



Grow the new Story.
New logistics, nurturing a new society together.

SG Holdings Co., Ltd.

Thematic Meeting

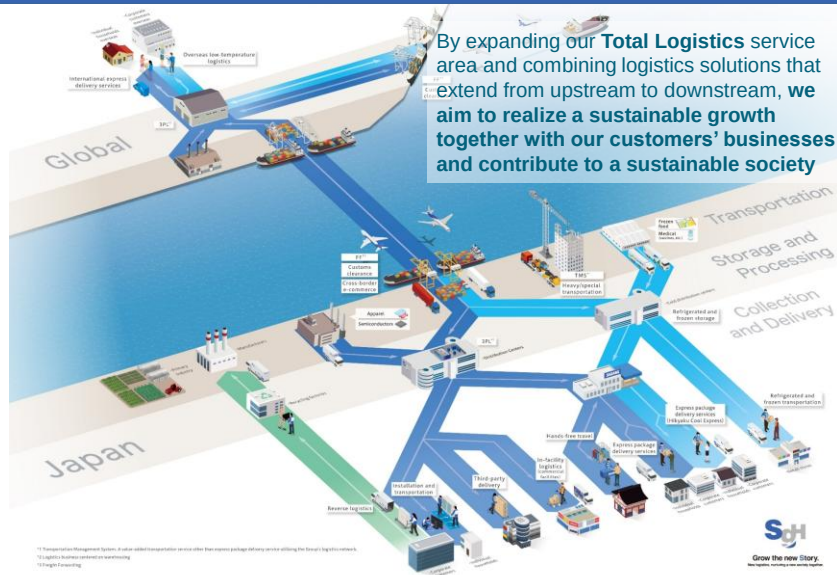
<Low-Temperature Logistics Strategy>

November 26, 2025

1. SG Holdings Group's Growth Strategy



“Continue to be an indispensable presence (=infrastructure) for our customers and society”



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First, I, Takagaki, will briefly explain the overall growth strategy of the SG Holdings Group and the positioning of low-temperature logistics within our Logistics Business.

The Group has defined its vision for FY2030: “Continue to be an indispensable presence (=infrastructure) for our customers and society” as SGH Vision 2030.

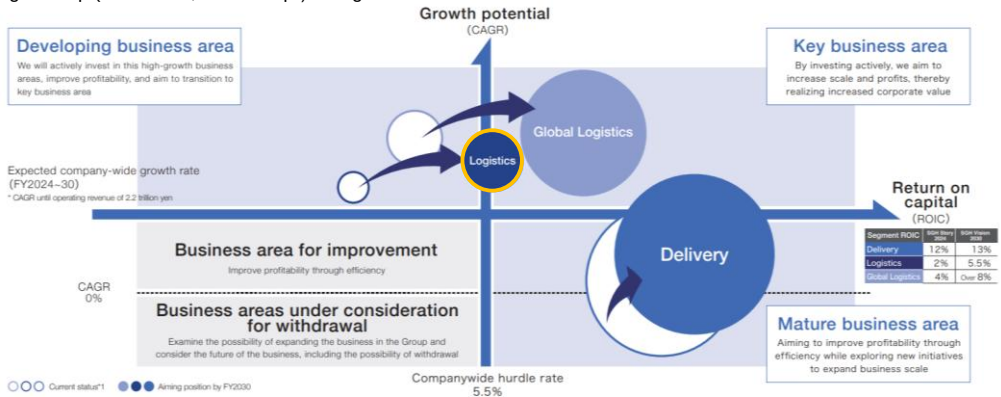
By expanding the total logistics service area and providing integrated solutions spanning the entire supply chain from upstream to downstream, we will contribute to the sustainable growth of our customers' businesses and the realization of a sustainable society.

Low-temperature logistics, which is today's theme, is also a crucial element in providing total logistics.

Since 1999, Sagawa Express in the Delivery Business has handled frozen and refrigerated transportation for downstream express package delivery services through Hikyaku Cool Express. To expand coverage from upstream to downstream, we strengthened our capabilities last year by welcoming Meito/Hutech into the Group.

Positioning of the Low-Temperature Logistics Area

- Aiming for sustainable growth through the advancement of “Total Logistics,” we are setting the strategic direction for each business area
- While expanding the synergies between each business, we will maintain and improve the growth potential and return on capital of the entire SG Holdings Group (hereinafter, “the Group”) with good balance



[KPIs (Logistics Business)]

	FY2024 results	FY2027 targets	FY2030 targets
Operating revenue	143.0 billion yen	250.0 billion yen	300.0 billion yen
Operating income	4.2 billion yen	9.0 billion yen	20.0 billion yen



We will strengthen the revenue base by focusing on both the low-temperature logistics area and the domestic 3PL area, aiming to transition the Logistics Business into a key business area

Our Group has formulated a business portfolio strategy to realize SGH Vision 2030, with a policy of maintaining and enhancing the Group’s overall growth potential and return on capital in a balanced manner by expanding synergies across our businesses.

Today’s theme, low-temperature logistics, is one of the growth drivers for our Logistics Business, which we position as a developing business area, and alongside our domestic room-temperature 3PL business, we will grow this area while enhancing ROIC, aiming to transition the entire Logistics Business segment into a key business area.

We will also increase the scale of operating revenue to just under 15% of the consolidated total by FY2030.

Talking about Low-Temperature Logistics Strategy: About the Speaker



Representative Director and Vice President in charge of Business Promotion, SG Holdings Co., Ltd.

