SEINO

2025.5.14

Financial Results
Fiscal year ended March 2025

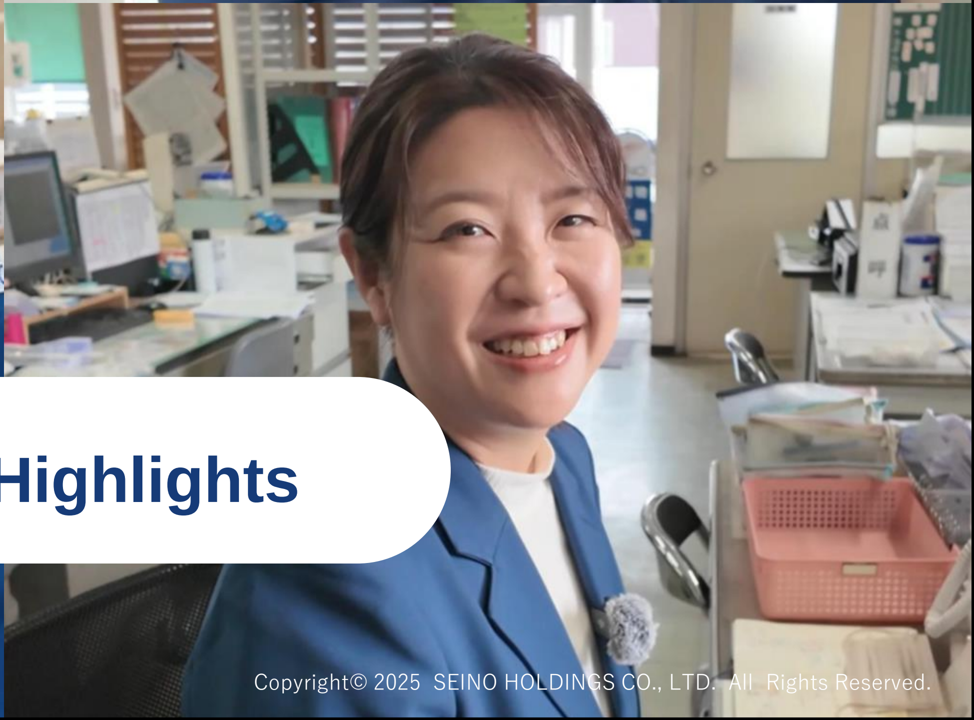
SEINO HOLDINGS CO., LTD. (9076)

TOC

What we hope to convey today

- In the fiscal year ended March 2025 (fiscal 2025), we achieved a 14% increase in net sales and a 27% rise in operating profit owing to progress with collecting appropriate freight rates. Even excluding the effect of MD LOGIS's consolidation, operating profit effectively increased by 16%.
- Operating profit was, nevertheless, short of our forecast because of rising subcontracted fees and other costs. We remain committed to improving cost control.
- For fiscal 2026, we project net sales to advance 10%, operating profit to rise 25%, and net income to increase 14% owing to the full-year consolidated contribution of MD LOGIS and the uptake of appropriate freight rates.
- In conjunction with the ¥40.7 billion share buyback implemented in fiscal 2025, we target a ¥2 rise in the annual dividend, to ¥102, for that year. However, we expect our efforts to fully contribute to per-share value creation from fiscal 2026. We forecast ROE to improve to 5.4% and for EPS to increase by ¥31.
- Although achieving ROE of 8% will take time, we continue to explore the most effective methods for achieving this goal by gauging market trends and listening to the wisdom of our stakeholders.
- We will continue to improve the productivity of LTL via the open public platform (OPP) model and focus on expanding our logistics and charter services to provide one-stop convenience to our customers.





01 FY 2025 Financial Highlights

Profit & Loss

Growth in both revenue and profit

Revenue and profits both improved YoY thanks to the positive impact of MD LOGIS's consolidation as well as solid performance by vehicle sales and other businesses

(Percentages indicate YoY change.)

(¥ million)	FY3/24	FY3/25	YoY	vs. forecast
Operating revenue	642,811	737,377	+14.7%	+0.8%
Gross profit	73,597	86,614	+17.7%	
Gross margin	11.4%	11.7%	+0.3pt	
Selling, general & administrative expenses	50,194	56,730	+13.0%	
Operating profit	23,403	29,883	+27.7%	-9.9%
Operating margin	3.6%	4.1%	+0.5pt	
Profit attributable to owners of the parent	14,561	19,253	+32.2%	-2.3%
EPS	¥83.72	¥115.41	+37.9%	-1.4%
ROE	3.3%	4.7%	+1.3pt	

Operating revenue

+14.7% **(Excluding MD LOGIS) +5.3%**

Net sales exceeded budget by ¥6 billion, owing to better-than-expected results at MD LOGIS and in the vehicle sales business.

Operating income

+27.7% **(Excluding MD LOGIS) +16.1%**

Although the transportation business improved its profit margin by charging appropriate freight shipping rates, operating profit fell ¥3.2 billion short of the company's target reflecting pressure from rising costs, including vehicle rental fees.

Net profit

+32.2% **(Excluding MD LOGIS) +16.5%**

Additional losses of ¥1.9 billion were incurred on investments in equity-method affiliates, including Hankyu Express (HEX).and operations in Indonesia. Although the company recorded a gain on the sale of securities worth ¥5.3 billion, net income for the year under review was ¥400 million lower than projected.

Business Overview

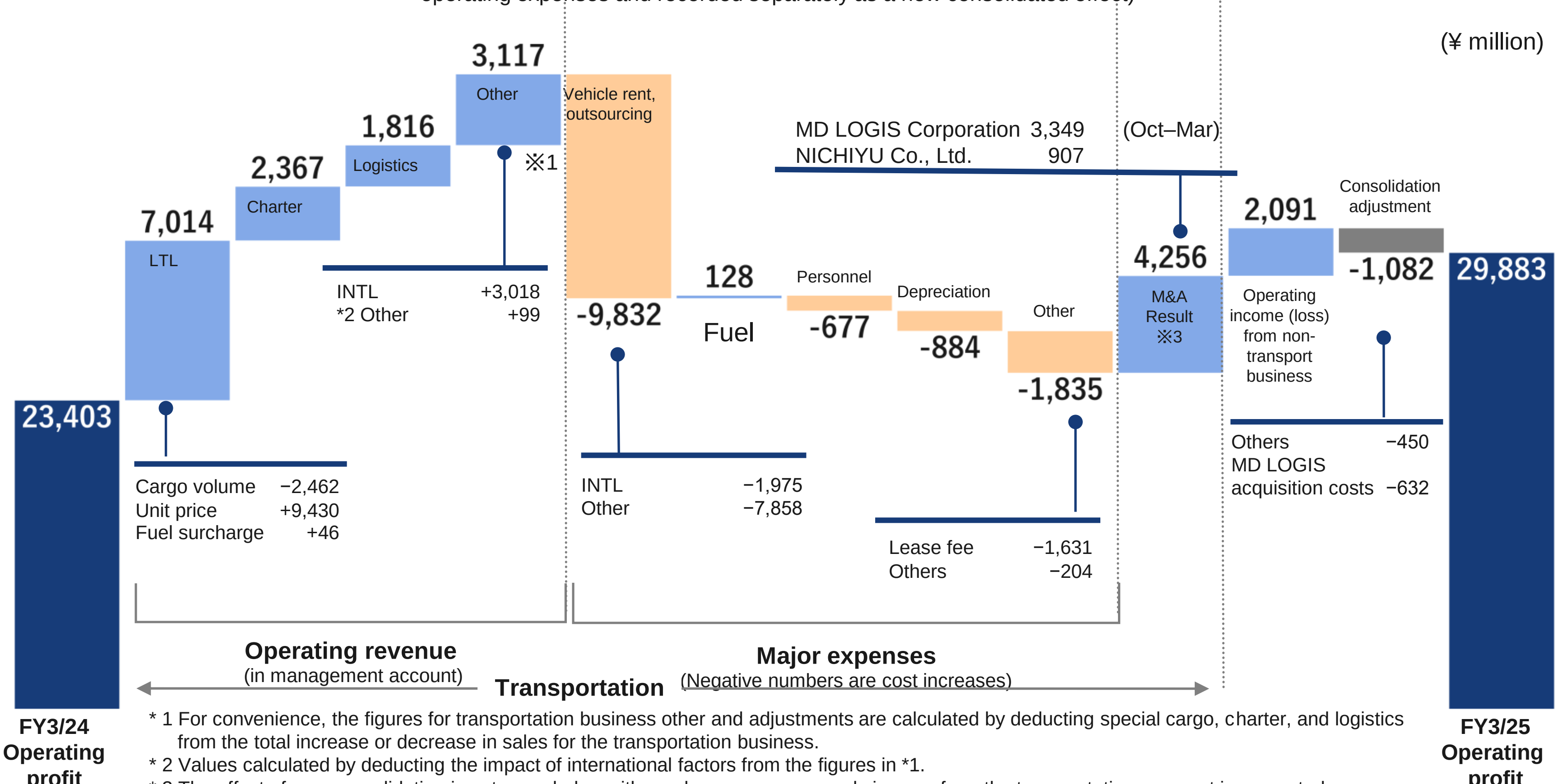
Revenue and profit up YoY in all segments

