



3 Growth Strategy

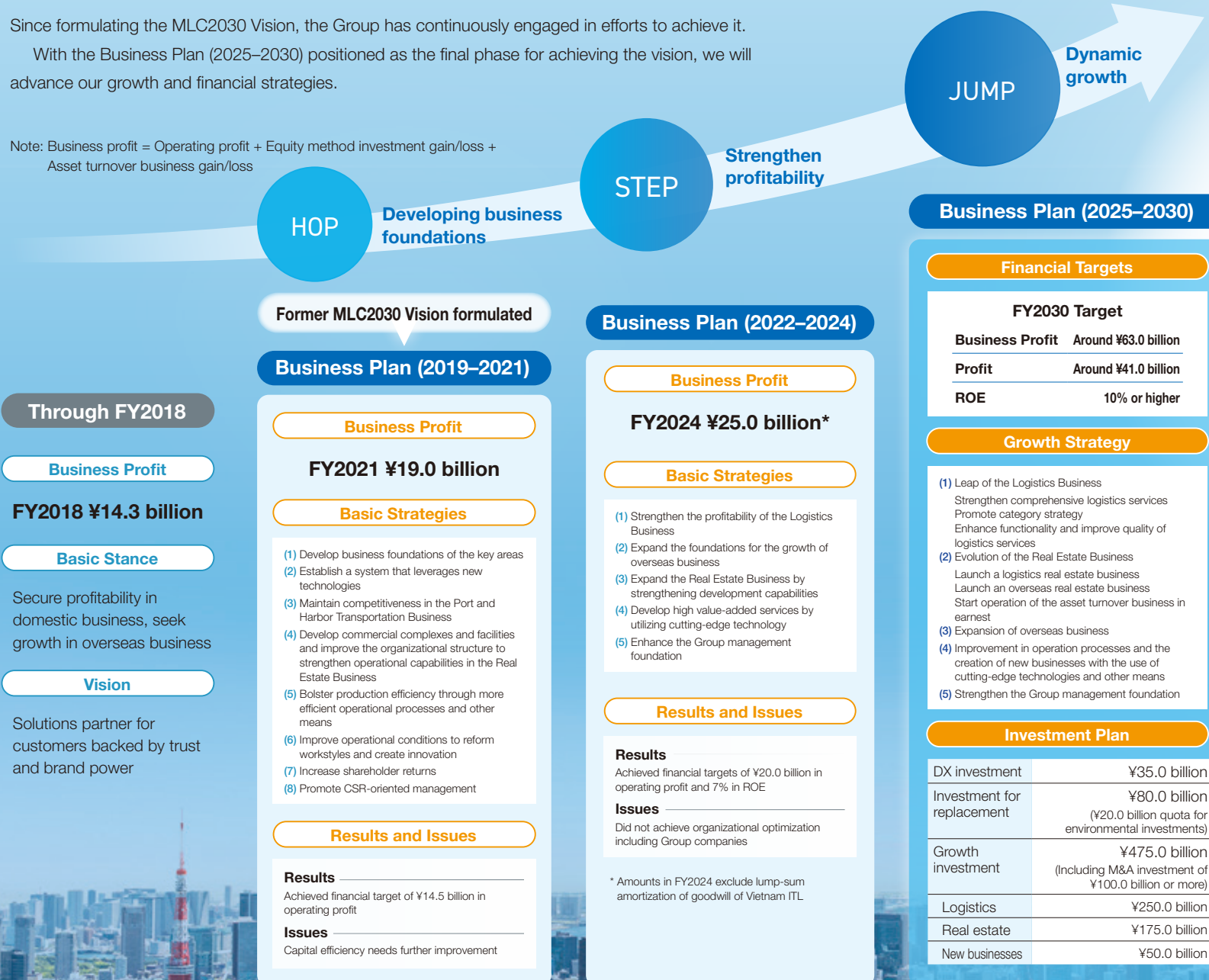
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History of Business Plan

Since formulating the MLC2030 Vision, the Group has continuously engaged in efforts to achieve it.

With the Business Plan (2025–2030) positioned as the final phase for achieving the vision, we will advance our growth and financial strategies.

Note: Business profit = Operating profit + Equity method investment gain/loss + Asset turnover business gain/loss



Vision for FY2030

MLC2030 Vision

We will provide comprehensive logistics and urban development globally to support today in society and achieve dynamic growth.

Review of Business Plan (2022–2024)

- The Logistics Business saw steady improvements in profitability, chiefly by strengthening M&A transactions and capital and business alliances.
- The Real Estate Business systematically developed new properties and embarked on an asset turnover business.
- While we carried out digital transformation (DX), human capital management and sustainability management, some problems were left unsolved in terms of organizational optimization, including Group companies.

	Item	Major Initiatives and Results under the Business Plan (2022–2024)
Basic Strategies	1 Strengthen the profitability of the Logistics Business	<ul style="list-style-type: none"> ● Expansion of handling of regenerative medicine products ● Increase in handling of cold chain-related services through collaboration with K.R.S. Corporation ● Expansion of EC Center Services ● Expansion of handling of material fields newly added to the priority categories ● Increase in transport capacity following a capital and business alliance with DT Holdings, Inc. ● Higher profitability attained by receiving appropriate fees
	2 Expand the foundations for the growth of overseas business	<ul style="list-style-type: none"> ● Enhancement in competitiveness after M&A with the Cavalier Logistics Group (Cavalier) ● Increase in overseas sales (attainment of 20% in the ratio of overseas sales) with the implementation of the Global Grid strategy ● Reorganization of Vietnam ITL Corporation (Vietnam ITL) into an equity-method affiliate
	3 Expand the Real Estate Business by strengthening development capabilities	<ul style="list-style-type: none"> ● Completion of the Shibaura Dia Building ● Expansion of the Real Estate Business through the Suma Aqualife Park and Seaside Park Redevelopment Project and others without dependency on land holdings ● Start of an asset turnover business
	4 Develop high value-added services by utilizing cutting-edge technology	<ul style="list-style-type: none"> ● Start of operation of the ML Chain logistics data platform for pharmaceutical products ● Early release of Emission Monitoring Cargo Route Finder, a greenhouse gas calculation system ● Selection as one of the DX Stocks 2024
	5 Strengthen the Group management foundation	<ul style="list-style-type: none"> ● Launch of MLC Academy as an in-house university ● Establishment of a CVC fund and a company for its management ● Organizational optimization including Group companies still underway
	Sustainability Management	<ul style="list-style-type: none"> ● Replacement of all the electric power for the four main office buildings with power effectively derived from renewable energy ● Formulation of the Mitsubishi Logistics Group Human Rights Policy ● Formulation of the Mitsubishi Logistics Group Occupational Safety and Health Policy

Business Plan Formulation Process

We formulated the Business Plan to achieve an ROE of 10% or higher by FY2030.

Revising the MLC2030 Vision

Discussions for formulating our purpose reminded us of the need to revise the MLC2030 Vision

- During discussions for formulating our purpose, gained a deeper understanding of the fact that logistics and real estate are both types of social infrastructure, and that through our business in these areas, the Group supports the everyday things that are taken for granted, society, and people's lives.
- Identified the need to re-clarify the Group's course of action (achieve growth while addressing social issues through the Logistics and Real Estate Businesses) in the form of a vision.
- Revised vision for 2030 in light of long-term megatrends.

Using the following process to analyze the external environment so that we can formulate the Business Plan with a long-term perspective

- Held seminars to help executives understand the business environment while tapping into the wisdom of an external research organization.
- In order to formulate the Business Plan, strived to reach a common understanding of the business environment by sharing the external environment analysis results with general employees.

Formulating the framework of the Business Plan

Specifying departmental strategies based on external environment analysis

- Through meetings with the president, managing executive officers, and each business division, identified issues and formulated strategies to lead us to 2030.
- To achieve an ROE of 10%, devised strategies for each business division and set financial targets to reach by 2030.

Holding meetings to consider cross-divisional strategies

- Held cross-divisional meetings to discuss strategies for creating synergy between business divisions.

Executives led offsite meetings to reach a common understanding of organizational changes and strategies for each division

- Executives led offsite meetings lasting two days.
- Reminded of the need for organizational changes.

We formulated the framework of the Business Plan based on the financial and divisional targets, and it was approved after discussion in Executive Committee meetings and deliberation in Board of Directors meetings

Refining measures to achieve the Business Plan

Formulating primary measures for strategies

- Fleshed out each measure to implement through 2030 based on divisional strategies.
- Used the detailed measures to finalize the five growth strategies.

Formulating action plans for administrative divisions

- Considered measures for promoting human capital management.
- Developed a system for establishing departments dedicated to company functions needed to further strengthen execution of the Business Plan.

Deliberation and approval by the Board of Directors

Executive Committee discussed each measure considered based on the Business Plan framework

- Held seven discussions in Executive Committee meetings and refined the measures and financial strategies to align them with our purpose and the MLC2030 Vision.

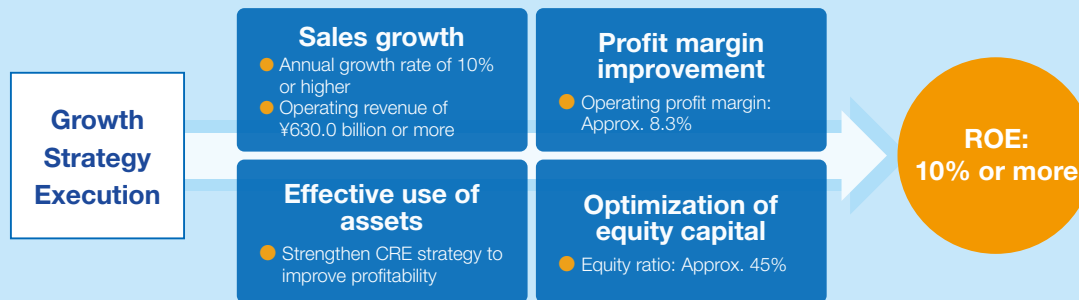
Deliberation and approval by the Board of Directors (including Outside Directors)

- Held deliberations in three Board of Directors meetings and completed Business Plan (2025–2030).

Overview of Business Plan (2025–2030)

Business Plan (2025–2030)

- Dynamic growth in Logistics and Real Estate
- More expansion of overseas business
- Aggressive growth investment
- Enhanced sustainability management



Financial Targets

	FY2024	FY2027	FY2030
Business Profit	¥25.0 billion*	¥39.0 billion	Around ¥63.0 billion
Profit	¥31.9 billion	¥35.0 billion	Around ¥41.0 billion
ROE	8.2%	9%	10% or higher

* Does not include ITL impairment loss

Composition of Profit by Segment



Shareholder Returns

- We will continue stable increases in dividends during the plan, and attain DOE of 4% or more by FY2030.
- We will acquire treasury shares flexibly (with a target value of ¥40.0 billion or more during the plan)

Growth Strategies and Main KPIs

Growth Strategy	Measures	KPIs (or Qualitative Targets)	Reference Page	Relevant Materiality
1 Leap of the Logistics Business	Strengthen comprehensive logistics services Category strategy Enhance functionality and improve quality of logistics services	Business profit target in key fields FY2030: ¥29.0 billion	Page 33	<ul style="list-style-type: none"> ● Create innovation with the use of advanced technologies and through diverse partnerships. ● Provide social infrastructure services that are resistant to disasters, and are safe, secure, and sustainable.
2 Evolution of the Real Estate Business	Launch a logistics real estate business Launch an overseas real estate business Start operation of the asset turnover business in earnest	Invest ¥200.0 billion (including reinvestment) in asset turnover business during the Business Plan	Page 34	<ul style="list-style-type: none"> ● Provide social infrastructure services that are resistant to disasters, and are safe, secure, and sustainable.
3 Expansion of overseas business	Priority areas: ASEAN, North America, India Key area: Europe Maintain: China	FY2030 overseas sales: Twice or more compared to FY2024	Page 34	<ul style="list-style-type: none"> ● Provide social infrastructure services that are resistant to disasters, and are safe, secure, and sustainable.
4 Improvement in operation processes and the creation of new businesses with the use of cutting-edge technologies and other means	Make more profound and extensive use of cutting-edge technologies Make the logistics platform more sophisticated Customer experience (CX) with the use of data science Accelerate open innovation	<ul style="list-style-type: none"> ● Number of platform customers ● Customer satisfaction ● Number of alliances, CVC fund cumulative amount under management, business creation through co-creation 	Page 36	<ul style="list-style-type: none"> ● Create innovation with the use of advanced technologies and through diverse partnerships. ● Provide social infrastructure services that are resistant to disasters, and are safe, secure, and sustainable. ● Reinforce measures to work on climate change and protect the environment.
5 Strengthen the Group management foundation	Carry out human capital management Step up public relations and investor relations operations Strengthen risk management Increase the value of the Group's assets Implement the Group management	<ul style="list-style-type: none"> ● Improve the engagement score. ● Percentage of management positions held by women: 10% ● Number of IR events held, number of investor meetings held, recognition, number of stocks added. 	Page 42	<ul style="list-style-type: none"> ● Carry out human capital management for the social growth. ● Ensure compliance rigidly and respect human rights. ● Strengthen risk management.

Message from the Accounting Officer



Akira Yamao

Director and
Managing Executive Officer

Under the new MLC2030 Vision, we intend to accelerate the execution of our growth strategy through proactive investment and asset restructuring while promoting improved capital efficiency, aiming for a 10% ROE.

Revising the MLC2030 Vision

The Group announced its purpose (“Supporting Today, Innovating Tomorrow”) in 2024. During the process of formulating our purpose, members of Group companies from all levels engaged in discussions that helped us solidify a future vision: to achieve growth while addressing social issues through the Logistics and Real Estate Businesses.

To clarify this vision, we set out to create a more evolved version of the MLC2030 Vision we had announced in 2019, deciding on “We will provide comprehensive logistics and urban development globally to support today in society and achieve dynamic growth.”

Regarding comprehensive logistics, we believe we can further refine our ability to provide logistics services in Japan and around the world by leveraging our time-tested knowledge, experience, and expertise in the Logistics Business while supplementing areas where we are lacking.

Regarding urban development, the Group ventured into the Real Estate Business long ago, redeveloping warehouse facilities for other uses, and thus has a time-tested wealth of knowledge, experience, and expertise with offices, commercial facilities, housing, and other fields. We believe that adding logistics real estate will enable us to create value unique to the Group.