Masahide Motomura

<Career History>

Aug. 1980	Joined Tokyo Sagawa Express Co., Ltd. (now Sagawa Express Co., Ltd.)
Jun. 2004	Managing Director, Sagawa Express Co., Ltd.
Mar. 2005	Senior Managing Director, Sagawa Express Co., Ltd.
Sep. 2005	President, JL Co., Ltd.
Jul. 2007	President, ANZEN Co., Ltd. and ANZEN Group Corporation
Jun. 2011	Director, KM Holdings Co., Ltd.
Jun. 2012	Director, Kokusai motorcars Co., Ltd.
Aug. 2012	Director, KM Tourist Bus Co., Ltd.
Mar. 2015	Administration Officer, SG Fielder Co., Ltd. ⁽¹⁾
Mar. 2018	Administration Officer, Sagawa Express Co., Ltd.
Jun. 2018	Director, Sagawa Express Co., Ltd.
Apr. 2019	President, Sagawa Express Co., Ltd.
	Executive Officer in charge of Delivery and Logistics Business, SG Holdings Co., Ltd.
Jun. 2019	Director in charge of Delivery and Logistics Business, SG Holdings Co., Ltd.
Apr. 2025	Representative Director and Vice President in charge of Business Promotion, SG Holdings Co., Ltd. (to present)

Note (1) SG Fielder Co., Ltd.: A subsidiary of SG Holdings engaged in staffing services.

Today, Masahide Motomura, Representative Director and Vice President in charge of Business Promotion, will explain the overall framework and specific initiatives of our low-temperature logistics strategy.

Mr. Motomura leverages his experience at Sagawa Express to lead the planning and execution of the overall low-temperature logistics strategy, including creating synergies following Meito/Hutech joining the Group.

2. Building One of the Best Cold Chains in Japan



I am Masahide Motomura, in charge of the Business Promotion, as just introduced. Until March 2025, I served as President of Sagawa Express, and previously had the opportunity to explain matters to many of you present today on various occasions. Although my role has changed, I look forward to continuing our discussions and strengthening our relationship.

Today, I will be talking about our low-temperature logistics business.

Sagawa Express has previously offered Hikyaku Cool Express. However, as customer needs have become increasingly diverse and complex, relying solely on our traditional Hikyaku Cool Express service has limited us to downstream operations, making it difficult to support customers' entire business operations. Under these circumstances, the Group has been exploring ways to support our customers' businesses more broadly. In this context, Meito Transportation and Hutech norin joined the Group, expanding our business areas.

One of the Best Cold Chains in Japan: Supply Chain Map

➤ Expanding the scope of Total Logistics, we can now offer one-stop coordination from upstream to downstream in the low-temperature logistics area



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We have summarized what the Group can actually do in this diagram. This diagram illustrates logistics by likening it to the flow of a river. I will explain each part in order, starting from the upstream section at the upper left.

1. Transportation and delivery of raw materials and products

We are now able to transport and deliver raw materials from domestic producers and overseas to manufacturers' factories, as well as from factories to warehouses.

2. Inventory management and distribution processing

In addition to management of inventory stored in our frozen and refrigerated facilities, we can also handle distribution processing operations up to shipment.

3. Joint delivery for wholesale and retail

We conduct joint delivery from our warehouse to chain retail stores and wholesale/distributor centers to enhance efficiency.

4. Convenience store distribution center operations and delivery

This is an area we have not sufficiently explained before; in addition to delivery services for convenience stores, we also manage distribution center operations.

5. Delivery to individuals' homes

We continue to offer delivery to individuals' homes utilizing Hikyaku Cool Express.

6. Support for international logistics

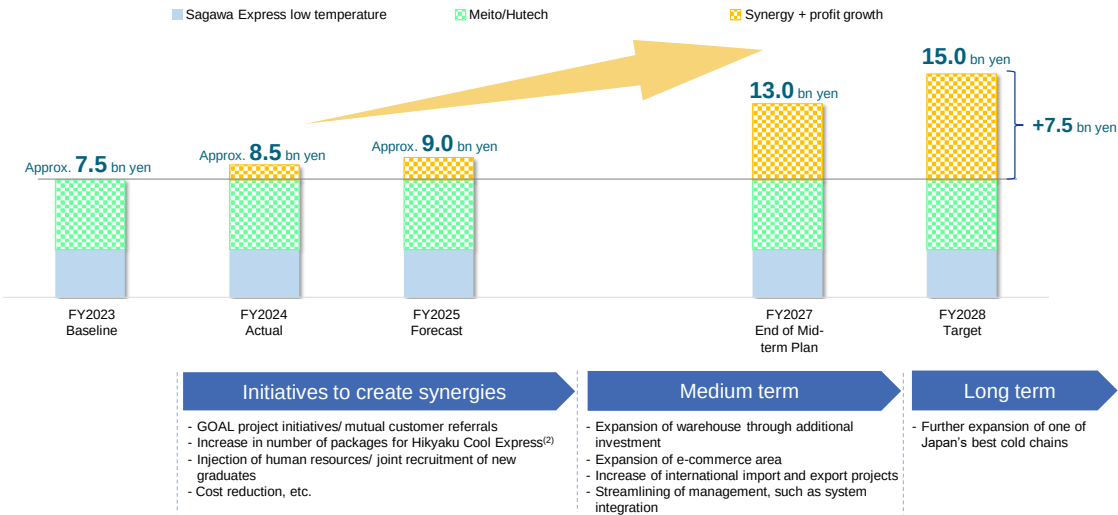
While challenges remain when shipping goods from overseas to Japan and vice versa for overseas operations, we are actively working to address them.

Later, you will see a comparison chart with our competitors, but we believe that we are probably the only company that possesses a structure capable of such integrated operations.

Image of Profit Growth in the Low-temperature Logistics Solutions

➤ We aim to achieve operating income of 13.0 billion yen in FY2027 and 15.0 billion yen in FY2030

[Low-temperature logistics solutions: Operating income (before amortization of goodwill, etc.) growth outlook]



Notes (1) The above graph does not include Meito/Hutech's royalty expenses to SGH. (2) Hikyaku Cool Express is a registered trademark of SG Holdings Co., Ltd. in Japanese.

