

Management Platform that
Supports Growth

List of Officers

(as of June 27, 2025)

See here for the brief career histories of "Directors, Audit & Supervisory Board Members, and Executive Officers"



	Directors								Audit & Supervisory Board Members			
	Eiichi Kuriwada	Hidekazu Matsumoto	Masahide Motomura	Koji Takagaki	Kimiaki Sasamori	Mika Takaoka	Osami Sagisaka	Masato Akiyama	Satoshi Tajima	Tomonari Niimoto	Yoshitaka Ooshima	Tomoko Tada
	Chairperson and CEO	President and COO	Representative Director and Vice President in charge of Business Promotion	Director in charge of Finance and Corporate Planning	Director	Outside Director (Independent)	Outside Director (Independent)	Outside Director (Independent)	Outside Audit & Supervisory Board Member (full-time, independent)	Audit & Supervisory Board Member (full-time)	Outside Audit & Supervisory Board Member (part-time, independent)	Outside Audit & Supervisory Board Member (part-time, independent)
Years of office	19 years	6 years	6 years	New election	2 years	7 years	6 years	5 years	4 years 11 months	2 years	7 years 8 months	New election
Number of shares held	10,000 shares	358,400 shares	-	-	281,746 shares	-	-	-	-	6,880 shares	-	-
Board of Directors attendance	18/18	18/18	18/18	-	18/18	18/18	18/18	18/18	18/18	18/18	18/18	-
Audit & Supervisory Board attendance	-	-	-	-	-	-	-	-	13/13	13/13	13/13	-
Corporate management	●	●	●	●	●	●		●	●	●	●	●
Business strategy	●	●	●	●	●			●				
Financial affairs/Accounting				●		●			●	●		
Legal affairs/Risk management		●			●		●			●	●	●
Sustainability	●	●	●		●	●	●					
DX			●	●	●							
Global		●	●	●				●	●	●		●
HR/Labor		●			●							●
Nomination and Remuneration Advisory Committee		●				●	●					
Board of Directors	●	●	●	●	●	●	●	●	●	●	●	●
Audit & Supervisory Board									●	●	●	●

Skills Matrix of Directors and Audit & Supervisory Board Members

In light of our medium- to long-term management direction and business strategy, including the formulation of our Mid-Term Management Plan, "SGH Story 2027," we have reviewed and partially revised the skills (knowledge, experience, and abilities) that the Company's Board of Directors should possess to appropriately exercise its decision-making and management oversight function.

* In line with the experience of each Director and Audit & Supervisory Board Member, the skills matrix above shows the fields in which they have specialist knowledge (●), but does not show all the expertise they possess.

Reasons for selection of skills

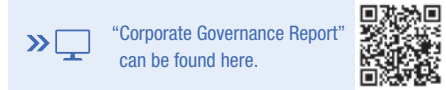
Item	Reason for selection
Corporate management	In a rapidly evolving business environment, they must possess knowledge, experience, and a proven track record in overall corporate management in order to formulate and implement sustainable growth strategies over the medium- to long-term.
Business strategy	To effectively supervise, they must possess the knowledge and experience to evaluate and oversee management strategies, business investments, and M&A activities.
Financial affairs/Accounting	To ensure accurate financial reporting, establish a solid financial foundation, promote growth investment for sustainable corporate value enhancement, and formulate financial strategies that improve shareholder returns, they must possess knowledge and experience in finance and accounting.
Legal affairs/Risk management	To establish an appropriate governance framework, essential for sustainable corporate value enhancement, and to fulfill our mission of ensuring stable logistics, they must possess knowledge and experience in risk management, corporate governance, and legal affairs.
Sustainability	To promote sustainable management and enhance corporate value while contributing to the realization of a sustainable society, they must possess knowledge and experience in the area of sustainability.
DX	To maintain stable logistics services as social infrastructure, the Company is actively promoting automation and labor-saving through the use of technology. To achieve this, Directors must possess knowledge and experience in the area of digital transformation (DX).
Global	With a growing focus on international business, including the recent overseas M&A activity, they must possess knowledge and experience in global geopolitics, economic conditions, and cultural contexts to effectively formulate and execute the Company's international strategies.
HR/Labor	Within our Group, whose core business is logistics, "human resources" are the most valuable asset. To maximize corporate value through investment in human capital, as set forth in the Mid-Term Management Plan, they must have knowledge and experience in HR and labor affairs (human resources strategy).

Management Platform that Supports Growth

Corporate Governance

Basic Approach

The SG Holdings Group has presented "Stakeholder Management" as the basis for its view of management and is conducting business activities to meet the expectations of a variety of stakeholders through: (1) sustained improvement of the level of service to customers; (2) stabilization and improvement of the foundation of the lives of employees and their families; (3) contribution to local communities by assuring safety, protecting the environment, and performing a variety of business activities and social activities; (4) improvement of enterprise value for shareholders; and (5) equal and fair transactions with business partners. Furthermore, in order to realize stakeholder management, the Group has established systems based on the awareness that the creation of a highly transparent business administration system by enhancing and strengthening corporate governance is one of the most important issues.



Changes in corporate governance

		Ratio of Outside Directors
FY2019/3	<ul style="list-style-type: none"> Established "criteria for determining the independence of Outside Directors" Introduced company performance-linked share-based remuneration program for inside Directors and Executive Officers Started evaluating the effectiveness of the Board of Directors 	2 / 9
FY2020/3	<ul style="list-style-type: none"> Established voluntary Nomination and Remuneration Advisory Committee 	2 / 9
FY2021/3	<ul style="list-style-type: none"> Raised the proportion of Outside Directors to more than one third 	3 / 9
FY2022/3	<ul style="list-style-type: none"> Disclosure of skill matrix 	3 / 8
FY2023/3	<ul style="list-style-type: none"> Announced the "SGH Vision 2030", "Grow the new Story. New logistics, nurturing a new society together." Disclosed the Long-Term portfolio strategy in the Vision 	3 / 8
FY2024/3	<ul style="list-style-type: none"> Disclosed "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" 	3 / 8
FY2025/3	<ul style="list-style-type: none"> Delisted Expolanka with the aim of establishing an optimal governance structure for the global business and further strengthening coordination between Group companies 	3 / 8

HIGHLIGHTS

HIGHLIGHT 1 Changes to the Officer Remuneration Program

In order to directly reflect contributions to sustainable corporate growth and the enhancement of corporate value, we have revised the evaluation criteria for officers' base remuneration from FY2026/3. We have also newly introduced share ownership association for officers.

Officer remuneration system of the Company

[See P.82 Remuneration of Officers for details](#)  [P.82](#)

Base Remuneration New

Clarified the method for determining remuneration amounts, which will be based on the following rules:

Base remuneration set according to position and responsibilities, plus variable components based on the achievement of KPIs, etc.