(¥ million)	Operating revenue (YoY) [versus forecast]	Operating income (YoY) [versus forecast]	FY3/25 business highlights	KPI
Transportation	**554,126** (+17.8%) [+0.6%]	**20,743** (+35.8%) [-16.6%]	**Operating revenue** Unit price increases are ongoing due to progress in enforcing appropriate freight rates, and revenue is on track to increase due to the recent consolidation of MD LOGIS. (Year-on-year, excluding MD LOGIS: +4.9%) **Operating income** Profits increased due to the new consolidation of MD LOGIS, but compared to the plan, pressure from charter fees meant that earnings fell short of forecasts by ¥4,138 million. (Year-on-year excluding MD LOGIS: +13.9%))	**LTL** Cargo Volume **99.3%** (STC: LTL) (Seino Group: 99.1%) Unit price **104.2%** (STC: LTL) (Seino Group: 103.8%) **Logistics** Revenue **147.2%** (Excluding Outbound shipping fee) **Charters** Revenue **104.6%** (STC 107.0%)
Vehicle sales	**115,328** (+6.1%) [+1.4%]	**7,161** (+23.3%) [+9.5%]	**Operating revenue** Although the number of new passenger car sales decreased, sales of high-priced models were strong, and sales of trucks increased, driving up revenue. **Operating income** Profits rose on increased gross margins in new and used passenger car sales and increased earnings from vehicle inspections and maintenance.	**New vehicle unit sales** **16,679** passenger vehicles (93.4%) **2,524** trucks (122.7%)
Merchandise sales	**38,780** (+8.5%) [+4.9%]	**1,169** (+23.4%) [+1.2%]	Sales of household paper products remained strong, contributing to increased revenue and profit.	
Real estate leasing	**2,354** (+4.8%) [+3.4%]	**1,731** (+5.0%) [+3.3%]	Revenue and profit climbed due to leasing of the abandoned site of terminal that has been rebuild at a new location and the effect of rent revisions.	
Other	**26,786** (+3.4%) [-2.8%]	**1,829** (+31.1%) [+13.1%]	Growth in the information services and housing sales businesses pushed up revenue and profit.	

Consolidated Operating Profit
Year-on-year increase breakdown

In the transportation business, despite increases in chartering and outsourcing expenses and a volume decline, operating profit rose due to progress in charging appropriate freight rates and newly consolidated businesses, such as MD LOGIS. Auto sales were also strong, pushing up consolidated operating profit.

(Owing to the large impact of the newly consolidated company, its results have been excluded from sales and operating expenses and recorded separately as a new consolidated effect)



* 1 For convenience, the figures for transportation business other and adjustments are calculated by deducting special cargo, charter, and logistics from the total increase or decrease in sales for the transportation business.
* 2 Values calculated by deducting the impact of international factors from the figures in *1.
* 3 The effect of new consolidation is not recorded as either sales or expenses; only income from the transportation segment is presented.

Transportation Business Operating Costs
(excluding newly consolidated companies)

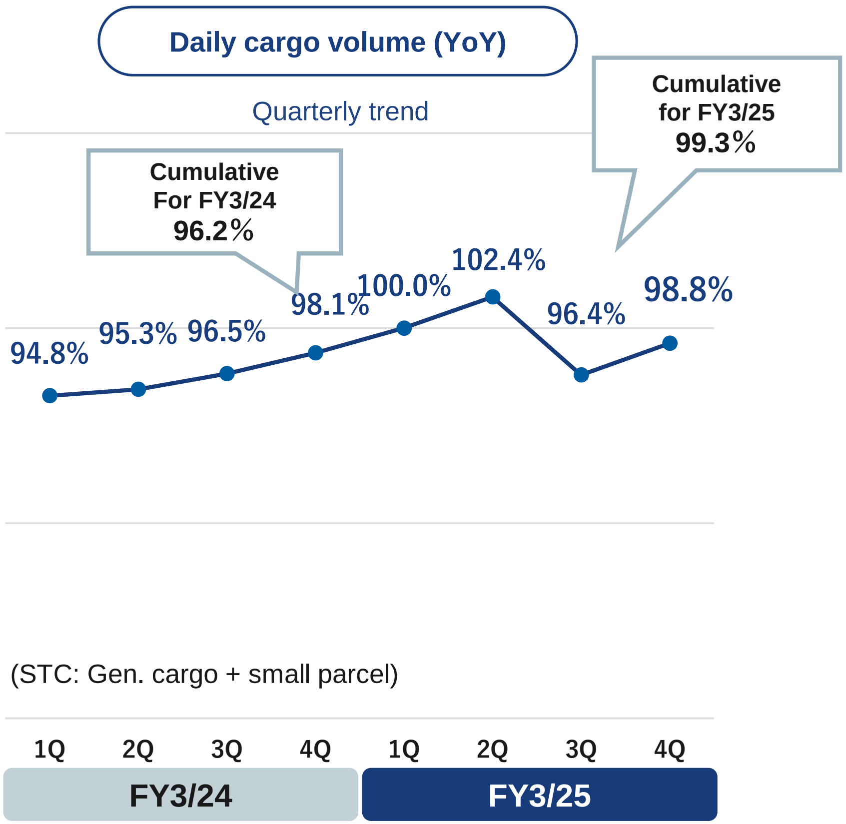
Operating expense growth remains high, at 2.9%, but is within the sales growth rate of 3.0%.

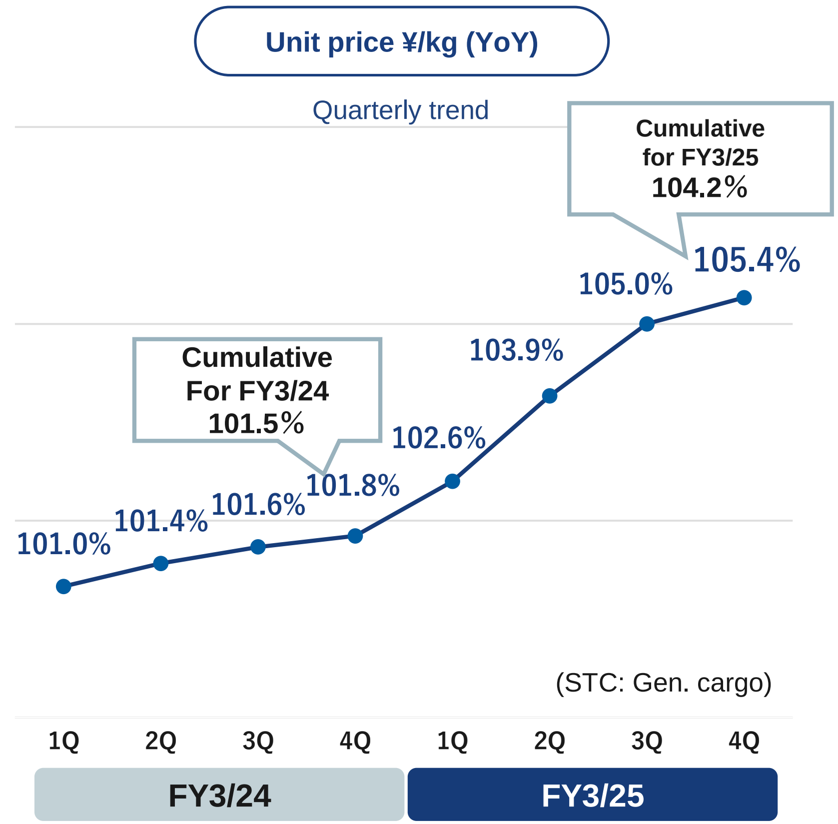
(¥ million)	FY3/24	FY3/25	YoY	Comment
Personnel	190,336	191,014	+677 (+0.4%)	Headcount (w/o newly consolidated companies) 25,409 employees (–1.3%)
Fuel	17,919	17,791	-128 (-0.7%)	
Depreciation	18,916	19,801	884 (+4.7%)	Buildings and structures 63 Machinery, equipment and vehicles 328 Tools, furniture and fixtures 485 Other 8
Subcontracted, charter, handling, and outsourcing	178,376	188,209	+9,832 (+5.5%)	Increase in International freight costs 1,975 Increase in other costs 7,858
Others	51,650	53,891	+2,240 (+4.3%)	Lease fees 1,631 (+11.0%)
Total operating costs	457,200	470,708	+13,507 (+2.9%)	Organic revenue growth 14,313 (+3.0%) (excl. newly consolidated businesses)