Message from the Accounting Officer

Under the new MLC2030 Vision, we will strive for business growth and enhance our corporate value using the following approaches:

- Addressing social issues in both logistics and real estate
- Helping our customers and contributing to the world through sustainability-conscious business activities
- Efficiently using capital and assets to create cash
- Sharing the results of our business activities with stakeholders in a balanced manner

Review of Business Plan (2022–2024)

During the previous Business Plan (2022–2024), we operated in line with five basic policies:

- (1) Strengthen the profitability of the Logistics Business**
- (2) Expand the foundations for the growth of overseas business**
- (3) Expand the Real Estate Business by strengthening development capabilities**
- (4) Develop high value-added services by utilizing cutting-edge technology**
- (5) Strengthen the Group management foundation**

Main results

The following are some results from the previous Business Plan with substantial financial impact. In the domestic Logistics Business, we expanded operations in key areas, improving profit margins through price optimization and other measures amid growing attention on reforms on truck driver working hours that went into effect in 2024—a challenge for logistics—as a social issue. We also built new relationships through collaborations and capital and business alliances, for example with K.R.S. Corporation and DT Holdings.

In the overseas Logistics Business, we executed M&As (Cavalier in the U.S., ITL in Vietnam) to establish a foundation for overseas business growth.

In the Real Estate Business, we commissioned new rental facilities (Shibaura Dia Building and Kobe Suma Sea World) and launched asset turnover business and overseas expansion, which will be fully implemented during the next Business Plan.

While leveraging cutting-edge technologies to develop high value-added services, we expanded ML Chain, our pharmaceutical logistics data platform, and released Emission Monitoring Cargo Route Finder, our greenhouse gas (GHG) calculation system for international transportation. Additionally, we were selected for DX Stocks 2024, becoming the first

warehousing company to earn the distinction, and were chosen again the following year. These honors are very encouraging and prove that our initiatives are highly regarded.

While strengthening the Group management foundation, we advanced various measures for Group management and established MLC Ventures (CVC) with our sights set on collaborating with startups. We also opened MLC Academy, our in-house university, as part of our human capital management.

During the three years of the previous Business Plan, we invested ¥106.4 billion compared to the planned amount of ¥130.0 billion. Although we did not reach the planned amount due in part to plans suspended because of soaring construction costs, we did allocate some of the money to shareholder returns, acquiring additional treasury shares and increasing dividends.

Performance in FY2024

In FY2024 (the final year of the previous Business Plan), operating profit was ¥20.3 billion, ROE was 8.2%, and DOE was 3%, all exceeding the targets (operating profit of ¥20.0 billion, ROE of 7%, and sustaining a DOE of 2%).

We strengthened shareholder returns; for example, offering an annual dividend of ¥32 per share (an increase of ¥8 from the previous year, considering the stock split) and acquiring ¥40.0 billion of treasury shares over the three years of share buybacks in the previous Business Plan, exceeding the target of ¥30.0 billion.

As we are aiming for even greater leaps during the next Business Plan, we get a lot of confidence from having achieved the management targets of the previous Business Plan.

Future issues

Business growth and ROE improvement are key issues for the Group, and improving asset efficiency is essential for achieving both. We will continue to review cross-shareholdings, real estate, and other assets accumulated through many years of business activities in pursuit of better asset efficiency. We intend to engage in initiatives for improving ROE through business growth rather than contracting equilibrium.

Message from the Accounting Officer

Realizing growth to meet shareholder and investor expectations by amassing business profit under the Business Plan (2025–2030)

Financial targets

We set out the following financial targets for the Business Plan (2025–2030) (the “current Business Plan”).

- Aim to achieve ROE of 10% or more in FY2030
- Step up the shareholder return policy stated in Initiatives to Enhance Corporate Value, announced in April 2024, and continue to reduce cross-shareholdings

	FY2024	FY2027	FY2030
Business Profit	¥25.0 billion*	¥39.0 billion	Around ¥63.0 billion
Profit	¥31.9 billion	¥35.0 billion	Around ¥41.0 billion
ROE	8.2%	9%	10% or higher

* Business profit in FY2024 excludes lump-sum amortization of goodwill from ITL

Shareholder return policy

- During the Business Plan, we will continue to make stable increases in dividends with the aim of attaining a DOE of 4% or more by FY2030.
- We will acquire treasury shares flexibly (with a target value of ¥40.0 billion or more during the period).

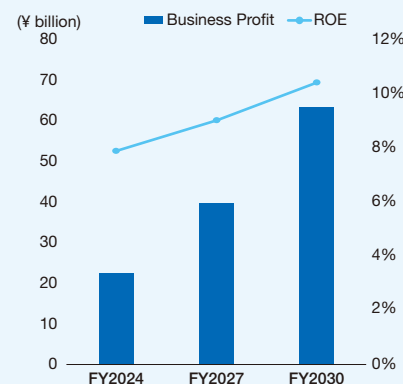
Reduction of cross-shareholdings

- We will take steps to lower the ratio of cross-shareholdings to net assets to less than 20% by the end of FY2025 and continue to reduce cross-shareholdings in FY2026 and beyond.

Stance on equity capital

- We will keep net assets at an approximate level of ¥400.0 billion.
- Equity ratio as of the end of FY2030: Approx. 45%

Trends in business profit and ROE



For the current Business Plan, we have introduced a new management target to reflect the state of future growth: business profit (Operating profit + Equity method investment gain/loss + Asset turnover business gain/loss). We did this for two reasons. First, because we are considering incorporating equity-method affiliates as we execute our growth strategies. Second, because in the asset turnover business in which we plan to engage in earnest in the future, we anticipate that profits will include not only operating profit, but also non-operating profit and extraordinary income.

P/B ratio analysis and issues

Our share price performance from FY2022 to FY2024 exceeded the market average (Nikkei 225), with the P/B ratio also rising to around 1.0. As we understand it, this indicates the market's recognition of our measures to enhance profitability, execute M&As and other strategic investments, and enhance shareholder returns.

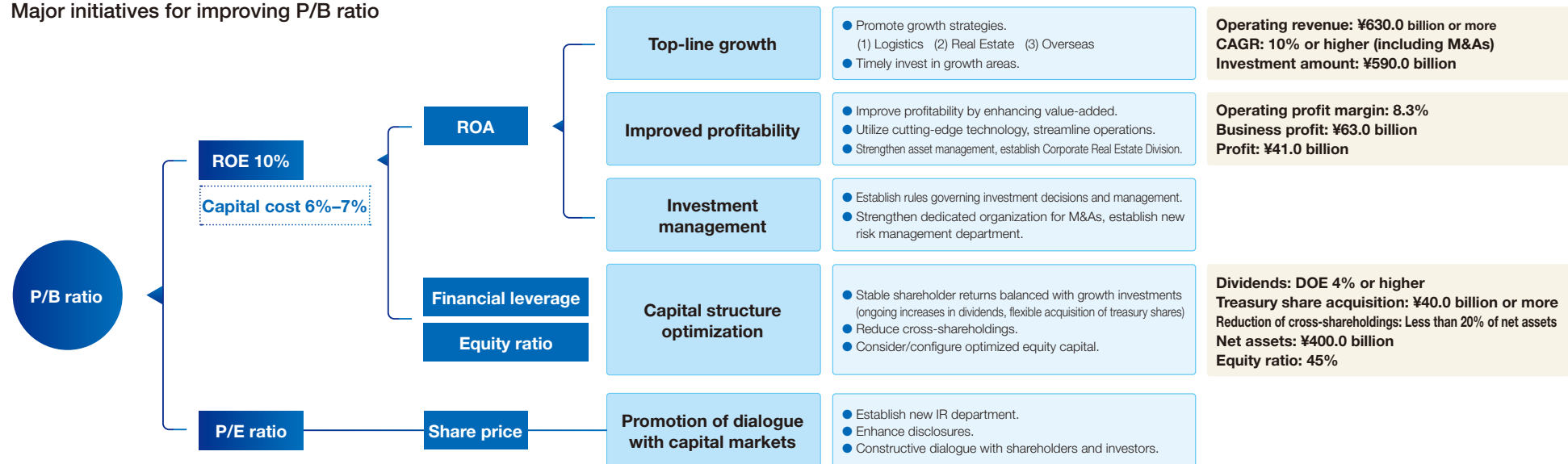
To raise the P/B ratio, it is essential to improve the P/E ratio and increase ROE.

In our view, we must execute the various measures outlined in the following P/B ratio tree diagram in a balanced manner, indicate the probability of achieving the Business Plan targets by amassing business profits, and foster expectations for corporate value enhancement over the medium and long term.

Additionally, while our ROE of 8.2% at the end of FY2024 exceeded our presumed cost of equity (6%–7%), we must acknowledge that gains on the sale of cross-shareholdings contributed significantly. Looking ahead, we will utilize the proceeds from these sales to replace cross-shareholdings with assets that generate business profit over the medium and long term, with the aim of realizing an ROE of 10% or higher as soon as possible.

Message from the Accounting Officer

Major initiatives for improving P/B ratio



Expanding business revenue and improving profitability by executing growth strategies

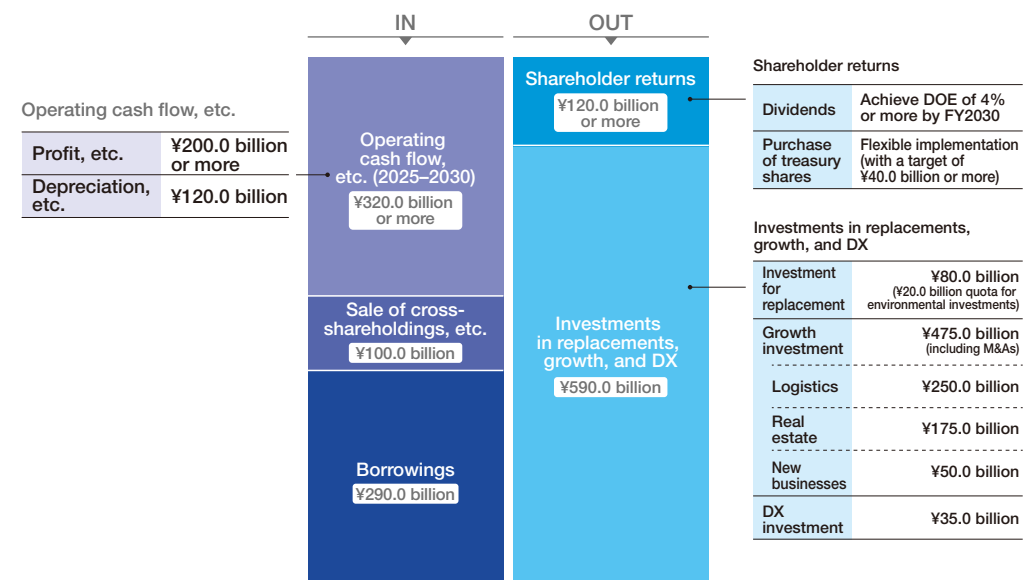
In the Logistics Business, we will enhance our proposal capabilities to provide comprehensive logistics services globally and pursue higher value-added and profitability through our category strategy in five key areas. We set the profit target for these five key areas to ¥29.0 billion for FY2030, up from the actual result of ¥12.0 billion in FY2024.

In the Real Estate Business, we will strive to expand business in line with the keywords “logistics real estate,” “overseas,” and “asset turnover business.”

As for business profit in FY2030, we will aim for ¥47.0 billion for Logistics, ¥26.0 billion for Real Estate, and ¥1.0 billion for new businesses, all before general and administrative expenses and other deductions.

Cash allocation approach

We will amass operating cash flow by executing our growth strategies in addition to utilizing the proceeds from sales of cross-shareholdings and borrowings made in pursuit of financial soundness in a balanced manner for both proactive growth investments and sustained shareholder returns.

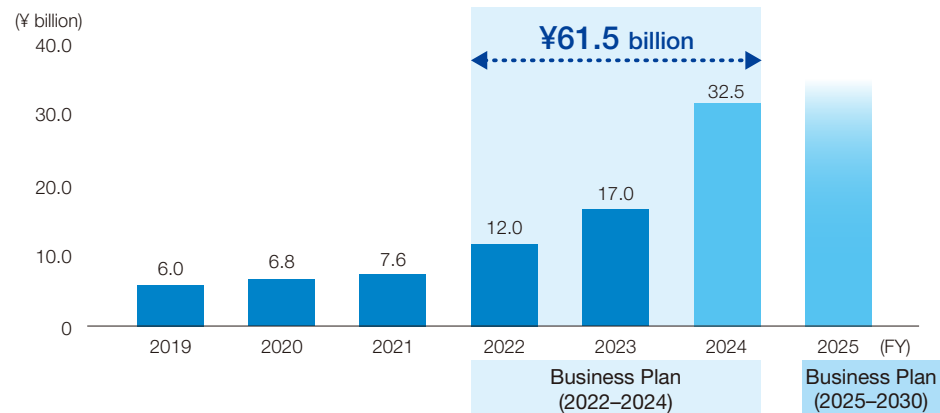


Message from the Accounting Officer

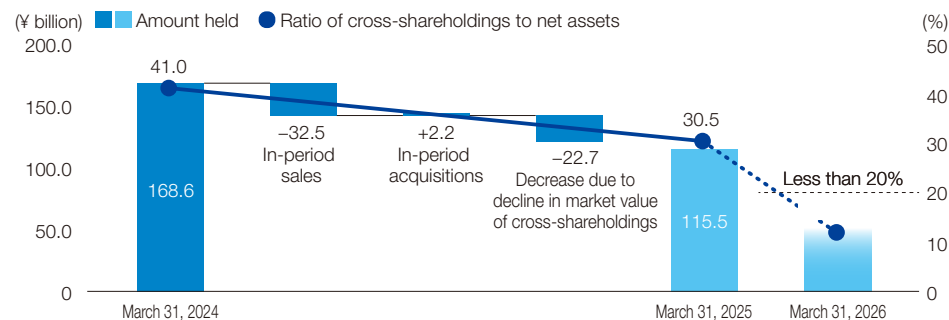
Reduction of cross-shareholdings

We are moving forward on reducing cross-shareholdings. Under the previous Business Plan, we sold cross-shareholdings of approximately ¥61.5 billion, exceeding the initial target of ¥40.0 billion. We will continue to sell more while maintaining dialogue with investees. We plan to sell more in FY2025 than in FY2024 (¥32.5 billion), aiming to reduce cross-shareholdings to less than 20% of net assets by the end of the term. We will continue reducing cross-shareholdings in FY2026 and beyond.