[KPIs] Consolidated operating revenue and profit, ROE and TSR (Total Shareholder Return)

Performance-Linked Share-Based Remuneration * No change

Points are awarded based on factors such as the degree of achievement of consolidated operating revenue and consolidated operating income. Upon retirement, shares equivalent to the accumulated points are granted (70% delivered as common shares, 30% paid in cash equivalent).

Executive Share Ownership Association New

A portion of monthly remuneration, calculated based on base remuneration, is contributed each month in principle to purchase Company shares from the market via the executive share ownership association.

HIGHLIGHT 2 Changes to the Structure of the Nomination and Remuneration Advisory Committee

To enhance the transparency and objectivity of the nomination and remuneration deliberation processes for Directors, and to further strengthen the corporate governance system, the chairperson was changed from the Representative Director to an independent Outside Director, effective June 27, 2025.

FY2026/3 onward	
Chairperson	Independent Outside Director Mika Takaoka
Members	Independent Outside Director Osami Sagisaka
	President and COO Hidekazu Matsumoto

HIGHLIGHT 3 Holding Small Meetings with Outside Directors

In April 2025, a small meeting was held between seven institutional investors and the Company's Outside Directors.

Key discussion topics:

- Discussions during the formulation of the Mid-Term Management Plan
- Enhancement of investor-oriented KPIs in remuneration of officers
- Appropriate operating structure for the Nomination and Remuneration Advisory Committee
- Expansion of the scope of the share-based remuneration plan
- Perceptions regarding the Company's stock price

We will continue promoting initiatives to enhance corporate value, including strengthening dialogue with capital markets.



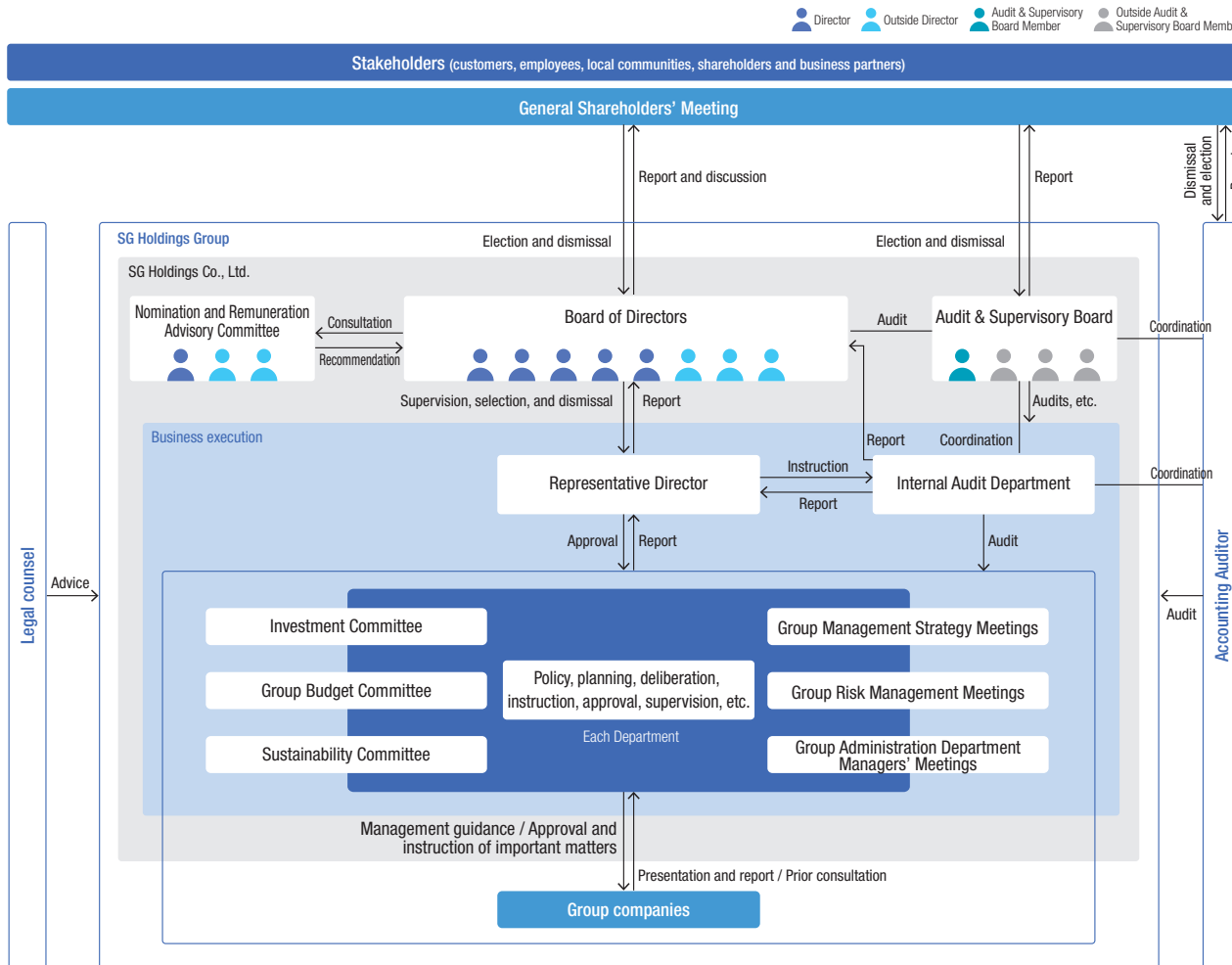
Small Meeting with Outside Directors, April 2025

Management Platform that Supports Growth

Corporate Governance

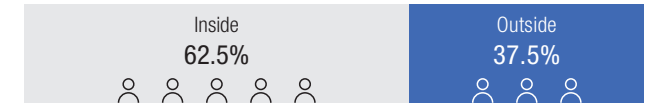
// Corporate Governance System (as of June 27, 2025)

We have adopted the system of a Company with an Audit & Supervisory Board as our corporate governance system.



Composition of Directors and Audit & Supervisory Board Members (as of June 27, 2025)

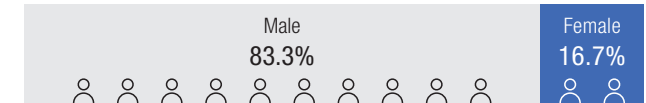
Percentage of Outside Officers Directors (3/8)



Percentage of Outside Officers Audit & Supervisory Board Members (3/4)



Percentage of female Officers (2/12)



Percentage of Outside Officers in Nomination and Remuneration Advisory Committee (2/3)



The Board of Directors and Audit & Supervisory Board have been established as management organizations for the Company's decision-making and supervision. In addition, the Company has set up a voluntary Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors, and an Internal Audit Department as an organization under the direct control of the President. Furthermore, the Group has organized specialized meeting bodies to build an efficient and highly transparent business management system such as "Group Management Strategy Meetings," "Group Risk Management Meetings," "Group Administration Department Managers' Meetings," "Sustainability Committee," "Investment Committee" and "Group Budget Committee."