Next, I will explain the expansion of the low-temperature area through the cold chain and the creation of synergies.

The Group has formulated the plan based on the business development of Meito/Hutech themselves and the creation of synergies within the Group, using operating income as the basis. Operating income for FY2023 was approximately 7.5 billion yen, with Hikyaku Cool Express accounting for about 3.0 billion yen of that amount. We plan to increase this to 13.0 billion yen by FY2027 and to 15.0 billion yen by FY2028.

To achieve this growth, we have formed synergy project teams to work with me. Teams consist of 5 to 10 members per theme, with a total of approximately 50 members. While some members hold dual roles, more than ten are dedicated full-time to their team.

As part of the role of business promotion, it is important to clearly define and execute what is necessary to ensure the successful implementation of such plans. We will also review the seven initiatives outlined in our Mid-Term Management Plan, taking into account performance variations, while advancing measures that will enable us to reach optimal targets in the shortest time possible.

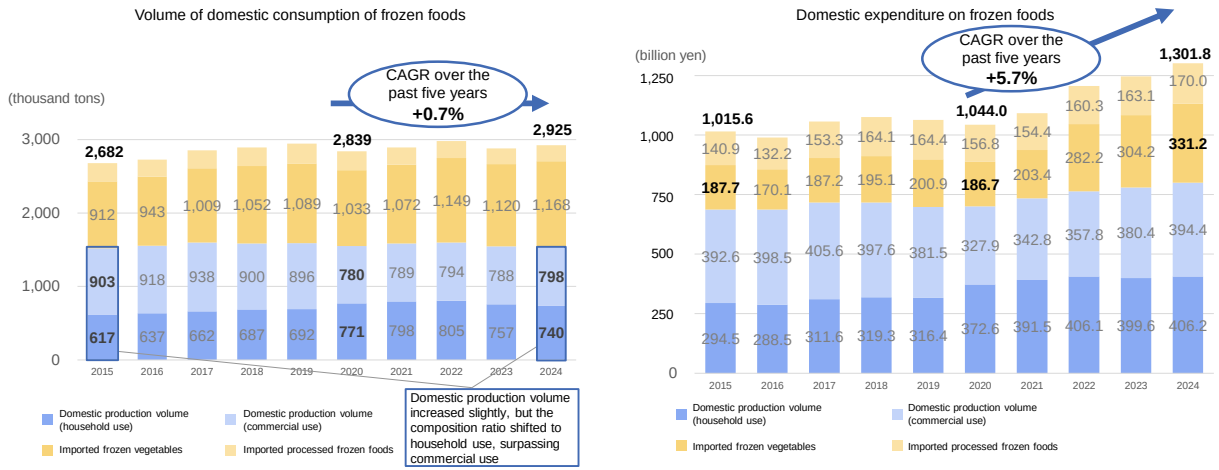
3. Low-Temperature Logistics Market



Next, I will explain an overview of the low-temperature logistics market.

Overview of the Frozen Food Market

- The volume of domestic consumption of frozen foods is slightly increasing
- Meanwhile, domestic expenditure on frozen foods increased to 122% compared to pre-COVID-19 levels (FY2019), driven by growth in imported frozen vegetables
- While the frozen food market is on an upward trend, the overall low-temperature logistics industry faces challenges such as insufficient warehouse capacity and aging infrastructure



Note (1) Compiled by SGH based on "Statistics on Frozen Foods" by the Japan Frozen Food Association. "Volume of domestic consumption of frozen foods" is the total of domestic frozen food production, frozen vegetable imports, and processed frozen food imports

First, I will explain the frozen food market. Please note that this content includes our own research, so we would appreciate it if you could understand it as being a general overview.

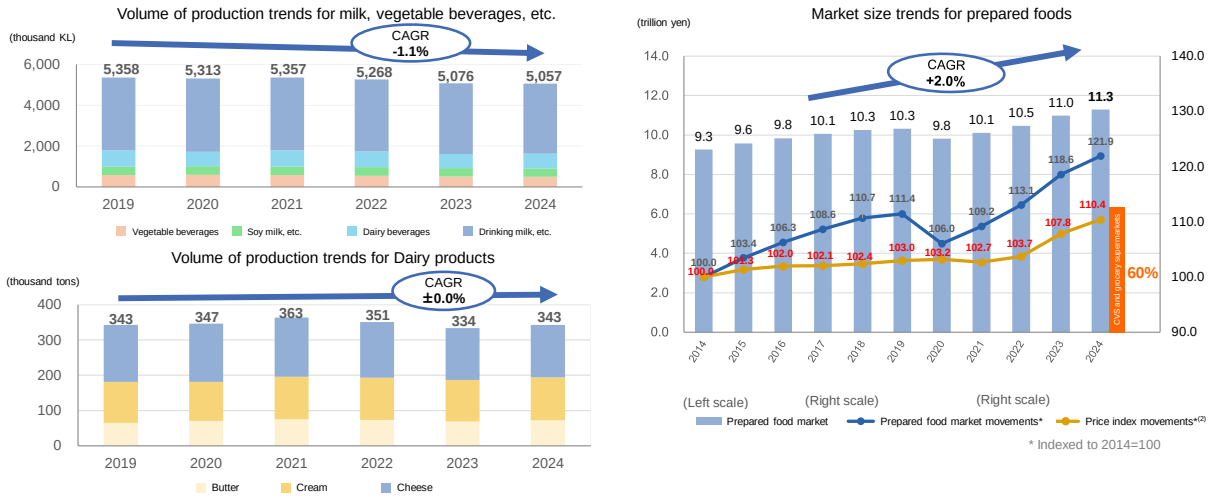
The graph on the left shows the volume of domestic consumption of frozen foods, which is showing a slight upward trend. Within this, the domestic production volume highlighted in the box was 1.538 million tons in FY2024 (a 0.5% decrease from the previous year), but compared to ten years earlier in 2015, you can see that the proportion for household use has increased.

