SANKYU

**Sankyu Inc.**

5-23, Kachidoki 6-chome, Chuo-ku, Tokyo 104-0054, Japan
URL: https://www.sankyu.co.jp/en

Sankyu Group Integrated Report 2026

Sankyu Group

# Integrated Report 2026














*Thank you* from our hearts. SANKYU for life on our Blue Planet.

**We at SANKYU are always grateful to the people around us. Together with our like-minded partners, we strive to continuously create new value to support the world's industries and protect this blue planet for all living beings.**









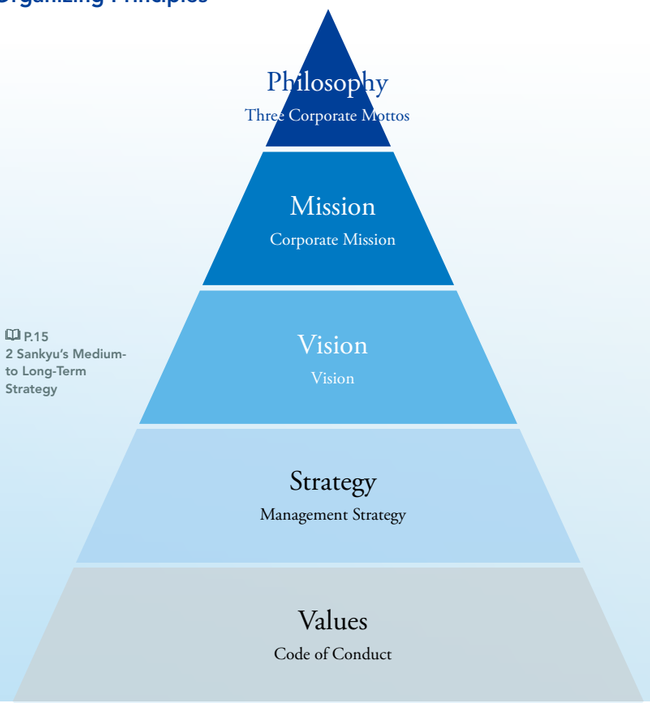


# Sankyu's Organizing Principles

## Purpose

Thank you from our hearts. SANKYU for life on our Blue Planet.

## Organizing Principles




P.15
2 Sankyu's Medium- to Long-Term Strategy

## Philosophy

### Three Corporate Mottos

**To be taken to heart by all Sankyu Group members**

#### Put Words Into Practice

Set your sights high, proclaim your goals and do your utmost to achieve them. (Kogen Jikko)

#### Self-Questioning

Put yourself in others' shoes, to ensure you have an accurate viewpoint instead of indulging in self-centered thinking. (Jimon Jito)

#### Appreciation

Never forget to be thankful to those around you. "Thank you" is the origin of our company's name. (Kansha)

## Mission

### Corporate Mission

#### Management Principles

**The Sankyu Group's commitment to the world**

Under the guiding principle of valuing people, Sankyu endeavors to be indispensable for our clients. Through developing our business, we strive to contribute to the well-being of our employees and the betterment of society as a whole.

#### Management Goals

**Management's commitment to all of our clients and employees, and the whole world, to fulfill our management principles**

- Embrace our responsibility as people living on this planet to contribute to the sustainable development of society
- Provide the best value in line with industrial development
- Value the wisdom and effort of our frontline human assets, and nurture their potential

## Values

### Code of Conduct

**Each employee's personal commitment to the Company and the world as a guide for their daily conduct**

#### The 9 Rules of the Code of Conduct

**Ensuring moral and ethical behavior**

- I will commit to always giving utmost priority to safety.
- I will always act in compliance with regulations.
- I will adopt a global perspective, giving due respect to diverse cultures, religions and values.
- I will take an active role in protecting the global environment.
- I will endeavor to work in a way that inspires society.
- I will take pride in and responsibility for my work.
- I will work and develop with others in an atmosphere of mutual respect.
- I will contribute to building a company that nurtures positive people.
- I will help ensure that our company continues to be strong through mobilizing all the work done in the field.

# Contents

**1 Sankyu's Value Creation**
3 Sankyu's Organizing Principles
5 Sankyu's Business Domains
7 At a Glance
9 Message from the CEO
13 Value Creation Model

**2 Sankyu's Medium- to Long-Term Strategy**
17 History
19 Strengths and Capital Cultivated by Sankyu
21 Revision of Vision 2030
22 Progress of Medium-Term Management Plan 2026
23 Message from the CSO
25 Message from the CFO
29 Message from the CHRO
31 Human Assets Vision
33 Human Resource Strategy

**3 Sankyu's Business Strategy**
39 Message from the COO
41 Overview by Business Segment
45 Special Feature: Sankyu's Human Resources Supporting Operations at Mitsui Chemicals' Manufacturing Sites
49 Sankyu's DX

**4 Sustainability**
53 Sustainability Strategy and Material Issues
55 Environmental Conservation
60 Creation of Fulfilling Workplaces
63 Assurance of Service Safety and Quality
65 Contribution to Local Communities
66 Compliance

**5 Governance**
69 Directors and Audit & Supervisory Board Members
71 Corporate Governance
75 Risk Management
77 Dialogue with Shareholders and Investors
79 Message from the Nomination Committee Chair
80 Message from the Remuneration Committee Chair

**6 Data**
81 Five-Year Data Highlights
82 Non-Financial Data
83 Company Outline / Investor Information
84 Network

**Reporting Boundary**
In principle, the reporting boundary includes Sankyu Inc., 60 consolidated subsidiaries, and 1 equity-method affiliate.

**Reporting Period**
April 1, 2025 to March 31, 2026
The report contains some information relating to before and after the reporting period.

**Month of Publication**
2026/8

**Referenced Guidelines**
- GRI (Global Reporting Initiative) "Sustainability Reporting Standards"
- ISO 26000 (International Organization for Standardization) "Guidance on Social Responsibility"
- IIRC "International Integrated Reporting Framework"

**Note Regarding Forward-Looking Statements**
Forecasts or forward-looking statements included in this report are based on the information available at the time of publication and the Company's assumptions and judgment based on this information and do not guarantee future performance. Accordingly, actual earnings, results, performance, etc. may differ considerably due to various risks and uncertain factors, such as economic trends, market prices, and foreign exchange fluctuations. The Company is not responsible for losses that may arise due to the use of the information in this report. Moreover, the Company bears no obligation to announce updates on the statements regarding forecasts or forward-looking statements in this report.

**Use of the Expression "Human Assets"**
The Company considers human resources to be its most important capital for management and therefore uses the expression "human assets" as a higher-level concept separate from "human capital" when referring to its commitment to people, its aspirations for people, and its ultimate goals.

# Sankyu's Business Domains

## Meeting customers' needs through sustained physical and psychological proximity

Sankyu provides services that fuse the Logistics and Plant Engineering Businesses. In particular, in our on-site services, we are right beside our customers and deeply embedded in their frontline operations. The logistics division undertakes raw materials and product transportation and supports operations for production processes, while the plant engineering division deals with daily maintenance.

## Logistics Business

**Transporting a wide range of goods and materials using reliable technological capabilities over land, sea, and air**

### On-site operations and logistics

**Supporting production front lines alongside customers**

Our staff are stationed on-site at customers' plants to provide wide-ranging support for the entire production process, from the receiving of raw materials to operations support for manufacturing lines, shipment preparation, and product warehouse management, as well as transport and on-site materials handling. Through our daily operations, we keep track of the frontline operation status and changes in real-time and work closely with the customer. In addition, we can accurately pick up on issues and needs whose detection requires a physical presence on the factory floor, such as operational efficiency issues and the aging of equipment, which allows us to provide optimal proposals.

### International logistics

**One-stop services connecting the world**

We combine multiple modes of transport, including land, maritime, and air freight, to deliver all manner of items anywhere in the world. We provide a comprehensive range of one-stop logistics services to meet customers' needs.

### Domestic logistics

**Transporting anything and everything**

In addition to transport services using trucks, rail, and coastal shipping, our warehouse operations also use high-performance equipment and systems to handle a wide range of freight types, from general to special items. We are also actively engaged in environmental initiatives, such as the introduction of modal shifts.*

* An initiative to reduce environmental impact by switching to the use of rail and vessels such as ferries for transporting cargo usually carried by automobiles such as trucks

### Third-party logistics (3PL)

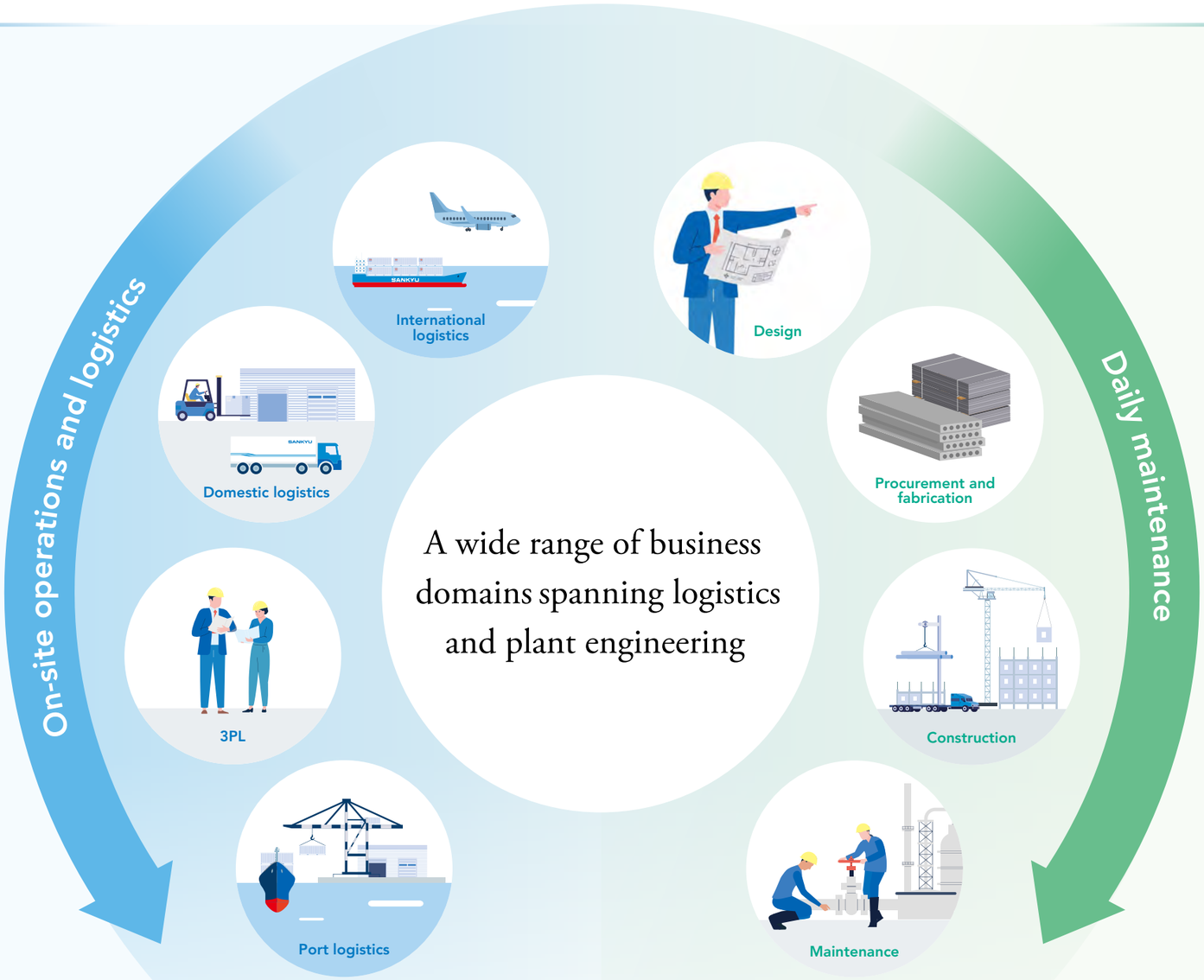
**Providing optimal supply chains**

We propose the most efficient logistics solutions and provide the services in place of customers' own logistics divisions. In production logistics for major industries, we have earned high praise from our customers for providing optimal solutions across the entire supply chain starting from on-site operations.