LTL: Cargo Volume・Unit Pricing

We were unable to cover the decrease in volume caused by the price increase of our customers' products in the 3rd quarter
Full-year results are below the previous year

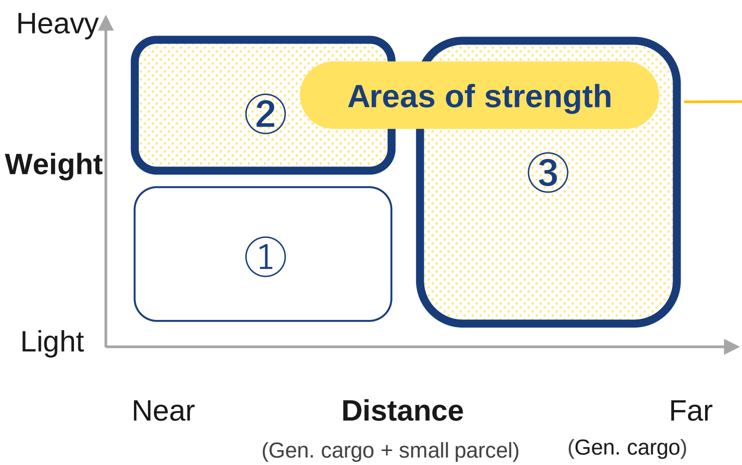
Fair freight collection remains steady
Continued to provide value and collect fair freight





Weight & Distance Band Analysis (STC)

Cargo by weight and distance



Cargo, by weight and travel distance, YoY (Apr–Mar)		
Weight / distance	**Volume per day**	**Unit price ¥kg**
① Under 300 kg / 500 km or less	98.2%	103.5%
② Over 300 kg / 500 km or less	100.5%	105.6%
③ Over 500km	99.0%	104.5%
All	99.3%	104.2%

Cargo volume (Apr–Mar)

Estimate: 99.5%, actual: 99.3%

- Maintained 100% of the previous year's volume in area ②, which has a comparative advantage
- The decline in volume in the third quarter due to price increases by customers was not fully recovered in the fourth quarter, resulting in a slight shortfall from the assumption.

Unit price (Apr–Mar)

Estimate: 103.9%, actual 104.2%

- Ongoing negotiations with major shipping customers lifted actual freight rates above target.
- Although 20% of individual contracts (*) were revised in 4Q, we did not achieve our unit price rise target of 105.8% at end-March.

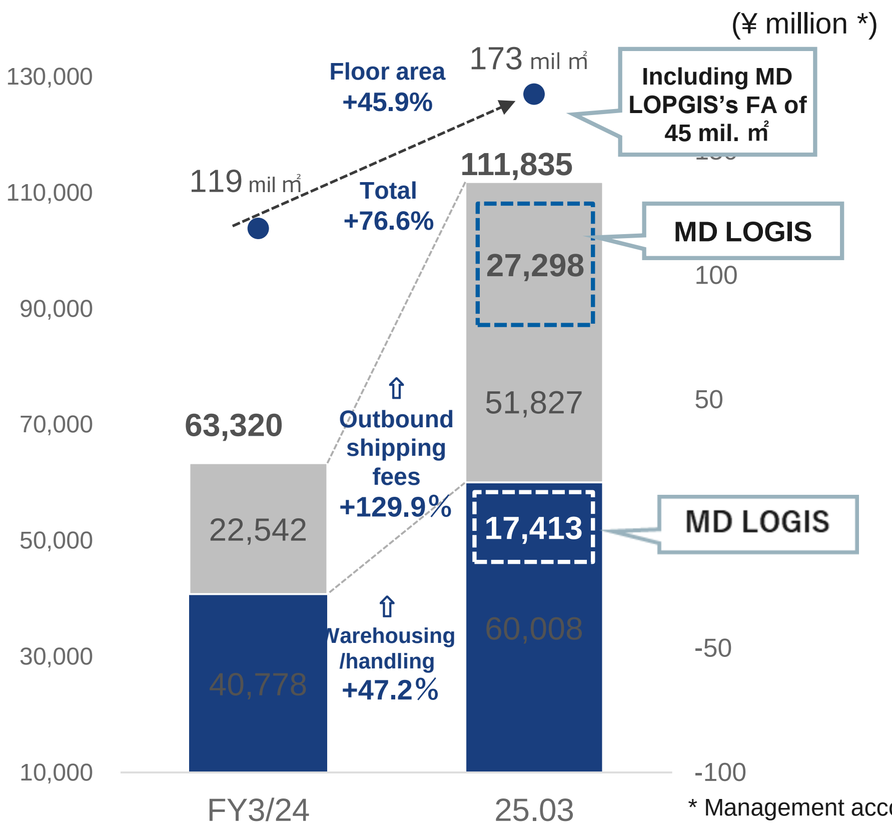
  Continuous effort is needed in parallel with managing reported freight rates.
- The number of contract revisions has remained steady since April.

* Freight contract based on number of items, not distance x weight

Logistics & Charter Trucking

Logistics revenue

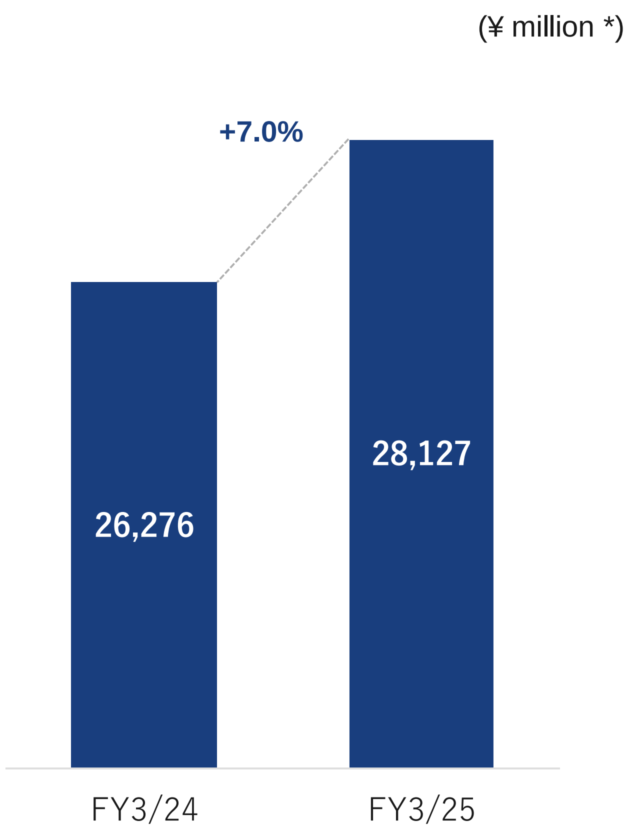
The contribution by MD LOGIS added to sales and floor space significantly. Expansion via newly constructed facilities (upfront investment) imposed start-up costs.