Management Platform that Supports Growth

Corporate Governance

// Board of Directors

Meetings of the Board of Directors held in FY2024 Meetings held: 18

The Board of Directors consists of eight Directors (including three Outside Directors). It makes general business execution decisions for the Group and reports the status of management execution of each Director based on internal regulations such as the Board of Directors' Regulations and the Duty and Authority Regulations. As a general rule, regular meetings of the Board of Directors are held on a monthly basis, and extraordinary meetings are held if there are urgent matters to be resolved. In addition, all Audit & Supervisory Board Members attend meetings of the Board of Directors, and a system is in place to enable them to monitor the status of the Directors' execution of their duties.

Main Issues for the Board of Directors in FY2024

Management strategies

- Monitoring of the progress of the Mid-Term Management Plan
- Deliberation on the direction and validity of key investment projects
- Discussion on the establishment of the current Mid-Term Management Plan

Sustainability

- Deliberations on plans for transitioning to renewable energy-based electricity in the next fiscal year to reduce GHG emissions

Financial results and affairs

- Reports on deliberations regarding financial performance, including quarterly financial results

Compliance and internal controls

- Establishment, revision, or abolition of internal policies and regulations
- Reports on deliberations concerning internal controls in general

Other

- Reports on deliberations by Directors and others regarding fundamental matters related to Group management, matters to be submitted to the Board of Directors as stipulated by laws and regulations, and the status of significant business execution, including internal regulations and important personnel matters

Other meetings FY2024 results

Meeting name	Purpose and authority	Discussion details	Participants	Meetings held
Nomination and Remuneration Advisory Committee*	Confirmation of appropriateness of the Company's nomination of candidates for Director and remuneration received by Directors	<ul style="list-style-type: none"> • Deliberation on the appropriateness of nominations of candidates for Director and remuneration received by Directors 	Eiichi Kuriwada, Chairperson and CEO (Chairperson) Mika Takaoka, Outside Director (Member) Osami Sagisaka, Outside Director (Member)	4
Group Management Strategy Meetings	Monthly reports on the Group's budget and progress and outlook thereof, reviews on key issues in the Group, and other necessary reporting	<ul style="list-style-type: none"> • Monthly reports on the progress of the Group's consolidated and individual budgets • Discussion of the direction for formulating the Mid-Term Management Plan and communication of related policies within the Group 	Hidekazu Matsumoto, President and COO (Chairperson), and 24 others	12
Group Risk Management Meetings	Sharing of information for effective and efficient risk management by the Group	<ul style="list-style-type: none"> • Progress reports on Group-level risks • Status of risk countermeasures at each company • BCM management review (implementation results for FY2023 and initiatives for FY2024) 	Hidekazu Matsumoto, President and COO (Chairperson), and 23 others	12
Group Administration Department Managers' Meetings	Reporting and notification of matters related to management and guidance on the Group's management in general	<ul style="list-style-type: none"> • Revisions to Group-wide standardized regulations • Reports from each Group company • Reports and communications on important matters from SG Holdings 	Hidekazu Matsumoto, President and COO (Chairperson), and 26 others	11
Investment Committee	Deliberation on the feasibility of the Group's investment plans and verification of their effect after implementation	<ul style="list-style-type: none"> • Direction of M&A, capital policy, and related matters • Execution of logistics facility leases, IT investments, real estate transactions, R&D, lending arrangements, M&A, capital policy, and other related matters • Post-implementation effectiveness verification of the above 	Hidekazu Matsumoto, President and COO (Chairperson), and 5 others	30
Group Budget Committee	Deliberation and reporting on key matters related to the Group's management plans	<ul style="list-style-type: none"> • Discussion of Group budgeting policy • Deliberation on Mid-Term Management Plans and single-year budget plans for the consolidated Group and each Group company 	Hidekazu Matsumoto, President and COO (Chairperson) Mika Takaoka, Outside Director (Member) Masato Akiyama, Outside Director (Member), and 5 others	8

* The chairperson and participants were changed as of June 2025. [P.77](#)

// Audit & Supervisory Board

Meetings of the Audit & Supervisory Board held in FY2024 Meetings held: 13

The Audit & Supervisory Board is composed of all Audit & Supervisory Board Members and, in principle, holds regular monthly meetings. At these meetings, reports are presented on business audits conducted by the full-time Audit & Supervisory Board Members, and prior consultations are conducted on proposals to the Board of Directors. Extraordinary meetings are also convened as required.

* In addition to the number of Board of Directors meetings mentioned on the left, two written resolutions were deemed to have been approved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 25 of the Company's Articles of Incorporation.

Management Platform that Supports Growth

Corporate Governance

// Evaluation of the Effectiveness of the Board of Directors

To verify the effectiveness of the Board of Directors, the Company conducts an annual survey of all Directors and Audit & Supervisory Board Members. The survey covers topics such as the implementation status of the corporate philosophy and vision, as well as the composition, operation, supervisory functions, etc., of the Board of Directors. The results are shared and discussed at Board meetings to ensure the overall effectiveness of the Board of Directors. In these surveys, a third party has been employed to review and tally information on the items covered by the survey.

Based on the results of the FY2024 survey, it was confirmed that the effectiveness of the Company's Board of Directors as a whole was ensured.

Guidelines for implementation

Scope	All Directors and Audit & Supervisory Board Members of the Company (12 in total)
Method	Survey on the status of implementation of corporate philosophy and management vision, as well as on the composition, operation, supervisory functions, etc., of the Board of Directors
Survey Items	(1) Composition and operation of the Board of Directors (2) Management strategy and business strategy (3) Corporate ethics and risk management (4) Performance monitoring and evaluation/remuneration of management (5) Dialogue with shareholders, etc. * Each item includes a free comment section