### Port logistics

**Operating ports, the gateways for maritime transportation**

With bases at nearly every major port in Japan, we conduct operations including directing and overseeing on-ship and onshore cargo handling operations, shipping agent services, and port warehouse operations handling import and export cargo. We support port logistics with wide-ranging operations as a cornerstone of international logistics connecting Japan to the world.




## Plant Engineering Business

**Full-range services from plant construction to maintenance**

### Daily maintenance

**Daily maintenance of plant equipment to support stable operations**

We conduct systematic daily inspections, cleaning, lubrication, light repairs, and so forth at plants such as steel mills, petrochemical plants, and electric power stations. Personnel responsible for daily maintenance are stationed on-site, enabling them to continuously monitor changes while directly checking the operation status of equipment and machinery. Through constant information-sharing with the customer, we can quickly detect abnormalities and respond rapidly, supporting stable operation of equipment and safe plant operations.

### Design

**Embodying customers' plans**

We embody customers' plans by proposing specifications and structural designs for plant equipment and machinery and creating design schematics that look ahead to safety, durability, and operations. We meet customers' needs from a comprehensive perspective including construction, installation, and maintenance.

### Procurement and fabrication

**Procurement and fabrication to support manufacturing**

We procure the necessary equipment, materials, and components based on the design specifications, and we also fabricate machinery and plant equipment, either in-house or using contractors. By rigorously managing safety, quality, delivery schedules, and costs, we support customers' manufacturing.

### Construction

**Rigorous management of safety, quality, and construction**

We perform on-site installation and assembly of equipment and machinery that we have designed and fabricated, rigorously managing safety, quality, and construction. By providing comprehensive frontline support with consideration for construction schedules and costs, we realize high construction quality that customers can rely on.

### Maintenance

**Supporting customers' stable operations**

We provide maintenance services including inspection, maintenance, and repair for plant equipment and machinery in service. We support customers' stable operations by providing systematic maintenance activities such as turnaround maintenance* and flexibly responding to trouble to enhance equipment service life and productivity.

* Periodically shutting down all or part of a plant to conduct inspection, cleaning, and replacement of components, etc. with the objective of checking the soundness of equipment in various kinds of plants including petrochemical, general chemical, oil refining, electricity generation, gas, and ceramics

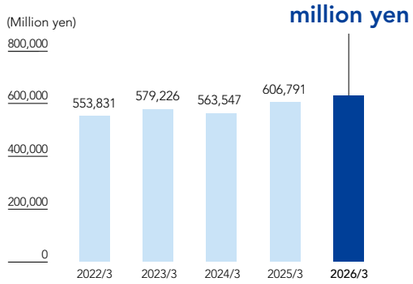
Sankyu's Value Creation

# At a Glance

## Financial information

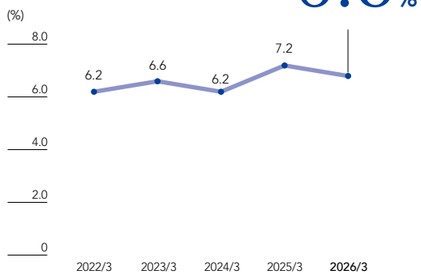
### Net sales

631,573 million yen



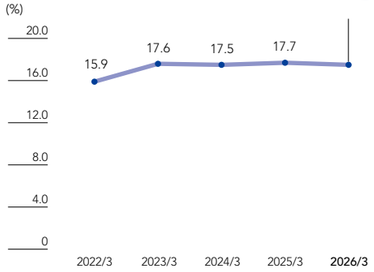

### Operating profit margin

6.8%



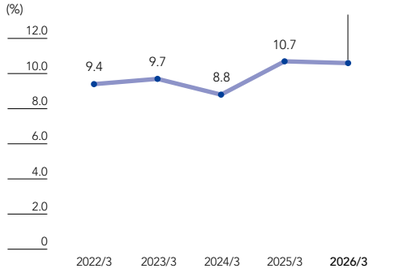

### Overseas sales ratio

17.5%



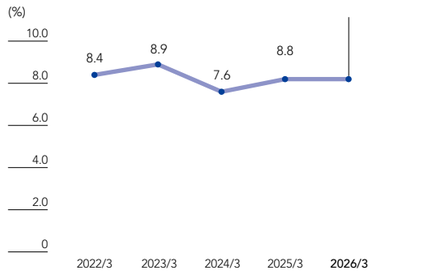

### Return on equity (ROE)

10.6%



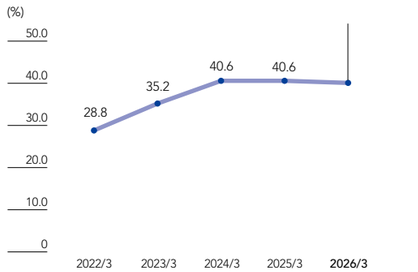

### Return on invested capital (ROIC)

8.2%




### Dividend payout ratio

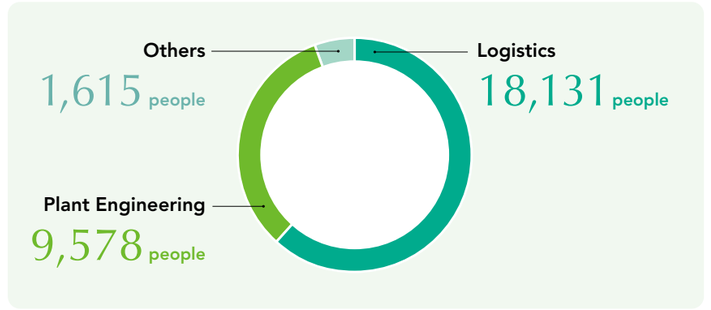
40.1%




## Non-financial information * As of March 31, 2026

### Number of Group employees

29,324 people




### Number of training facilities

6 locations

Japan
4 locations

Overseas
2 locations

### Number of dialogues

Individual meetings with investors
330 times
+34 times YoY

Sankyu Mirai Dialogues with senior management and employees
64 times
–6 times YoY

### $CO_2$ emissions

Scopes 1 and 2; parent company and domestic consolidated subsidiaries

101,222 t-$CO_2$

Compared with FY2020
–22.2%

### Number of partner companies

Number of Sankyu Trucking Partner Cooperative Association member companies
59 companies
* As of May 31, 2026

Plant Engineering Business
580 companies

Sankyu's Value Creation

# Message from the CEO

## Aiming to expand Sankyu's unique value creation and enhance corporate value through company transformation rooted in dialogue

### The power of our people demonstrated on the front lines is our greatest source of corporate value

In the year since becoming CEO, I have engaged repeatedly in dialogue with customers and inspected sites both in Japan and overseas. Also, in ongoing dialogues with shareholders and investors, I have repeatedly asked myself, "What is Sankyu's corporate value?" The elements that make up corporate value are diverse, and there is no single answer to this question. What is certain, however, is that Sankyu is a frontline company, and it is the power of our people demonstrated on the front lines that is our greatest driver of enhancing corporate value. Guided by this understanding, we have worked to enhance corporate value. However, if asked whether the Company has truly established an environment where employees working on the critical front lines can thrive with high motivation, I recognize that we cannot confidently answer "yes" at this time.

At a recent event to promote employee interaction hosted by the labor union of a branch where I once worked, a junior employee told me, "Looking at senior colleagues who are subsection managers, they seem burdened with paperwork in addition to their regular work, yet I hear that their pay and treatment hardly change, so I don't want to move up in the ranks." The Company wants hardworking employees to take on managerial positions so they can be entrusted with more work, but we have not provided treatment commensurate with such roles. I believe this gap in values between the Company and employees is something we must reflect on.

We are grateful and proud when employees feel that their work is fulfilling. However, the Company unilaterally telling employees to find fulfillment in their work misses the essence of the issue and does not encourage autonomous thought. The true role of executives and managers is to implement measures that enable frontline employees to experience genuine fulfillment in their work. In reality, however, we have seen cases where increased administrative work and demands for necessary data and processing from the field put strain on frontline employees.

In my decade as President, I have continuously called for greater operational efficiency to avoid burdening the front lines. I acknowledge and deeply reflect on the fact that we have not yet become an organization that can proudly say it fully upholds its commitments of valuing people and protecting the front lines as set forth in its management principles.

Over these ten years, labor shortages in Japan have accelerated, and people's values and social norms have changed dramatically. Advancing genuine workstyle reform has become essential. I believe that if executives and managers do not once again engage with the front lines, listening to employees and using their opinions, criticisms, and insights in an earnest effort to rebuild Sankyu into a company where people want to work, frontline employees will disengage, and the Company's corporate value will not increase.

### Visualizing appropriate evaluation based on performance

As the first step toward rebuilding Sankyu into a company people want to work for, we will fundamentally review our existing evaluation system. The key to maximizing the value created on the front lines lies in how fairly and objectively we evaluate and reward the various contributions of employees. We intend to expand the scope of evaluation to cover not only improvement to on-site earnings but also contributions to values we cherish such as safety, quality, and compliance, as well as obtaining professional qualifications and taking on new challenges, thereby transforming our system into one that evaluates a diverse range of efforts.

Furthermore, we believe that implementing this new evaluation system will give us a clearer understanding of where employees with the necessary skills and qualifications for a given task are positioned, providing a basis for discussions with customers regarding employee placement and unit price revisions. By sharing this data with customers, we believe we can clearly define appropriate personnel deployment and compensation levels for work entrusted to Sankyu.