* Management accounting figures

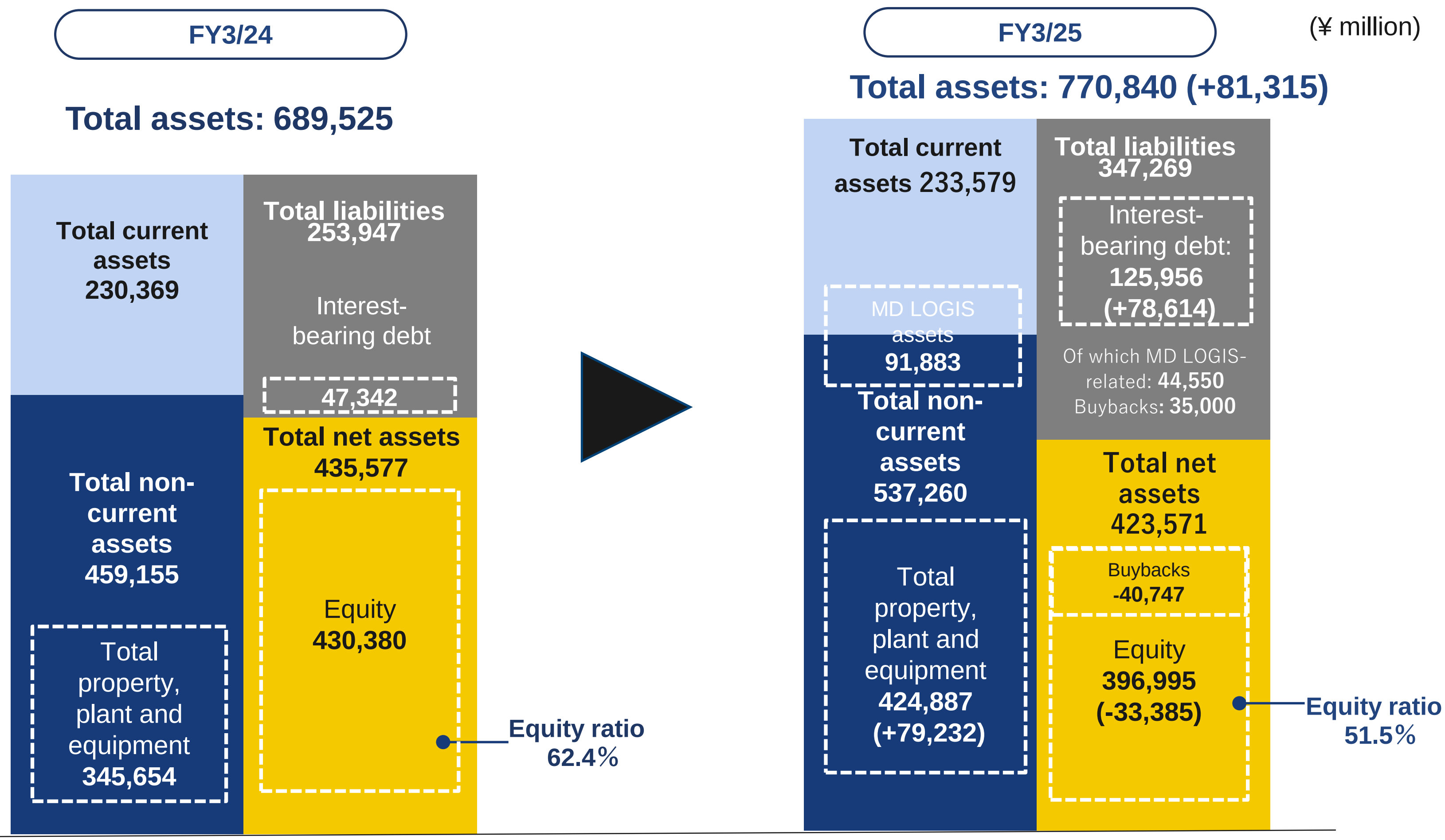
Chartered trucking revenue (STC)

Revenue from charter services grew 7.0%. A centralized dispatch center was established to further strengthen dispatch capabilities.



Balance Sheet

Balance sheet improvement due to reduction in equity and increased use of debt: D/E ratio shifts from 0.1x to 0.3x.



Financial & Capital Policy
Effect of MD LOGIS consolidation, tender offer

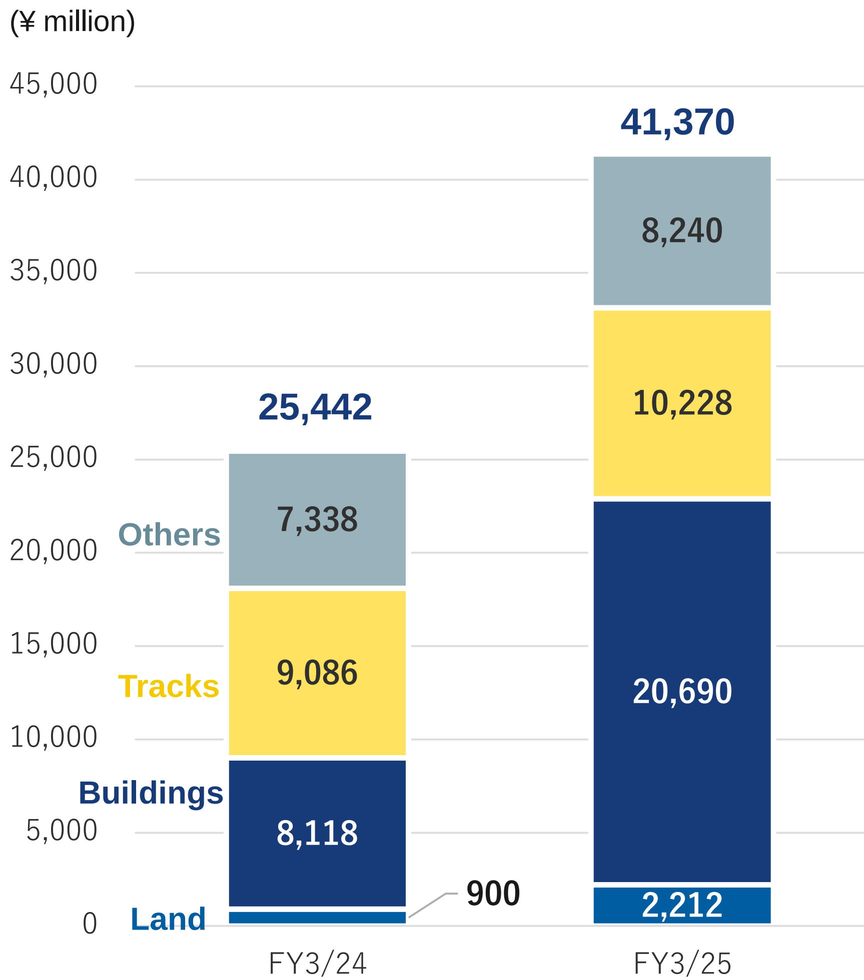
Effects on FY3/25 and FY3/26 metrics

FY3/25 (MD LOGIS Group consolidation impact is for the half-year)					FY3/26 (full-year)
	Pre-acquisition		Implemented (results)	Effect	Effect
Operating revenue	¥67.6 billion	⇒	¥737.3 billion	+¥60.7 billion	+¥115.7 billion
Operating profit	¥27.1 billion		¥29.8 billion	+¥2.7 billion	+¥5.3 billion
ROE	3.8%		4.7%	+0.8pt	+1.0pt
EPS	¥101.69		¥115.41	＋ ¥13.72	+¥30.76
DPS	¥100		¥102	＋ ¥2	±¥0
Equity-to-asset ratio	64.4%		51.5%	−12.9pt	−12.7pt

- **Revision of dividend target for FY3/25**
  Full-year amount: ¥100 → ¥102 (+¥2)
  Final dividend: ¥57 → ¥59 (+¥2)
- **Dividend payout ratio: 88.4%**
  Going forward, we will constrain our target dividend payout ratio within 100%.
- **FY3/26 dividend forecast**
  Full-year: ¥102, interim: ¥43

Capital Investment

Expanded investment in logistics



FY3/25 capital investment breakdown

Land ¥ 2,212 M

• STC (Toyoake, Aichi Pref.)	1,432
• Seino Saha Logistics (Thailand: White Warehouse)	563

Buildings 20,690

• STC (New Construction, Ichikawa Branch)	5,222
• STC (New Construction, Yokohama Branch)	1,837
• STC (New Construction, Kanazawa Branch Warehouse)	1,797
• Seino Saha Logistics (Thailand: White Warehouse)	1,246
• TCN Gifu (Renovation work, Gifu Service Workshop)	647
• TCN Gifu※(Renovation work, Takayama Workshop)	453

※Vehicle sales

Track 10,228

• STC (1,140 trucks)	7,382
• SSX (147 trucks)	497

Others 8,240

• STC (Labor-saving equipment)	2,133
• STC (Software)	1,269

(STC: Seino Transportation Co., Ltd.)
(SSX: Seino Transportation Co., Ltd.)

Cash Flow

In addition to the increase in cash flow from investing, short-term borrowings rose significantly due to the application of capital policy.

(¥ million)	FY3/24	FY3/25	YoY	Increase/decrease factors
Net cash provided by (used in) operating activities	48,441	52,746	4,304	Profit before income taxes: 6,883 Depreciation: 2,443 Decrease (increase) in trade receivables: 7,573 Increase (decrease) in trade payables: (17,969) Decrease (increase) in inventories: (5,543) Income taxes paid: 4,285
Net cash provided by (used in) investing activities	(25,509)	(70,875)	(45,366)	Sale (purchase) of property, plant and equipment and intangible assets: (14,726) Sale (purchase) of shares of subsidiaries resulting in change in scope of consolidation (37,646) Proceeds from sale and redemption of investment Securities: 7,366
Net cash provided by (used in) financing activities	(48,646)	19,952	68,598	Net increase (decrease) in short-term borrowings: 80,413 Purchase of treasury shares: (10,748) Dividends paid: 1,069
Free cash flows	22,932	(18,129)	(41,061)	
Cash and cash equivalents at end of period	75,378	77,354	1,976	

02 FY3/26 Business Outlook

Earnings Estimates

1. Unit price revision: Profit contribution of ¥3.7 billion

Unit price estimate: 104.5% (April report: 105.2%)

- We maintain our effort to collect appropriate freight rates, which covers targets for the three-year freight rate revision that has been underway since the previous fiscal year along with freight rate revisions aimed at individual contract shippers.