Number of cross-shareholding sales



Amount of cross-shareholdings held and ratio to net assets



Investment plan

The current Business Plan calls for total investment of ¥590.0 billion, including ¥35.0 billion for DX investment, ¥80.0 billion for investment for replacement (including ¥20.0 billion for environmental investment), and ¥475.0 billion for growth investment (including ¥250.0 billion for Logistics, ¥175.0 billion for Real Estate, and ¥50.0 billion for new businesses). We plan to invest 30% to 40% of the growth investment amount overseas.

For Logistics, we expect to invest approximately ¥40.0 billion in facility expansion in Japan and overseas through FY2027, and approximately ¥55.0 billion from FY2028 to FY2030.

For Real Estate, we expect to invest approximately ¥115.0 billion, particularly for the asset turnover business (approximately ¥200.0 billion including reinvestment during the plan).

We expect to invest over ¥100.0 billion in M&As, with the main target being the logistics sector. In pursuit of strengthening comprehensive logistics services, we are considering expanding domestic and international locations, strengthening sales in priority categories, and enhancing distribution processing and transportation and delivery. Available formats include consolidated subsidiaries, equity-method affiliates, and capital and business alliances.

Although returns on growth investments are difficult to separate from synergy with existing businesses and operations, we anticipate an overall return of approximately 5% in the final fiscal year of the plan with contributions to profits continuing in FY2031 and beyond. We also expect separate returns from reinvestment in asset turnover business.

Recognizing that more aggressive M&As and other investment activities heighten the importance of risk management, we established a dedicated department (the Risk Management Division) in April 2025. The Risk Management Division will formulate rules to govern investment decisions and exit criteria for the increasing number of investments and M&As, supporting appropriate decision-making.

Message from the Accounting Officer

Shareholder return policy

The current Business Plan calls for shareholder returns of approximately ¥120.0 billion in the form of dividends and acquisition of treasury shares. We have increased dividends each year since FY2021, and will continue to do so, aiming to raise DOE to 4% or higher by FY2030.

Additionally, we will acquire treasury shares flexibly during the plan, targeting ¥40.0 billion or more while considering the progress of growth investments and the state of our share price.

Stance on equity capital

During the current Business Plan period, we will keep net assets at an approximate level of ¥400.0 billion. To date, the equity ratio has stayed near 60%, but under the current Business Plan, we expect it to decrease to approximately 45% by FY2030 because of shareholder returns and using borrowings to invest in growth. Amassing operating cash flow and strengthening asset management should increase and stabilize cash flow, enabling us to keep our credit ratings strong.

Reference: Current ratings (R&I: A+, JCR: AA)

Strengthening asset management

In April 2025, we established a dedicated real estate management department (the Corporate Real Estate Division) to enhance the value of the Group's real estate holdings. The Corporate Real Estate Division adds financial analysis functions to the department previously responsible for construction and facility management, and has assumed management authority of real estate holdings from business divisions and branches to create a centralized management system. The division will regularly monitor and analyze the profitability and viability of real estate holdings and use the results to consider and promote redevelopment, value enhancement, or disposal when necessary.

New accounting standards for leases will go into effect in April 2027, so we believe we must achieve greater depth in considering how to use funds effectively and the right approach to holding assets.

Promotion of dialogue with capital markets

To ensure that our shareholders and investors understand and share the Group's management policies and strategies, and to build long-lasting trust, we will proactively disclose information and engage in constructive dialogue with our shareholders and investors.

As part of these efforts, we established the Corporate Communications & Investor Relations Division in April 2025. From this fiscal year on, we will hold four annual earnings briefings (compared to two previously) and implement new overseas IR activities. We will share the feedback we receive from stakeholders with the Board of Directors and throughout the Company, continuing to incorporate shareholder and investor perspectives into our management.

A message to our stakeholders

The Group aims to achieve an ROE of 10% by FY2030 through business growth rather than contracting equilibrium. To improve ROE, we will pursue profit growth and keep our equity ratio under control. We will also review existing assets and replace them with assets that generate business profits.

The outstanding people of the Group are what drive its business growth. Looking ahead, we must also strive for the business growth through less asset-dependent business models. We believe that establishing an organizational structure where Group employees can demonstrate their capabilities to the fullest, creating comfortable, secure workplace environments, and fostering a DEI-conscious organizational culture are major prerequisites for enhancing corporate value.

FY2025 will be a year of advancing initiatives to enhance our corporate value in line with the current Business Plan. We will continue to address various management issues and steadily build on our results while striving to provide management information in a fair, timely, and appropriate manner.

Despite the unimaginably fast pace and scale of changes in our business environment—namely U.S. trade policies, conflicts erupting around the globe, the advancement of DX, and more widespread use of generative AI—I will continue to listen to the diverse views of all our stakeholders as we take steps to enhance our corporate value. Thank you for your continued support of the Group's business activities.

Growth Strategy Overview

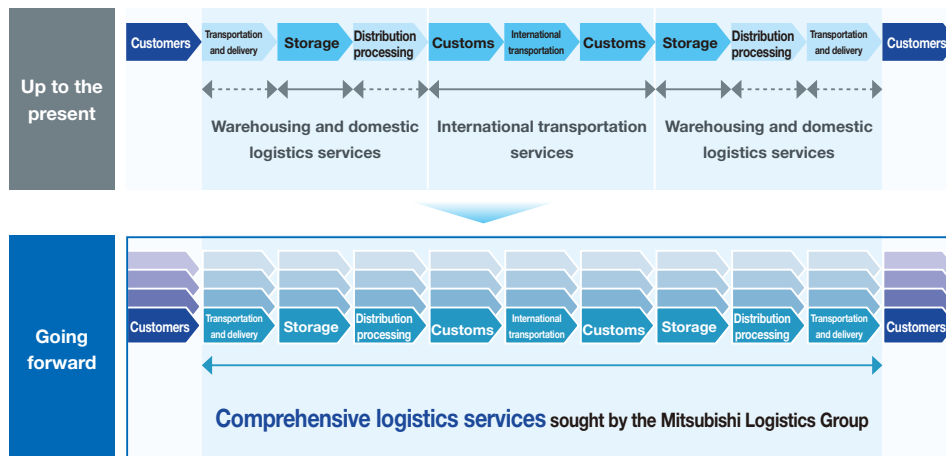
Carry out the five growth strategies and financial strategies*, with a view to attaining sales growth, improving profit margins, optimizing utilization of assets, and achieving suitable levels of equity capital, while aiming to achieve an ROE of 10% or more in FY2030.

Growth Strategy ① Leap of the Logistics Business (1) Strengthen comprehensive logistics services

The comprehensive logistics services pursued by the Mitsubishi Logistics Group maximize the resources of Mitsubishi Logistics and its Group companies to provide integrated supply chain services that support customers from procuring raw materials through transportation, delivery, storage, sales, and quality control - all in a one-stop solution.

Specific measures for realizing comprehensive logistics

- Reshuffle the sales organization to meet the diverse needs of customers and to offer comprehensive logistics services.
- Strengthen account management to facilitate services best suited to customers.
- Increase bases in Japan and overseas to expand our service coverage areas and optimize customers' supply chains to make society more sustainable together with customers.
- Make use of outside resources without limiting ourselves to our own assets to increase and improve service options such as distribution processing, transportation, and e-commerce logistics.



Growth Strategy ① Leap of the Logistics Business (2) Category strategy

- Promotion of category strategies based on the business environment and Mitsubishi Logistics Group's strengths, with focus areas defined as medical and healthcare, food and beverages, automobiles, machinery and electronics, materials, and consumer goods
- Key areas profit target: FY2024: ¥12.0 billion ⇒ FY2030: ¥29.0 billion

	Targeted Direction	Major Initiatives
Medical and healthcare	Enhancing the pharmaceutical ecosystem	<ul style="list-style-type: none"> ● Sales expansion in the GDP-compliant pharmaceuticals transportation network ● Responding to changes in drug discovery modalities ● Expansion of ML Chain coverage and users
	Developing markets in the U.S. and Europe	<ul style="list-style-type: none"> ● Expansion of Western markets through synergies with Cavalier
Food and beverages	Strengthening cold chain business	<ul style="list-style-type: none"> ● Expansion of cold storage warehouses in Japan and overseas
	Expansion of business in distribution processing	<ul style="list-style-type: none"> ● Expansion of repacking and inspection services in response to increasing demand for frozen foods ● Conducting part of the manufacturing process at port warehouses along the import route
Automotive machinery and electronics	Expansion of handling automobile-related logistics	<ul style="list-style-type: none"> ● Proposal of a full lineup of automotive parts logistics services in response to CASE developments
	Expansion of the handling of semiconductor and electric power infrastructure-related logistics	<ul style="list-style-type: none"> ● Leveraging Fuji Logistics Co., Ltd.'s expertise to expand operations both in Japan and overseas
Materials	Expanding services through total logistics services	<ul style="list-style-type: none"> ● Providing intra-regional logistics for the ASEAN area and international logistics for Europe, the U.S., and other regions, targeting materials with high versatility and global demand
	Enhancing high-quality logistics services	<ul style="list-style-type: none"> ● Efficiency and visualization of logistics processes using DX ● Expanding the international route network and developing new transportation services ● Proposal for environmentally friendly logistics
Consumer goods	Targeting the D-to-C market	<ul style="list-style-type: none"> ● Expansion of EC centers ● Improvement of work productivity by promoting DX and upgrading warehouse functions
	Strengthening services through cooperation with partner companies	<ul style="list-style-type: none"> ● Strengthening partnerships with service companies with strengths in EC logistics ● Deepening cooperation with Sumally

* Our financial strategy is described in the "Message from the Accounting Officer." [Page 27](#)

Growth Strategy Overview

Growth Strategy ① Leap of the Logistics Business (3) Enhance functionality and improve quality of logistics services

- Increase and improve high value-added and high-quality service options that help construct sustainable logistics networks by accelerating M&A transactions, alliances, and DX and by restructuring the organization in the logistics department.

Increase service options

- **Develop high value-added services.**
 - Accumulate and spread information obtained by offering on-site customer-focused services.
 - Strengthen marketing functions for analyzing markets and customers.

Combine information gained by the two approaches to develop and provide services that are truly valuable to customers.
- **Increase logistics service options.**
 - Enhance transportation centered on Ryoso Transportation Co., Ltd. and Dia Pharmaceutical Network Co., Ltd. with a view to solving the so-called 2024 problem (eliminating the multi-tier subcontracting structure).
 - Expand the number of facilities with the use of rented warehouses.
 - Respond to needs for distribution processing and business process outsourcing (BPO).
 - Develop and propose new services that help customers reduce their GHG emissions with the use of rail transport, domestic shipping, and other means.

Improve the quality of services

- **Standardize operations and enhance their quality by carrying out the Smart Hybrid Warehouse¹ initiative and the Smart Terminal Project².**
 - Provide sustainable logistics services even amid the accelerating labor shortage.
- **Improve the functions of the digital platform for international transportation.**

1. An initiative combining front-line execution capabilities that leverage analog wisdom to support on-site operations and cutting-edge technologies in operations inside warehouses with the objective of raising service quality and productivity through improved operation processes
2. A project aimed at revising and improving operation processes concerned with paperwork at container terminals

Promoting M&A activities and alliances

DX promotion

Restructuring the organization in the logistics department

Growth Strategy ② Evolution of the Real Estate Business

- Seek synergy between the Logistics Business and the Real Estate Business to increase corporate value.

Expanding into overseas Real Estate Business and asset management operations

Launch a logistics real estate business

- Develop and acquire logistics real estate that is expected to produce synergy with the Logistics Business in Japan and overseas.
- Expand the business outside Japan by utilizing the existing global network.

Launch an overseas real estate business

- Launch an overseas Real Estate Business dealing mainly with logistics facilities and additionally with residential housing and office buildings in ASEAN, the U.S., Australia, and elsewhere.
- Build a network with real estate developers in Japan and overseas and participate in joint ventures.

Start operation of the asset turnover business in earnest

- Build a real estate fund worth around ¥30.0 billion by FY2027 and run an asset management business with existing owned properties and new ones as seed assets.
- Set a target fund size for FY2030 of ¥80.0 billion.
- Develop new properties or carry out value enhancement after acquiring profitable properties in Japan and overseas to sell them to the fund or to markets.

Growth Strategy ③ Expansion of Overseas Business

- Expand overseas business by identifying areas where growth is to be accelerated.
- Accelerate business growth through partnership strategies with leading logistics business companies.
- Reorganize to expand overseas business.

◎: Top Priority Areas, ○: Priority Areas, ◆: Areas to Maintain

	ASEAN	North America	India	Europe	China
Logistics	◎	◎	◎	○	◆
Real estate	◎	○			
Major initiatives	Expansion of domestic logistics business and integrated transportation business for Europe, the U.S., and intra-regional routes	Achieving synergy with Cavalier	Establishment of a local subsidiary used as an opportunity to expand handling	Expansion of bases in priority categories such as medical and healthcare for developing Eastern European markets	Domestic logistics business

FY2030 overseas sales targets:

Twice or more compared to FY2024

Highest priority area

ASEAN

- Promotion of the ASEAN strategy
 - Expansion of warehouse and distribution center operations in major cities within the region
 - Expansion of integrated transportation to Europe, the U.S., and intra-regional routes
 - Expansion of the international route network and developing new transportation services
- Expansion of the Real Estate Business in partnership with leading local operators in Thailand, Vietnam, Indonesia, etc.
- Expansion of cold chain logistics, etc. in Indonesia and Vietnam
- Expansion of Malaysia's semiconductor logistics

North America

- Expansion in mainly the medical and healthcare fields through synergies with Cavalier
- Strengthening customs operations in response to the increasing complexity of the tariff system
- Development of the Real Estate Business targeting housing and logistics real estate

India

- Expansion focused on the machinery and electrical machinery field, leveraging the opportunity created by Fuji Logistics Co., Ltd.'s entry into the market
- Capturing logistics demand from Japanese companies that are accelerating their expansion into India
- Establishment of business bases in the Global South

VOICE



Yuki Ito
Warszawa Branch,
Mitsubishi Logistics
Europe B.V.

