Nov 26, 2026

Mitsubishi Logistics Corporation

Summary of Q&A at the Outside Directors Small Meeting

*This document has been summarized and edited based on the discussions at the meeting and the questions and responses provided in advance, without altering their substance.

1.Investment Discipline and Cost of Capital

Q. As the Company reallocates proceeds from the sale of strategic shareholdings to growth investments, how does the Board of Directors ensure investment discipline, and how does it monitor investments after they have been made?

A.

Kitazawa

As we are reallocating proceeds from the sale of strategic shareholdings to growth investments, it is essential that such investments contribute to enhancing corporate value. We believe that Outside Directors have an important role to play in assessing investments from multiple perspectives, including their strategic rationale, the feasibility of business plans, expected returns and risks, drawing on their respective experience in business management and investment. Even after an investment has been made, it is necessary to continue reviewing the investment considering progress against the business plan and changes in the external environment.

Shoji

It is important that signs of underperformance against the business plan and downside risks be shared with the Board of Directors at an early stage, and that the Board continuously review the measures being taken in response and their progress. From this perspective, we believe that the effectiveness of post-investment monitoring needs to be further strengthened.

Kimura

Investment discipline is essential. At the same time, in markets where medium- to long-term growth is expected, such as the U.S. pharmaceutical market, it is also important to consider the development of a long-term business platform rather than focusing solely on short-term performance. We believe that investments should be evaluated over an appropriate time horizon, taking into account the characteristics of each investment and the relevant market environment.

Q. What discussions are held regarding hurdle rates based on the risks of individual investments and criteria for exiting investments?

A.

Kitazawa

We continue to review the performance of investments, changes in the business environment and the outlook after an investment has been made and discuss any necessary actions considering these developments.

Shoji

We have established hurdle rates for our businesses and believe it is important to make greater use of them not only in investment decisions but also in post-investment monitoring. We continue to discuss with the executive team how business-specific WACC and hurdle rates reflecting the characteristics of individual investments should be established and applied to enhance both investment decision-making and post-investment evaluation.

Naito

In M&A transactions involving the freight forwarding business, we believe it is important to discuss not only quantitative measures such as IRR and cash flow, but also the feasibility of earnings plans, the ability to secure the necessary personnel, how the network will be utilized, and the actions to be taken if performance falls short of the plan.

Kimura

Depending on the country or region, business category and nature of investment, we believe it is necessary to make disciplined, yet flexible decisions based on both quantitative and qualitative considerations.

2.M&A and PMI

Q. How do you assess the Company's capabilities in post-merger integration (PMI) following overseas M&A transactions, and what challenges do you see going forward?

A.

Naito

With respect to ITL Corporation, we are supporting its growth while respecting the autonomy of local management. At Cavalier Logistics, changes in the external environment and other factors have resulted in deviations from the initial plan. We are currently monitoring the business closely and continuously reviewing the progress of improvement measures.

Kitazawa

In overseas M&A transactions, we pursue PMI while respecting the autonomy of local

management. At Cavalier Logistics, we need to further accelerate the development of fundamental capabilities, including internal control systems covering accounting and finance, IT and human resources. We also need to leverage our Group's business experience and customer base in the U.S. to support local management and drive the company's growth.

Shoji

PMI following the completion of an M&A transaction is extremely important. We need to apply the experience gained from past transactions to future M&A. We also continue to discuss with the executive team how business-specific WACC and hurdle rates reflecting the characteristics of individual investments should be established and applied, with the aim of enhancing both investment decision-making and post-investment evaluation.

Q. How do you draw on your experience in M&A and business investments at other companies when contributing to Mitsubishi Logistics' investment decisions and Board discussions?

A.

Shoji

In growth markets, it is important to balance the speed required to capture investment opportunities with investment discipline. Drawing on my past experience, I provide my views at Board meetings from the perspective of ensuring that the risks are properly identified, the rationale for investing at this particular point in time is clear, and the investment is expected to contribute to medium- to long-term growth and the enhancement of corporate value.