2. Volume estimate

Volume estimate: 99.5% (April report: 100.0%)

- Amid an uncertain outlook regarding the domestic economy and with many aspects of the US tariff impact still unclear, we forecast a slight decline in volume.

3. MD LOGIS's full-year profit contribution: ¥1.9 billion

- MD LOGIS was consolidated from October 2024, full-year contribution to consolidated results from the current fiscal year
- Full-year consolidated impact: sales: ¥54.9 billion, operating profit: ¥1.9 billion

4. Expansion of logistics: Profit contribution of ¥1 billion

- We aim for our upfront investment activity to catch up with sales growth as we promote funding of new growth opportunities. This fiscal year, we plan to open four new locations (three owned, one leased) and secure 56,000 square meters of floor space.

5. Cost control: Profit contribution of ¥2 billion

- As we align our operations with volume, we are improving cost control by promoting one-way-shipping arrangements with Hacobell aimed at rectifying unbalanced round-trip volumes and, thereby, raising overall loading efficiency of all routes and generating additional mixed-load profits.

FY3/26 Performance Forecasts

(¥ million)	FY3/26 E	FY3/25	YoY		Comment
Operating revenue	813,700	737,377	+76,322	+10.4%	
Transportation	632,000	554,126	+77,873	+14.1%	
Vehicle sales	112,400	115,328	(2,928)	(2.5%)	
Merchandise sales	38,200	38,780	(580)	(1.5%)	
Real-estate leasing	2,400	2,354	+45	+1.9%	
Other	28,700	26,786	+1,913	+7.1%	
Operating profit	37,600	29,883	+7,716	+25.8%	
Transportation	28,700	20,743	+7,956	+38.4%	
Vehicle sales	6,250	7,161	(911)	(12.7%)	
Merchandise sales	1,180	1,169	+10	+0.9%	
Real-estate leasing	1,740	1,731	+8	+0.5%	
Other	1,850	1,829	+20	+1.1%	
Transportation	(2,120)	(2,752)	(632)	—	
Ordinary profit	38,300	28,124	+10,175	+36.2%	Equity-method income ¥150M
Profit attributable to owners of the parent	22,000	19,253	+2,746	+14.3%	EPS ¥147.35 (+¥31.94) ROE 5.4% (+0.7pt)

Transportation

MD LOGIS impact

Operating revenue	¥54,940M
Operating profit	¥1,970M
Operating revenue (FY)	¥115,700M
Operating profit (FY)	¥5,320M

LTL (STC)

Cargo volume	99.5% (daily)
Unit price	104.5% (gen. cargo)
Day count	100.0%

Vehicle sales

New car unit sales

Passenger vehicles	16,600 (99.5%)
Trucks	2,029 (80.4%)

FY3/26 Performance Forecasts (half-year)

(¥ million)	1H FY3/26 (Forecasts)	1H FY3/25 (Actual results)	YoY		Comment
Operating revenue	398,500	331,604	+66,895	+20.2%	
Transportation	308,800	240,843	+67,956	+28.2%	
Vehicle sales	56,500	58,732	(2,232)	(3.8%)	
Merchandise sales	18,400	18,180	+219	+1.2%	
Real-estate leasing	1,200	1,157	+42	+3.7%	
Other	13,600	12,689	+910	+7.2%	
Operating profit	17,000	13,075	+3,924	+30.0%	
Transportation	12,090	7,306	+4,783	+65.5%	
Vehicle sales	3,540	4,438	(898)	(20.2%)	
Merchandise sales	560	556	+3	+0.7%	
Real-estate leasing	850	846	+3	+0.4%	
Other	930	917	+12	+1.4%	
Transportation	(970)	(990)	+20	—	
Ordinary profit	17,100	13,159	+3,940	+29.9%	Equity-method income ¥300M
Profit attributable to owners of the parent	9,300	6,434	+2,865	+44.5%	EPS ¥62.34 (+¥24.09)

Comment

Transportation

Effect of newly consolidated entities since latter half of prior year

Operating revenue	¥57,100M
Operating profit	¥2,570M

LTL (STC) (YoY)

Cargo volume	99.3% (daily)
Unit price	104.5% (gen. cargo)
Day count	100.0%

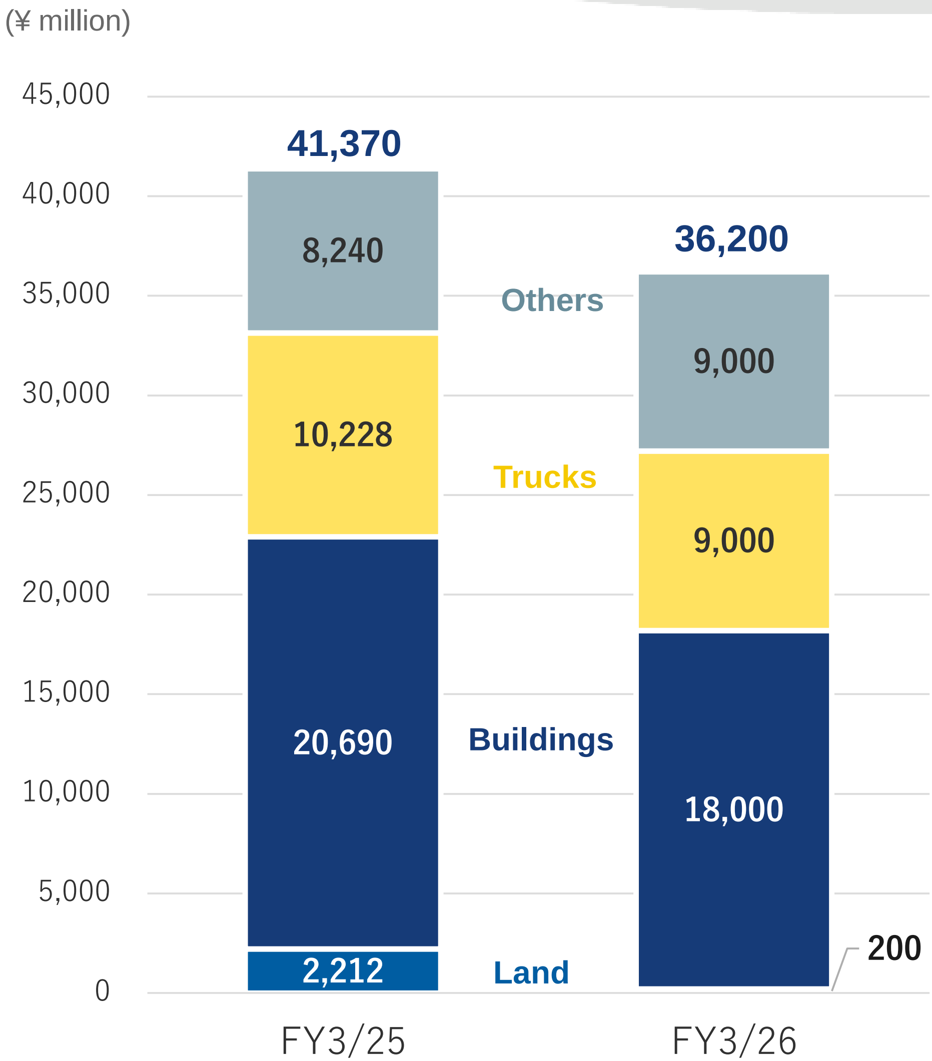
Vehicle sales

New car unit sales

Passenger vehicles	7,960 (91.9%)
Trucks	1,034 (72.5%)

FY3/26 Forecast of Capital Investment

Funding effort to focus on real estate financing



Breakdown: key planned capital investments

(¥ million)

Land	**200**
• STC (Toyoake, AichiPref.)	102
Buildings	**18,000**
• STC (New Ichikawa Branch)	3,941
• STC (New Nagoya Kita Branch)	3,721
• STC (New Okayama Branch)	2,511
• STC (New Yokohama Branch)	2,053
Trucks	**9,000**
• STC (978 trucks)	6,500
• SSX (91 trucks)	616
• Hokkaido Seino (90 trucks)	356
Other	**9,000**
• STC (labor-saving equipment)	2,800
• STC (Software)	2,000

(STC: Seino Transportation Co., Ltd.)
(SSX: Seino Transportation Co., Ltd.)

