activities	Indicator	
		FY2024	FY2025 target
Increased retention	- Provide an environment that permits employees to embrace challenges (e.g., hand-raising system) - Foster good communication within the workplace	Retention	
		92.5%	98%
Enhanced recruiting capabilities	Collaborate with Seino Staff Service and outside companies to adopt new recruiting methods (referral recruiting, alumni recruiting, etc.)	Number of employees hired through referral/alumni recruiting	
		Seino Group 365	Seino Group 500
Personal growth (education)	- Enable employees to learn the basics of being a working adult and facilitate the entrenchment of the company's mindset, self-esteem, and proactive independence. - Seino Basic Training	Percentage of new employees who received training	
		Seino Group 100%	Seino Group 100%
	- Provide diverse learning opportunities to meet employees' needs - Learn by using YouTube videos	Training time per employee	
		550 minutes	614 minutes
Fostering a sense of unity among employees	It is expected that increasing employee interest and participation in corporate sports through public relations activities and use of social media will foster a sense of unity.	Internal questionnaire on company sports "I'm interested in the Seino Athletic Club."	
		73.36%	80%

Systems supporting our strategy

A group system for drivers

This system enables us to strengthen our collaborations and our cooperative structure and contributes to the equalization of work volume and the stable taking of days off work.

Job type change system

We have prepared a path to promotion so that employees can move from being sales drivers to long-haul crew members, enabling us to stably secure large truck drivers, who are difficult to recruit.

Enhancement of the employee stock ownership plan

Enhancing the employee stock ownership plan so that increased corporate value will lead to economic value for employees

License acquisition support program

The company assumes a part of the expenses for acquiring higher-level driver licenses, helping retain drivers.

Refresh One Leave

The introduction of a program granting consecutive days of leave to employees who have completed their first year at the company helps prevent employees from leaving the company within their first year of employment.



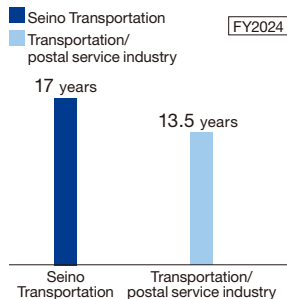
We are promoting initiatives with the goal of achieving our management philosophy.

Our management philosophy is: Advancing Our Company and Supporting Employee Well-Being. This well-being consists of three pillars: having the economic security needed to support one's life and work, feeling genuine pride in one's role and actions, and looking ahead with a positive and sustainable outlook.

We are implementing various initiatives to achieve this philosophy. For example, Seino Transportation, which is our core company, has adopted a group system that helps retain drivers. By doing this, it has created a mechanism in which drivers support each other in their work. This equalizes the work volume and enables us to handle sudden absences from work, and this has resulted in an environment in which they can work with peace of mind. It has also fostered a sense

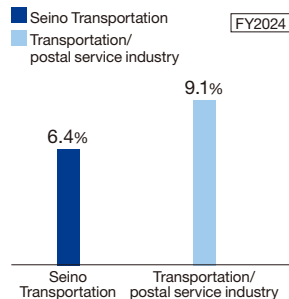
of unity among the members of each team. In addition, we have enhanced the employee stock ownership plan and put a system in place that links the enhancement of corporate value to the economic profits received by the employees themselves. Further, our activities to support corporate sports, including our baseball team and karate club, symbolize the development of a sense of unity that transcends workplaces. The experience of sharing excitement beyond the boundaries between departments and job positions has strengthened the solidarity of the entire organization and brought about a positive cycle in our operations every day. These initiatives, which we implement in both institutional and cultural aspects of our business, are symbolic of our human capital strategy.