Evaluation Results for FY2024

	Key Evaluation Points for FY2024	Issues and areas for improvement in FY2024	
1 Composition and operation of the Board of Directors <ul style="list-style-type: none"> Composition of the Board of Directors based on roles and functions Advance distribution of materials and explanations 	<ul style="list-style-type: none"> Regular meetings are held between Outside Officers other than meetings of the Board of Directors to exchange opinions, facilitating information exchange Improved since last year and communication. The holding company ensures the execution functions of each Group company while clarifying their roles and enabling them to function effectively. Improved since last year 	<ul style="list-style-type: none"> We expect to strengthen and consider the management structure in anticipation of future business development We expect deeper discussions based on "the Group's aspirations and vision" 	4.68/5.0
2 Management strategy and business strategy <ul style="list-style-type: none"> Thorough discussion of Corporate Philosophy, Corporate Vision, and management planning Monitoring and supervision of the progress of implementation plans 	<ul style="list-style-type: none"> By consciously increasing the number of opportunities for preliminary explanations of M&A project materials, we were able to get a deeper understanding of each project and hold thorough discussions. This was a major improvement from the previous year. Improved since last year 	<ul style="list-style-type: none"> We expect future efforts to enhance how board discussions capture the overall picture of future management strategies and policies Improvement measures Organize our strategy going forward as a Group, taking into account the external environment, and provide opportunities for explanations and discussions with management including Outside Officers We expect regular reporting opportunities on the progress of PMI to Outside Officers (particularly Outside Directors) 	4.60/5.0
3 Corporate ethics and risk management <ul style="list-style-type: none"> Effectiveness of internal whistleblowing system Supervision of creation of internal management structure 	<ul style="list-style-type: none"> Compliance initiatives have been implemented effectively. 	<ul style="list-style-type: none"> We expect the development of structures and systems to further enhance governance, in light of the Group's expansion through M&As, etc. 	4.73/5.0
4 Performance monitoring and evaluation/remuneration of management <ul style="list-style-type: none"> Relationship between business performance indicators and management indicators Establishment of a process for selecting candidates for CEO, etc. 	<ul style="list-style-type: none"> Important management indicators are reported in a timely and appropriate manner. 	<ul style="list-style-type: none"> We expect continuous monitoring by the Board of Directors of the alignment between management indicators (e.g., ROE, ROIC) and management policies Improvement measures Conduct performance indicator analysis by segment and analyze the causes of each segment's performance, report to the Board of Directors, and take other measures that will contribute to improvement of future management strategies and the Group's portfolio We expect regular reporting to the Board of Directors on the progress of Long-Term development plans for top management and other director candidates. Improvement measures Expand opportunities for providing information, including systems and mechanisms, so that the necessary information can be provided at meetings of the Board of Directors with regard to information currently being used in selecting candidates for Directors and the progress of Long-Term development plans for Director candidates 	4.69/5.0
5 Dialogue with shareholders, etc. <ul style="list-style-type: none"> Communication with stakeholders Disclosure of sustainability-related initiatives 	<ul style="list-style-type: none"> Sustainability initiatives and disclosures have been recognized to a certain extent. 	<ul style="list-style-type: none"> We expect further advancement of communication with various stakeholders including shareholders We expect enhanced disclosure reflecting the growing importance of non-financial information related to sustainability, in light of business expansion Improvement measures Formulate plans that include numerical targets for enhancing disclosure, dialogue by management (both internal and external), holding theme-based briefings, and holding small meetings by Outside Directors, in an effort to provide more proactive communication 	4.39/5.0

Management Platform that Supports Growth

Corporate Governance

// Remuneration of Officers

The remuneration of Directors is determined by resolution of the Board of Directors, within the limits approved by the General Meeting of Shareholders. This determination takes into account factors such as the deliberations of the voluntary Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors composed of three Directors (including two Outside Directors), as well as the economic environment and company performance.

Basic Policy on Remuneration of Officers

Remuneration of the Company's Directors shall be determined with consideration for the economic environment and business performance, etc. to ensure it functions adequately as an incentive for the sustained enhancement of corporate value. The basic policy when determining the remuneration of individual Directors is that it shall be at an appropriate level based on their respective duties, etc. Specifically, the remuneration of Directors who execute business is made up of monetary remuneration as a base remuneration and performance-linked share-based remuneration as non-monetary remuneration. The remuneration of Outside Directors who serve in a supervisory capacity is made up of only base remuneration in light of their duties.

Base remuneration

In June 2025, we revised the evaluation criteria for officers' base remuneration to directly reflect their contribution to sustainable corporate growth and the enhancement of corporate value.

The amount of base remuneration is determined based on a base remuneration table set according to position and responsibilities, and is ultimately determined by adding or subtracting amounts based on the achievement of consolidated operating revenue, consolidated operating profit, return on equity (ROE), and total shareholder return (TSR), among other factors.

Company performance-linked share-based remuneration program

Calculation period	Three consecutive fiscal years corresponding to the Company's Mid-term Management Plan
Method of calculation and maximum number of the Company's shares granted	At the prescribed time every year, the Directors eligible for the plan are granted points calculated by multiplying the base points calculated according to the monthly base remuneration of each Director by the performance-linked coefficient (variable between 0% and 200%) according to the level of achievement of Company performance indicators (indicators specified by the Board of Directors such as consolidated operating income). The maximum is 125,000 shares per fiscal year and 375,000 shares for each period covered (every three fiscal years). A number of shares according to the number of granted points accumulated is granted to Directors, etc. at the time of retirement, and a number equivalent to 70% of this number is granted as the Company's common shares, while the remainder is paid in cash in lieu of the Company's common shares. Note that if it is found that a Director, etc. has committed an illegal act, etc. after the vesting date, or it is found that they have been employed by a rival company without the permission of the Company, compensation may be claimed for the granted monetary remuneration claim and the total amount paid.
Timing of share grants	Upon retirement of the Director, etc. (including retirement due to death)

Total amount of remuneration, etc., of Directors and Audit & Supervisory Board Members (FY2025/3)

(Million yen)

Boundary	Officer category	Number of persons paid	Total amount of remuneration, etc.	Total amount of remuneration, etc. by type	
				Fixed remuneration	Performance-linked remuneration
SG Holdings	Directors (excluding Outside Directors)	5	491	468	22
	Outside Directors	3	42	42	-
	Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	1	23	23	-
	Outside Audit & Supervisory Board Members	3	46	46	-
	Total	12	602	579	22

* Performance-linked remuneration is stated as the provision for share-based remuneration for Directors in the relevant business year.

* Two Directors (not Outside Directors) also received separate remuneration from Sagawa Express Co., Ltd., which is a consolidated subsidiary. The total amount of remuneration from the subsidiary was 150 million yen.

* Three of the Directors (not Outside Directors) covered by the above information were paid a total of 8 million yen as company housing expenses in addition to the above amounts in accordance with the Company's Director Rules. Two of the Audit & Supervisory Board Members (one Outside Audit & Supervisory Board Member) covered by the above information was paid a total of 2 million yen as company housing expenses in addition to the above amounts in accordance with the Company's Audit & Supervisory Board Member Rules.

Disclosure of individual remuneration of officers

(Million yen)

Name	Officer category	Total amount of consolidated remuneration, etc.	Total amount of consolidated remuneration, etc. by type		
			Fixed remuneration	Performance-based remuneration	Officer bonuses
Eiichi Kuriwada	Director	311	300	11	-
Hidekazu Matsumoto	Director	124	120	4	-

* Limited to persons whose total amount of consolidated remuneration, etc., is 100 million yen or more.

Management Platform that Supports Growth

Corporate Governance

// Policies for Appointing Directors

When electing Directors, comprehensive decisions are made based on factors such as knowledge, experience and qualifications as managers regardless of whether inside or outside the Company based on advice from the Nomination and Remuneration Advisory Committee, a voluntary advisory body to the Board of Directors consisting of three Directors (including two Outside Directors). Furthermore, in cases involving suspected fraud, breach of faith, or other misconduct, the Board of Directors may recommend the resignation of the relevant Director in accordance with internal rules. For Audit & Supervisory Board Members, consideration is given to factors such as qualifications as Audit & Supervisory Board Members and specialized knowledge.