03 Progress on ROADMAP 2028

ROADMAP 2028
Progress After Two Years

Sales growth **Target: annual organic growth of 4% + M&A**

FY3/23 sales
¥631.5 billion

FY3/25 sales
¥737.3 billion

CAGR 8.1 %

Organic growth
CAGR 2.8%

+

M&A contribution
¥69.5 billion
New-consolidation impact
(Full-year ¥120 billion)

Profit margin improvement **Target: operating margin around 5.8%**

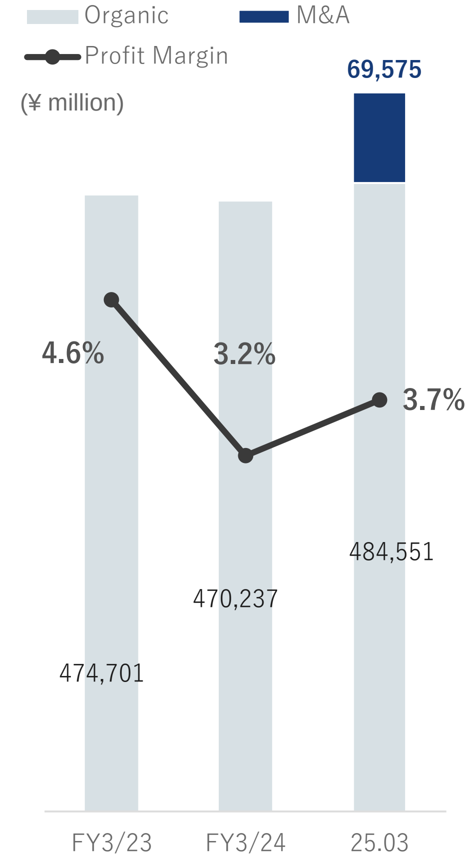
FY3/23 operating margin
4.5%

FY3/25 operating margin
4.1%

Due to factors such as increased expenses related to partner companies in response to the “2024 problem” and upfront investment in the expansion of logistics warehouses, profit margins may be temporarily squeezed but are expected to rebound in response to various strategic measures.

Transportation business sales

Transportation business CAGR8.0%



Key initiatives: Results & Challenges

	Results (% vs FY3/23)		Important issues
1 Special mixed-freight	**Price per kg** (STC, general) **106.0%**	**OPP partners** Expanded to **12** partner tie-ups covering **46** areas	✓ Facility renovation costs higher than expected, payments to partner companies increased ✓ Improving productivity through OPP ✓ Analytical visualization of profit and loss at the transaction (invoice) level of granularity
2 Logistics	**Logistics sales growth** *1 (STC, managerial accounting) **113.5 %**	**Logistics op. margin** *1 (STC, managerial accounting) **9.6%** Logistics warehouses opened more than two years ago, 1Q CY25 cumulative (estimated)	✓ Early achievement of full occupancy and improvement of price per square meter charged to customers ✓ Rising rent ✓ Visualization of income and expenditure within the logistics department
3 Charter	**Sales growth rate** (STC, managerial accounting) **113.4%**	**Charter operating margin** (STC, managerial accounting) **13.4%** 1Q CY25 cumulative (estimate)	✓ Expanding the use of exclusive charters for existing special mixed-freight customers ✓ Responding to charters at distant locations ✓ Improved operational efficiency as the number of contracts increases
4 M&A	**Contribution to operating profit** *2 (MD LOGIS, Nichiyu) **14.2%**	**Consol. operating margin** (MD LOGIS, Nichiyu) **6.1%**	✓ Expanding sales via MD LOGIS Solutions ✓ Expanding sales of Seino Group services to Mitsubishi Electric Group ✓ Enhancing inter-group synergy between groups

*1 Excluding shipping charges *2 Contribution to operating profit: FY3/25 New consolidated operating profit ÷ Consolidated operating profit

LTL Business Measures

Appropriate freight rates x efficiency x OPP to strengthen profit structure

Appropriate freight rates

KPI
- Price per kilogram

- Appropriate freight rate measures that offset costs increases and ensure sustainable transportation
- Flexible price negotiations handled through a combination of digital and face-to-face selling that add value specifically tailored to customer needs
- Cross-selling that combines special mixed-freight transport, chartered services, logistics, and international services to meet customer needs

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Efficiency of routes, pickup & delivery

KPIs
- Route loading rates
- Pickups & deliveries per hour
- Productivity

- Review of transportation systems in the context of volume
- Elimination of round-trip transport volume imbalances in cooperation with Hacobell
- Promotion of organizational consolidation and review of transport routes (strengthening and provisioning of area hubs, transfer hubs, etc.)
- Strategies to improve driver retention and recruitment (Seino Drive, in-house YouTubers, improvement of work engagement, etc.)

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Strengthening collaboration with OPP partners

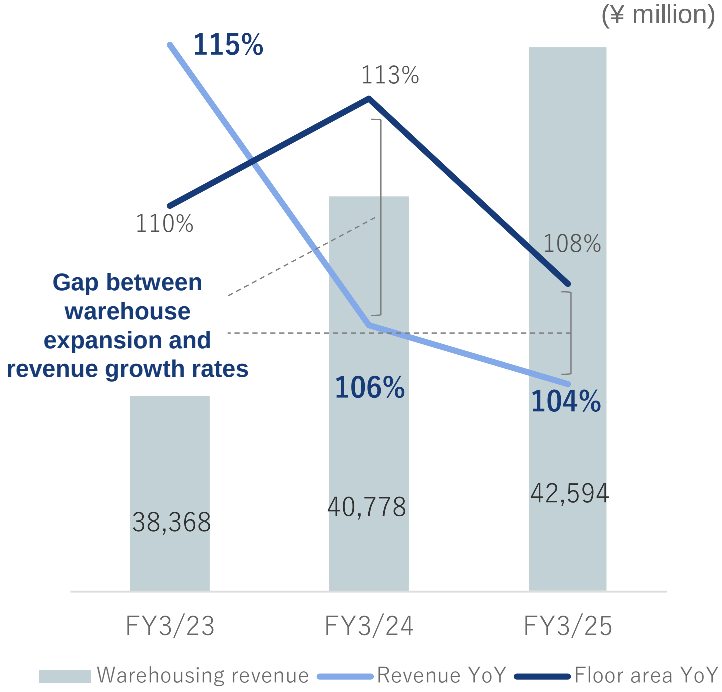
KPIs
- Consignment volume
- Number of partner areas

- Maintenance of delivery and route networks and collaboration-driven productivity enhancement
- Expanding areas of cooperation with existing partners
- Cultivating new partners (especially in urban areas)

Logistics Business Measures

Early occupancy of new locations will contribute to profits

Revenues from logistics warehouses and trends in floor space



*MD LOGIS and shipping charges excluded

Given our increased use of rental facilities to fulfill rapid buildout objectives, our 68% utilization rate at warehouses within the first two years of their establishment is low. We therefore target early full occupancy.

Early occupancy — KPI: warehouse utilization rate

- Joint sales development with group companies and business partners
- Sales tool utilization, customer information sharing, etc. Sales efficiency and digital marketing enhancement

Adding extra value via sophistication — KPI: customer price / area

- Introduction of IT equipment for automation and labor reduction, proposals tailored to specialized needs
- Added value through visualization of work content, improved efficiency, favorable location, flexible pricing, etc.
- Improved storage and work efficiency through review of warehouse operations

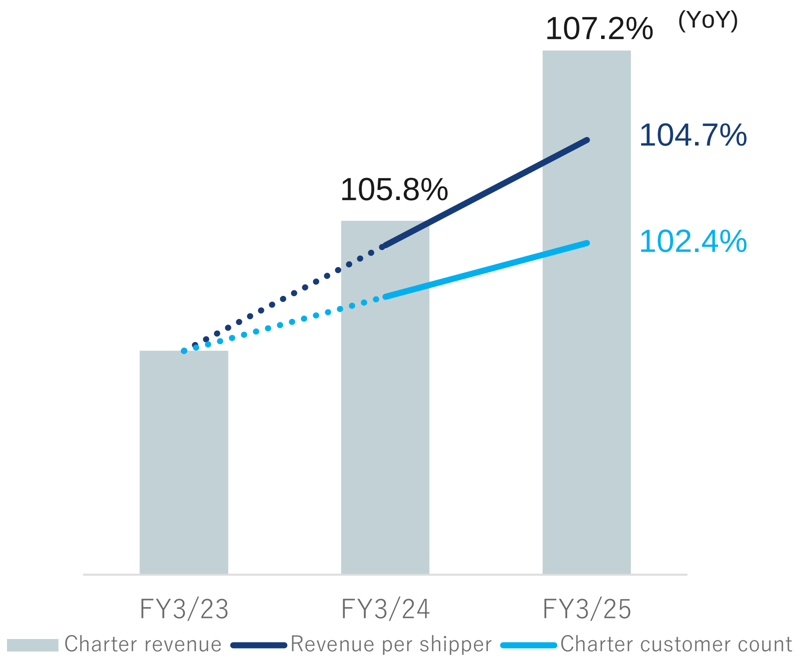
Improving pitch capabilities — KPI: close rate (batting avg.)