By receiving appropriate compensation from customers and providing fair treatment to employees, we raise motivation to work and further enhance the value we deliver. I am convinced that realizing this cycle will bring us closer to becoming a company people want to work for. To that end, we will prioritize reforming our evaluation system above all else.




**Kimihiro Nakamura**
President and CEO
(Representative Director)

# Message from the CEO

## Shifting the focus of management, starting from dialogue

Since being appointed as CEO, I have received a great deal of constructive feedback and insight from shareholders and investors aimed at enhancing corporate value and have actively incorporated them into our management.

Improving cash flow is one such example. In the Plant Engineering Business, we received feedback that the extended collection period for accounts receivable—in which construction begins, the work is accepted following completion, and several months later payment is received—was an issue from the standpoint of capital efficiency. We were able to improve operating cash flow by persistently negotiating for improvements in payment terms, such as requesting revisions to contractual payment conditions, and securitizing accounts receivable. As interest rates in Japan began to rise, the initiatives we had implemented yielded an additional benefit in the form of lower interest costs, exceeding our initial expectations.

Improvement in capital efficiency is a key management goal directly linked to enhancing corporate value. To tackle this goal head-on, we established the Task Force on Enterprise Value Acceleration (TEVA) in June 2025, and from this fiscal year we shifted the focus of our management toward equity-based governance. With TEVA at the center, we aim to control costs and risks while securing work opportunities and compensation commensurate with the capabilities of frontline employees, thereby achieving our FY2030 target of a record-level ROE of 14.6% or higher.

## Structural reforms for renewed growth and sowing seeds for the future

We take pride in the work ethic and sense of responsibility of our frontline employees, which are second to none. However, at present, we have not been able to secure appropriate unit prices, and costs accumulated over many years have constrained earnings, leaving certain businesses less profitable than those of competitors. We believe we must optimize our cost structure to ensure that as much of our frontline efforts as possible are translated into corporate value.

In the Logistics Business, when profitability of our operations in China declined against the backdrop of sluggish demand in the Chinese market, we pushed forward with cost structure reforms and carried out a review of our business portfolio. As a result, we were able to reform our business structure to achieve a balance between revenue and running costs.

In the next medium-term management plan, we will apply the lessons learned from this success story to other regions and businesses, advancing cost structure reform initiatives such as reducing redundant management costs and pursuing asset-light strategies for logistics-related real estate facilities. To raise our operating profit margin to 5.5%, a level comparable to our competitors, we will review our business portfolio and enhance the feasibility of achieving this target.

While the Plant Engineering Business has been performing solidly, government reports indicate ongoing declines in domestic demand in our core markets, the steel and petrochemical industries, due to population decline and relocation of production sites overseas, and these factors are expected to lead to further rationalization, including consolidation, within Japan. While the number of manufacturing facilities will decrease, demand for maintenance of remaining facilities will rise, which we believe will increase the value of frontline employees.

At the same time, as the number of existing manufacturing facilities declines, we must also explore new areas where we can contribute. We aim to secure work and leverage our cultivated skills in facilities with aging infrastructure in need of renewal, energy-related facilities in which power generation output is expected to increase amid growing demand for AI, and waste incineration facilities that are entering a period of heightened demand for renewal after 30 years of operation.



These plans are all premised on the presence of highly skilled personnel. To this end, we are advancing the redevelopment of our training system, including reskilling, and, amid labor shortages, aiming to achieve personnel mobility across Logistics and Plant Engineering Businesses. Furthermore, by leveraging strategic personnel expansion measures such as acquiring specialists and pursuing M&A, we will accelerate our response speed, aiming for the sustainable development of Sankyu's corporate value.

## Sankyu's added value lies in operations that can be performed only by humans

The pace of AI evolution in recent years has been remarkable, and it is thought that many operations will be replaced by AI in the near future.

Meanwhile, we believe that as a frontline company, we possess strengths that cannot easily be replaced by AI. Those strengths lie in the skills possessed by frontline employees. "Technology" and "skill" are often treated as equivalent, but they are actually contrasting concepts. "Skill" is something cultivated over a long period of time, while "technology" ensures that a skill applied produces consistent results independent of when, where, or by whom.

It is difficult to imagine all skills being replaced by technology. Many will remain after the sweeping wave of AI adoption. Sankyu is a company that places great importance on skill. I am convinced that Sankyu's strength lies in its frontline employees, who possess skills unattainable elsewhere and carry out their daily work with a strong sense of professionalism.

That said, AI adoption will certainly affect Sankyu's operations in the near future. To prepare for that future, we have begun organizing our current operations based on the criterion of whether they can be solely performed by people, and analyzing how many personnel will truly be necessary at that time to perform said operations. Based on our findings, we will design a recruitment plan, personnel system, and remuneration system that can respond flexibly to change.

I am convinced that in the coming era Sankyu will be defined by its fusion of frontline capabilities backed by top-level skills and its management capabilities leveraging cutting-edge technologies.

## Initiatives that serve the front lines begin with dialogue with the front lines

To leverage our frontline capabilities in management, it is necessary to think from the standpoint of frontline employees, for which dialogue with the front lines is essential.

For example, regarding the slogan of "zero work-related accidents," while it is extremely reassuring and appreciated that everyone on the front lines embraces this goal, it is problematic for staff from headquarters who are not on the front lines to set this slogan as a Company-wide goal, and this goal itself is unrealistic given the nature of Sankyu's work. As a company that advocates "front lines first" and "safety first," we must deeply reflect on the fact that setting unrealistic goals places undue burden and responsibility on the front lines. Translating this reflection into initiatives that serve the front lines, we have changed our approach. It is now a mission of the management team to engage in dialogue with employees and gather information on the risks each site faces, consider initiatives to reduce or eliminate said risks, evaluate the effectiveness of initiatives from each site, and provide Company-wide support for initiatives that have proven effective. In this way, it should be the responsibility of managers to provide a safe and secure workplace without placing undue burden or responsibility on the front lines.

New input is indispensable for making updates, and when it comes to updating our initiatives that serve the front lines, there is no better input than dialogue with those who work there. In other words, I believe that continuing to practice one of our corporate mottos of *jimon jito* (self-questioning) holds the potential to maximize frontline capabilities and is an effective means to enhance corporate value.

## To our stakeholders

To enhance corporate value, we have strengthened governance in recent years, including reviewing our management structure. I believe governance ultimately comes down to each employee fulfilling their duties. I ask, for example, that subsection managers prioritize the happiness of the employees in their subsection, while general managers of branches prioritize the happiness of the employees working at their branch and the staff of partner companies.

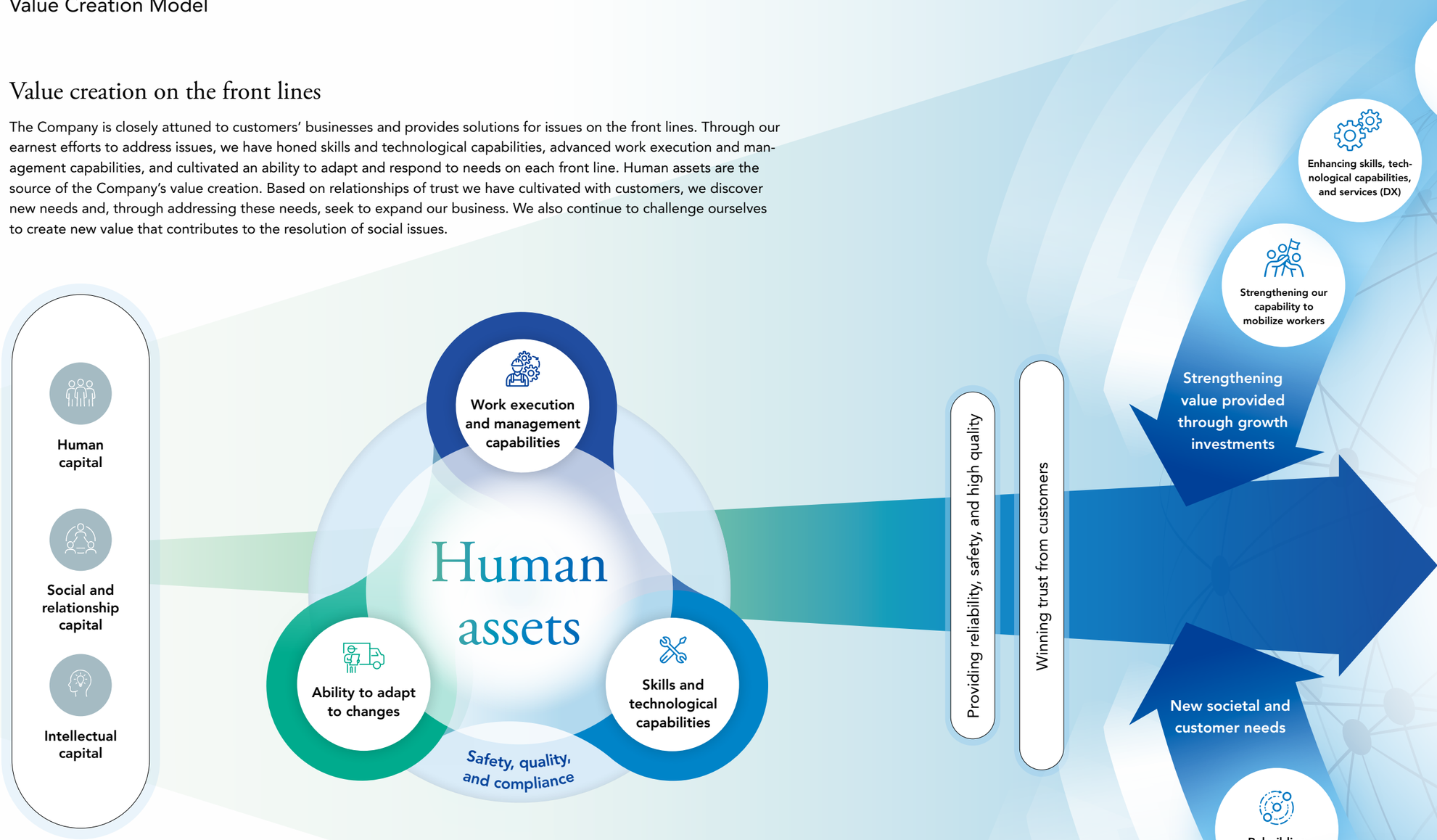
Naturally, my duty as CEO is to realize the happiness of all our stakeholders. I believe this means creating a situation where frontline workers want to work at Sankyu, customers are pleased that Sankyu performed their work, and shareholders and investors regard Sankyu as an outstanding company whose shares they want to hold. That is why the opinions, advice, and sometimes candid criticism we receive through dialogue with stakeholders serve as valuable input. I am convinced that by sincerely accepting such feedback and, when deemed necessary, incorporating it into our management proactively and swiftly, Sankyu will continue making changes for the better.