New Site Opened in Poland, the Gateway to Eastern Europe

In December 2024, the Company opened the Warszawa Branch as our first site in Eastern Europe. In recent years, industrial reorganization has been progressing across Europe, with production sites increasingly tending to shift toward Eastern European countries. Among these, Poland stands out as a highly sought-after logistics site, by offering not only geographical convenience but also stable infrastructure and a secure supply of skilled human resources.

At our Warszawa Branch, we are leveraging our expertise to strengthen our service infrastructure in Eastern Europe by expanding our operations in the promising materials sector.

News Release (in Japanese only)
https://www.mitsubishi-logistics.co.jp/news/2024/20241213_01.html

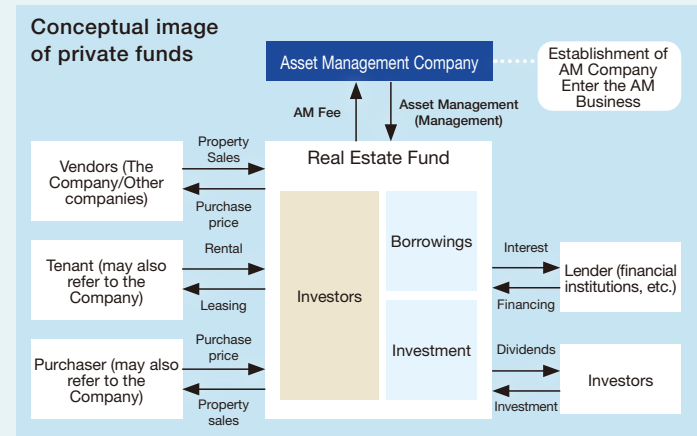
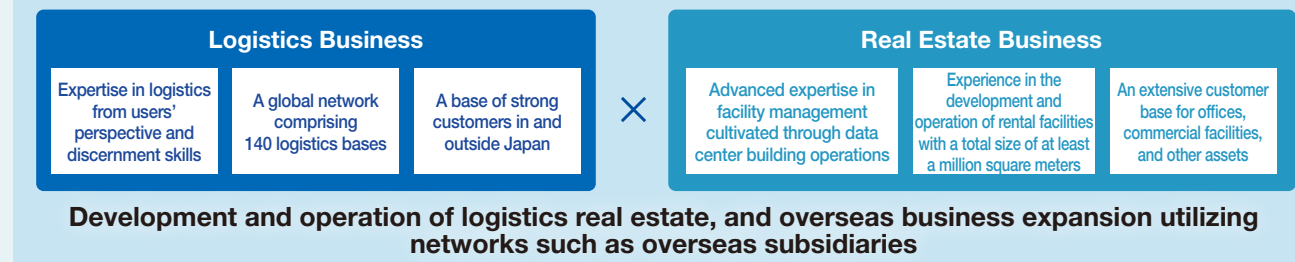
Growth Strategy Overview

Growth Strategy ② Evolution of the Real Estate Business

FOCUS

The Group's Real Estate Business has built a stable revenue base primarily through the redevelopment of owned land for leasing operations such as office buildings, residential housing and commercial facilities, real estate sales operations including condominium sales, and projects such as public-private partnerships (PPP) and joint ventures with other companies.

Going forward, we will enter the asset turnover business and advance into logistics real estate business where we anticipate growing synergies with the Logistics Business, while striving to further enhance asset efficiency and achieve dynamic growth.



Business Categories and Initiatives

Business categories		Region	Asset class				Strategic direction
			Logistics	Offices	Trade	Housing	
New Growth	New Asset Turnover Business (including funds)	Domestic	✓	✓	✓	✓	After acquiring a property, hold it for a certain period while enhancing its value, then sell it to the market or a fund organized by the Company
		Overseas	✓	✓	—	✓	After developing and acquiring logistics real estate, residential properties, etc., hold them for a certain period while enhancing their value, before selling them
	New Asset Management (AM) Business	Domestic	✓	✓	✓	✓	Form private placement funds and engage in AM business using existing holdings and newly acquired properties as seed assets
Maintaining and Improving Profitability	Leasing Business	Domestic	✓	✓	✓	✓	(1) Secure stable revenue through rental facilities (2) Acquire properties in Tokyo, Osaka, Nagoya, and other major regional cities
		Overseas	✓	✓	—	✓	Acquire properties in the U.S., Australia, etc.
Real Estate Sales	Condominiums	Domestic	—	—	—	✓	Continuous participation in joint ventures centered on major metropolitan areas
		Overseas	—	—	—	—	New [Global Expansion] Participation in joint ventures by building networks with developers in Japan and overseas

VOICE



Takaya Kikuchi
Business Development Team and Project Promotion Team, Real Estate Division

Expanded into the development of logistics facilities in Thailand—First overseas real estate development—

I was involved in negotiating terms with the local developer and formulating the business plan for the Bangna KM23 Project, the Company's first overseas real estate development project, leading to its successful establishment.

I feel that we were able to reach this point only thanks to the support provided by Mitsubishi Logistics (Thailand) Co., Ltd., the Logistics Sales Division, and the International Transportation Business Division, who are well-versed in local logistics operations and economic conditions, as well as the General Affairs Division, Accounting & Financing Division, and Overseas Business Division, who are sufficiently acquainted with international legal affairs and accounting. We also received assistance from the Corporate Communications & Investor Relations Division during press conferences and other events. I feel this project truly transcended departmental boundaries and harnessed the collective strength of Mitsubishi Logistics.

The asset turnover business model exemplified by this project hinges on the smooth progression of development, leasing, operations, and sales, so we will continue to strive diligently every day to achieve the results as planned.



News Release

https://www.mitsubishi-logistics.co.jp/english/news/2025/20250522_01.html

Growth Strategy Overview

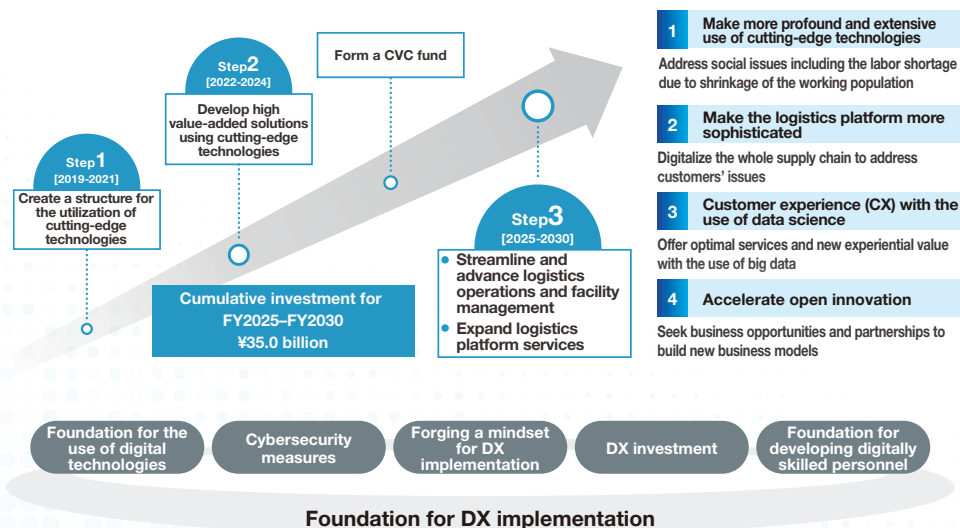
Growth Strategy ④ Improvement in Operation Processes and the Creation of New Businesses with the Use of Cutting-edge Technologies and Other Means

The Group's digital transformation (DX) strategy

The Group's mission is "Supporting Today, Innovating Tomorrow." Under the purpose statement "Supporting Today, Innovating Tomorrow," we have established a new MLC2030 Vision: "We will provide comprehensive logistics and urban development globally to support today in society and achieve dynamic growth." To achieve this, the Business Plan (2025–2030), launched this fiscal year, identifies improving business processes and creating new businesses through the use of advanced technologies as one of our growth strategies. We are actively introducing cutting-edge technologies to simultaneously address customer and social issues across both the Logistics and Real Estate Businesses while driving business growth.

Specifically, we are pursuing DX from various angles: reviewing operational processes across all businesses; enhancing service quality and productivity using cutting-edge technologies like IoT, AI, and robotics; and building logistics platforms utilizing blockchain technology to achieve greater visibility across the entire supply chain and advanced quality management.

Furthermore, we are building a robust foundation for promoting DX by not only introducing cutting-edge technologies but also simultaneously focusing on developing digital personnel who will drive DX initiatives while strengthening cybersecurity measures to support safe and secure business operations.



Investment policy related to DX advancement

Regarding investments in the DX and IT domains, we plan to invest ¥35.0 billion over the six-year period from 2025 to 2030.

This investment plan consists of DX-related investments encompassing not only technological aspects such as the utilization of cutting-edge technologies and the refinement of logistics platforms, but also initiatives such as developing personnel and fostering a digital mindset, as well as IT-related investments ensuring the stable operation of IT infrastructure and applications belonging to conventional technology domains.

Specific measures based on the DX strategy

The four specific measures and key initiatives supporting the growth strategy of "Improvement in Operation Processes and the Creation of New Businesses with the Use of Cutting-edge Technologies and Other Means" outlined in the Business Plan (2025–2030) are as follows:

1 Make more profound and extensive use of cutting-edge technologies Page 37

The Group defines the future vision for warehouses as the "Smart Hybrid Warehouse" and is thereby promoting the following initiatives.

- Digitalization and visualization of warehouse administration and operations
- Streamlining operations by establishing a Centralized Administrative Center that consolidates warehouse operations
- Introducing automated warehouses, robots, and others to step up automation and labor-saving in warehouse work
- Making greater use of RPA and AI-OCR, and using AI for advanced applications to automate and streamline administrative tasks and operations

2 Make the logistics platform more sophisticated Page 39

- Enhance functions of the ML Chain logistics data platform for pharmaceutical products and increase the overall usage
- Construct a digital platform MLC-i for international transportation to digitalize forwarding operations

3 Customer experience (CX) with the use of data science Page 39

- Visualize the state of transportation and greenhouse gas emissions (GGE), etc. along global transport routes
- Provide consulting services, etc. utilizing supply chain analysis tools
- Help customers to make decisions by analyzing site locations and optimizing inventory management

4 Accelerate open innovation Page 39

- Build closer partnerships with investors, partner companies, customers, and others to accelerate innovation based on co-creation
- Strengthen collaboration with new start-up companies through the CVC fund

Growth Strategy Overview

Growth Strategy ④ Improvement in Operation Processes and the Creation of New Businesses with the Use of Cutting-edge Technologies and Other Means

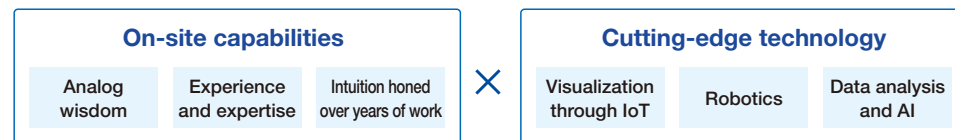
1 Make more profound and extensive use of cutting-edge technologies



Key Action

Realizing Smart Hybrid Warehouses

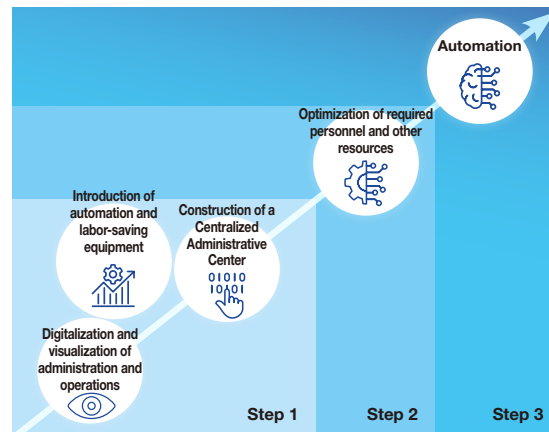
The Smart Hybrid Warehouse is an initiative combining on-site capabilities consisting of analog wisdom, experience, and expertise essential for smooth warehouse operations, with cutting-edge technology to meet the objective of improving operation processes, raising service quality, and boosting productivity.



Steps Toward Realizing Smart Hybrid Warehouses

We are promoting initiatives to digitize and visualize administrative tasks and operations, while simultaneously introducing automation and labor-saving equipment for the right tasks in the right place to enhance efficiency and improve on-site capabilities.

In the future, we intend to pursue overall optimization, including personnel reassignments, to enhance services and reduce costs. Ultimately, we aim to introduce autonomous AI that will replace humans in making autonomous judgments and taking actions to perform certain tasks.

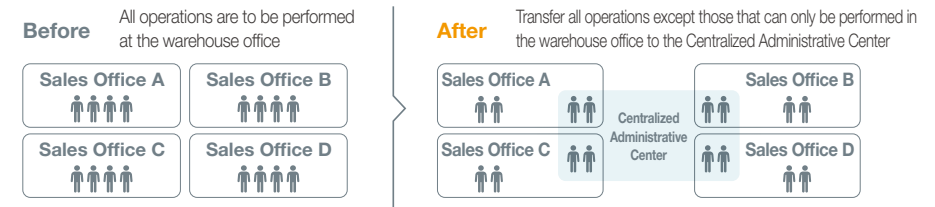


Digitization and visualization of administration and operations

- Define standard operational workflows for each cargo category and promote paperless warehouse operations and administration with a focus on using tablets and smartphones
- Implement real-time work progress management and detailed work performance tracking
- Introduce communication tools to enhance information sharing and coordination between the office and field sites

Centralized Administrative Center

We aim to consolidate some office functions from multiple warehouses into branch offices and other central business district locations in order to alleviate labor shortages caused by the inconvenience of commuting to port warehouses. This initiative seeks to enhance customer service by improving operational efficiency through standardized procedures.



Expanded use of RPA and AI-OCR

We have expanded the adoption of AI-OCR and citizen development of RPA that we have been pursuing for some time to include Group companies, achieving further operational efficiency and reducing administrative workloads.

Personnel with thorough operational expertise are creating effective robots that meet specific needs in rapid succession by developing them themselves. Integrated Report 2024 Page 35

Promoting the utilization of generative AI and the introduction of autonomous AI

Generative AI chatbots are proving effective in reducing the workload of handling internal inquiries.