For commercial use, demand has been growing recently in areas such as school lunches, hospitals, and welfare facilities. Commercial use has declined slightly since around 2020, and we believe this is due to the impact of the COVID-19.

The graph on the right shows the domestic expenditure on frozen foods, which has increased overall as prices have risen. In particular, in the dark yellow areas, the growth of imported frozen vegetables is significant, with overall expenditure increasing to 122% compared to pre-COVID levels. As seen in supermarkets and convenience stores, we believe the frozen food market is expanding.

Overview of the Refrigerated (Chilled) Product Market

- The volume of production of **milk, vegetable beverages, and dairy products** has remained flat to declining since FY2019
- The **prepared food** market is projected to reach 11.3 trillion yen in 2024, showing significant growth
- In 2024, convenience stores (CVS) and grocery supermarkets accounted for approximately 60% (about 7 trillion yen) of the prepared food market share



Notes (1) Compiled by SGH based on "Soft Drink Statistics" by the Japan Soft Drink Association, "Basic Data on Milk and Dairy Products" by the Japan Dairy Association, "Prepared Food White Paper Digest Edition" by the Japan Ready-made Meal Association and "2020-Base Price Index Nationwide 2024 Average" by the Ministry of Internal Affairs and Communications. (2) The price index excludes fresh food and energy.

Next, I will explain the refrigerated (chilled) product market.

The graph in the upper left shows the production trends for beverages such as milk and vegetable beverages, indicating a slight downward trend over the past five years. The graph in the lower left is labeled "dairy product," but within the industry, this refers to a product group including butter, cream, and cheese, which is showing a flat trend.

Meanwhile, the prepared foods market on the right has seen significant growth in recent years. By 2024, the market size had reached approximately 11 trillion yen, and considering that the impact of inflation was minimal until 2021, this represents very significant growth on a volume basis. Furthermore, in the 2024 market share, convenience stores (CVS) and grocery supermarkets account for over 60% of the prepared foods market, representing a market size of approximately 7 trillion yen. In this way, the prepared foods area is growing faster than dairy products within the chilled market.

Currently, Meito Transportation does not hold a significant share in the prepared foods market, but we believe securing a foothold in this area going forward will be an important issue to consider.

4. Creation of Synergies



To create synergies in the low-temperature logistics market I explained earlier, we have been conducting a detailed analysis of both companies' business operations since the pre-PMI phase.

Even after Meito/Hutech have joined the Group, I believe it is crucial to verify the accuracy of our analysis and hypotheses and to understand the on-site situation, and I have personally visited approximately 80 of our 128 sales offices nationwide to directly observe on-site strengths.

Business Activities of Meito Transportation and Hutech norin

- Meito Transportation: Nationwide chilled goods joint delivery business, CVS center operation business, and customer-dedicated center operation business
 - Hutech norin: Nationwide frozen food joint delivery business, customer-dedicated center operation business, hospital linen business
- As of March 31, 2025

	Meito Transportation			Hutech norin		
Personnel	7,264			3,911		
Vehicles	1,954			879		
Business sites	21	41	17	29	16	4
Business types	Nationwide joint delivery	CVS center operation	Dedicated center operation (Transportation/3PL)	Nationwide Joint delivery	Dedicated center operation (Transportation/3PL)	Hospital linen
Composition of sales	50%	28%	22%	57%	37%	6%

[Joint Delivery Business Model]



Here, we will once again explain the business activities of both companies. Meito Transportation operates joint delivery business, convenience store (CVS) center operation business, and customer-dedicated center operation including some dry (room temperature) goods, with joint delivery services accounting for approximately half of its sales composition. Hutech norin operates nationwide frozen food joint delivery business, customer-dedicated center operation business, and hospital linen business, with joint delivery accounting for approximately 57% of its sales composition.

I will provide additional details on the joint delivery business, which accounts for over 50% of sales of both companies.

Meito Transportation’s chilled area handles the delivery of products delivered to the center the previous day or on the same day to supermarket and CVS centers, with short-term storage. Meanwhile, in Hutech norin’s frozen area, they receive products with long shelf lives and long-term storage potential from manufacturers, wholesalers, and distributors, and stored in a warehouse before handling joint delivery.

Currently, there are hundreds of manufacturers of both frozen and chilled products, with delivery recipients reaching thousands of locations, including wholesale centers and CVS distribution centers. This business format enables the realization of exceptionally high profit margins by adding new products and manufacturers to these existing networks. Developing this area is one of our growth strategies.

Furthermore, regarding Meito Transportation’s CVS distribution center operations, in addition to managing the centers, the company also handles deliveries from the centers to convenience stores. Of the approximately 55,000 to 56,000 stores nationwide, Meito Transportation handles delivery operations for 7,000 to 8,000 stores.