- Proposing solutions based on quantitative analysis using logistics diagnostic services
- Development of “Logistics Agent,” an AI agent that analyzes and assesses on-site conditions, predicts future trends, and guides next steps such as improvement measures.

Charter business measures

Contributing profit by raising charter customer count, frequency of use

Charter transport customer count
Trends in sales per shipper
(Seino Transportation)



Net sales per shipper are trending up, but we need to acquire more scheduled users in addition to spot users. Therefore, we aim to raise awareness of our chartered services while enhancing our pitch-making power and dispatch execution.

Strengthening charter sales
KPI: Number of charter customers

- Strengthening information gathering from existing networks
- Strengthening inside sales by employing data analysis

Response to missed transport opportunity
KPI: Sales per customer

- Expansion of 100% guaranteed service area
- Flexible response through various services such as commingled charter shipping
- Use of rail container charter services

Installation of dispatch center

- Expansion of charter shipping dispatch centers (four locations in Japan) to accommodate increased charter transport business
- Improved customer satisfaction through quick estimates, efficient dispatching, and enhanced information gathering

Subdivision of income & expenditure

To address poor granularity of income and expense visualization by service class or customer (invoice), we are redesigning our managerial accounting system to further refine our profit structure and facilitate the implementation of such initiatives as appropriate freight rate collection.

Before

For business companies that focus on special loading, income and expenditure are managed by business location, such as by jurisdiction or area.

By geographic area

Outlet A

Outlet B

Store with jurisdiction

Outlet C

1F Special mixed-freight transport + 2F Logistics

After

① Transport transactions (invoices)

② Logistics warehouses (buildings)

We are improving profit visualization and management accuracy (from April 2025).

① Shipping transaction (invoice) unit

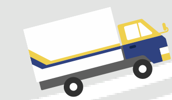
By shipping customer

By transport mode

② By logistics warehouse (building)

By managing outlet

Towards improving corporate value



Based on discussions by the Advisory Board, a Sustainability Committee was established in April 2025. The Committee will gather external opinions and promote initiatives that enhance corporate value, with a focus on linking these initiatives to our Corporate Philosophy and business strategy.

Advisory Board
(convenes monthly)

Directors and Executive Officers

Dialogue

Key advisors / external experts

(Member)	(Specialization)
Hidehiko Aoki	Governance
Kentaro Iemoto	New business
Ryusuke Ohori	Corporate value
Makiko Sato	New business
Makiko Horie	Sustainability

Supports strategy formulation from multiple perspectives; strengthens execution capabilities

Composition

Board of Directors

Sustainability Committee

Secretariat

E (Environment) Subcommittee

Main themes

- Carbon neutrality strategy
- OPP promotion improves efficiency
- Resource recirculation

S (Society & HR) Subcommittee

Main themes

- Human capital management
- Improved engagement

G (Governance) Subcommittee

Main themes

- Management structure
- Information security

In Closing

- Two years have passed since the launch of ROADMAP 2028 and, in terms of performance, we have successfully offset slow volume growth amid rising prices by collecting appropriate freight rates, marking a 106% rise in unit prices over two years.
- While the “2024 issue” has significantly inflated costs across the entire transportation business and put pressure on profits, our strategically critical logistics and charter transport services are growing steadily.
- Amid these circumstances, the recently acquired MD LOGIS Group has greatly expanded the value we provide in enhancing global prosperity.
- Under ROADMAP 2028 policy, we have attracted more individual and medium-to-long-term investors and lifted PBR to nearly 1x as of November last year.
- As a low-volatility stock that is not easily affected by economic trends, our capital costs are also on a downward trend.
- While achieving 8% ROE will take time, we will continue to optimize our management choices by considering market trends, stakeholder opinions, and collective wisdom.
- We will keep pushing for productivity improvement through OPP as we focus on expanding logistics and charter services to provide one-stop convenience to our customers.

Appendix

Consolidated operating expenses

Operating expenses increased, but the 3.7% rise (excluding new consolidation effects) was held to within the 3.9% sales increase by cost control measures.

(¥ million)	FY3/24	FY3/25	Changes (yoy)	Notes
Personnel	219,055	233,898	+14,842 (+6.8%)	Changes in transport seg (new consolidate) 13,780 in transportation .seg (excl. new joined) 385 in non-transportation.business 677
Fuel	18,240	18,423	+182 (+1.0%)	Changes in transport seg (new consolidate) 297 in transportation .seg (excl. new joined) -128 in non-transportation.business 13
Depreciation	21,690	24,134	2,443 (+11.3%)	Changes in transport seg (new consolidate) 1,608 in transportation .seg (excl. new joined) 884 in non-transportation.business -49
Subcontracted, charter, handling, and outsourcing	178,376	222,714	+44,337 (+24.9%)	Changes in new consolidation 34,504 in transportation .seg (excl. new joined) 1,975 Organic 7,859
Others	182,044	208,324	+26,279 (+14.4%)	Increase due to new consolidation 14,789 Increase in purchase 7,903 Increase in rent and lease fee 1,631
Total operating expensed	619,408	707,484	+88,086 (+14.2%)	Increase due to new consolidation 64,979 (+10.5%) Increase in excluding new consolidation 23,106 (+3.7%) [Revenue increased by ¥ 24,990 million (+3.9%), excluding new consolidation.]

(Reiterated) Roadmap 2028
Create Value Using a Reverse ROE Tree

Aim to achieve ROE of 8.0% within 3-5 years by improving earning power and actively promoting shareholder returns

Drivers of ROE improvement

1	Steady growth of the Less than Truckload business	Operating revenue growth	Organic growth of around 4%/year + M&A
2	Growth of the logistics business	Operating revenue growth	
3	Growth of the charter business	Operating revenue growth	
4	M&A and open innovation	Operating revenue growth	
1	Increase profitability through better efficiency in the Less than Truckload business	Improved profitability	Operating margin of around 5.8%
2/3	Increase the proportion of operating revenue from the highly profitable logistics and charter businesses	Improved profitability	
5	Maintain DOE of 4.0% or more and continue to steadily acquire treasury stock	Capital policies	Equity ratio to an appropriate level

Achieve both economic and social value

ROE of 8.0% or higher

Grow **Operating income by 10% or more annually**

Grow **EPS by 15-20% annually**

Slogan

Team Green Logistics

Creating together and contributing to the future

In collaboration with our customers and various partners, we aim to improve our industry’s efficiency and productivity by co-creating “Green Logistics.”

*Open Public Platform (OPP): We are building an open logistics platform that enables collaboration and can be used by anyone internal or external to the company and in any business domain. As social infrastructure, this platform will create efficiencies and value of each user and contribute to industry, the environment, and daily life.

*CLO: Chief Logistics Officer (Logistics General Manager) is a manager who plans improvements to logistics in such areas as transportation and loading / unloading, while attending to the efficiency of the entire distribution system.

MD LOGIS Synergy Progress

Domestic expansion

- Expansion of external sales of MD LOGIS's logistics solutions to Seino Group customers
- Persuasion of customers using providers other than MD LOGIS to switch to Seino Group for their various transportation service needs
- Start of joint selling efforts to expand sales and procurement logistics business in the electronics domain

Overseas expansion

- Plans to establish a local MD LOGIS subsidiary in India during FY3/26 to support expansion while maintaining Japanese quality standards
- Considering collaboration with joint venture companies such as Mahindra Logistics (Seino MLL Logistics) and HEX, as well as other local entities in India
- Considering providing logistics support for Japanese companies entering growth markets

  Also aiming to expand external sales business through outsourcing and service provision via our own local subsidiaries

+α synergy

- Business expansion through the sale of Mitsubishi Electric Group products (bolstering procurement functions at our construction-related group companies)
- Reduction of construction and renovation costs through joint purchasing, reevaluating suppliers, etc.

Intangible Asset Strategy

Building a platform for sustainable growth through customer-focused digital initiatives and strategic human resource development that harnesses human capabilities

Investment in digitalization

- The company aims to strengthen its sales function by combining productivity gains and advanced analysis through the active introduction of AI and business support tools alongside the development of data analysis platforms.
- We plan to digitalize customer touchpoints and strengthen our information infrastructure, including My Seino (member page) and CRM. We aim to improve the customer experience by acting as a one-stop shop for logistics.

Human resource development

- We are recruiting experienced external experts in DX to make Team Green Logistics a reality and to disseminate their advanced knowledge and practical experience throughout our organization.
- We strive to improve the quality and speed of business enhancement and human resource development, most notably by building the practical expertise and problem-solving skills of employees as we expand our logistics business.