Microsoft Copilot, introduced this fiscal year for all employees at our head office and branches, has proven highly effective in improving operational efficiency and generating new ideas.

In the future, we will aim to further enhance operational efficiency and productivity by adopting autonomous artificial intelligence, such as AI agents capable of making decisions and formulating and executing plans independently.

VOICE



Takahiro Kato
Information
Systems Team,
Fukuoka Branch

Promoting Smart Hybrid Warehouses

The Central Pier Sales Office is promoting the streamlining of warehouse operations and the transition to paperless processes via the use of tablets and long-range scanners. Previously, we used paper-based work records, but after going paperless, communication of work information between the office and the field became smoother. We also observed numerous improvements, including reduced labor hours through digitization and optimized staffing by visualizing work progress.

Initially, there were challenges such as resistance to the new method and a temporary drop in work efficiency while users became accustomed to it. However, we now hear comments like "We can't go back to paper-based work," and are seeing tangible results from this initiative.

Looking ahead, we will expand this initiative to other sites to further enhance warehouse operation efficiency and paperless processes by utilizing communication tools and other resources.

Growth Strategy Overview

Growth Strategy ④ Improvement in Operation Processes and the Creation of New Businesses with the Use of Cutting-edge Technologies and Other Means



Key Action

Introduce automation and labor-saving equipment (such as automated warehouses and robots)

① Remote Unmanned Forklift Demonstration Experiment

This fiscal year, we plan to conduct a demonstration experiment utilizing remote unmanned forklifts. We are creating an environment enabling remote operation for certain warehouse tasks. By utilizing remote unmanned forklifts, we aim to improve the work environment, ensure work safety, and enhance operational efficiency while aspiring to promote Heartful Employment* in the future.

This demonstration project, conducted in collaboration with Shiroishi Warehouse Co., Ltd. and Adawarp Japan Inc., enables the sharing of knowledge and technology unattainable through individual efforts. It also contributes to creating new value across the entire industry and is positioned as a key initiative toward realizing our vision of a sustainable society.

Going forward, the Group will continue to build innovative solutions that contribute to society by collaborating with diverse partners, thereby furthering our efforts to create a better future.



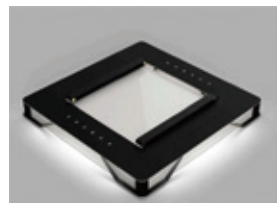
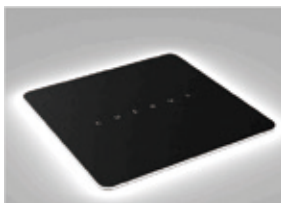
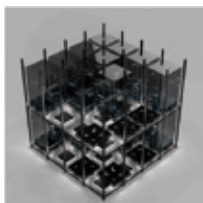
* Heartful Employment:

This refers to employment systems designed for individuals facing employment challenges, such as people with disabilities and inexperienced individuals aspiring to become caregivers, as well as corporate initiatives promoting the employment of people with disabilities.

② Joint Research on Automated Warehouses Begins

The linear automated warehouse CUEBUS developed by the Cuebus Co., Ltd. offers advantages over conventional automated warehouses, including; requiring less space for ancillary equipment (control units, aisles, etc.) and featuring a modular structure that allows for easy installation, expansion, and removal of units.

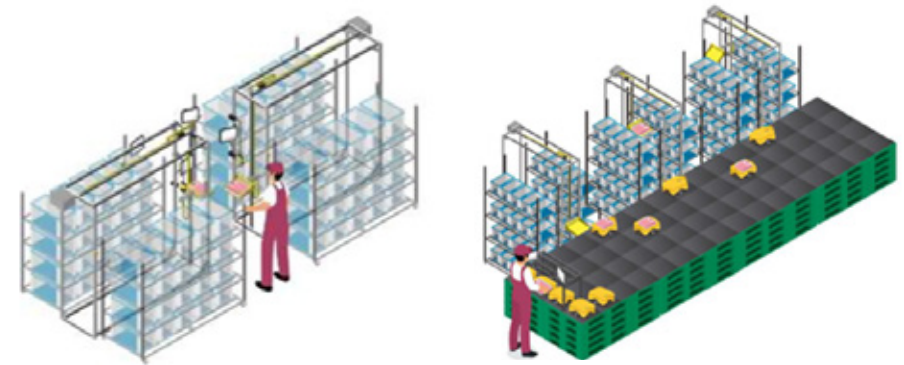
We have commenced joint research toward developing a vehicle capable of handling palletized heavy loads (approximately 1 ton), and plan to conduct demonstration tests of a prototype planned for future development.



③ Streamlining Outbound Operations by Utilizing Automated Sorting Machines

We have fundamentally revised the process where barcodes were inspected after single-item picking, so following total picking, we now utilize automatic sorting machines for each delivery destination to optimize sorting efficiency. Starting this fiscal year, we have introduced new automatic sorting machines that enable efficient use of vertical space, achieving more compact and efficient operations.

While total picking (where multiple orders are picked at once and later sorted by delivery destination) improves efficiency in the picking process, there were issues with the accuracy of the subsequent sorting. To prioritize accuracy, single-item picking was used for operations. However, by automating the sorting process with automatic sorting machines, accuracy has been improved, and the need for follow-up inspections has been reduced.



By combining the introduction of these cutting-edge technologies with our accumulated front-line execution capabilities, we are advancing initiatives with the objective of raising service quality and productivity through radical reviews and improvements of operation processes. We will contribute to accomplishing the goals set forth in the Business Plan by addressing social issues such as labor shortages and an aging workforce, and by achieving business growth.

For other DX case studies (including data analysis such as cargo placement optimization, picking sequence optimization, site analysis, freight cost calculation, and safety stock analysis), see [Integrated Report 2024 Page 34](#).

Growth Strategy Overview

Growth Strategy ④ Improvement in Operation Processes and the Creation of New Businesses with the Use of Cutting-edge Technologies and Other Means

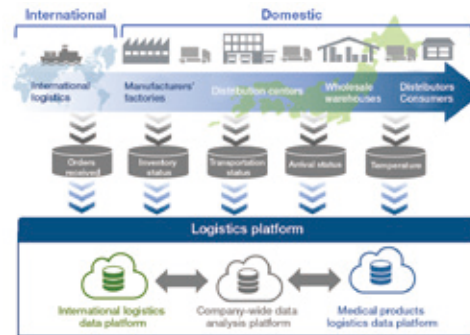
2 Make the logistics platform more sophisticated

Key Action Expand the use of ML Chain

In pharmaceutical distribution, it is crucial to maintain high-quality standards, but traditionally, the information necessary for maintaining quality has been scattered, making it difficult to centrally manage information across the entire supply chain. In response to this situation, we launched ML Chain in 2022 as the only pharmaceutical logistics data platform designed to meet customer needs by optimizing the supply chain for stakeholders while simultaneously maintaining high-quality pharmaceutical logistics. The platform consolidates scattered information into a cloud environment and ensures data integrity and confidentiality through blockchain technology.

We are continually adding features and expanding the capabilities of ML Chain, aiming to support the entire pharmaceutical lifecycle.

In the Business Plan (2025–2030), we intend to enhance these capabilities and provide services directed at pharmaceuticals requiring advanced quality control, such as specialty drugs.



Key Action Establishment of a digital platform for international transportation

Global disruptions in international logistics due to the COVID-19 pandemic have heightened the demand for real-time supply chain visualization and centralized information management. In response to this, we have started developing a new digital platform for international transport. This platform aims to create new value and better customer experiences, including visualizing transport status and GGE, as well as providing consulting services utilizing supply chain analysis tools.

As part of this platform, we launched the greenhouse gas calculation system, Emission Monitoring Cargo Route Finder, in advance.

Hereafter, not only will various forwarding requests be possible on the platform MLC-i currently under development, but we will also provide visualization and analysis services by establishing a data analysis platform.



As examples of new services, we are developing solutions that visualize and optimize inventory both in Japan and overseas, not just during transit, as well as trend analysis services utilizing AI and BI tools.

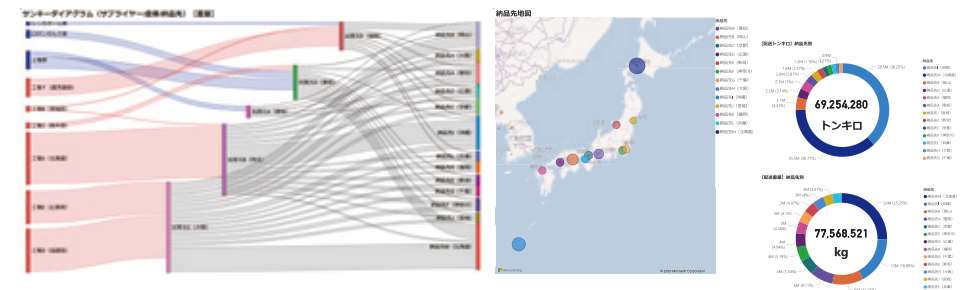
Additionally, we will automate internal operations to achieve more streamlined operational efficiency.

3 Customer experience (CX) with the use of data science

We have built a data analytics platform (MLC Digital Platform) in the cloud and are collecting and integrating data on a cross-departmental basis. This enables us to review and streamline each business process, helping to improve service quality and productivity.

Furthermore, by visualizing analysis results such as optimal inventory site placement simulations and safety stock analysis, and sharing them with stakeholders including customers, we support the discovery of new value and swift, accurate decision-making.

The Group is advancing these initiatives in tandem with measures essential for effective data utilization, such as improving data literacy across the entire Group, enhancing data governance, and ensuring security.



4 Open innovation by means of CVC

① What MLC Ventures aspires to achieve

MLC Ventures is a corporate venture capital (CVC) established in 2023 to accelerate the realization of the MLC2030 Vision.

Beyond the confines of existing businesses such as logistics and real estate, we aim to solve societal challenges like labor shortages, decarbonization and Green Transformation (GX), and digital transformation (DX) through co-creation with startups. Since establishing the fund, we have pursued making investments in and establishing business collaborations with startups in Japan and overseas within areas including last-mile delivery (i.e., the last leg of the delivery process to users), autonomous driving, automated warehouses, and operational DX.



Growth Strategy Overview

Growth Strategy ④ Improvement in Operation Processes and the Creation of New Businesses with the Use of Cutting-edge Technologies and Other Means

② Investment strategy and future prospects for the ¥5.0 billion fund

MLC Ventures manages the MLC Innovation Fund 1, a corporate venture capital fund with a total value of ¥5.0 billion. This fund prioritizes not only seeking financial returns but also addressing social issues and creating mid-to-long term value through co-creation with the Mitsubishi Logistics Group.

Target Investment Areas and Key Focus Themes

Our investment targets are sectors that have a high affinity with the Mitsubishi Logistics Group's business foundation, such as logistics and supply chain, real estate, sustainability, health tech, and agri-food tech. In these areas, MLC Ventures goes beyond mere capital participation, and rather seeks to co-create businesses through implementation-driven open innovation. We are promoting co-creation by integrating the innovative technologies and flexible conceptualization of startups in combination with the Mitsubishi Logistics Group's assets and on-site needs, as follows:

- Proof-of-Concept (PoC) Implementation
- Joint Product Development
- Sales Support and Market Access
- Management Support (Financial Strategy, KPI Design, etc.)

Three Key Considerations in Investment Decisions

1. Technologies and business models that contribute to solving problems originating at the site
2. Gaining access to new social needs and business domains
3. Potential for co-creation with group assets (logistics facilities, transportation networks, real estate, etc.)

Future Developments and Implementation Policy

We will continue to make investments and pursue collaborations with a view to contributing to the management challenges of the Mitsubishi Logistics Group. Beyond FY2025, we will steadily advance our journey of transformation through co-creation by combining issues originating from the site together with innovative technologies from startups.

③ Recent investment performance and examples of co-creation

Recent Investment Performance

① Spectee Inc.



Risk visualization platform driving DX in disaster prevention and crisis management

This company provides a SaaS platform that analyzes diverse data from social media, weather, IoT, and other sources using AI, enabling real-time visualization and distribution of risk information related to disasters, accidents, incidents, and other events. With a broad track record of implementation primarily among media organizations, local governments, and major private enterprises, they support the stable operation of social infrastructure and the strengthening of business continuity plans (BCP).

From an investment perspective:

- This theme contributes to solving societal challenges such as disasters and the increasing complexity of supply chains, and with policy backing, we expect the market to expand in the future
- It possesses high service quality and extensive results within the industry, with strengths in analyzing accumulated big data and automation technology

The Group made this investment based on the high affinity from the perspectives of stable logistics operations and BCP enhancement, while also anticipating potential future business synergies in light of the expanding digital utilization within the domain of social infrastructure.

② S-Mat, Inc.



IoT × Cloud solution for enhanced accuracy and efficiency of inventory management

S-Mat provides a cloud-based solution that leverages IoT weight sensors (SmartMats) to visualize and record actual inventory levels in near real time, offering comprehensive support from inventory management to automated ordering. The adoption of these is progressing primarily in manufacturing and healthcare institutions, contributing to solving structural challenges such as labor shortages and key-person dependency.

From an investment perspective:

- This solution can be deployed across a wide range of industries, including manufacturing, medical institutions, and logistics, and offers both a large market scale and high growth potential
- Recognition is growing based on proven results at major corporations, and the value directly linked to improving and automating on-site operations is evident

The Group has a high affinity with this venture from the perspective of improving operational efficiency at warehouses and logistics sites, so we made this investment with an eye toward utilizing it at our own sites and its potential contribution to the development of future services.

③ LOMBY Inc.



LOMBY

A mobility startup advancing the social implementation of last-mile logistics using automated delivery robots

LOMBY is developing a robotics platform that utilizes automated delivery robots jointly developed with Suzuki Motor Corporation to enable outdoor delivery to commercial facilities and residential areas. In May 2025, in collaboration with Seven-Eleven Japan Co., Ltd. and Suzuki Motor Corporation, they will commence Japan's largest-scale robot delivery demonstration project. They have accumulated diverse technologies and operational expertise for practical implementation, including functions for recognizing traffic signals, pedestrian crossings, and more.