I hope that our stakeholders will continue to take an interest in the Company, share their candid opinions and advice, and lend their support to our continued development.

# Value Creation Model

## Value creation on the front lines

The Company is closely attuned to customers' businesses and provides solutions for issues on the front lines. Through our earnest efforts to address issues, we have honed skills and technological capabilities, advanced work execution and management capabilities, and cultivated an ability to adapt and respond to needs on each front line. Human assets are the source of the Company's value creation. Based on relationships of trust we have cultivated with customers, we discover new needs and, through addressing these needs, seek to expand our business. We also continue to challenge ourselves to create new value that contributes to the resolution of social issues.




### Ability to adapt to changes

We have built up a top-tier ability to adapt to changes by responding flexibly to shifting demands, challenges, and needs through numerous projects. Sankyu's history of responding to the full range of customer demands has earned it a reputation as the company to call when in need.

### Work execution and management capabilities

We emphasize frontline work execution and management capabilities. Our well trained, highly skilled, and technically capable human resource is dispatched all over the world. Our strength lies in using this approach to deliver high performance on any site and enable provision of trouble-free and reliable support for customers' businesses.

### Skills and technological capabilities

We have enhanced our skills and technological capabilities by refining the abilities of our employees. We are the preferred choice of customers due to the efforts of our individual on-site personnel to take on challenges and meet customers' expectations. These skills and technological capabilities have been built up over many years through training and sincere customer response.

Purpose

Thank you from our hearts.
SANKYU for life on our Blue Planet.

We at SANKYU are always grateful to the people around us. Together with our like-minded partners, we strive to continuously create new value to support the world's industries and protect this blue planet for all living beings.



# 2 Sankyu's Medium- to Long-Term Strategy

17 History
19 Strengths and Capital Cultivated by Sankyu
21 Revision of Vision 2030
22 Progress of Medium-Term Management Plan 2026
23 Message from the CSO
25 Message from the CFO
29 Message from the CHRO
31 Human Assets Vision
33 Human Resource Strategy









# CHAPTER 2

# History

## A history of continually growing by meeting diverse societal needs

Since its founding in 1918, Sankyu has expanded its business areas from port cargo handling to overland transport, on-site operations and logistics, and the construction and maintenance of equipment. The Company responds flexibly to changes in society and industry and continues to create new value. Going forward, it will expand into the new domains of social infrastructure and renewable energy.



### Sankyu's origins in port cargo handling

### Expansion into the business domains of logistics and plant engineering



### Expansion of the value provided through skills and technological capabilities



### Transition into a company that can reliably support all industries




## 1918

### Founding of Sankyu Transportation

**Changes in society**

During wartime, shortages of equipment and personnel needed for berthing and cargo handling led to inefficient cargo transfers as a social issue.

**Expansion of business domains**

The founder secured port cargo handling personnel to carry out the unloading of raw materials, the unloading and storage of coal, and coal-related on-site operations. In 1918, he established Sankyu Transportation Co., Ltd. in Moji City, Fukuoka Prefecture, thereby founding Sankyu.



### The founder's intent behind the Company's name



When founder Seishichiro Nakamura asked for directions in London, he was deeply moved by the parting words of the English gentleman who helped him, "thank you," which to the Japanese ear sounds like "sankyu." These words left a lasting impression, and later, when Mr. Nakamura founded a company specializing in port cargo handling, he combined the beginning letters of the locations where his business was based, Sanyo and Kyushu, to form the company name of Sankyu. In addition to resembling the Japanese pronunciation of "thank you," the name reflects Mr. Nakamura's personal motto of "gratitude."

## 1923

### First steps toward an integrated operation structure

**Changes in society**

As the focus of the energy domain shifted from coal to petroleum, securing petroleum supplies also became a national strategy in terms of munitions.

**Expansion of business domains**

In addition to winning a contract for petroleum transport, the Company entered the civil engineering contracting business, forming the foundation for an integrated response system covering transportation, construction, and on-site operations. It also began transporting and installing heavy equipment, laying the groundwork for its post-war reputation as a specialist in heavy load transportation.

## 1945

### Achievement of integrated land-sea transportation

**Changes in society**

During the tumultuous post-war period, many companies suffered functional deficiencies after receiving orders from the General Headquarters, Supreme Commander for the Allied Powers (GHQ/SCAP) to halt operations, and rebuilding Japan's industrial base became an urgent task.



**Expansion of business domains**

The Company launched a truck transportation operation, building its own transportation system in the process. Realizing an integrated land-sea transportation system able to handle work ranging from inbound delivery of raw materials to on-site operations and overland transport, it formed the base for the comprehensive services that came later.

## 1950

### Building of a foundation for globalization through business model transformation

**Changes in society**

Japan shifted rapidly from its post-war recovery to a high economic growth period. Large-scale projects and plant exports surged.

**Expansion of business domains**

In 1954, Sankyu became the first in post-war Japan to export a plant, earning its reputation as a specialist in plant exports. In 1959, the Company began full-scale global expansion, starting with the Usiminas Steel Plant construction project in Brazil.

## 1980

### Development of the maintenance business and the birth of 3PM*



* Abbreviation of "third-party maintenance"; refers to plant facility maintenance services performed on behalf of the owner or manufacturer by a third-party maintenance specialist

**Changes in society**

As demand for plant construction in Japan approached its peak, the Company entered a period where the focus shifted from new builds to preservation and maintenance of existing facilities.

**Expansion of business domains**

By undertaking all aspects of plant maintenance, the Company made contributions in terms of both quality and cost. From the 2000s onward, the Company began to promote maintenance services at full scale, trademarking Sankyu 3PM in Japan. The Company established a comprehensive maintenance system from a neutral position as neither a plant owner nor an equipment manufacturer.

## 2000

### Entry into businesses addressing social issues



**Changes in society**

As awareness of environmental issues increased, demand rose for environmentally friendly logistics such as green logistics.

**Expansion of business domains**

The Company established a dedicated department, accelerated its transition toward environmentally friendly business—including modal shifts—and provided services that address social issues.

## 2015

### Entry into new fields and expansion of the scope of service rollouts

**Changes in society**

The ability of companies to respond to technological innovation and environmental change was tested, and flexible business development and the ability to deliver solutions became essential.

**Expansion of business domains**

The Company expanded the 3PL business and focused on the maintenance business and the electricity, energy, and social infrastructure fields, strengthening its systems for supplying value.



## Into the future

**Transformation into the best partner for customers through the rollout of original business models**

# Strengths and Capital Cultivated by Sankyu

**Since its founding, Sankyu has continuously provided indispensable value to industries through its manufacturing, transport, and repair operations, even as it has changed form over time. We have been expanding the value we provide across eras, national borders, and industries.**

**The source of our value is trust, based on safety and quality and the underlying power of our people. This remains unchanged as we adapt to changes in society, enhance the power of our people, and continue to improve and refine ourselves to support all types of industries and contribute to the development of society.**




## Safety, quality, and compliance

With rigorous safety and quality control and adherence to compliance as the foundation of our management, we provide seamless support for our customers' businesses.
For many years, we have remained committed to safety and quality, steadily improving awareness and advancing relevant initiatives on a daily basis.





# Capital

## underpinning Sankyu's strengths

### Human capital

Human resource development, education curriculum, and technically capable human resources

| Employees | Education and training programs | Number of training facilities |
|---|---|---|
| 29,324 | 140 | 6 |

### Social and relationship capital

Business partners and large-scale clients

| Japanese and overseas consolidated subsidiaries | Sankyu Trucking Partner Cooperative Association member companies | Plant Engineering Business partner companies | Main customer industries |
|---|---|---|---|
| 60 | 59 | 580 | Steel, petrochemicals, electronic components, and consumer goods |

### Intellectual capital

Know-how for flexibly responding to customer needs
Insights into leveraging existing human resources and technologies in other domains

| Number of patents | Utility models | Design patents |
|---|---|---|
| 102 | 50 | 45 |

# Revision of Vision 2030

## Areas requiring improvement amid changes in the business environment and review of policy

Amid significant changes in the business environment, including shifts in Japan's industrial structure, supply chain restructuring, progress in DX, and labor shortages, the Company has once again assessed areas for improvement. We have reset key issues across business, financial, and non-financial areas and are revising our policy toward sustainable growth and enhanced corporate value.

**Vision 2030**

| Changes in the business environment |
|---|
| Labor shortages |
| Changes in supply chains |
| Ability to address carbon neutrality　Business structure reforms |
| Structural changes in domestic industry |
| Intensifying competition caused by DX |
| **Long-Term Management Strategy 2030　Three policies** |
| Business portfolio management and rebuilding |
| Expand existing customers' domains (business model innovation) |
| Take on the challenge of growth markets |

**in light of environmental changes**

**Update issues**

**how policies address issues**

**Clearly indicate**

**Revision of Vision 2030**

| Assessment of the business environment and areas requiring improvement | |
|---|---|
| Business | Expansion of our domains and increase of sales |
| | Resource optimization through improved management methods |
| | Utilization of technology to enhance skills |
| Financial | Further improvement of understanding of market expectations |
| Non-financial | Optimization of human resource utilization |

| Purpose and policies of the revision of Vision 2030 | |
|---|---|
| Business | Expansion into growth industries |
| | Promotion of portfolio management |
| | Improvement of productivity through digitalization |
| Financial | Transition to equity-based governance |
| Non-financial | Reproducible human capital circulation structure |

## Background of the revision of Vision 2030

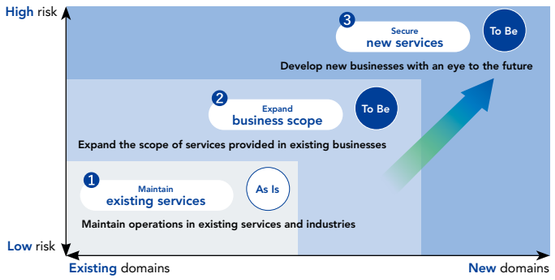
In the revision to Medium-Term Management Plan 2026 announced in May 2025, we set targets for equity ratio level and ROE with an emphasis on capital efficiency. To ensure alignment with this management policy, we reassessed our ideal form for 2030 and relevant priority initiatives and updated Vision 2030.

| | | | |
|---|---|---|---|
| Business | ● Improvement in the quality of earnings and allocation of resources to growth markets | Net sales | 750.0 billion yen or higher |
| | ● Cost structure reforms | Management costs (as a percentage of net sales) | 11% ⇒ 10% level |
| Financial | ● Equity management aimed at maximizing corporate value | Equity | 300.0 billion yen level |
| | ● Optimization of cash inflows and outflows | ROE | 14.6% or higher |
| Non-financial | ● Building of mechanisms that nurture human capital and unlock its value | Employee engagement results | 50% or higher |
| | ● Investments in digital technologies that achieve business differentiation and operational streamlining | Investments in digital technologies (Cumulative for FY2023–2030) | 30.0 billion yen |

* Employee engagement: The percentage of respondents who gave positive answers on engagement in the Sankyu Job Satisfaction Assessment

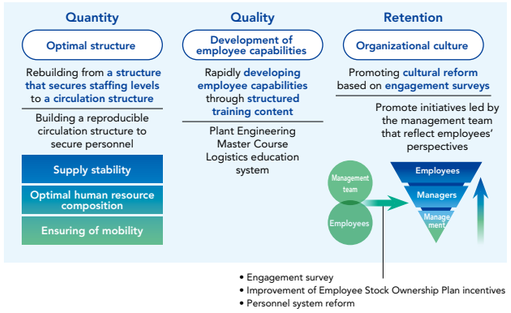
### M&A policy

Flexibly utilize leverage as needed to achieve future ROE improvement




### Measures for improving productivity: Human capital

We aim to build a system enabling the global mobility of human resources by implementing initiatives for stable personnel supply and survey-driven employee engagement improvement across domestic and overseas businesses.