Advisory Board-Driven Initiatives to Improve Corporate Value

To ensure regular access to external expertise that enhances our management and increases corporate value, we established an Advisory Board in 2022. By encouraging diverse perspectives within our management, we are supporting our sustainable growth and capabilities as a company.

Hidehiko Aoki

Professor, Department of Technology Management, Graduate School of Management, Tokyo University of Science

Kentaro Iemoto

President and CEO, CLARA ONLINE, Inc.

Ryusuke Ohori

Director, Institutional Investors Collective Engagement Forum
Outside Director, LIXIL Corporation and Maeda Road Construction Co., Ltd.

Makiko Sato

Representative partner, iSGS Investment Works Inc.

Makiko Horie

Partner, SDG Impact Japan Inc.
Outside Director, Arisawa Mfg. Co., Ltd.

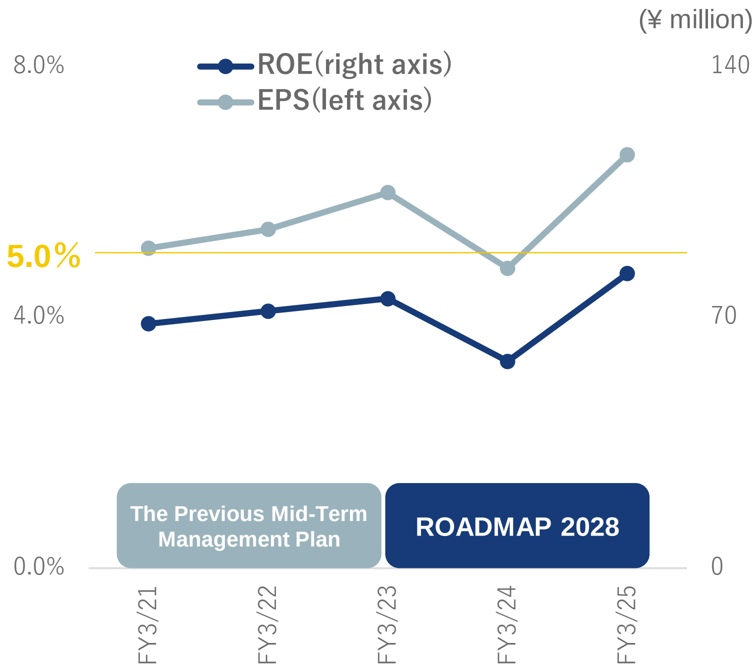
(alphabetical order)

Management Focus
Shift toward capital efficiency and share price

ROE / EPS

- **Promoting strategic M&A of selected target companies and sustained share buybacks, triggering an upward trend in ROE and EPS**

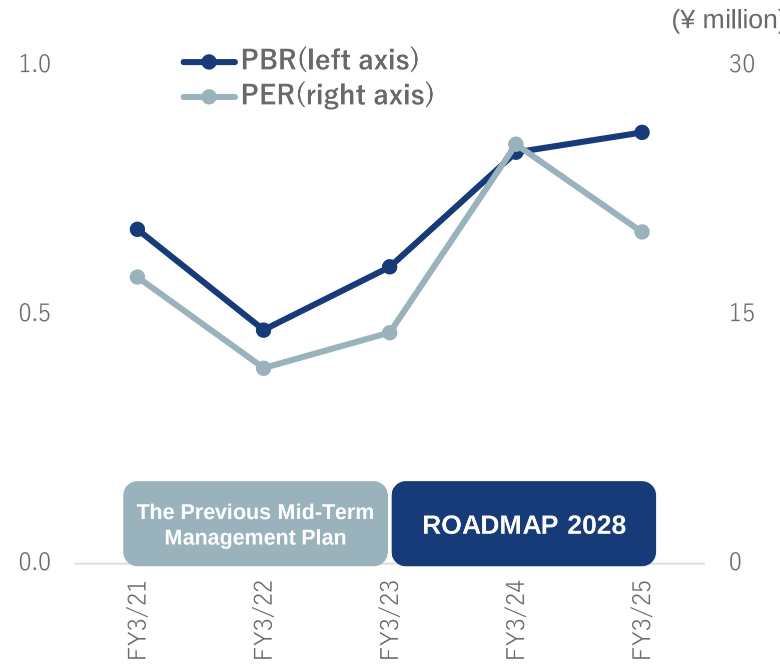
  Focusing management resources on enhancing corporate value based on ROADMAP 2028



PER / PBR

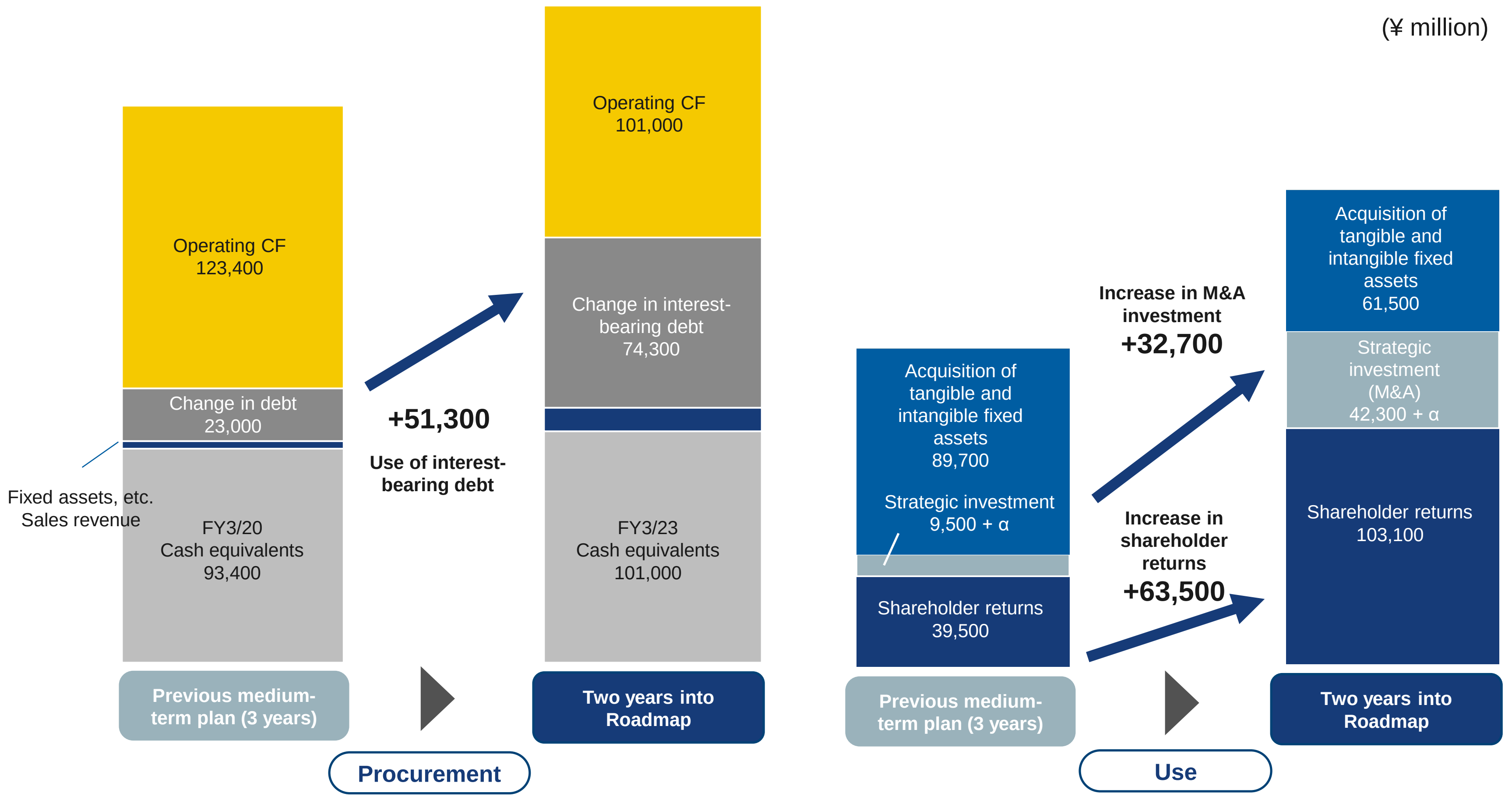
- **Via a stable shareholder return strategy that includes a dividend benchmark of 4% DOE, we aim for our stock to achieve low volatility.**

  Beta is low for nonvolatile stocks, so the risk of a share price decline due to recession is small, and capital costs are also more reasonable.



Capital Allocation

By actively employing reserves, interest-bearing debt, and other sources of cash, we are not only investing in assets but also evolving our management program with a view toward strategic investment and shareholder returns.



Earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions the Company deems to be reasonable. Actual results may differ materially, due to a variety of factors.

Contact

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