From an investment perspective:

- This theme directly addresses societal issues such as declining birthrates and aging populations, as well as labor shortages in logistics, and is expected to see market expansion and policy support going forward
- LOMBY possesses strong implementation capabilities through collaboration with major partners (Seven-Eleven, Suzuki), excelling in technical sophistication and deployment speed

The Group has invested in this company with an eye toward future business synergies and is evaluating the applicability of automated delivery solutions across diverse logistics sites, including warehouses and ports, to address anticipated labor shortages and enhance operational efficiency. We particularly anticipate this collaboration to create use cases in the domain of outdoor transportation.

Growth Strategy Overview

Growth Strategy ④ Improvement in Operation Processes and the Creation of New Businesses with the Use of Cutting-edge Technologies and Other Means

Examples of Initiatives for Co-Creation

Achieving both operational efficiency and sustainable management by utilizing robots in security operations

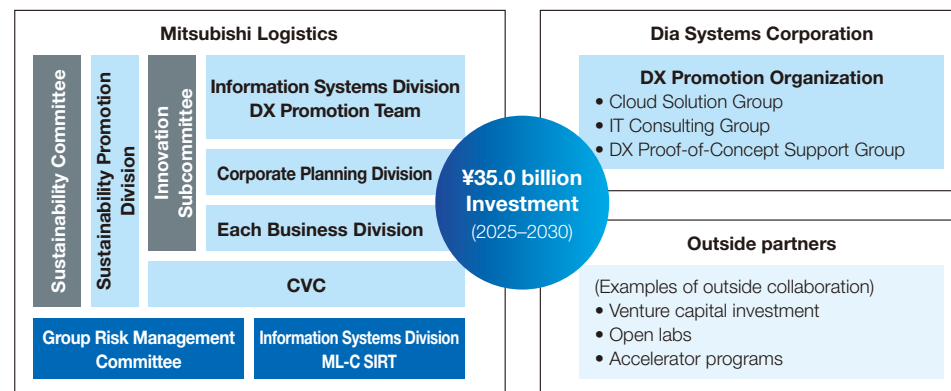
The Company has begun collaborating with our portfolio company, ugo, Inc., to utilize robots for security operations during nighttime and early morning truck cargo handling hours at the Oi Sales Office, one of our key sites in the Tokyo Metropolitan area. As AEO-certified warehouses require highly sophisticated security systems, securing manned security personnel during late-night hours is becoming increasingly difficult, while simultaneously requiring sustainable operational frameworks to be built.

This initiative not only addresses operational improvements such as work-style reform and cost reduction but also aims to achieve both enhanced security systems through labor-saving measures and digitalization, and the pursuit of sustainable management. Furthermore, for ugo, this initiative marks the first implementation in a logistics facility, representing a critical challenge that will lead to the creation of new application fields for security robots.

By providing the Group's on-site assets and practical operational expertise, we also position ourselves as a co-creation model that assists startups in achieving social implementation.

DX Promotion System

To drive digital transformation, we have established a Sustainability Committee comprising the President and all Managing Executive Officers. This committee convenes twice a year to approve policies for leveraging cutting-edge technologies and ensure consistency with our management strategy. Within this committee, we have also established an Innovation Subcommittee comprising heads from each business division and DX promotion specialists. This subcommittee works in collaboration with the Information Systems Division to drive digital transformation across the entire Group and within each business division.



Foundation for DX implementation

Developing Digital Talent

The Group has defined the following ideal profiles for personnel necessary to advance DX in future within the human resources portfolio determined last fiscal year.

The ideal candidate profile determined in the human resources portfolio

- Transformational leaders and DX talent who take on challenges and proactively create change
- Human resources who add value in the logistics field by utilizing digital technologies, etc. (E.g., incorporating IT Passport (i-Pass) certification into the training system for young and mid-career employees)

To cultivate human resources of this caliber, we have established a DX talent development program within the corporate university MLC Academy, which opened last fiscal year. This program complies with the Digital Skills Standard (DSS) formulated by the Ministry of Economy, Trade and Industry. This program consists of foundational knowledge on DX, data science, AI and deep learning, and hands-on development experiences using no-code tools, supporting trainees in implementing DX in their own workplaces.

Additionally, we are striving to secure human resources with specialized expertise through career hiring and reskilling; hence we are implementing initiatives to visualize employee skills based on the Digital Skills Standard and to foster a change in mindset among executives and managers. Simultaneously, we are establishing systems for reskilling and lifelong learning to enhance digital literacy for all employees and, while keeping pace with the latest technological trends, such as generative AI, we are continuing to develop human resources to support DX initiatives.

Developing digital talent	Target employees	Ideal human resources profile	Enrichment of course content by tier
DX promotion skills standard	DX promotion leaders of each business division	Business architect Business designer	
DX literacy standards	Employee	Digital technology and IT mid-power user	
Basic IT skills IT literacy		Other users	
Acquisition of specialized skills	IT Department Staff	Architect, PM, data scientist, analyst, concierge, etc.	
Mindset for driving digital transformation (DX)	Management-level employees	Organizational and cultural transformation leaders	

Securing digital talent

To advance digitalization and DX while securing human resources, we will implement the following measures: (1) Assessing design mentality aptitude when recruiting new graduates and actively hiring suitable candidates; (2) Promoting internal talent development, particularly for science and engineering graduates; (3) Recruiting experienced experts with specialized expertise in the digital field.

Growth Strategy Overview

Growth Strategy 5 Strengthen the Group management foundation

Construct a corporate department that will serve as a foundation for business promotion towards dynamic growth.



Implement Group management

Page 42

- Prompt individual companies in the Group to demonstrate their potential to the fullest degree to accelerate growth of the whole Group
- Revise Mitsubishi Logistics' operations (performed at the head office and branches) as well as those of Group companies to integrate and abolish some of them to achieve streamlining and optimization of the organization



Carry out human capital management

Page 59

- Increase investments in human capital as a source of value creation and secure and develop personnel who will carry out growth strategies
- Change our corporate culture to one that supports new endeavors and innovation



Strengthen risk management

Page 85

- Step up risk management across the Group in view of the expansion of our business scope, intensification of disasters, growth of cyber risks, and other situations



Step up public relations and investor relations operations

Page 68

- Strengthen the investor relations (IR) and shareholder relations (SR) activities for the purposes of securing new shareholders and building long-term relationships of trust with shareholders and investors



Increase the value of the Group's assets

Page 43

- Make optimal use of assets and increase capital efficiency from a company-wide perspective

Implement Group management



To forge a sense of unity across the entire Group and achieve its sustained growth and realization, we established a Group Management Team in April 2025.

Specific measures for promoting Group management

Analysis of the current situation	We will conduct a survey to ascertain the current status and issues facing the entire Group.
Information gathering	We will continue to investigate other companies' group management practices as well as reevaluate the Group management direction and key focus areas.
Customer information	By centrally managing customer information, we will achieve faster response times to inquiries and gain improved customer satisfaction.
Business reallocation	We will formulate a draft plan for business reallocation in order to review the company's roles and positioning and enable it to function efficiently and effectively.
Group resource reallocation	We will collaborate with relevant departments to examine and put forward a draft plan for the efficient allocation of management resources in accordance with the business reallocation.

Strengthen Group companies and streamline management

● Implementation of the same system

The Group companies have previously implemented customer management and accounting systems independently, but from 2025, the Group Management Team spearheads efforts to centrally manage customer touchpoint data across the Group. This initiative will enable the visualization of professional connections, the creation of sales opportunities, the improvement of customer service quality, and the streamlining of operations, leading to increased sales overall for the Group.

Enhancing branding

● Unifying Group company brands

The Group is undergoing a period of considerable transformation to expand our business, including M&A, launching new ventures, and organizational restructuring. Unifying the brand image across the entire Group during this period of transformation is expected to yield benefits such as more effective marketing activities, gaining greater customer trust, and also enhancing corporate value. We will proceed with discussions aimed at implementation, taking into account each company's capabilities and regional characteristics.

Growth Strategy Overview

Growth Strategy 5 Strengthen the Group management foundation

Increase of the value of the Group's assets: Initiatives to enhance CRE



The Group holds numerous assets both in Japan and overseas, accumulated over its long history. We will restructure these holdings to enhance corporate value and drive further improvements in capital efficiency.

The Corporate Real Estate Division, newly established in April 2025, monitors the utilization status of fixed assets, identifies issues by analyzing occupancy rates and profitability, and investigates countermeasures accordingly.

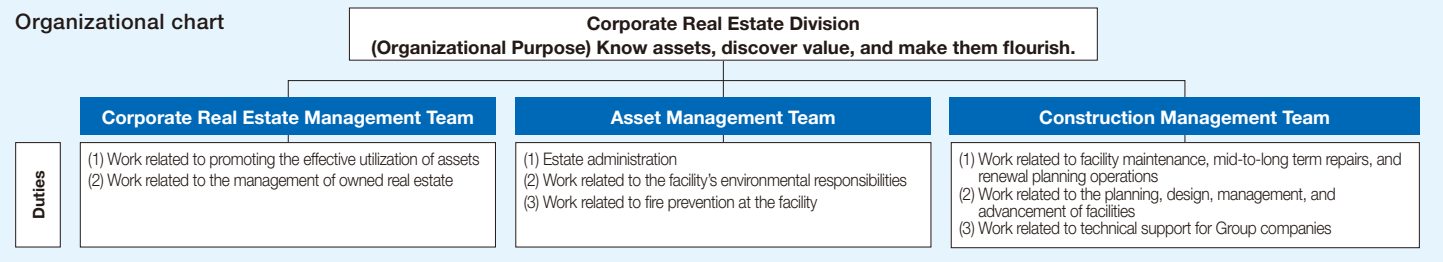
Reflections on the past and future issues

- In fixed asset management operations, the Business Plan (2022–2024) advanced thorough construction scheduling, cost, and quality control; proper maintenance management; and disaster and environmental response. This ensured the scheduled completion of the Ibaraki Distribution Center No. 5 and Shibaura Dia Building, while functional enhancements were made to the legacy maintenance management system to improve operational efficiency (transitioning to the “Integrated Asset Management System”). We also conducted fire prevention patrols, implemented renewable energy power plans for facilities, and installed solar power generation equipment.
- While we achieved the 7% ROE target in the Business Plan (2022–2024), the Business Plan (2025–2030) sets a target of 10% ROE. Further challenges include more effective asset utilization and achieving appropriate equity capital levels.
- Going forward, with the aim of enhancing the Group asset value, we will transfer owned asset management authority from business divisions and establish a centralized Corporate Real Estate Division. This will make optimal use of assets and increase capital efficiency from a company-wide perspective.

Corporate Real Estate Division Structure and Responsibilities

The Corporate Real Estate Division's responsibilities are:
(1) Formulating the Group's CRE strategy, and (2) Planning and promoting effective utilization measures for real estate in line with the CRE strategy. It consists of three teams: the Corporate Real Estate Management Team, the Asset Management Team, and the Construction Management Team.

Organizational chart



Basic strategy for the Corporate Real Estate Division in the Business Plan (2025–2030)

- Formulation of the Group's CRE strategy and implementation of relevant measures**
 - Preparation of a “Building Profile,” a reference document that establishes criteria for analyzing the profitability and business feasibility of company-owned facilities, supports effective utilization, and contributes to improving capital efficiency
- Implementation of measures for the proper maintenance and management of facilities**
 - Implementation of fire prevention patrols
 - Establishment of long-term maintenance plans for proper maintenance and management
- Implementation of measures for sustainability management**
 - Consider installation of energy-saving equipment such as LED lighting and solar power generation systems
- Strengthening technical support for expanding Logistics and Real Estate Businesses**
 - Managing and reviewing the performance of technical support for Group-owned facilities
- Thorough management of schedules, costs, and quality for facility construction and renovation projects**
 - Hold information-sharing meetings with the CRE representative

Initiatives for formulating CRE strategy

- Business analysis of real estate assets**

With regard to the Group's real estate assets, we conduct business feasibility analysis by performing the following: (1) collecting data, (2) organizing data, and (3) analyzing data related to income and expenditure.
- Scope of business analysis**

The scope of our business analysis will be expanded in the following order: (1) Company-owned logistics facilities built to our specifications (2) Rental facilities within our assets, including those in the Real Estate Business (3) Assets of the Group companies.
- Establishing criteria for business feasibility analysis**

After analyzing the business feasibility of real estate assets, (1) establish criteria for profitability and business feasibility analysis, and (2) for facilities selected based on these criteria, we will promote the following initiatives.

 - Draw up utilization strategies and formulate policies
 - Conduct an ongoing investigation of optimal utilization strategies

Growth Strategy Overview

Growth Strategy 5 Strengthen the Group management foundation

Examples of CRE



Examples of initiatives through FY2024

● Disaster-resistant ECO warehouses, eco-friendly office buildings, etc.

- ① In FY2023, we worked on construction of the Shibaura Dia Building, which was completed in April 2024, using a seismic isolation structure as a facility exclusively for data centers.

News Release (in Japanese only)

https://www.mitsubishi-logistics.co.jp/news/2024/20240430_01.html

- ② Construction of the Ibaraki Distribution Center No. 5 was completed in October 2022.

This facility, as with the Ibaraki Distribution Center No. 4 completed on the same site in July 2018, is a disaster-resistant ECO warehouse, designed with consideration for natural disaster response and reduced environmental load.

The Company has opened a new pharmaceutical warehouse in the Ibaraki district, the hub of our pharmaceutical distribution center, with the aim of reinforcing pharmaceutical storage and distribution capabilities while providing high-quality logistics services.

The facility adheres to GDP guidelines, and is thus equipped with air conditioning throughout all warehouses and features dust-proof flooring across all floors. Additionally, the first floor includes a refrigerated cargo handling area directly connected to a dock shelter.

By adopting seismic isolation structures and installing emergency generators, we have enhanced our capability to respond to natural disasters such as earthquakes and improved business continuity during such events. We have also adopted solar power generation systems, full-building LED lighting, and high-efficiency air conditioning equipment to reduce our environmental load.

News Release (in Japanese only) https://www.mitsubishi-logistics.co.jp/news/2022/20221031_01.html



● Misato Distribution Center No. 2 Phase 2 Building Installing a solar power generation facility

In response to raising our CO₂ emissions reduction target from -30% to -50% in September 2022 under the materiality theme “Strengthening Climate Change Countermeasures and Environmental Protection Initiatives,” we examined the feasibility of installing solar power generation equipment at existing warehouse facilities.