# Progress of Medium-Term Management Plan 2026

## Toward the final fiscal year

We positioned the final year of Medium-Term Management Plan 2026 as a transformative period toward realizing our ideal form as set out in Vision 2030 and advanced various initiatives centered on four basic strategies. In FY2025, we revised Medium-Term Management Plan 2026 in light of changes in the external environment, focusing on cost structure reforms and optimizing personnel allocation mainly in the Logistics Business. The Plant Engineering Business is driving earnings and transformation is underway. We will work together as a Group to further advance this transformation.

## Main results

**Maintain and expand existing businesses**

### ❷ Expand overseas business

- We shifted our policy from expanding sales to enhancing profitability. In China, we are consolidating locations and reviewing personnel, and in Southeast Asia, we are implementing reforms such as reducing expatriate employee numbers.
- In FY2025, we established the India Business Strategy Department and the Middle East Task Force. We have positioned India and the Middle East as key strategic regions and are working to enhance our presence.
- We opened a maintenance center in Saudi Arabia and began human resource training aimed at securing turnaround maintenance projects.

### ❹ Enter new business domains

- **Logistics:** As groundwork for entering the robotics maintenance business, we are advancing collaboration with material-handling equipment manufacturers to expand integrated transportation and maintenance services. In addition, we have begun training and deploying drone pilots.
- **Plant Engineering:** We established the Infrastructure Business Development Department in FY2023. We entered the business of construction and maintenance of aging social infrastructure, such as roads, bridges, and sewage systems.

### ❶ Increase profitability of existing businesses

- **Logistics:** We reviewed unprofitable businesses and reduced layered costs, achieving some improvement in profit margins, though the pace of reform remains an issue. Furthermore, in July 2026, we established a real estate management company with the objective of improving the profitability of warehouse operations.
- **Plant Engineering:** In addition to steadily securing turnaround maintenance and other projects, we enhanced profitability through the acquisitions of Sanyou Kogyo Corporation in FY2024 and Hino Kensetsu Kogyo Co., Ltd. and Maruei Sangyo Co., Ltd. in FY2025.

### ❸ Seize and prepare for green opportunities

- **Logistics:** We are continuously engaged in the transport of fuel for biomass power generation. In FY2025, we commenced the transportation of recycled PET resin. Furthermore, we will join a demonstration project by the Ministry of the Environment, with an eye toward entry into the collection business for used solar panels.
- **Plant Engineering:** We steadily secured large-scale projects related to the renewable energy and hydrogen businesses. We are strengthening our structure to win projects, focusing on ancillary construction work for electric furnace conversion among customers in the steel industry and on wind power projects.

**Secure sustainable profitability from the present to the future (take on the challenge of growth markets)**

## Toward the next medium-term management plan

Under the next medium-term management plan, guided by the theme of "transformation into a company of renewed growth," we will make integrated reforms in business, financial, and non-financial areas. In terms of business, we will strengthen our business portfolio through expansion into growth markets and M&A and work to expand our earnings base. On the financial front, under management focused on capital efficiency, we aim to optimize cash allocation and improve ROE. Regarding non-financial matters, we will promote investment in human capital and the use of digital technologies and work to strengthen the management foundation that supports productivity improvement and value creation.



Sankyu's Medium- to Long-Term Strategy

Message from the CSO

**Tsuyoshi Kukihara**
Senior Managing Executive Officer (Director), Senior Executive Director, CSO in charge of business operations, Technical Development & Administration Division, CTO

# CSO MESSAGE

## Transformation and a leap forward toward sustainable growth

My name is Tsuyoshi Kukihara, and I was appointed chief strategy officer (CSO) in April 2025. Since joining the Company in 1986, I have gained extensive experience spanning frontline operations to management strategy. By combining my understanding of frontline operations and strategic perspective, I will drive business forward. Furthermore, as a compass guiding the Company's sustainable leaps forward in progress, I will pursue value creation beyond conventional boundaries and advance a solid growth strategy.

### Review of FY2025 and the trajectory of structural reform

FY2025, the third year of Medium-Term Management Plan 2026, was a year of structural transformation for the Company toward its next leap forward. Although we achieved a new record high in net sales, operating profit declined by 0.4% year on year. While the Plant Engineering Business drove sales, the main factors behind the weaker profit performance were the recording of an allowance for doubtful accounts overseas and the inability to execute cost pass-through in a timely manner amid the recent rise in costs. We take these results seriously and are working rigorously to identify current issues and moving swiftly to implement corrective action.

Meanwhile, investments and structural reforms aimed at future growth are steadily beginning to bear fruit. In the Logistics Business, we established a real estate management company in July 2026, with a main objective of improving the profitability of warehouse operations and enhancing asset efficiency. As for the Plant Engineering Business, we are advancing the reallocation of management resources, including making Maruei Sangyo Co., Ltd. a subsidiary and laying the groundwork for the expansion of the overseas maintenance business through collaboration with SWTS Asia Pte. Ltd. In addition, we have identified West Asia as a key growth area and formed a task force targeting the Middle East and India, building a foundation for the next medium-term management plan. We position these initiatives as strategic investments to enhance the resilience of our medium- to long-term earnings base while also advancing cost reductions embedded in our existing business structure.

### Revision of Vision 2030

In May 2026, we revised Vision 2030. Behind this revision lies a strong sense of urgency that, given the rapid changes in the business environment, sustainable growth will be difficult if we stay on the current course. Our current business portfolio still has structural issues, such as a high dependence on specific core industries and the dispersion of management resources due to localized optimization at individual sites. We have determined that, following an assessment of areas requiring improvement, we need to establish new management guidelines to address these issues.

We are adopting the following three policies for future business expansion.

First, we will expand into growth industries, making growth investments in areas such as social infrastructure, the environment, and electric power in order to improve the balance of our business portfolio. Second, we will promote portfolio management, establishing a Company-wide business evaluation framework to strengthen the linkage between financial and non-financial capital. Third, we will improve productivity through digitalization, visualizing and digitizing quantitative information from the front lines and linking it directly to management decision-making.

### Concrete implementation measures and improvement initiatives

We will launch the following three improvement initiatives.

**1. Expansion of our domains and increase of sales**

**Expansion into growth industries**

By advancing insourcing in domains that are highly dependent on outsourcing, we will improve profitability. At the same time, we will leverage M&A, CVC, and business succession funds together with a specialized department whose operations include PMI support to expand both the breadth and scope of our businesses.

**2. Resource optimization through improved management methods**

**Promotion of portfolio management**

While one of our strengths has been sales rooted in the local community and conducted by staff stationed on-site, localized optimization has led to the dispersion of resources. Moving forward, we will introduce a business evaluation framework that emphasizes productivity and capital efficiency and promote Company-wide portfolio management through ERP-enabled data utilization. Furthermore, we will embed an ROIC-based management approach across the Company and build a system that proactively pursues returns on investment.

**3. Utilization of technology to enhance skills**

**Improvement of productivity through digitalization**

We believe skills can be divided into three categories: "explicit knowledge," which can be codified as routine work; "tacit knowledge," which enables employees to handle non-routine work; and "craftsmanship." We are certain that the value added by work that requires craftsmanship will continue to rise. We will leverage cyber-physical systems and AI to convert difficult-to-articulate craftsmanship into explicit knowledge that can be visualized, replacing qualitative on-site judgments with objective numerical data, avoiding mistakes, and building sustainable competitive advantage.

### Toward management practices focused on capital efficiency

In the revision of Medium-Term Management Plan 2026 announced in May 2025, we positioned capital efficiency as a core pillar of management. We have optimized our equity ratio level and set a must-achieve ROE target.

My career is built upon the experience I gained at construction sites, and I have incorporated the most fundamental principle I practiced on-site, the 3S principle (*seiri*, *seiton*, and *seiketsu*), into the Company's management. *Seiri* means to decisively discard legacy systems and unnecessary organizations that will not be needed in the future. *Seiton* means to allocate resources to the right locations in line with changes, and *seiketsu* means to constantly verify the effectiveness of established systems to ensure they do not devolve into mere formalities.

Specifically, we will standardize frontline operations through a Fit to Standard (F2S) approach and exercise judgments and decision-making based on the quantitative information collected. By converting qualitative judgments into quantitative data, we will vigorously push forward the creation of a management framework oriented toward overall optimization that everyone can readily understand and accept.

### To our stakeholders

The Company is steadfastly committed to its guiding management principle of valuing people. Our employees accumulate skills that have universal value and transcend borders and language to become lifelong assets that can never be taken away. It is our responsibility to maximize the value of these human resources. We must reinvest profits generated through our business in the next stage of growth and in our people. The perpetuation of this virtuous cycle, I am convinced, is the key to building a sustainable future. We hope you will look forward to the Company's future as we continue to grow together.

# Message from the CFO



**Satoshi Kitami**
Senior Managing
Executive Officer, CFO

CFO MESSAGE

## Realizing a financial strategy for the next generation

My name is Satoshi Kitami. I joined the Company in June 2025 and was appointed chief financial officer (CFO) in April 2026. Through my long career in investment banking, I have cultivated expertise in industry and corporate analysis and accumulated extensive experience in M&A and finance transactions. Building on this expertise, I aim to realize a financial strategy for the next generation from within the Company, pursuing sustainable growth and enhanced corporate value.

### Perspective on our business structure

A defining characteristic of the Company is its Logistics and Plant Engineering Businesses as the driving force of the entire Group. In recent years, changes in the economic environment and competitive landscape have led to differences in the growth potential and profitability of these businesses.

In the Logistics Business, given the crowded nature of the industry, price competition has intensified, keeping profitability relatively low. On the other hand, cash collection is relatively swift, resulting in stable cash flow. By contrast, the Plant Engineering Business leverages Sankyu's strengths in skills, technological capabilities, and mobilization capabilities to achieve high profitability, but the cash collection cycle is relatively long, requiring cash management measures such as receivables securitization.