// Officer Training

The Company holds workshops as needed according to the times, such as compliance, risk management and the latest economic conditions for the purpose of providing the knowledge required as directors or audit & supervisory board members of a listed company. Furthermore, in addition to providing a company profile and conducting on-site inspections when new Outside Officers are appointed, we also conduct interviews with the Directors in charge as necessary after that, and strive to create an environment in which they can fulfill their roles and responsibilities.

Program lineup

- Economic seminars (macroeconomics, current affairs, industry topics, etc.)
- Media training (dealing with media inquiries in normal times and during a crisis, etc.)

// Support for Outside Directors and Outside Audit & Supervisory Board Members

The General Affairs Department, which is the secretariat for the Board of Directors, serves as the secretariat for Outside Directors, while the Corporate Audit & Supervisory Board Members' Office serves as the secretariat for Outside Audit & Supervisory Board Members, thereby establishing a support system for Directors and Audit & Supervisory Board Members. In addition, we hold regular "Opinion Exchange Meetings between Outside Officers" as an opportunity for input of information on management and feedback from Outside Directors and Outside Audit & Supervisory Board Members. At the Opinion Exchange Meetings, we hear requests from Outside Directors and Outside Audit & Supervisory Board Members, set themes, and hold discussions with participants from related Group companies and the relevant departments. Feedback from the Opinion Exchange Meetings is reflected in management strategies and measures as appropriate.

Topics for FY2024 opinion exchange meetings

- Responding to the 2024 problem
- Post-M&A PMI progress and future initiatives
- Global business growth strategy

// Relationship with Outside Directors and Outside Audit & Supervisory Board Members

The Company has three Outside Directors and four Outside Audit & Supervisory Board Members. Based on their expert knowledge, they offer advice as necessary, primarily regarding our management and business strategies, and play a role in enhancing the appropriateness of decision-making by the Board of Directors. Outside Directors attend important internal meetings as needed other than meetings of the Board of Directors to supervise the Company's management judgements and decision-making process from an external objective and independent standpoint, providing opinions and advice as necessary based on their own experience and knowledge. Outside Audit & Supervisory Board Members include a certified public accountant with advanced knowledge of finance and accounting, as well as an attorney and a Specified Labor and Social Security Attorney with expertise in law. Maintaining a high level of independence, they conduct strict audits of the legality of decision-making and operational execution by the Directors based on their expert point of view. None of the Outside Directors or Outside Audit & Supervisory Board Members have any business relationships or other interests with the Company. Furthermore, when electing Outside Directors and Outside Audit & Supervisory Board Members, they are judged based on their career histories and relationships with the Company, and on the assumption that they can ensure sufficient independence to execute their duties as independent Outside Officers of the Company.

// Succession Plan

The Company is systematically implementing training for the next generation of managers. We select candidates for the next generation of management from among executives of each Group company and implement a management development program. We are working to develop the experience, knowledge and insight necessary for the next generation of management by providing them with a variety of work experience, including inter-departmental rotation within the Group and management positions at Group companies.

After completing the management development program, candidates expected to become future Directors are selected and nurtured through strategic rotation as Directors of each Group company, gaining practical experience along the way.

Management Development Program  P.61

Management Platform that Supports Growth

Risk Management

Policy on Risk Management and BCP

In our management, the SG Holdings Group regards all factors that might have an impact on our business as risks. For each category of risk, we make an appropriate assessment of the potential impact on our business, and take appropriate measures based on our Risk Management Regulations, while minding the relevant laws and changes in the social environment. In addition, for identified risks, we take necessary measures to minimize potential losses.

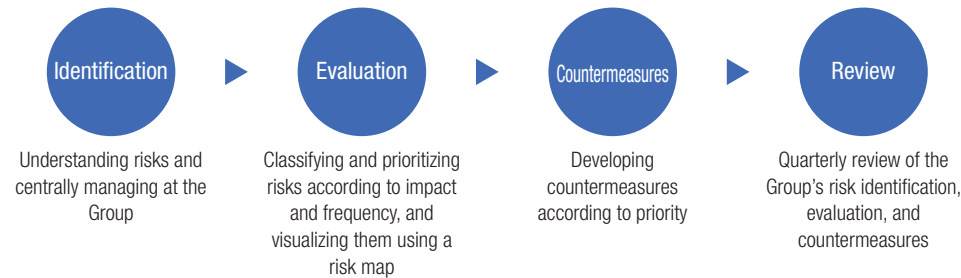
// Systems Related to Risk Management

The President and COO of SG Holdings is the person responsible for the Group, and we conduct risk management for the entire Group by establishing the personnel and departments responsible as shown on the right.

Risk Management During Normal Operations

Under normal circumstances, risk management is effectively and efficiently executed for the Group as a whole by managing risk in the following flow in Group companies.

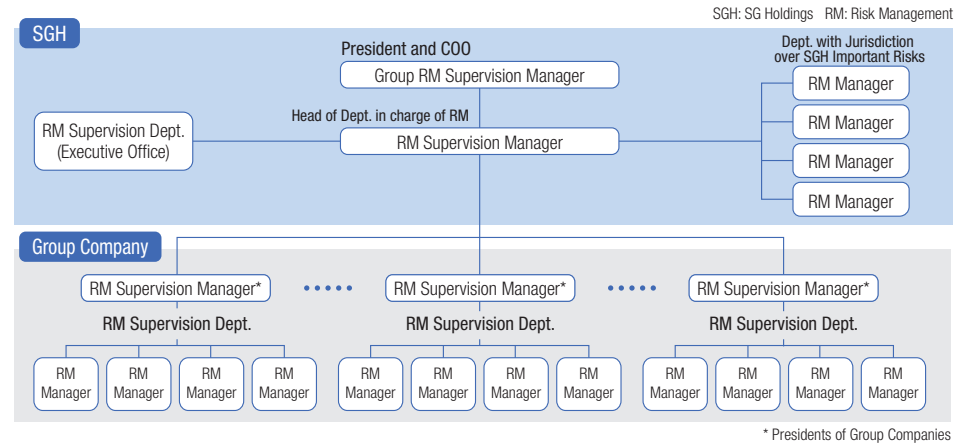
Risk Management Flow



Risk Management During Emergencies

Due to the particular characteristics of the logistics business, the Group regards natural disasters and accidents as risks of particular significance. To ensure the continuity of Group operations in the event of a major earthquake, a natural disaster such as typhoons and floods, fire, explosion, or other such disasters or accidents, the Group has formulated a BCP that clearly outlines an action plan from the initial response through to the resumption of operations. We also actively engage in Business Continuity Management (BCM) initiatives to ensure that the BCP functions appropriately and effectively.

Risk Management System



Risk Management

The Group evaluates and manages sustainability-related risks in the same manner as other business risks in Group Risk Management Meetings that serve as the Group's risk management organization.