Comparison of average years of continuous service



Source: Data on wages by industry from the 2024 Basic Survey on Wage Structure by the Ministry of Health, Labour and Welfare

Comparison of turnover rate



Source: Data on accession rate and separation rate by industry from the 2024 Survey on Employment Trends by the Ministry of Health, Labour and Welfare

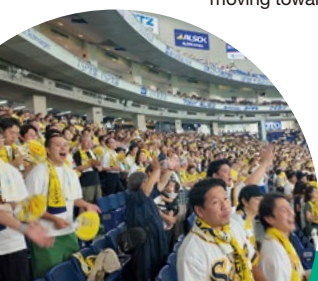
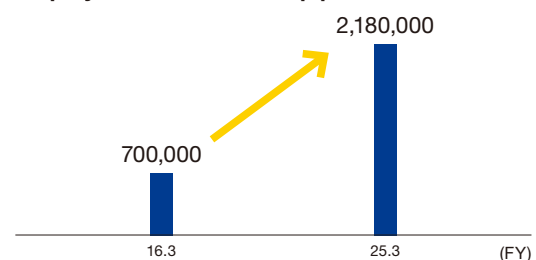
Indicators emphasized in engagement surveys



We provide employees with incentives to enhance corporate value over the medium to long term. At the same time, we promote membership in the stock ownership plan as a way to enhance employee benefits.

- Enhancing the employee stock ownership plan so that increased corporate value will lead to economic value for employees
- Overview of employee stock ownership plan
No. of members: 4,874
No. of shares held: 2,180,000 (10th largest shareholder)
- Incentive plan
FY03/22 to FY03/26 (four years)
At the end of the period, the amount of increase in the share price during the period will be distributed in proportion to the number of shares accumulated by each member.
- Employees can share in the goal and the sense of achievement of moving toward a PBR of more than 1.

No. of shares held under the employee stock ownership plan



Company information and editor's note

Corporate information

Company name	SEINO HOLDINGS CO., LTD.
Founded	February 11, 1930
Established	November 1, 1946
Number of employees	40,933 including 9,501 temporary employees (annual average)
Fiscal year	104th fiscal term (April 1, 2024 to March 31, 2025)
Head office	1 Taguchi-cho, Ogaki, Gifu
Number of shareholders	19,437
Stock exchange market	Tokyo Stock Exchange Nagoya Stock Exchange

For more information, please go to the following URL.

- Seino Drive, owned media (Japanese only)
- Long-Term Vision and Roadmap 2028 Toward Enhanced Corporate Value through Green Logistics (presentation materials)
- Company Information 2024 (Japanese only)
- Financial Data



Your cooperation with the questionnaire is appreciated (Japanese only).

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Editorial policy

The goal of this report is to tell readers about how the Seino Group creates its long-term corporate value by contributing to the establishment of a sustainable society beyond logistics in the form of an easy-to-understand and consistent story. It facilitates dialogue with the people who are building the future together with the Group, including our customers, business partners, shareholders, investors, and employees, and it provides information that leads to co-creation. The report covers the period from April 1, 2024 through March 31, 2025. It is focused on our main businesses and priority initiatives and includes other information. In editing this report, we prioritized fairness and transparency and based figures on primary sources whenever possible. The report incorporates internal and external knowledge as necessary. We will continue to improve our efforts to deliver highly reliable information.

Editor's note

Through the editing of this report, we were able to reconfirm that our on-site workers, management, and partners are working together under the banner of Team Green Logistics and embracing challenges to solve social issues. Working closely with our customers, we provide value that contributes to productivity improvement in society. At the same time, we are enhancing the well-being of workers by streamlining logistics and reducing environmental impact. We feel that this approach based on our management philosophy is the driving force shaping our distinctive quality. In contrast, we also identified challenges that need to be embraced going forward, such as issues regarding data organization and the management and improvement of sustainability indicators. We hope that this report will facilitate our dialogue with our stakeholders and help them envision our sustainable future together. Finally, we would like to take this opportunity to express our heartfelt gratitude to all the people who were involved in the compilation of this report.



A block train running on the JR Sanyo Main Line
(between Mitsuishi and Kamigori)



SEINO HOLDINGS CO., LTD.
1 Taguchi-cho, Ogaki, Gifu