There was a period when the two businesses supported each other and grew together, but merely maintaining that balance is not sufficient to sustainably enhance corporate value. We are working to accurately identify the characteristics and issues of each business and introduce ROIC by segment to visualize competitiveness while reviewing our organizational structure and systems. This fiscal year, we will lay the groundwork for reform to achieve a forward leap toward realizing renewed growth.

### Review of FY2025

In FY2025, we achieved net sales of 631.6 billion yen, operating profit of 43.2 billion yen, ordinary profit of 43.4 billion yen, and profit attributable to owners of parent of 31.5 billion yen, marking record highs for both net sales and profit attributable to owners of parent.

In the Logistics Business, although we made progress on structural reforms in our China business, profitability improvements in our Middle East business, and price revisions, we were unable to fully absorb rising costs, and conditions remain somewhat challenging.

In the Plant Engineering Business, despite being in an off-peak period, sales reached a record high level due to the early completion of certain projects, and operating profit further exceeded our upwardly revised forecast made in the second quarter.

On the balance sheet, while total assets increased due to business expansion, we acquired 20.0 billion yen in treasury shares to improve capital efficiency, resulting in net assets of 307.0 billion yen and an equity ratio of 54.2% for FY2025. In addition, the total return ratio, combining dividends and treasury share acquisitions, was 103.1%.

Regarding cash flow, cash flows from operating activities were 52.0 billion yen (an increase of 8.5 billion yen year on year), while we recorded a net cash outflow of 19.2 billion yen (a decrease of 7.3 billion yen year on year), and cash flows from financing activities were allocated to shareholder returns and debt reduction.





### Outlook for FY2026

Looking at conditions in Japan and overseas, numerous factors affecting performance have become apparent, including geopolitical risks such as issues in the Middle East, rising volatility in foreign exchange rates and interest rates in capital markets, and changes in management practices driven by advances in AI. To respond to these changes in the business environment, we will advance measures aimed at building a leaner and more robust corporate structure.

We position this year as one of solidifying the foundation for the next stage of the Logistics Business. First, we will steadily move forward with unit price revisions that cover cost increases while also reducing costs through structural reforms. In Japan, we will pursue selection and concentration through withdrawal from unprofitable businesses, along with reskilling to optimize human resources. Overseas, we will further deepen structural reforms in China and improve earnings through fixed cost reductions at our Southeast Asian locations. As a result, we forecast net sales of 296.5 billion yen (up 0.4% year on year) and operating profit of 11.3 billion yen (up 15.3% year on year) for the Logistics Business.

In the Plant Engineering Business, maintenance work volume is expected to increase, as this is a major year for turnaround maintenance. Accordingly, we will reflect additional work associated with such maintenance into our performance forecast more precisely than in ordinary years' planning, and work to improve profit margins. Regarding facilities construction work, since large-scale construction projects are entering an off-peak period, we will focus on securing profits while working to develop large-scale projects for the next fiscal year onward. As a result, we forecast net sales of 311.1 billion yen (up 1.2% year on year) and operating profit of 33.1 billion yen (up 6.8%) for the Plant Engineering Business.

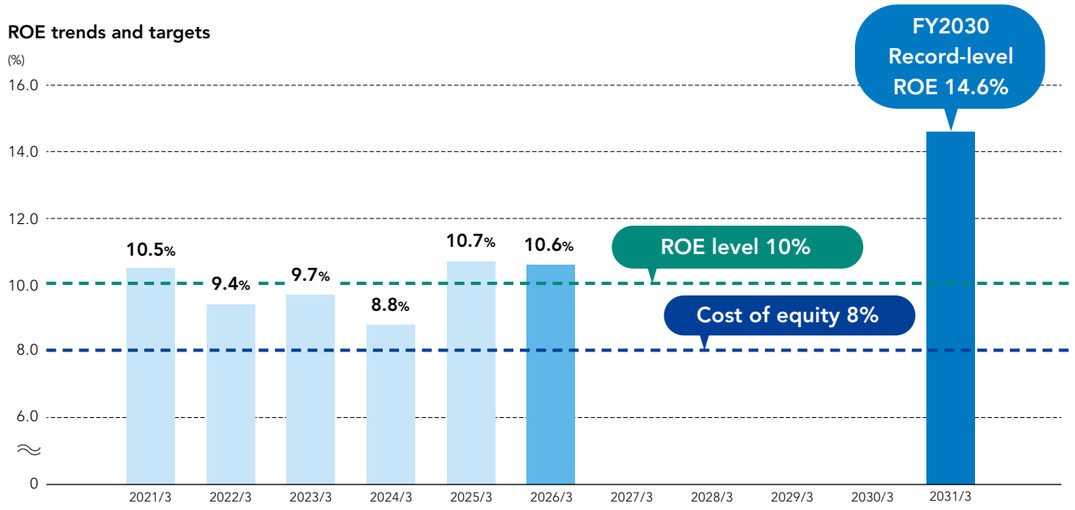
### FY2026 financial strategy and policy

Looking back over the past ten years, base ROE peaked at 14.6% in FY2018, then fell below 10% for a period. We recognize this as the result of an imbalance created as net assets increased while profitability remained largely unchanged. Against this backdrop, under the review of Medium-Term Management Plan 2026 published in May 2025, we have worked to maintain an ROE level of 10% through shareholder returns, including treasury share acquisitions, and cost structure reforms with an emphasis on return on capital.

This year, the final year of Medium-Term Management Plan 2026, we will take a further step beyond simply maintaining an ROE level of 10%. Looking toward FY2030, we will once again aim for ROE of 14.6% and work to maintain and improve that level. However, pursuing ROE alone will not be sufficient in this effort. We will seek to enhance corporate value by recognizing our cost of capital and improving our equity spread, while also focusing on growth investments to transform into a company appropriately valued by price earnings ratio (PER) and price book-value ratio (PBR), key share price valuation indicators.

In addition, we will tighten our investment and withdrawal criteria. Amid significant recent shifts in economic conditions and interest rate trends, we will pursue meticulous and bold management strategies while reviewing our cost of capital in response to changes in the business environment. Under Medium-Term Management Plan 2030, beginning FY2027, we will disclose more specific measures with quantitative figures to deepen communication with investors and other stakeholders.

**ROE trends and targets**



Sankyu's Medium- to Long-Term Strategy

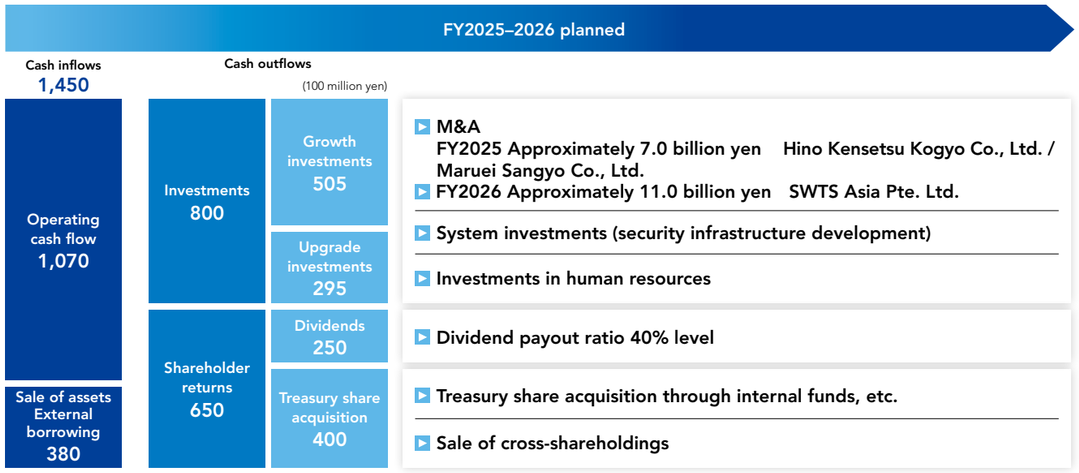
# Message from the CFO

## Approach to cash allocation

In addition to realizing our business plans, allocating generated cash flow is a critical matter that significantly affects medium- to long-term corporate value.

In the Logistics Business, we have begun implementing three strategies: selection and concentration, reskilling, and elimination of multi-layered structures. We will also pursue asset-light strategies for real estate facilities and other assets, striving to improve overall profitability and generate cash flow. In the Plant Engineering Business, we will deploy existing resources for the steel and chemical industries, two areas of strength for the Company, into new business domains such as social infrastructure. While maintaining the earnings base of existing businesses, we will drive forward the transformation of our business portfolio, including M&A activities.

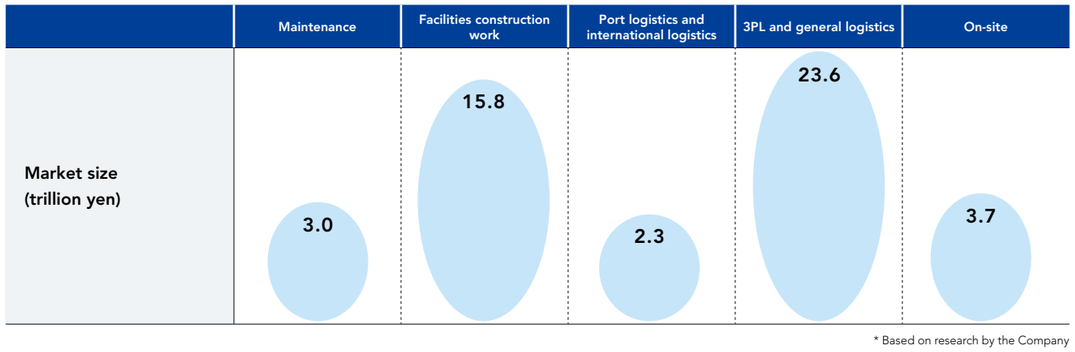
### Cash allocation




## M&A policy supporting growth

To execute M&A-driven business strategies while responding to changes in the external environment, it is essential to understand the market size for each segment. Based on various statistical data, we estimate the market size at 3.0 trillion yen for maintenance work, 15.8 trillion yen for facilities construction, 2.3 trillion yen for port logistics and international logistics, 23.6 trillion yen for 3PL and general logistics, and 3.7 trillion yen for on-site (steel and chemical plant) operations. The Company's sales share of these markets is not necessarily high, and we believe there is considerable room for share expansion. Amid such external conditions, M&A strategy is one measure for realizing short-, medium-, and long-term business strategies.

### Market size




* Based on research by the Company



To effectively capture the opportunities of these markets, we will gradually shift our M&A focus from mere upgrade investments in existing businesses to expanding the scope of business and entering new business domains. Furthermore, in terms of execution structure, we have centralized the M&A evaluation and execution functions that were previously spread across the Company, creating a more agile structure. Upon clarifying investment and withdrawal criteria as mentioned above, we will achieve capital allocation that contributes to maximizing corporate value through growth investments.