These risks are rated and periodically monitored, and the impact of each risk is basically rated as "small" = 2, "medium" = 5 and "large" = 8 based on the Group's risk management evaluation criteria (evaluated from 1 to 9). These evaluation criteria are also used as risk assessment criteria for TCFD scenario analyses.

The Group's risk management evaluation criteria * These criteria are applied in accordance with the internal "Risk Management Procedures Manual."

Impact		Evaluation guidelines			Quantitative evaluation Percentage of loss compared to operating income plan
		Human life	Compliance	Business continuity	
Large	9	• Life-threatening	• Full suspension of operations • Partial suspension of operations	• Full suspension of operations • Recovery time exceeds target	5% or higher
	8				
	7	• Permanent disability			
Medium	6	• Lost-time injury	• Business improvement order • Fines	• Business continuity impacted due to resource shortages	1% or higher under 5%
	5				
	4				
Small	3	• Non-lost-time injury • Minor scrapes/bruises	• Caution or guidance issued	• No impact on business continuity	Under 1%
	2				
	1				


Management Platform that Supports Growth


Risk Management

// Business and Other Risks

In FY2024, the risk aspects of strengthening of domestic and overseas transportation network including alliances, investment in human capital and improvement of employee engagement and creation of governance structure that meets global standards, ongoing advancement of compliance included in Materiality were identified as the Group's strategic risks along with adapting to and mitigating climate change, and were monitored through Group Risk Management Meetings.

In FY2025, the Group identified elements with risk aspects among the nine "Key Strategies" set forth in the Mid-Term Management Plan, "SGH Story 2027" as strategic risks, along with risks related to "adaptation to and mitigation of climate change." We will continue to examine measures and issues related to monitoring and controlling these strategic risks.

»  Please refer to page 30 of the Annual Securities Report for the fiscal year ended March 31, 2025, for details on strategic risks.



// Information Security Initiatives

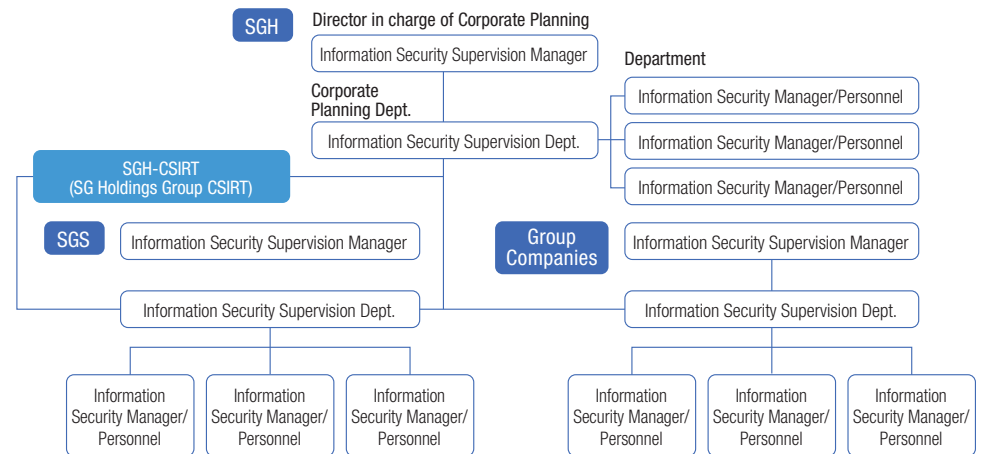
Information security assessments

The implementation of security assessments for evaluating information security management and responses is effective for preventing serious information security incidents and minimizing damage. SG Holdings Group implements planned and highly effective measures, based on assessments by an external information security specialist company, and our three-year security policy road map. Specifically, the targeted security level is set with an understanding of the internal and external environment, and issues leading to this are identified and solutions are determined for each issue as prioritized.

Security training for employees

For all Group employees, in Japan and abroad, we hold group confirmation of the Security Handbook twice a year, followed by comprehension tests. We provide response training for targeted e-mail attacks, where we study first actions, for example, counting the number of times an attached file is opened, the number of clicks on link URLs, and reports to senior managers. Furthermore, for employees who fail to make appropriate responses, we have e-learning follow-up training and other ongoing education.

Information security management structure



Management Platform that Supports Growth

Compliance

Policy on Compliance

The SG Holdings Group strives to create a corporate culture in which every employee conducts business with high ethical standards and compliance standards and responds appropriately to changes in the social and business environment. The SG Holdings Group Code of Ethics and Conduct ("hereinafter, "Code of Ethics and Conduct") constitutes the backbone of the Group's compliance posture. Based on the Code of Ethics and Conduct and the Compliance Regulations, the Group has built and maintained a culture of conducting business with high ethical standards, continually striving to improve our business operations and our credibility with the public.

// Compliance System

The Company has built a compliance system by coordinating with Group companies centered on the departments responsible for legal affairs. The Internal Audit Department fulfills a monitoring function within the system. Additionally, we operate the "SG Holdings Group Compliance Hotline" ("Compliance Hotline") as an internal whistleblowing system. This is a hotline for employees and their family members, along with partner companies to report any actions in violation of laws and regulation, internal rules or the Code of Ethics, and an external hotline and an overseas hotline have also been established. Furthermore, the Group is actively engaged in the prevention of insider trading. We have established management systems including blackout periods and pre-clearance procedures for share trading.

// Initiatives to Instill and Embed Compliance Awareness

Compliance education

The Group regularly provides education on the Code of Ethics and Conduct to all employees to foster ethical awareness and encourage self-regulation. We also conduct internal control seminars for officers and employees, education on the Subcontract Act, and educational programs tailored to each Group company. We use our internal portal website to disseminate information to Group employees through compliance-themed content published in the "Compliance Newsletter."

SG HEADLINE Code of Ethics and Conduct Education

We have published a series of articles on Code of Ethics and Conduct education for the SG Holdings Group's communication media, "SG HEADLINE" (an online company newsletter). Although it is aimed at Group employees, it provides an easily understandable explanation of the positioning of the Code of Ethics and Conduct and the Corporate Charter of Business Conduct, its origin.



Anti-Corruption

The Group strives to prevent corruption. Our Code of Ethics and Conduct also prohibits any acts that could be considered bribery. Accordingly, we have formulated the Anti-Bribery Policy, which conveys our specific approach to bribery prevention. Based on this policy, we aim to establish fair business practices by complying with the anticorruption laws of each country.

Tax transparency

Policies on tax transparency

The Group complies with the Code of Ethics and Conduct and fulfills its tax obligations appropriately in accordance with the tax laws and regulations of the countries and regions in which it operates, as well as international tax rules and their underlying spirit.

Tax compliance and fairness

The Group ensures transparency with tax authorities in each country and region by preparing and submitting country-by-country reports and business overview reports as recommended under the BEPS Project*, in accordance with Japanese tax laws. The Group also refrains from arbitrarily using tax havens for the purpose of tax avoidance in its tax planning.

* A project on the revision of international taxation rules launched by OECD in 2012 to address BEPS (Base Erosion and Profit Shifting).