As a result, the roofs of three facilities, the Phase 2 building of the Misato Distribution Center No. 2, the Phase 2 building of the Tobishima Distribution Center, and the Ibaraki Distribution Center No. 4, became suitable for installation to proceed. We first began with installation at the Phase 2 building of the Misato Distribution Center No. 2, which offers the greatest CO₂ emissions reduction effect (power generation capacity).

The same center will be equipped with solar panels generating 700 kW of power, bringing the total generating capacity to over approximately 1,200 kW when combined with the Phase 1 building (530 kW).



FY2025 initiatives

- ① Establishing standards for analyzing the profitability and business feasibility of the Company-owned facilities within the Group's CRE strategy
- ② Implementation of fire prevention patrols and development of long-term renovation plans for the proper maintenance and management of facilities
- ③ Installation of solar power generation and energy-saving equipment in existing logistics facilities
- ④ Strengthening technical support for expanding Logistics and Real Estate Businesses
- ⑤ Thorough management of schedules, costs, and quality in facility construction and renovation projects

Topic

Promoting the Conversion of Lighting Fixtures to LEDs at The Company-Owned Facilities



We aim to achieve 100% LED conversion by FY2030

Since FY2009, we have been promoting the LED conversion of existing lighting fixtures such as fluorescent lamps in the Company-owned facilities. By the end of FY2024, we had completed the conversion to LED lighting for approximately 77% (around 132,000 units) of the fluorescent lamps and similar fixtures (around 173,000 units).

As manufacturers have discontinued production of fluorescent lamps and similar lighting, and since switching to LED lighting fixtures reduces electricity costs and environmental load, the plan is to complete the conversion of all remaining non-upgraded fluorescent lamps (approximately 41,000 units) to LED by FY2030.

Additional Installation of Solar Power Generation Equipment

In recent years, thin and lightweight solar panels have been developed, making it possible to install solar power systems at facilities where installation had previously been abandoned due to insufficient roof load-bearing capacity, by utilizing margins in the design.

For facilities with corrugated sheet metal roofs without solar power generation equipment installed, we will re-implement structural design verification to assess whether thin and lightweight solar power generation equipment can be installed.

Additionally, for flat-roofed warehouse facilities, the installation of solar power generation equipment had been put off due to the higher degree of difficulty in construction and installation costs compared to corrugated roof structures. However, driven by the recent surge in demand for installations amid environmental initiatives and soaring electricity costs, we will now begin a specific feasibility study for installing such equipment on these facilities.

Entered the grid storage battery business

Pivoting toward a sustainable future, power storage warehouses support social infrastructure



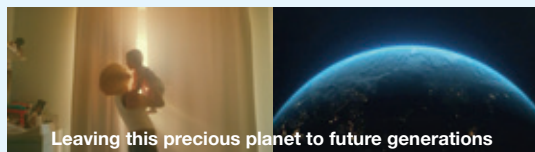
Background and purpose of market entry

The Group operates infrastructure businesses that support society in the form of Logistics and Real Estate Businesses. In the Business Plan (2025–2030), we have set forth the goal of supporting society's everyday needs and achieving dynamic growth.

Japan faces the issue of low energy self-sufficiency rates and a low proportion of renewable energy in its power generation output. To address this issue and create a sustainable society, the Company has advanced exploration into a grid-connected battery storage business which leverages our expertise in handling large-capacity power equipment and effectively utilizes our proprietary assets, leading to our entry into this market.

This project was proposed by employees through the MLC Innovation Program (internal proposal system) in FY2023 and selected as a plan. It involves introducing a large-scale battery storage system to charge and discharge electricity through transactions in the power market, thereby contributing to the stabilization and efficiency of the power grid (electricity supply network), leveling out fluctuations in renewable energy, and balancing the supply and demand of electricity.

With this new venture, the Group will support Japan's power infrastructure and pass on the baton of this precious planet to future generations.



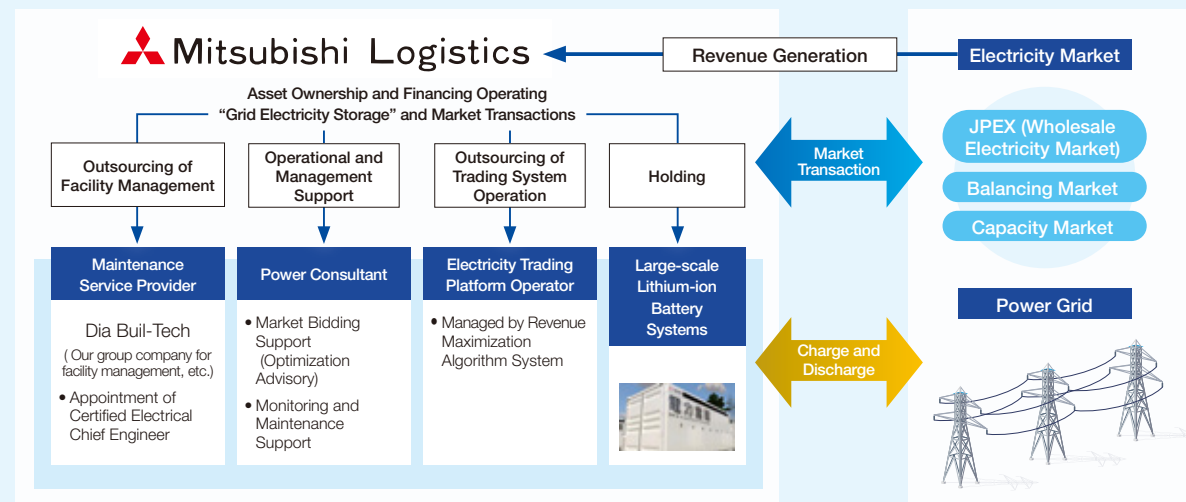
Leaving this precious planet to future generations

Please also take a look at this promotional video for the power storage warehouses. (in Japanese only)



Business overview

- 1 We will install large-scale batteries on company-owned land (partly leased) and connect them to the power grid, conducting electricity transactions in the wholesale electricity market, supply-demand adjustment market, and capacity market.
- 2 Leveraging the know-how gained in operating large-scale electrical facilities for data center buildings, our group company will handle maintenance and management of these facilities.
- 3 Each facility is expected to operate for 20 years



Project overview and investment plan

We plan to invest approximately ¥20.0 billion in the following two locations and will continue to expand our operations to five additional locations in other prefectures.

	Kohoku Grid Electricity Storage (tentative)	Kodama Grid Electricity Storage (tentative)
Location	Yokohama City, Kanagawa Prefecture	Honjo City, Saitama Prefecture
Site area	Approx. 13,000 m ²	Approx. 900 m ²
Scheduled start of construction	FY2028	FY2026
Scheduled start of operations	FY2030	FY2027
Rated output	Approx. 85 MW	Approx. 2 MW
Rated capacity	Approx. 340 MWh	Approx. 8 MWh
Battery type	Lithium-ion battery	Lithium-ion battery

Next-generation industry business development (space-related business)

Try to develop next-generation businesses such as space-related ventures together with Minamisoma City Government under our partnership agreement, aiming for creative reconstruction.

Agreement

Summary of the Agreement

This Agreement aims to foster industrial revitalization by collaborating with Minamisoma City to establish an environment conducive to technological development and create opportunities for co-creation, as the Company undertakes business development in next-generation industries, including logistics-related and space-related industries.

Matters for Coordination

- In collaboration with Minamisoma City, we will foster an environment conducive to technological development and create opportunities for co-creation to revitalize industries.
- (1) Cooperation in business development for next-generation industries, including logistics-related and space-related industries
 - (2) Development of facilities for businesses, including offices, stores, research and development facilities, and logistics-related facilities
 - (3) Support for technological development contributing to the advancement of next-generation industries
 - (4) Educational support for the benefit of future generations
 - (5) Other matters related to regional revitalization

VOICE



Hiroyuki Shimomura
Space-related Industry
Development Team,
Industry & Labor
Department, Commerce,
Industry and
Tourism Division,
Minamisoma City

Challenges in Space-related Industries with Minamisoma City

Since April 2024, I have been seconded to Minamisoma City, where I am dedicated to promoting the city's space-related industries. Last fiscal year, we conducted a low-key rocket launch demonstration experiment in an area that remains uninhabitable due to the Great East Japan Earthquake. The promotion of this type of industry also contributes to the city's goal of achieving a creative recovery from the earthquake disaster.

In my role within the public administration, I must negotiate with a wide range of stakeholders, from the national and prefectural governments to local residents where I apply the experience and mindset cultivated through my work at the Company.

The space-related industry is expected to see rapid market expansion in the future and has a broad base, giving it a high degree of affinity with the Company, whose core businesses are Logistics and Real Estate Businesses. We believe that business development within the same industry, leveraging our assets and expertise, will contribute to the Company's growth.

Direction of Business

Japanese Business Environment

- Political:** The Basic Space Plan mentions the development of a new space transportation system
- Economical:** Space Strategy Fund (¥1 trillion over 10 years)
- Societal:** Strengthening security and disaster prevention measures, industrial innovation requirements, expanding demand for space transportation
- Technological:** Development of rockets as a transportation industry, utilization of satellite data



Examples of initiatives

April 2025 Incubation facility (MLC SPACE LAB) opened within the Minamisoma City Reconstruction Industrial Park

MLC SPACE LAB is a facility designed to support the development and expansion of new ventures for startups, research institutions, and other enterprises engaged in next-generation industrial technologies.



Our Direction of Business

- Short-term:** Addressing logistics and facility needs for rocket and artificial satellite launches and development
- Mid-term:** Infrastructure development for spaceports via business collaboration in warehousing, international transportation, port operations, and real estate
- Long-term:** Technology development required for space transportation and its application on Earth (all-purpose robots, automation, remote operation, etc.)

Try to develop next-generation businesses together with Minamisoma City Government aiming for creative reconstruction

- Operate incubation facilities and construct research and development facilities as well as logistics facilities
- Support start-up companies in the space industry and other next-generation industries
- Develop new businesses in logistics-related industries and next-generation industries



Business Overview

Utilizing the skills and expertise cultivated over our 138-year history, we support people's affluent lives and our customers' corporate activities.

Logistics Business



Propose optimal solutions for customers' supply chain issues and provide comprehensive logistics services worldwide

Warehousing and Distribution Business and Overland Transportation Business

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We provide logistics services tailored to our customers' needs, including warehouse storage and cargo handling, transportation and delivery, and distribution processing both in Japan and overseas. We have designated focus areas as medical and healthcare, food and beverages, automobiles, machinery and electronics, materials, and consumer goods and are strategically strengthening our logistics services.

Furthermore, through M&A and alliances, DX initiatives, and organizational restructuring, we are expanding our service options and enhancing quality to deliver optimal solutions for issues faced by our customers.

International Transportation Business

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Under our Global Grid strategy, which integrates the four key regions (ASEAN, China, North America, and Europe) as interconnected nodes, we provide comprehensive logistics services that go beyond mere maritime and air transport between regions, and combine various services within each area; including storage, distribution, repairs, inspection, and packaging.

We are also in the process of building the digital platform MLC-i to support this with the latest technology. In addition to logistics services, we will also focus on software-based services such as visualization and forecasting by means of data analysis.

Port and Harbor Transportation Business

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We offer highly detailed and high-quality logistics services to meet the full range of needs for our customers who use ports, including container terminal operations, cargo handling for conventional ships and car carriers, ship agency services, and more, at ports such as Tokyo, Yokohama, Nagoya, Osaka, Kobe, Moji, and Hakata.

We also offer a wide range of other marine shipping-related services, such as importing/exporting of vessels, ship registration, and agency operations for special ships such as oil-drilling rigs.

Real Estate Business

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By challenging new business areas and continuously developing existing businesses, we will enhance our corporate value

We are involved in the Real Estate Business in all six major cities of Japan: Tokyo, Yokohama, Nagoya, Osaka, Kobe, and Fukuoka. In addition to activities such as the redevelopment of properties based on the optimum application of each property's features and the leasing of approximately 50 real estate facilities (offices, retail facilities, and residences), totaling almost 1 million m² of total floor space, we are involved in the sales business of condominiums.

Furthermore, in order to expand the Real Estate Business beyond owned properties, we are participating in public-private partnerships (PPP) and redevelopment projects of complex facilities, etc., while pursuing new business areas such as logistics real estate business, overseas real estate business, and asset turnover business, where we anticipate synergies with the Logistics Business.



Business Strategy Logistics Business

Warehousing and Distribution Business and Overland Transportation Business

We will advance category strategies based on the Group's strengths and bolster our services to customers. Additionally, by continuing with our organizational restructuring, we will be able to provide more optimal solutions to our customers' issues. We provide comprehensive logistics services to meet diverse needs in logistics and contribute to enhancing customer value.

Yoshihiro Yamaguchi
General Manager of Logistics Sales Division



Opportunities

- Acquisition of projects driven by the expansion of cold chain and D-to-C markets
- Increased efficiency and development of new services through DX initiatives
- Expansion of services via M&A and alliances
- Enhancement of corporate credibility with the acquisition of SBT certification

Strengths

- A robust cold chain network in the pharmaceutical and food sectors
- Enhanced sales capabilities through organizational restructuring
- Providing diverse services in collaboration with other businesses

Risks

- Intensifying competition with other companies in the same industry and logistics real estate business
- Labor shortages in the logistics industry
- Soaring construction costs
- Shrinking domestic market due to the decline in population

Issues

- Establishing a facility-independent revenue model
- Achieving overall optimization of operations
- Improving investment efficiency

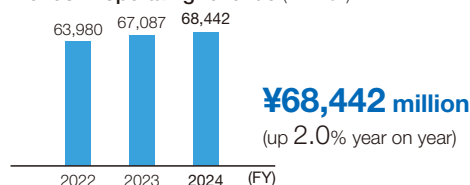
Segment Overview

Business Revenue and Business Profit

Revenue increased in the Warehousing and Distribution Business due to the full business year contribution from Cavalier and increased handling of pharmaceuticals and food products. Revenue increased in the Overland Transportation Business due to higher volumes of electrical equipment and pharmaceuticals handled.

Warehousing and Distribution Business

Trends in operating revenue (¥ million)

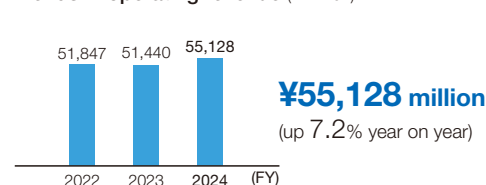


Business Strategy

We have achieved certain results in strengthening our revenue-generating capabilities, including increasing our transportation capacity via business alliances with K.R.S. Corporation and DT Holdings, Inc. and expanding the handling of regenerative pharmaceutical products and EC centers. Issues remain regarding strengthening collaboration between services to deliver further value.