## Capital policy and shareholder returns

Amid ongoing earnings structure reforms and growth investments, FY2025's dividend was 246 yen per share (up from 232 yen year on year), based on our policy of maintaining a payout ratio at the 40% level. In FY2026, in line with this policy, we plan to set dividends to a level that represents an effective increase alongside a stock split. Regarding treasury shares, we plan an acquisition in the amount of 20.0 billion yen, the same as the previous fiscal year, continuing our capital efficiency-focused approach to shareholder returns.

Furthermore, we will launch a share liquidity project in FY2026 to enhance share liquidity and broaden our investor base. We plan to carry out a five-for-one stock split effective October 1, 2026. Going forward, we will advance multifaceted initiatives, including promoting IR activities targeting individual investors and expanding Employee Stock Ownership Plan incentives.

## Deepening dialogue with capital markets and enhancing information sharing

In April 2026, we established the Corporate Communication Department, integrating public relations functions to strengthen our information disclosure framework. To promote management and disclosure that considers investors' perspectives, we conducted first-time initiatives including a small meeting with Independent Directors and a site tour in the Middle East in addition to releasing a business introduction video for investors. Through these opportunities, we will establish a cycle for reflecting feedback from capital markets into our management and information disclosure practices.

Meanwhile, subjects have been raised through dialogue sessions. Ultimately, the profitability of both the Logistics Business and the Plant Engineering Business is underpinned by human capital in the form of skills and technological capabilities cultivated on the front lines. While investors have shown strong interest in the growth strategy of the Plant Engineering Business, we sincerely recognize that there is room for improvement in communicating how said skills and technological capabilities translate into profitability for both businesses. We will continue to engage in dialogue on how our human resource strategy is connected to the creation of corporate value.

## To our stakeholders

I decided to join the Company because the management team's resolute commitment to embracing transformation resonated with me. I aim to align the perspectives of management, frontline employees, and investors through financial strategy. By accelerating growth investments while rigorously practicing management focused on the cost of capital, I will elevate Sankyu's corporate value to a more robust and enduring level. I hope everyone looks forward to Sankyu's transformative journey toward 2030, built through constructive dialogue with our stakeholders.



Sankyu's Medium- to Long-Term Strategy

# Message from the CHRO

**Tomomi Iguchi**
Senior Managing Executive Officer
(Representative Director), CHRO,
in charge of Administration and ESG

# CHRO MESSAGE

## Putting employees first and building a company where they can work with pride

My name is Tomomi Iguchi, and I was appointed chief human resources officer (CHRO) in April 2026. Since joining the Company in 1990, I have built a career over 30 years dedicated to labor management and human resources. By aligning management strategies with human resource strategies, I will fulfill my responsibilities as CHRO to help further create a company where employees working diligently on the front lines are rewarded fairly.

### The strengths of Sankyu's human resources

The diverse human resources of the Company work together as one to support large-scale production infrastructure, such as the plants of our customers in the steel and petrochemical industries. The Company's mobilization and execution capabilities enable safe and stable operations 24 hours a day, 365 days a year, and represent strengths unique to Sankyu.

These competitive advantages are not built solely through technical and skill training. In addition to hands-on experience, they are cultivated through daily interaction with colleagues—communicating in the workplace and sharing living spaces in company housing—and through personal growth. We place the highest priority on employees putting safety first, respecting colleagues, and acting with consideration of the perspectives of others, and these values are passed down through daily collaboration. Especially in environments where danger is ever present, it is essential that each employee act not in self-interest but on the basis of trust with colleagues and customers. This human conduct is consistent with our corporate mottos of *jimon jito* (self-questioning) and *kansha* (appreciation). We recognize that cultivating a workforce possessing not only skills and technological capabilities but also strong character has created the foundation for our frontline capabilities and has served to support us for many years.

### Enhancing corporate value through the growth of every employee, guided by the Human Assets Vision

In 2025, we established the Sankyu Group Human Assets Vision to further strengthen and leverage our strengths in pursuit of realizing Vision 2030 and our purpose. Under the Human Assets Vision, we redefined the qualities we seek in human resources and formulated a human resource strategy designed to create an environment in which they can play even greater roles. But in order to strengthen the competitiveness of existing businesses and create new value in growth areas such as green logistics, renewable energy, and social infrastructure maintenance, we need a strategy that is not simply an extension of past approaches. We position the Human Assets Vision as a guiding principle for growth supported by our people amid significant changes in the business environment.

Two areas upon which I place particular emphasis are the transformation of our human resource portfolio and the reform of our personnel system. To link the direction set forth in the Human Assets Vision with business growth, we need to review our portfolio from a medium- to long-term perspective. If departments retain human resources optimized solely for their own operations and conduct personnel management operations merely aimed at filling vacancies, the Company will not be able to respond to changes in the business environment. Investment in human resources is our highest priority, as frontline skills are the source of our competitiveness. We will clarify the Group's priority areas for growth, identify skills and other qualities needed in these areas, and advance development, recruitment, and allocation of human resources accordingly in a unified manner. Moreover, we will steadily develop the next generation of leaders who possess ideas and execution capabilities that go beyond the status quo, which are required to capture new markets and opportunities.

Another important aspect of transforming our human resource portfolio is integrating a diversity, equity, and inclusion perspective. We believe that allocating human resources by leveraging individual strengths, without regard to nationality, gender, or background, helps place the right people in the right positions, contributing to the enhancement of corporate value through organizational revitalization and the creation of new value. In addition, to achieve a target ratio of 11% for women in managerial positions by FY2030, which we have set as a material issue, we will also work to strengthen career advancement training and support for balancing work with childcare and caregiving.

### Establishing a personnel system that appropriately recognizes effort and achievements

Personnel system reform serves as the foundation for enhancing the execution of the above-mentioned human resource strategy. We will move away from seniority-based practices and revise decision-making regarding job grade, performance evaluation, and treatment to reflect individual employee roles. We will also introduce a system that promotes the further development of highly skilled professionals.

What matters most is increasing employees' satisfaction with their performance evaluations and how they are treated. Through my experience overseeing the front lines, I have observed the strong sense of responsibility with which each employee engages in on-site operations. I am deeply convinced that we must transition to a system in which those who work diligently, take on challenges, and deliver results are rewarded appropriately, and that we must create an environment that inspires employees to give their best every day.

Simply designing a system is not sufficient; a revised system only has value if it functions effectively and is embraced by those on the front lines. Thus, we are moving forward with our review of the new personnel system, aiming for its introduction in FY2028, and through our reforms we seek to foster a corporate culture in which employees can freely voice their opinions, regardless of age or career status, and take pride in their roles. Regarding our engagement score, we are first aiming for a positive response level of 50% or above. Furthermore, looking beyond this goal, we will advance efforts to create an environment in which employees can work with enthusiasm, including improving our personnel system.

### Employee initiative supporting Sankyu's growth

Having visited numerous sites, engaged in dialogues, and at times implemented difficult measures, I am convinced that our people are the source of our competitiveness, and that our frontline capabilities underpin Sankyu's value creation. I continue to value the frontline perspective I have cultivated and will work to further create an environment where employees who work diligently are rewarded fairly and can take pride in their roles and successes.

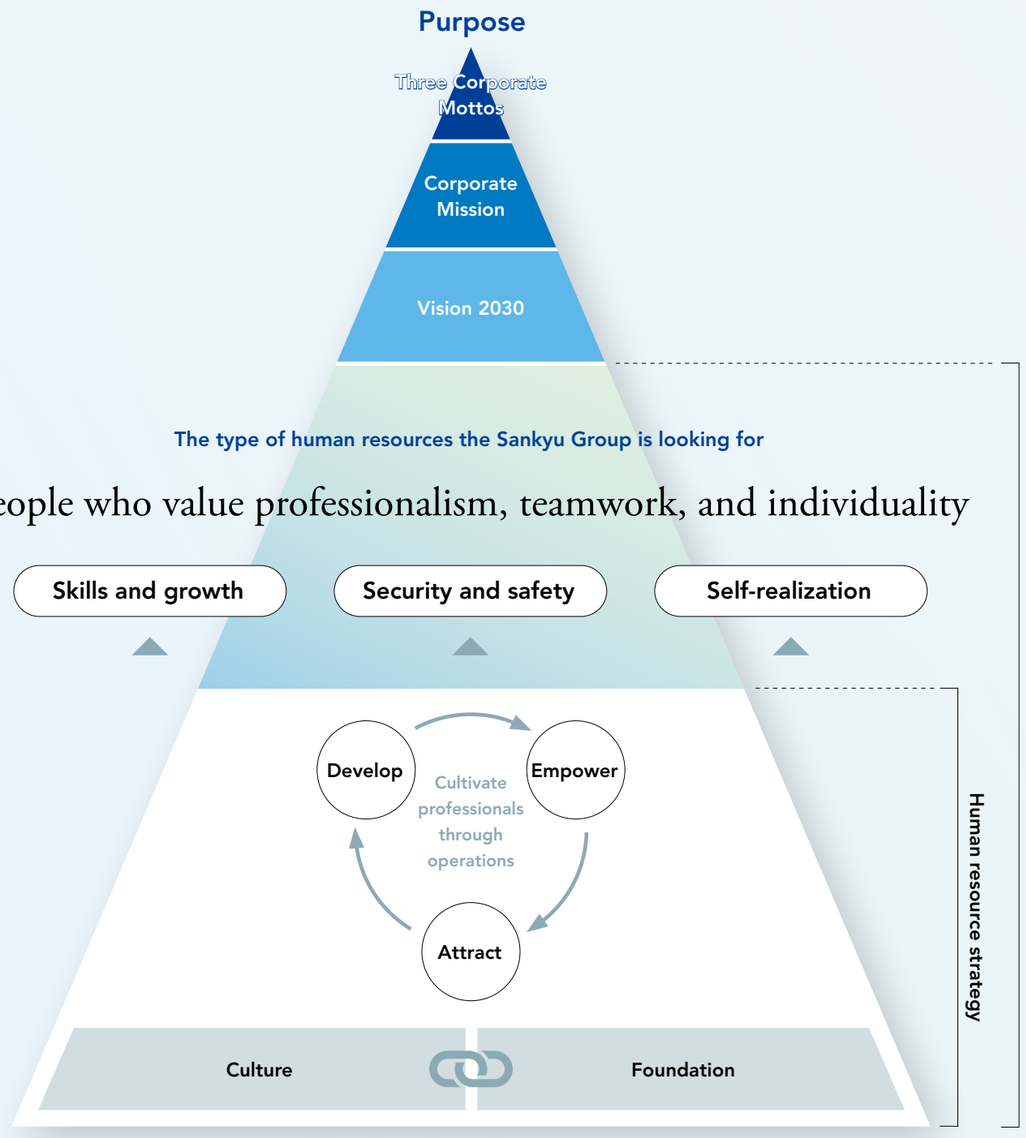
I hope that each employee recognizes the value of the work in front of them and approaches it diligently while thinking and acting autonomously with an eye to the future. This sentiment arises from the fact that, particularly in times of major changes in the business environment, it is important not to remain satisfied with the status quo, but to seek better methods and work with others to overcome challenges, as such an attitude will support the next stage of growth. I will do my utmost to ensure that employees taking on challenges of their own volition and striving to push forward can realize their full potential. Furthermore, I will strive to make Sankyu a company where, at the end of their tenure, all employees smile and say they were glad to have worked here and met their colleagues.