The Group's Strengths in the Low-Temperature Logistics Area

- **The Group operates a wide range of businesses, including frozen and chilled joint delivery business, dedicated center operation business, and third-party logistics (3PL) business**
- Meito plans to expand its 3PL business, and Hutech plans to open new facilities

[List of Low-Temperature Logistics Operators]

	Manufacturer joint delivery	Small lot line-haul transportation	Dedicated center	3PL	Express package delivery services	Characteristics
Company A	○		○	○		Wide range of business operations
Company B	○		○	○		Transportation and center operation
SGH	○		○	○	○	Line-haul transportation, chilled and frozen warehouse operation
Company C					○	Strength in express package delivery services
Company D	○		○			Joint delivery for food manufacturers
Company E	○		○			Strength in logistics for distribution companies
Company F	○		○	○		Chilled mixed load
Company G		○	○	○		Nationwide small lot joint delivery
Company H		○		○		Nationwide delivery in group
Company I			○	○		Strengths in food and medical 3PL
Company J			○	○		Focus on wholesale business

Volume (vs. FY2024)		
Meito	Joint delivery	95%
	CVS	102%
	3PL	105%
Hutech		99%

* According to Group's research

Meito
Expanding 3PL business
Hutech
Plans to increase floorspace

Here, I will explain the competitive environment for low-temperature logistics operators and the strengths of the SG Holdings Group.

The top table lists 11 companies in no particular order.
 The largest operator has sales of approximately 250 billion yen, while the smallest has sales of approximately 40 billion yen.
 Each company's strong areas are indicated with a circle.
 SG Holdings anticipates that combining its current operations with Meito/Hutech and Sagawa Express's Hikyaku Cool Express business will place it in around the third to fourth position within the industry.

The changes in volumes are shown in the table below. Please note that the indicators differ. For example, joint delivery is calculated based on the number of individual items, convenience store-related volume is based on basket units, and 3PL volume is based on distribution processing volume.

Furthermore, to supplement the overall picture of low-temperature logistics, regarding warehouses, in addition to their own facilities, both Meito and Hutech store goods in outsourced warehouses in quantities measured in millions of cases.
 Looking ahead to future customer growth, securing appropriate external warehouses is a key point.

Seven Sales Strategies to Create Synergies

- We achieved an increase of operating income by 0.89 billion yen in the first half of 2025 (compared to the first half of the year ended March 2024) through seven sales measures

(Units: billions of yen)

	Items	Initiatives	FY2026/3 Progress	Compared to FY2024/3 H1	
				Operating Revenue	Operating Income
①	Expanding sales to existing customers	Proposals that utilize the Group's solutions for existing customers of Meito/Hutech	○	+ 3.23	+ 0.62
	Efforts to improve logistics efficiency	Hutech norin Achieving stable supply through a one-day extension of lead time			
②	Low-temperature e-commerce	Providing integrated solutions from storage, distribution processing to delivery	○	+ 1.08	+ 0.15
③	Low-temperature TMS	Provision of low-temperature TMS in collaboration with the Delivery Business TMS team	●	+ 1.12	+ 0.14
④	Low-temperature joint delivery	Proposal for joint delivery that makes use of the existing facilities and routes of Meito/Hutech	△	+ 0.11	+ 0.03
⑤	Joint use of resources	Joint use of transfer centers and line-haul transportation by Meito/Hutech and Sagawa Express	△	+ 0.04	+ 0.01
⑥	BtoB lot delivery	Providing cool transportation for small and medium BtoB lots	△	+ 0.01	+ 0.00
⑦	Overseas low-temperature logistics	Providing end-to-end solutions from within Japan to overseas locations, building a cold chain in Vietnam	△	+ 0.44	(0.06)
Total			○	+ 6.03	+ 0.89

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This slide, which we also presented during the earnings briefing for Q2 FY2026/3, details our progress in creating synergies. The items are listed in descending order based on the size of the impact on operating income.

These are approximately 600 million yen in expanding sales to existing customers, approximately 150 million yen in low-temperature e-commerce, approximately 140 million yen in TMS, and others are as shown.

Overseas low-temperature logistics presents challenges and is currently operating at a loss.

The background is that we have three warehouses in Vietnam, and the operation of the third warehouse in Ho Chi Minh City was delayed by eight months. In addition to the initial setup costs, the warehouse's current utilization rate remains at about half capacity, but we anticipate that improvements will progress as the utilization rate increases going forward.

Following this, I will explain the specific initiatives taken for each measure, using actual cases.

Case Study ① Expanding Sales to Existing Customers

➤ Steady progress in acquiring new contracts, alongside continued improvement in securing appropriate fees

Example 1 Meito: Joint Delivery Operations for Major Retailers <New Contract>

- Newly acquired contract for joint delivery operations of products supplied by existing client Food Manufacturer A to major retailers

Projected operating revenue (annual): Approx. 700 million yen

Example 2 Meito: Distribution Center Delivery Operations for General Supermarket <New Contract>

Issue: The delivery company the customer was using pulled out. A rapid restructuring of the delivery scheme was necessary

Solution: Utilizing the Group's infrastructure, we smoothly arranged delivery systems for chilled and dry (room temperature) shipments

Despite the volume tripling on the first day due to an event, we ensured reliable delivery

- ➡ Customer satisfaction is high, and negotiations are underway regarding deliveries to other locations

Projected operating revenue (annual): Approx. 280 million yen

First, I will provide examples of expansion of sales to existing customers.

The first of these is the joint delivery operations for Food Manufacturer A. This operation is a new project, but it falls within the area of joint delivery, encompassing both delivery to retail stores and delivery to dedicated centers, making it a highly efficient operation.

The second of these is distribution center delivery operations for a general supermarket.

We were approached for assistance when the existing delivery company pulled out, leaving them unable to make deliveries. Working together as a Group, we established a joint delivery network for both chilled and dry (room temperature) goods.