Overland Transportation Business

Trends in operating revenue (¥ million)



Business Strategy for Achieving the Business Plan (2025–2030)

Storage fees have been the mainstay of our business revenue structure, but with construction costs and land prices in logistics-friendly locations continuing to soar lately, further growth now requires essential measures in the soft aspects of our business, such as developing new services and improving operational efficiency.

In addition to initiatives for strengthening sales capabilities and improving productivity through organizational restructuring, we aim to advance the Logistics Business by leveraging M&A to acquire new business opportunities and functions in emerging fields.

Strategy 1: Strengthen comprehensive logistics services

- Strengthening asset management
- Expanding domestic and international sites
- Expanding service options

Strategy 2: Promote category strategy

- Developing pharmaceutical markets in the U.S. and Europe
- Expanding business in distribution processing
- Expanding automobile-related logistics
- Acquiring business in the D-to-C market

Strategy 3: Enhance the quality and quantity of logistics services

- Developing high value-added services
- Promoting M&A
- Consolidating facility operations
- Improving work productivity

Strategy 4: Synergy with the Real Estate Division

- Developing hybrid facilities for both the Company use and leasing
- Expanding overseas operations using local subsidiaries

Strategy 5: Expand overseas operations by region

- Warehouse construction in Indonesia
- Creating synergy with Cavalier
- Expanding operations in India

Strategy 6: Utilize cutting-edge technology

- Promoting automation and labor-saving measures
- Advancing logistics platforms
- Business support through data science

Toward Realizing a Sustainable Society (Initiatives for Materiality)

- Addressing labor shortages by promoting workforce reduction through operational efficiency and advancing automation by introducing material handling systems
- Improving employee engagement by improving the workplace environment
- Reducing GHG emissions generated during storage, handling, and transportation

Business Strategy

Logistics Business

International Transportation Business



Modern international logistics and supply chains have become more complex than ever before, driven by the advancement of globalization, heightened geopolitical risks, stricter environmental regulations, and the rapid evolution of digital technologies. Under these circumstances, we will prioritize stable service delivery above all others, while harnessing digital technology to strengthen our supply chain and enhance its flexibility. Furthermore, to realize the MLC2030 Vision, we will strengthen our global network and partnerships, contributing to sustainable growth and the creation of social value.



Yosuke Abe

General Manager of International Transportation Business Division

Opportunities

- New work orders in the Indian and Eastern European markets
- Deployment of new services utilizing digital platforms
- Using strengthened Group collaboration to enhance overall capabilities and create cross-selling opportunities

Risks

- Business interruptions due to political instability or amendments to laws and regulations
- Business interruptions due to cyberattacks on digital platforms, etc.
- Missed opportunities for optimal proposals addressing customer needs and securing business contracts, caused by insufficient coordination among Group companies

Strengths

- International multimodal transport combining sea, air, rail, and trucks
- Providing flexible, high-quality door-to-door shipping services worldwide
- Optimizing the entire supply chain, progress management, and optimization of costs and lead times using our overseas networks

Issues

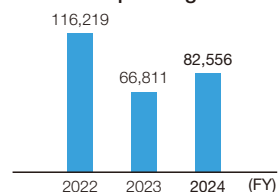
- Securing IT talent for DX promotion
- Establishing and maintaining an efficient transportation system

Segment Overview

Business Revenue and Business Profit

Despite external factors such as fluctuations in freight rates and exchange rates, as well as changes in logistics demand, revenue increased due to a rise in cargo volume, primarily driven by materials-related shipments.

Trends in operating revenue (¥ million)



¥82,556 million
(up 23.6% year on year)

Business Strategy

We have strengthened our comprehensive logistics services, focusing on materials as a key area and targeting growth markets such as high-performance composites, semiconductor-related products, and sustainable materials with our operations being anchored in four pivotal regions: ASEAN, China, North America, and Europe.

Business Strategy for Achieving the Business Plan (2025–2030)

The International Transportation Business Division will advance its growth strategy by focusing on both its core business and strategic business. In our core business, we will focus on maintaining and expanding customer relationships while pursuing entry into new sectors and regions while strengthening our presence in growth areas such as materials and equipment transportation. In our strategic business, we will expand our trilateral transportation network, develop emerging sites such as India and Eastern Europe, and enhance our regional logistics network through M&A and partnerships. Furthermore, we will leverage the digital platform MLC-i to drive operational efficiency, service enhancement, and strengthened Group collaboration, as a means to aim for improved profitability and competitiveness.

Strategy 1

Continue and expand our core business

- Building long-term relationships with customers by providing stable and reliable services
- Expanding our business scope by entering new fields and regions while maintaining existing transactions

Strategy 2

Strengthen initiatives in key areas

- Developing and capturing logistics demand in the materials sector, which has a diverse range of applications
- Enhancing equipment transportation operations with an eye toward securing business after facility startup

Strategy 3

Expand overseas business

- Expanding overseas operations and enhancing service networks through M&A and partnerships
- Enhanced handling of trilateral shipments
- Enhancing regional logistics operations

Strategy 4

Enhance the services of utilizing cutting-edge technology

- Improving profitability through greater efficiency and automation of operations
- Enhancing services that utilize the data analysis platform
- Promoting Group collaboration by utilizing MLC-i

Toward Realizing a Sustainable Society (Initiatives for Materiality)

We launched the "Emission Monitoring/Cargo Route Finder" system in February 2024, enabling customers to visualize GHG emissions across their entire global supply chain while simultaneously searching for cargo transport routes, while in October of the same year, we added functionality allowing route searches that avoid specific marine areas. This enables us to not only support environmental load reduction but also provide functions such as formulating alternative routes during disruptions in the logistics network. Our division will continue to strive to provide safe, secure, and sustainable social infrastructure services that can respond swiftly to societal changes by utilizing cutting-edge technologies.

Business Strategy

Logistics Business

Port and Harbor Transportation Business

We consider the Harbor Transportation Business Division to be the department that embodies “Supporting Today” as part of our purpose. We have been providing port logistics services at major domestic ports by developing the Port and Harbor Transportation Business, meeting all the needs of customers who use these ports. Based on the safe, accurate, and efficient operations accumulated through many years of knowledge and experience, we aim to maximize further revenue and profits.



Toshiaki Nakayama

General Manager of Harbor Transportation Business Division

Opportunities

- Expanding DX into the port sector
- Formation of CNP (Carbon Neutral Port)
- Rearrangement of shipping alliances

Risks

- The escalating shortage of personnel to support port operations
- Increased business operating costs due to rising prices
- Cyberattacks on CT

Strengths

- Safe, accurate, and efficient cargo handling operations
- Ownership of cargo handling sites at major domestic ports
- Good relationships with major global shipping companies

Issues

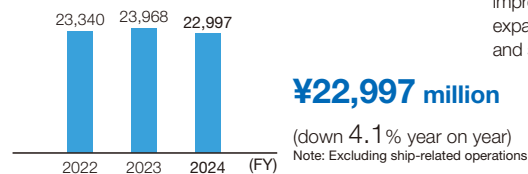
- Responding to changes in the business environment
- Addressing labor shortages and rising costs

Segment Overview

Business Revenue and Business Profit

Container throughput remained at the same level as the previous year, while cargo volumes for conventional vessels and car carriers decreased.

Trends in operating revenue (¥ million)



Business Strategy

The Business Plan (2022–2024) focused on enhancing the competitiveness of our independently operated container terminals (Osaka: Nanko C-9, Kobe: Rokko C-4). Additionally, in addition to improving operational efficiency at container terminals, we reviewed unprofitable operations at subsidiaries under our jurisdiction and worked to enhance profit margins and improve profitability. Furthermore, we endeavored to expand logistics operations surrounding cargo handling and ship registration operations.

Business Strategy for Achieving the Business Plan (2025–2030)

In response to rising prices and the anticipated decline in demand and labor due to the decreasing population, we aim to expand revenue through the existing Harbor Transportation Business Division's business expansion and entry into new fields, and to improve profitability through the Smart Terminal Project, which entails a radical review of container terminal operations, process improvements, and system-based efficiency initiatives.

Strategy 1
Expand business scope

- Expanding the service options for existing businesses
- Acquiring new business by incorporating the needs of shipping companies and shippers related to cargo handling work on vessels

Strategy 2
Improve profitability

- Improvement activities and promotion of overall optimal operations in container terminal operations (Advancement of the Smart Terminal Project)
- Expanding cargo handling through collaboration with other departments and affiliated companies

Toward Realizing a Sustainable Society (Initiatives for Materiality)

We will fulfill our mission to continue operations as essential workers protecting society, while prioritizing the safety of our employees and stakeholders above all else even during sudden natural disasters such as earthquakes and typhoons, as well as the COVID-19 pandemic. Therefore, at major domestic ports, we will establish a safe and efficient operational framework based on our longstanding knowledge and experience in the Port and Harbor Transportation Business. Also with regard to climate change, in line with the Carbon Neutral Port (CNP) policy promoted by the national and local governments in Japan, we will curb energy consumption and contribute to reducing CO₂ emissions by streamlining and advancing logistics operations and facility management.

Business Strategy

Real Estate Business

In the Business Plan (2025–2030), we will pursue a dual-track approach: challenging new business areas that will drive dynamic growth, while also ensuring the continuous development of our existing businesses, primarily the rental operations. Our new business areas will focus on three pillars: Entry into the logistics real estate business, where synergies with the Logistics Business are anticipated; Expansion into the overseas real estate business, a first for the Real Estate Business; Full-scale entry into the asset turnover businesses to improve asset efficiency. Meanwhile, in the leasing business, which secures stable revenue to support our growth strategy, we will pursue improvements to our facilities and enhanced service levels for tenants, aiming to maximize leasing profits.



Ryuichi Senoo
General Manager of Real Estate Division

Opportunities

- Increased demand for urban development that can withstand disasters and is sustainable
- Expansion of redevelopment projects and joint ventures with other companies
- Boosting overseas operations through population growth in Southeast Asia
- Continuation of population increase at a mild pace in North America and Europe

Strengths

- Certain fixed-scale real estate in sub-centers of several major cities
- Diverse facility development and management expertise gained from the expansion of businesses in office buildings, residences, commercial facilities, etc.
- A broad customer base and network with real estate developers (joint venture partners, etc.)

Risks

- Diversification of workstyles, rapid increase in shared office spaces, and changes in workplace strategies by companies
- Declining number of office workers due to low birth rates and aging population
- Increased supply of new office buildings in major metropolitan areas
- Postponement of development plans due to soaring construction costs
- Impact of e-commerce market expansion on commercial facilities

Issues

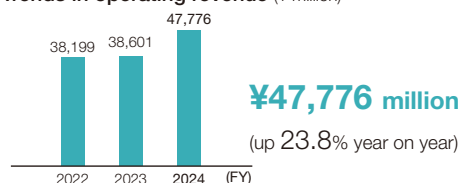
- Accumulation of expertise and staff training in overseas operations and asset management business
- Maintaining profitability by investing in and renovating aging facilities

Segment Overview

Business Revenue and Business Profit

Revenue and profits increased due to strong performance in our core rental office buildings, which maintained high occupancy rates, steady results in our commercial facilities, and robust sales in the condominium sales business.

Trends in operating revenue (¥ million)



Business Strategy

Under the Business Plan (2022–2024), we strengthened the revenue base of the leasing business by making planned capital investments in core assets while promoting the sale of non-core assets. Additionally, we are developing new properties such as the Shibaura Dia Building redevelopment project (scheduled for completion in April 2024) as well as the Suma Aqualife Park and Seaside Park Redevelopment Project (scheduled for full opening in June 2024), in which we participated as a member of a joint venture. Concurrently, we have initiated activities as an asset turnover business, including the acquisition of income-generating properties and investments in real estate funds.

Business Strategy for Achieving the Business Plan (2025–2030)

Many of our real estate properties are over 30 years old, presenting challenges such as declining competitiveness and falling rent levels due to aging, along with issues like revenue and profit concentration in certain core assets. However, given the recent surge in construction costs, improving profits through redevelopment is becoming increasingly difficult to anticipate. Accordingly, we will continue to enhance asset efficiency through measures such as divesting non-core assets, while maintaining profitability through strategic investment and refurbishment of these real estate facilities. Furthermore, we will pursue new revenue sources by focusing our growth strategy on three key initiatives: entering the logistics real estate business, expanding into overseas real estate business, and fully entering the asset turnover business model.

Strategy 1 Launch a logistics real estate business

- Expanding into new asset classes (leased logistics facilities) with potential synergies with the Logistics Business, developing and acquiring properties both in Japan and overseas
- Actively leveraging existing global networks overseas

Strategy 2 Launch an overseas real estate business

- Focusing on logistics facilities while also targeting residential and office buildings, in ASEAN, the U.S., Australia, and other regions
- Building a network with real estate developers in Japan and overseas and participating in joint ventures.

Strategy 3 Start operation of the asset turnover business in earnest

- Expanding into asset management business and forming real estate funds using existing holdings and new properties as seed assets
- Carrying out value enhancement after acquiring newly developed or income-generating properties in Japan or overseas, then selling them to the fund or to markets

Strategy 4 Secure revenue sources to support new growth strategies

- Maintaining and enhancing the profitability of leased facilities (office buildings, commercial facilities, and residential properties), as well as continuing to engage in condominium sales projects as joint development initiatives.
- Advancing the redevelopment of core assets while promoting participation in redevelopment and joint ventures that will lead to the acquisition of new core assets

Toward Realizing a Sustainable Society (Initiatives for Materiality)

To ensure that our tenants can continue their business operations with peace of mind, we are developing office buildings with enhanced earthquake resistance as well as power outage and flood prevention measures in preparation for disasters. Furthermore, from the perspective of addressing climate change and reducing environmental load, the buildings incorporate environmentally considerate design features such as the introduction of energy-saving systems, the installation of Low-E double-glazed glass to enhance insulation, and the use of rainwater for toilet flushing, thus achieving a high CASBEE rating. Additionally, we will progressively transition the electricity used in our leased office buildings to renewable energy sources.