Intellectual property management

The Group takes measures to effectively manage its intellectual property and promote understanding and awareness of intellectual property in order to ensure sound business operations. To protect the Group's intellectual property, we have established an Intellectual Property Deliberation Committee, which deliberates thoroughly before securing and managing intellectual property rights for each Group company. For intellectual property belonging to companies that have joined the Group through M&As, we are also working to promote collaboration.

We also take steps to avoid infringing on the rights of others by continuously checking for potential risks of infringement and sharing information across relevant departments. In addition, we promote Group-wide awareness and education activities regarding these initiatives.

Management Platform that Supports Growth

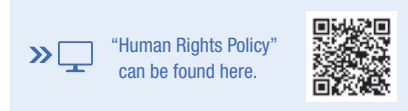
Respect for Human Rights

Policy on Respecting Human Rights

The SG Holdings Group's corporate philosophy is "Trust, Create, Challenge." The foundation for the SG Holdings Group to create new value by obtaining the trust of its stakeholders is respect for human rights. To this end, the Group has established the "SG Holdings Group's Human Rights Policy," which prohibits any conduct that could lead to human rights violations, discrimination, or abuse, and is committed to respecting human rights. This policy applies to all officers and employees of the Group. We also expect our business partners to understand and adhere to the policy as we strive for mutual growth and shared prosperity. We have also established dedicated contact points for issues such as various forms of harassment, legal violations, and inquiries

related to LGBT individuals. By proactively collecting relevant information on a daily basis, we have developed a system to prevent issues before they arise and to minimize any harm should they arise.

Through these efforts, the Group is committed to fostering a workplace where individuality and personal dignity are respected, and employees can work with motivation in a harassment-free environment.



Systems Related to Human Rights

Systems	Department responsible	Themes handled	Scope	Remarks
"Ask Anything" Consultation Office	SG Holdings Group "Ask Anything" Consultation Office	Unfair discrimination in the workplace, harassment, human rights violations against LGBT and people with disabilities, etc.	Employees	Dedicated staff have been assigned for issues such as the working environment, unfair discrimination, human rights violations, etc. A dedicated contact point for women staffed by women has been set up based on the assumption that there will be human rights violations specific to women.
"Compliance Hotline" internal reporting system (Available languages: Japanese, English, Chinese, etc.)	SG Holdings Compliance Control Department	Violations of laws, regulations, internal regulations and the Code of Ethics and Conduct (including human rights violations)	Employees, employees' family members, partner companies	An internal contact point and an external contact point enabling consultation with an attorney's office have been established. All information related to reports is kept confidential, people who file reports and other people cooperating in inquiries are kept anonymous, and internal regulations prohibit them from being treated unfairly.
"LGBT Consultation Desk"	SG Holdings Personnel Department	A variety of advice on working related to gender identity and sexual orientation	Employees (LGBT individuals and their superiors, colleagues, subordinates, allies*, etc.)	External experts with knowledge and understanding of LGBT issues handle consultations.

* A person who understands and supports individuals from sexual minority communities

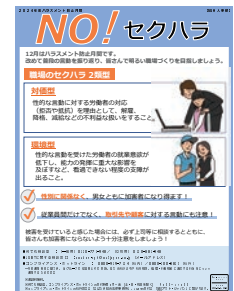
// Human Rights Initiatives

Promoting human rights policy-based training

We regularly provide education to all employees of the Group on our Code of Ethics and Conduct, which clearly describes our basic stance on respecting human rights, and promote the spread of human rights education.

Harassment prevention training

The Group has designated June and December as "Harassment Prevention Months" twice a year, and is committed to creating a bright workplace environment where the diversity, dignity, and individuality of all employees are respected, and where everyone can work with motivation, free from harassment.



Sexual harassment prevention poster

Management Platform that Supports Growth

Traffic Safety

Policy on Traffic Safety

As a company engaged in the logistics business, the Group regards ensuring traffic safety as one of its highest priorities due to the nature of its operations involving the use of public roads. The Group's transportation business is primarily conducted through three companies: Sagawa Express, SG Moving, and World Supply. These companies continuously promote initiatives to ensure transportation safety in accordance with the "Transport Safety Management System" established by the Ministry of Land, Infrastructure, Transport and Tourism, based on their "Basic Policy on Transportation Safety."

medium- to long-term goals

Boundary	medium- to long-term goals
SG Holdings Group	Reduce traffic accidents in the Company and the whole society

Fiscal year targets and results


Boundary	FY2024		FY2023		Results
	Target	Deadline	Target	Deadline	
Sagawa Express	Zero incidents of serious personnel accidents resulting in injury or death*	March 31, 2025	Zero incidents of serious personnel accidents resulting in injury or death*	March 31, 2024	0 incidents
SG Moving		March 31, 2025		March 31, 2024	0 incidents
World Supply		March 31, 2025		March 31, 2024	0 incidents

* Fatal accidents reported pursuant to the Automobile Accident Reporting Regulations (primary party)

Systems related to traffic safety

Relevant committees of the three companies

Company	Name of committee	Person Responsible	Frequency of meetings
Sagawa Express	Safety Meeting	Director in Charge of Administration	Once per month
SG Moving	Labor Safety Meeting	General Manager	Once per month
World Supply	Labor and Safety Promotion Meeting	General Manager	Once per month

»  See here for "Traffic Safety"



Traffic safety initiatives

In-house initiatives

The Group has established a system to provide newly hired drivers with training and guidance on safe driving, and assigns them to the field only after they have passed certification. After assignment, we support continued safe driving by providing regular guidance. These training sessions and certifications are conducted by instructors with internal qualifications, ensuring standardized education for all drivers. Each Group company has developed training programs and manuals tailored to the characteristics of their respective businesses, while adhering to common standards, thereby establishing robust safety education systems.

Furthermore, to enhance operational management and strengthen traffic safety, we have introduced "Biz-Fleet," a cloud-based operational management system that utilizes digital tachographs and other IoT devices. Digital tachographs capture data on speed, time, and distance, as well as driving behaviors such as rapid acceleration, sudden braking, and speeding, which is then used for personalized safe driving guidance. Additionally, we have implemented "IT roll call" at certain locations, enabling remote check-ins with drivers at off-site garages, thus improving operational efficiency while ensuring legal compliance. Through these initiatives, we promote accident prevention and the establishment of a safer driving environment.

Community outreach

Sagawa Express has periodically held traffic safety classes for children and the elderly in local communities since 2003. We also offer "Safe Driving Training Services" to corporate clients, sharing the driving techniques and expertise cultivated in-house with other business operators. The service provides not only training for drivers but also training on teaching methods for driving instructors, supporting business operators in creating in-house training systems.