Q. How do you assess the expertise and organizational capabilities supporting due diligence and post-investment monitoring?

A.

Shoji

In areas requiring a high degree of expertise, such as M&A and real estate investment, we are strengthening our capabilities by drawing on internal specialists as well as external professionals where necessary. It is important not simply to increase the number of personnel, but to build a framework equipped with the expertise and analytical capabilities required for the characteristics of each investment, and to ensure that it functions effectively and consistently throughout the process, from investment decision-making through PMI and post-investment monitoring.

3. Group Management and Management Infrastructure

Q. What challenges do you currently see in managing the Group, and what discussions are taking place to address them?

A.

Kitazawa

It is important to promote the standardization and greater efficiency of functions such as human resources, general affairs, accounting and IT, and to establish a more integrated and efficient operating framework across the Group.

Naito

In addition to integrating and standardizing administrative functions, we need to revitalize Group companies by developing the next generation of management talent and through other initiatives. The Board of Directors will continue to monitor progress in these areas.

Shoji

It is important to optimize the use of management resources, including human resources, funds and information, across the Group. We need to improve the efficiency of capital and funds across the Group through measures such as the standardization and consolidation of accounting systems and corporate functions, as well as the optimization of locations and functions.

Kimura

While respecting the strengths and distinctive characteristics of each Group company, we need to eliminate duplication in business processes and systems and improve efficiency across the Group. It is also important to strengthen coordination among sales and operational functions and establish an appropriate division of roles, thereby enhancing the Group's competitiveness and profitability.

4. Corporate Transformation and Governance

Q. How do you assess the changes taking place at Mitsubishi Logistics? Also, how do you view direct dialogue between Outside Directors and investors?

A.

Shoji

Over the five years since I joined the Board, the Company's organizational culture and approach to business have changed significantly. In addition to operating existing businesses steadily, there is now a stronger shared awareness across the organization of the need to invest capital for growth and expand our businesses. An environment that enables open and candid dialogue with management has also increasingly taken shape.

Kitazawa

Dialogue with institutional investors provides an important opportunity for the Company to recognize its own challenges and drive change. Feedback from these discussions is also shared with the Board of Directors, and I find it extremely valuable. We would like to continue using investor dialogue as a means of enhancing corporate value.

Naito

We continue to discuss ways to improve the effectiveness of the Board of Directors. It is important that Outside Directors and Internal Directors each fulfill their respective roles while deepening mutual understanding. Opportunities for dialogue with employees at various levels of the organization have also increased, and we would like to use these opportunities to better understand the views and challenges across the organization and thereby contribute to more effective Board discussions.

Kimura

The direction of pursuing synergies between the logistics and real estate businesses has become clearer. The logistics business is also evolving beyond individual functions such as warehousing and transportation toward supporting customers across their entire supply chains. Going forward, it will be important to further enhance the efficiency and profitability of the Company as a whole.

5. Real Estate Holdings and Capital Strategy

Q. What discussions are taking place at the Board of Directors regarding the effective utilization of the Company's real estate holdings and the enhancement of corporate value?

A.

Kitazawa

We are now managing the profitability of our warehouses with greater consideration given to the cost of capital, taking into account factors such as market rents. We will redevelop properties where redevelopment can enhance their value, while proceeding with the sale of properties where disposal is considered appropriate.

At the same time, rather than limiting the growth of our business to the capacity of our own warehouses, we will expand our operations by also utilizing third-party warehouse facilities. It is important not simply to monetize our real estate holdings through asset sales, but to enhance the value of both our real estate and logistics businesses by upgrading facility capabilities and combining them with value-added logistics services.

Shoji

The appropriate investment payback period differs between infrastructure and value-

added services. It is important to establish appropriate evaluation criteria for investment models reflecting the characteristics of each business and to make capital-efficient investment decisions by utilizing measures such as business-specific WACC and hurdle rates.