Case Study ① Efforts to Improve Logistics Efficiency

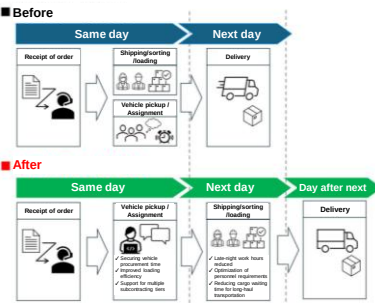
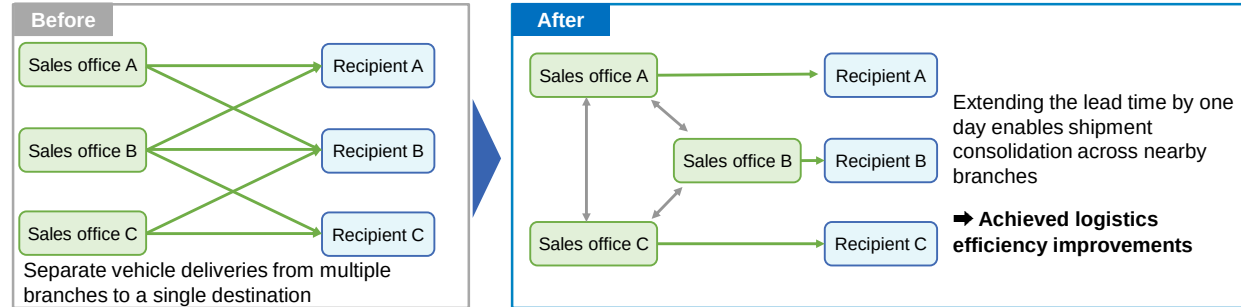
[Hutech] Achieving Stable Supply Through a One-Day Extension of Lead Time

- Purpose

Reviewing delivery systems to ensure legal compliance and maintain future infrastructure
- Effects

- Changed work hours to focus on daytime. Reduced workload during late-night hours
 - Enhancing vehicle availability through extended vehicle procurement time
 - Area consolidation (to be expanded in future)

[Approach to area consolidation]



Next is our efforts to improve logistics efficiency within existing operations.

Hutech has extended its lead time by one day starting in June 2025, transitioning all deliveries from the previous “next day” delivery after an order is received to “day after next” delivery.

Although extending the lead time by one day significantly impacts customers’ businesses, Hutech achieved this initiative through thorough advance preparation and the understanding of approximately 400 customers.

The objective of this reform is to address the 2024 problem and establish a sustainable delivery system.

The effects include increased efficiency from shifting operations from late-night to daytime hours and providing more ample time for dispatching vehicles.

Furthermore, by securing lead time, we believe we can also expect the benefits of area consolidation going forward.

Please look at the diagram at the bottom of the slide.

Previously, for example, in the Kanto area, Sales Offices A, B, and C each arranged their own vehicles to deliver to the same destination, resulting in inefficiency.

By extending the lead time in this way, we can consolidate deliveries as shown on the right of the diagram, enabling greater efficiency.

This initiative was just launched in June, but it is expected to yield annual cost savings in the hundreds of millions, with even greater benefits anticipated in the future.

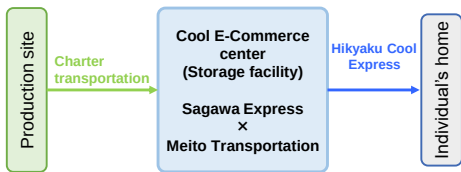
Case Study ② Low-Temperature E-Commerce

Low-temperature e-commerce: Providing integrated solutions from storage and distribution processing to delivery

- Issues**

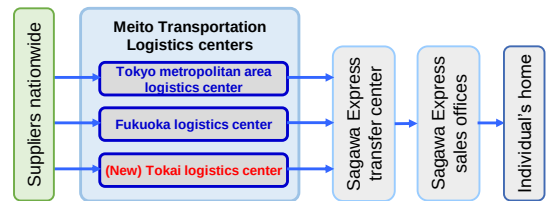
 - Lead time until delivery is lengthening
 - Shipping costs for e-commerce orders from regional areas are increasing
 - Shipping workload for EC operator is significant
- Shipping operations falling behind
 - Difficulty in responding to fluctuations in demand

- Example 1**
- Optimization of inter-facility transport from regional locations to distribution warehouses using TMS
 - By consolidating shipments from multiple EC operators or performing shipping operations within the Group, we contribute to reducing logistics costs and lowering workload



Actual operating revenue (H1): Approx. **1,624** million yen

- Example 2**
- By utilizing Meito Transportation's logistics centers, we achieve reductions in logistics costs through improved delivery efficiency, shortened lead times, etc.



Actual operating revenue (H1): Approx. **933** million yen

Next is our initiatives in low-temperature e-commerce. I will introduce two examples of one-stop solutions that addressed the customer challenges outlined at the top.

Example 1 is an example related to hometown tax payments, with the customers being local governments implementing hometown tax payments, and also companies operating hometown tax payment portal sites.

We receive hometown tax return gifts at Meito Transportation's Cool E-Commerce Center on the left, perform distribution processing, and deliver them to consumers via Sagawa Express's Hikeyaku Cool Express.

Example 2 is an example of a subscription-based BtoC cool food delivery service. With express package delivery, the further the distance from the shipping location to the destination, the higher the cost. To meet customer demand for lower costs and reduced delivery times, we have established a system where goods sourced nationwide are distributed from centers located near major consumption areas such as the Tokyo metropolitan area, Fukuoka, and Tokai.

The frozen food and food-related e-commerce market is currently one of the fastest-growing sectors. We would like to tackle this task thoroughly while also exploring new ways to improve efficiency.