Traffic safety classes

	Total number held (cumulative)	Total number of Participants (Cumulative)
Traffic safety classes	13,476	1,628,346

* All initiatives were suspended in FY2020 from the perspective of preventing the spread of the COVID-19 pandemic, but they were resumed in 2024

Furthermore, SG Motors, responsible for vehicle maintenance within the Group, conducts maintenance and inspections not only in accordance with laws and regulations but also based on proprietary, nationwide unified standards. In particular, we have established a "preventive maintenance" system that focuses on inspecting and promptly replacing parts prone to heavy wear due to the nature of our business, aiming to prevent breakdowns before they occur. We provide consistent, high-quality maintenance services nationwide, regardless of vehicle manufacturer.

Management Platform that Supports Growth

Stakeholder Engagement

Basic Approach

The Group has presented “Stakeholder Management” as the basis for its view of management and is conducting business activities to meet the expectations of a variety of stakeholders through: (1) sustained improvement of the level of service to customers; (2) stabilization and improvement of the foundation of living of employees and their families; (3) contribution to the

// Stakeholder Engagement Initiatives

Customers

Mechanisms utilizing comments from customers

The Group has approximately 20,000 SALES DRIVERS who communicate with customers and listen to their needs and issues while collecting and delivering packages every day. The information we receive is shared internally and used to develop optimal proposals and new services. We have also established a system to quickly respond to customer requests, such as customer service, and we collect and analyze customer opinions and requests via our website and telephone, and use this information to improve customer satisfaction.



“Policy, Systems, and Initiatives on Quality” can be found here.



Employees

Dialogue between management and frontline employees

Official communication, in which management directly exchanges opinions with employees, is being implemented at Group companies including Sagawa Express. This dialogue informs employees in each workplace of the Company’s future management strategy and exchanges of opinions on employees’ concerns and doubts deepen mutual understanding.

Establishment of internal whistleblowing system and consultation contacts

We have also set up the “Ask Anything” consultation office for a wide range of consultations, including various types of harassment, the “Compliance Hotline” for legal violations, and the “LGBT consultation desk” for LGBT-related consultations, and we have created an environment that ensures anonymity and provides support from outside experts, etc., so that employees can speak up more easily. By collecting information on a regular basis, we have put into place a system that allows us to prevent problems from occurring in advance and minimize the damage if they do occur.



“Initiatives on Labor Practices” can be found here.



“Policy, Systems, and Initiatives on Human Rights” can be found here



Business partners

Good relationships with partner companies

Partner companies are indispensable to the Group’s business. The Group regularly provides opportunities for information exchanges and discussion with partner companies in order to build good relationships over the medium- to long-term. For example, we have established “meetings to promote appropriate transactions” that meet twice a year to discuss how to respond to the difficult business environment caused by inflation and other factors, and we are working on initiatives together to resolve issues faced by partner companies, including outsourcing unit prices and workloads. We also provide a support program* for partner companies that wish to obtain “EcoAction 21” certification, and we are coordinating with them to address climate change.

* Related Company Greening Program: A program organized by major companies that want to promote environmental initiatives in their value chains through EcoAction 21, and by business groups that want to strengthen the environmental responsiveness of their member and affiliate companies.(Number of companies participating in the Related Company Greening Program: 15)

Item	Details	Frequency
National SG Line-Haul Transport Partner Company Meeting	Confirms safety-related indicators and provides reminders, etc. with the managers and administrators of line-haul transportation partner companies	Monthly (web meeting)
National General Meeting of the SG Line-Haul Transport Partners Association	A national conference for the managers and administrators of companies that are members of the SG line-haul transport partner association, which is made up of companies that provide line-haul transportation services nationwide.	Annually



“Policy, Systems, and Initiatives on Management and Raising Awareness of Business Partners (Suppliers)” can be found here.



Management Platform that Supports Growth

Stakeholder Engagement

Shareholders

Initiatives for constructive dialogue with shareholders and investors

The Group engages in highly transparent management by fairly, timely, and appropriately conducting disclosure to maintain and develop relationships of trust with diverse stakeholders including shareholders. For example, we disclose financial results as financial information and management strategy as non-financial information. Furthermore, we actively engage in conversation to promote deeper mutual understanding with shareholders and investors to refer their opinions and evaluations to initiatives enhancing the Company's medium- to long-term corporate value. At earnings calls, we explain an overview of performance and management policy. Management personnel present the results of interim and year-end results, and the person responsible for investor relations presents the results of the first and third quarters. Furthermore, we endeavor to create opportunities for dialogue with diverse shareholders and investors, such as conducting small meetings and individual meetings for Japanese and foreign institutional investors, and participating in IR conferences.

In FY2025/3, we continued to hold online meetings with investors and hybrid earnings calls combining on-site and live streaming. In order to have more conversation with shareholders and investors and improve disclosure of information, we visited investors in both Japan and overseas, held face-to-face events and etc.

Major IR activities during FY2025/3

Activity	Times
Earnings calls for institutional investors and analysts	4
Participation in conferences hosted by securities companies	6
Overseas roadshows	2
Meetings with institutional investors and analysts	279
Various small meetings	7

Information regarding
"Investor Relations"
can be found here.



Local communities

Initiatives related to the community

In addition to working on BCM (business continuity management) to ensure that logistics do not stop in the event of a disaster, the Group has concluded various agreements with local governments, organizations and companies, and is deepening its ties with local communities in a wide range of areas, ranging from disaster countermeasures to the promotion of industry and tourism, and cultural and educational support. We are also involved in next-generation education as a way of communicating with the young generation who will build the future.

Contributing to sustainable community development through "SAGAWA Town Support"

Regional disaster prevention and disaster relief

Sagawa Express has concluded disaster agreements and comprehensive regional partnership agreements with local governments and other organizations, and is actively working on regional disaster prevention and support during disasters that meet the needs of the local community. By concluding agreements and promoting the creation of face-to-face relationships with the local community on a day-to-day basis, we are working to ensure that highly effective coordination can be achieved in the event of an emergency.

Next-generation education

Takao 100-Year Forest project

We continue to hold nature experience programs for children, who will lead the next generation, at "Takao 100-Year Forest" in Tokyo owned by Sagawa Express, for learning about "the connection between nature and people" through hands-on experiences in undeveloped woodlands (Satoyama). We are also working with many people, including citizens, educational institutions such as universities, experts, and NPOs, to revitalize "mountain forests where humans and nature coexist" over long period of time based on a Long-Term vision symbolized by the wording "100 years."



All-Japan High School Ekiden Championship

The Company sponsors the event with the aim of supporting young high school runners who will lead the next generation.

Cleanup campaign

Sagawa Express promoting Environmental Action

Sagawa Express is implementing employee-participatory environmental activities such as cleaning up the areas around its business sites, based on the idea that it is important for each and every employee at its nationwide sales offices to have a high level of environmental awareness and to take the initiative in environmental activities. In addition to the efforts of employees, we also promote collaboration and participation in social activities outside the company, such as working together with local businesses, local governments, neighborhood associations, schools, and other external stakeholders.

"Policy, Systems, and Initiatives
on Local Communities" can be
found here.