Case Study ③ Low-Temperature TMS

Low-temperature TMS: Providing low-temperature TMS through collaboration with the Delivery Business TMS team

➤ Sagawa Express has provided low-temperature TMS services through its network of partner companies, solving a variety of issues

	Example 1	Example 2	Example 3
Case	Store delivery for sweets and cakes (Kanto region: approx. 80 stores)	Mass transportation of spring cabbage in iron cages	Seedling transportation in summer
Issues	- Vehicles waiting for cargo at the factory are a problem - Same-day delivery is required	Finding a delivery company is difficult due to the irregular nature of shipments	- Temperature control for seedlings is essential under extreme summer heat - Early morning unloading has its limits as a countermeasure against the heat
Solutions	- Eliminate waiting vehicles at the factory by implementing optimal vehicle dispatch based on shipment type and destination - Also contributes to optimizing logistics costs	Arrange large refrigerated vehicles by leveraging our infrastructure	The proposal for arranging refrigerated vehicles contributes to temperature control and changes in working hours



We have provided various low-temperature TMS services in the past, and through collaboration with Meito/Hutech, the TMS network has expanded beyond previous levels

Next, I will explain TMS in the low-temperature area.
TMS is an abbreviation of “Transportation Management System,” which is value-added transportation service other than express package delivery service utilizing the Group’s logistics network. Simply put, it is a private charter service. This was an area we had already been working on in Sagawa Express, but we can now further enhance our capabilities with Meito/Hutech joining the Group.

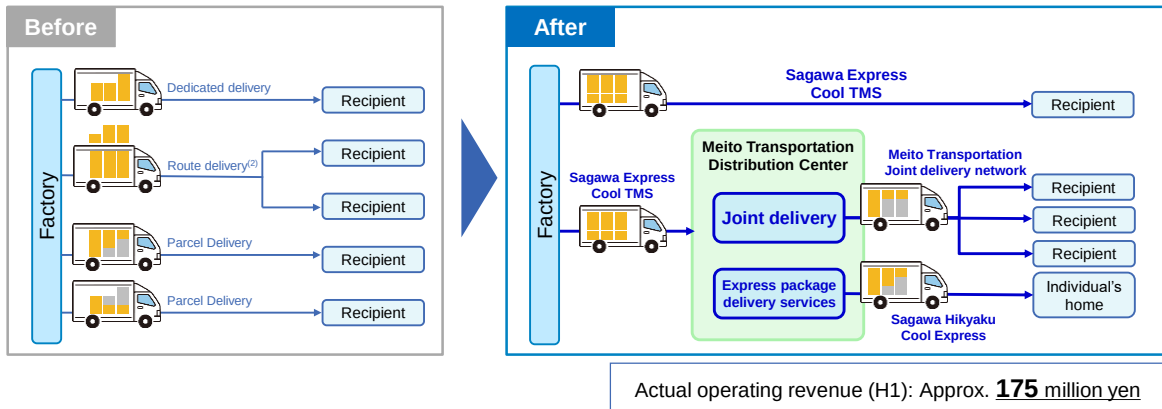
As examples, we have met various needs of chilled or frozen goods, including store delivery of sweets and cakes, transporting large quantities of produce in iron cages, and transporting seedlings.
Going forward, we will continue to advance our efforts while utilizing the resources of Meito/Hutech.

Case Study ④ Low-Temperature Joint Delivery Hybrid Project (Including Low-Temperature TMS/Low-Temperature E-Commerce)



- Issues**
- Reliance on existing logistics contractors
 - Increased demand from retailers
 - Supply shortages due to lack of resources

- Solution**
- Utilizing Sagawa Express Cool TMS, Meito Transportation's distribution centers⁽¹⁾ and joint delivery to build a transportation and delivery system tailored to the destination and cargo volume. Achieving one-stop transportation and delivery from manufacturing to sales



Notes (1) Storage-type distribution center. (2) Delivering goods to predetermined stores or offices at a specific time and date along a predetermined route.

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The next example I will introduce is a hybrid project combining low-temperature joint delivery, low-temperature TMS and low-temperature e-commerce.

The case study involves a dairy manufacturer in the Tohoku region.

Currently, product sales are strong, and supply was unable to keep up. Previously, the company primarily relied on other companies' parcel delivery services, but it faced issues such as cost, time constraints, and shipping restrictions.

In response, our Sagawa Express sales representative in the Tohoku region and Meito Transport's sales team collaborated to establish a new scheme.

In the current scheme shown on the right:

- Large trailer trucks transport product from the factory to the Tokyo metropolitan area and Kansai
- 11 transfer center-type hubs (transit hubs) are utilized to implement joint delivery from these locations
- Hikyaku Cool Express is used in combination for delivery destinations unsuitable for joint delivery (such as individuals' homes)

This hybrid model enables us to meet customer demands while achieving greater efficiency and cost savings.

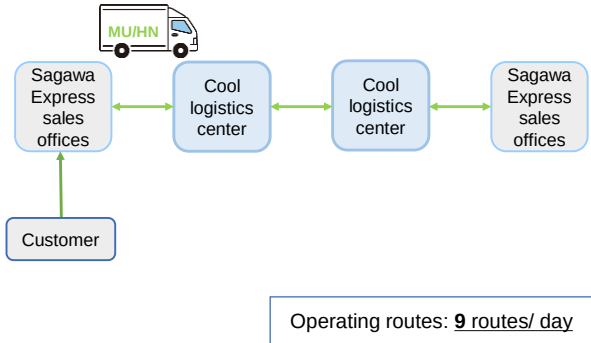
Case Study ⑤ Joint Use of Resources

Joint use of resources: Joint use of transfer centers and route transportation by Meito/Hutech and Sagawa Express

➤ Enhancing the efficiency of Sagawa Express's collection and delivery operations by leveraging resources from Meito/Hutech

Example 1

- The inter-facility transportation for the outsourced Hikyaku Cool Express will gradually shift to operation using Meito/Hutech vehicles
- Capable of handling additional deliveries in response to increased cargo volume



Example 2

- Achieved Sagawa Express's delivery operations (room temperature) without increasing vehicles or personnel, through a review of Meito's routes

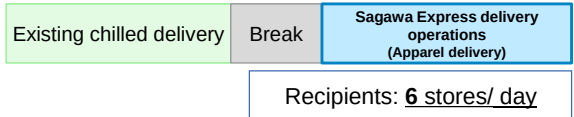


[Daily Collection and Delivery Schedule]

< Before >



< After >



This is an example of joint use of existing resources. These initiatives have only just begun, but we believe it is necessary to advance them further going forward.

Example 1 is an example of inter-facility transportation for Sagawa Express's Hikyaku Cool Express. Previously, we outsourced this to partner companies, but we are now gradually switching to in-house operations using Meito/Hutech vehicles.

Example 2 involves using Meito Transportation vehicles to deliver dry goods from Sagawa Express sales offices to a major clothing retailer, efficiently utilizing Meito Transportation's idle time to optimize operations. In particular for Meito/Hutech, which operates frequently at night, incorporating daytime idle hours into Sagawa Express operations can significantly improve vehicle utilization rates. As a result, vehicles that previously operated for 10 to 12 hours per day can now run for up to almost 20 hours, enabling highly efficient operations, even when factoring in vehicle costs and labor expenses.

However, due to existing relationships with partner companies, we plan to proceed gradually with these initiatives rather than making a sudden switch.

Case Study ⑥ BtoB Lot Delivery

BtoB lot delivery: Providing small- and medium-lot BtoB cool transportation

- Issues

 - BtoB small-lot low-temperature transportation is often covered by parcel delivery, which tend to be relatively expensive
 - Furthermore, only a limited number of companies can handle BtoB small-lot low-temperature transportation, resulting in shipping restrictions
- Example

 - Utilization of the Group's joint delivery network and review of line-haul transportation to the Kansai region
 - Review of existing sites (in Kanto region) and utilization of new sites in the Kansai region



Finally, I will explain our efforts to provide BtoB lot delivery. While it hasn't fully taken off yet, we have made some progress.

BtoB lot delivery is an initiative to efficiently transport small-lot low-temperature cargo. Normally, small-lot low-temperature transportation is covered by express package delivery services, and our Hikyaku Cool Express is also well-suited for small shipments of about one to four packages. Meanwhile, some customers want to ship items in bulk, such as five to ten packages, or in some cases up to 30 packages. However, mainly due to capacity constraints, Hikyaku Cool Express has struggled to fully meet this demand, and other logistics companies also find it challenging to offer such flexible shipping options.

In light of the high volume of such inquiries, Sagawa Express has consistently regarded BtoB lot delivery as a key priority since the formulation of measures to create synergies, and we have conducted multiple trials and explored business frameworks to establish this as a service.

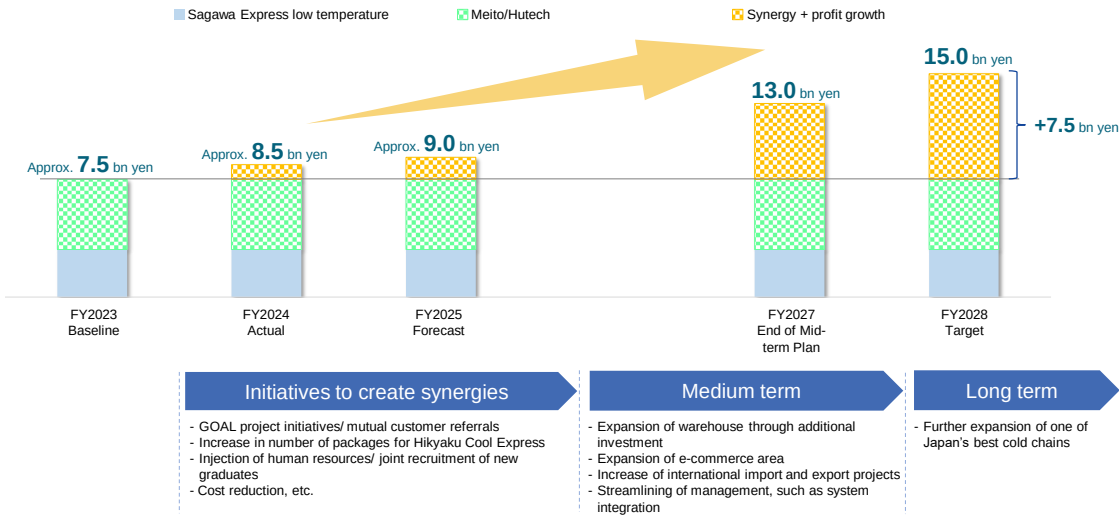
Although we faced challenges such as cost in the trials, these were cleared once a certain volume of cargo was projected, and operations started in October 2025 at locations where future expansion could be expected. As shown in the figure at the bottom of the slide, locations where customers' goods gather, such as airports, department stores, and commercial facilities, often have multiple stores handling similar products, and there is ample room for expanding joint delivery utilizing the transportation routes we have established in this initiative. We are preparing to fully launch BtoB lot delivery proposals to such locations starting in 2026, after the busy end of the year season.

Joint delivery is an exceptionally profitable business when volume increases. We will place particular emphasis on this area going forward.

[Repeated] Image of Profit Growth in the Low-temperature Logistics Solutions

To ensure the successful implementation of our Mid-Term Management Plan and the achievement of our targeted goals for FY2028, we will steadily execute initiatives that deliver results, while also reviewing the sales targets for each measure

[Low-temperature logistics solutions: Operating income (before amortization of goodwill, etc.) growth outlook]



Finally, to reiterate, to ensure the successful implementation of our Mid-Term Management Plan and the achievement of our targeted goals for FY2028, we will steadily execute initiatives that deliver results and initiatives in areas expected to grow in the future, while also reviewing the sales targets for each measure.

This concludes my presentation. Thank you very much for your attention.

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