Sankyu's Medium- to Long-Term Strategy

# Human Assets Vision

## Sankyu Group Human Assets Vision system diagram

To achieve our purpose and Vision 2030, we have formulated the Sankyu Group Human Assets Vision, which outlines the ideal employee profile, the company's aspirations for these employees, and the human resource strategy to realize these aspirations.




## The type of human resources the Sankyu Group is looking for

The Sankyu Group's corporate mission is to contribute to the betterment of society as a whole in line with its purpose: "Thank you from our hearts. SANKYU for life on our Blue Planet." We aim to be a company full of human potential that expresses gratitude for people, society, and the environment through its business. This sentiment symbolizes the Sankyu Group's determination to continue to show gratitude to people, to develop people-focused businesses, and to aim for the Company and its employees to grow and develop together by solving social issues.

The Sankyu Group seeks human resources who value three things: professionalism, teamwork, and individuality. The Sankyu Group offers a wide range of fields in which people can thrive.

### The Sankyu Group's sentiment towards human resources (providing value)

The Sankyu Group espouses the principle of "valuing people." This means valuing the professionalism, teamwork, and individuality that Sankyu seeks, and providing an environment where colleagues can joyfully thrive together.

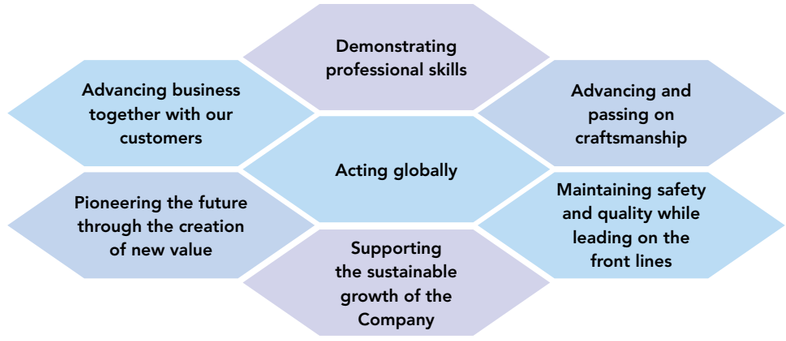
**The Sankyu Group's sentiment towards its human resources**

**What valuing people means**

Providing an environment where colleagues can joyfully thrive together

| Professionalism | Teamwork | Individuality |
|---|---|---|
| Skills and growth | Security and safety | Self-realization |
| Fostering employee potential | Fostering a workplace where mutual respect is valued | Fostering pride and a sense of purpose |
| We provide an environment in which employees can acquire solid skills needed to create added value and enhance their own strengths and potential. | By fostering a safe and secure workplace where different perspectives and individual personalities are mutually respected, we provide an environment that enables collaboration among colleagues. | We provide an environment where employees can recognize the meaning and importance of their work as they make an effort to reach self-realization, thereby instilling pride and a sense of purpose. |

### Diverse fields

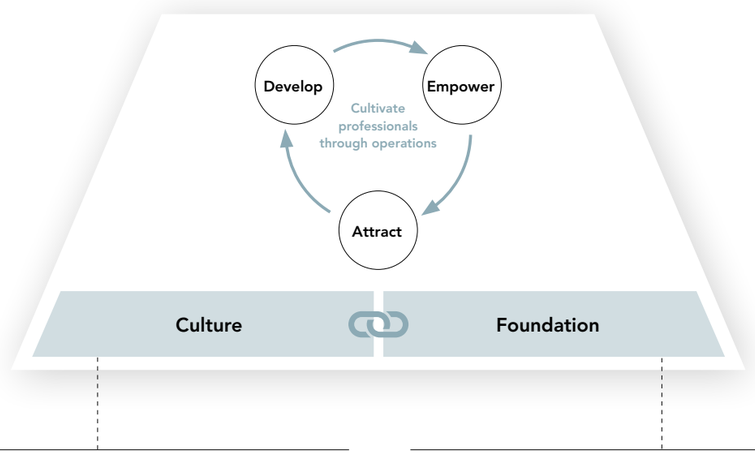


Sankyu's Medium- to Long-Term Strategy

# Human Resource Strategy

To realize its commitment to valuing people, Sankyu cultivates professionals through operating three cycles built on the foundations of workplace culture and the personnel system: "attract" (recruitment system), "develop" (employee career-building), and "empower" (provision of opportunities).

Guided by this commitment to valuing people, Sankyu will continue to advance these efforts and not allow them to stall.




## Creating workplaces where employees can work with vigor and a sense of purpose

To retain diverse human resources and create a workplace where they can work with vigor, the Group aims to enhance the sense of purpose employees find in their work and workplace comfort.

CASE STUDY

### Employee voice

Odaiba Logistics Group, Tokyo Branch

**Ryo Odawara**

Sankyu's employees naturally act for the customer's benefit. This attitude is deeply rooted within the Company. Improvement proposals pursued by the team as a whole reflect their pride in working together to make their workplace better. Taking satisfaction in pooling our collective wisdom and solving problems together, we drive the creation of a lively workplace.

**Company initiatives**

By fostering a culture in which diverse human resources across generations and positions respect one another, and each person's insights lead to results and a sense of accomplishment, we will continue to build a workplace where people work with vigor and a sense of purpose.

## Building frameworks that foster commitment, growth, and the drive to take on new challenges

The Sankyu Group has a diverse workforce, and to ensure that employees continue to grow sustainably with a sense of purpose and a desire to take on new challenges, we will update our personnel system to one that rewards each employee fairly and equitably with transparency.

CASE STUDY

### Employee voice

Equipment Engineering Group, Yahata Branch

**Takahide Nonaka**

Thanks to the Company's comprehensive support of my efforts in attaining professional certification, in terms of both time and a conducive learning environment, I was able to obtain Grade 1 machine assembling and finishing certification and later won the Company-wide finishing competition, giving me a strong sense of personal growth. I am grateful to work in an environment that supports employees' desires to take on new challenges, and I intend to show my gratitude through delivering results.

**Company initiatives**

We will create systems that fairly and equitably evaluate the challenges employees have taken on, such as attaining professional qualification, and link those efforts to growth and results. We support each employee's desire to take on new challenges by supporting skill development and expanding opportunities for them to thrive.

## Attract

## Communicating our appeal to attract diverse human resources and establishing a new recruitment system

To ensure we can secure the personnel necessary for the sustainable growth of our business, we will actively communicate the unique appeal of the Sankyu Group and establish a new recruitment system to onboard new personnel.

CASE STUDY

### Employee voice

Port Operation & Agency Group, Yokohama Branch

**Kanon Kajiwara**

From the moment I joined, I was given many opportunities to take on challenges, and I carry out my work in an environment where I can shape my ideas into reality. Guided by the conviction that the first step is to try without fear of failure, I feel myself growing through daily trial and error.

**Company initiatives**

We will create an environment in which diverse human resources, including mid-career hires, can demonstrate their abilities and take on challenges from day one. Through hiring that focuses on people's character and a culture that supports taking on challenges, we aim to be a company where employees turn their aspirations into reality and grow together.

## Develop

## Supporting autonomous career development

We offer diverse career paths and provide a growth environment that enables employees to envision the careers they would like to realize and grow independently with a sense of purpose.

CASE STUDY

### Employee voice

Construction Group 3, Higashinihon Business Office, Civil Engineering Dept.

**Midori Kunisaki**

I would like to leverage the successes and experiences I have built up in Japan overseas and test my own potential. I believe working at overseas sites is more challenging for women than performing similar work in Japan. However, I want to keep challenging myself by leveraging and honing my individual talents without having my possibilities limited by gender or nationality bias.

**Company initiatives**

We will establish diverse career paths and growth opportunities so that employees with the will and ability to take on new challenges can thrive in both Japan and overseas, regardless of gender or nationality. We will promote an environment in which they can broaden their own possibilities and continue challenging themselves.

## Empower

## Optimizing employee placement and increasing employee mobility with a focus on global business expansion

We will promote planned and dynamic human resource mobility so that our diverse workforce can play an active role globally within the Sankyu Group.

CASE STUDY

### Employee voice

Project Group 2, International Project Dept.

**Yuto Yuzawa**

At overseas sites, cooperation that transcends national and cultural differences is essential. Through continuing to take on challenges together with colleagues around the world, my perspective and experience have broadened. I will deliver Sankyu's value globally and contribute to business development while pursuing safety and quality.

**Company initiatives**

Even at overseas locations, we will promote optimal employee placement and planned human resource mobility to ensure employees can demonstrate their strengths while pursuing safety and quality alongside diverse colleagues. We will cultivate environments in which personnel taking on global challenges gain diverse experiences and broaden their perspectives while contributing to business growth.

## Human Resource Strategy

# Challenges and growth who will carry Sankyu



**Shuta Kaneko**
Technical Group, Plant Maintenance Technical Development Dept.

### I will complete projects while valuing the safety of my colleagues and our teamwork.

My guiding principles are to value my colleagues and to complete projects safely as a team. I am currently responsible for managing inspection work associated with turnaround maintenance at a petrochemical plant. Because such work involves collaborating with many personnel to advance large-scale maintenance projects, teamwork is everything. In line with the Group's principle of valuing people, I always place the safety of the workers on site—where danger is ever present—first. To uphold safety, it is essential that each person acts with consideration for and cooperates with their colleagues. Going forward, I will continue growing with the Group's sentiment towards its human resources in mind.

### Armed with the professionalism and network of colleagues I developed on the front lines, I aim to become an employee that can thrive globally.

Since joining the Company, I have mainly worked in Japanese warehouse operations, and currently provide planning proposals from a Company-wide perspective to customers in Japan and overseas who face logistics issues. I have consistently valued expertise and collaborating with colleagues. I acquired this mindset from my experiences overcoming various problems together with colleagues on the front lines, as well as from the attitude of supervisors and senior colleagues who approached their work with a sense of responsibility as logistics professionals. Going forward, as the type of employee sought after by the Sankyu Group, I will continue to value professionalism and my colleagues, and aim to thrive on the global stage—my goal since joining the Company.



**Masataka Tanabe**
Planning Group, 3PL Planning, Sales & Marketing Department

# of the human assets into the future



**Kanna Ueno**
Customer Service Group, Tokyo Branch

### As a logistics employee with a strong sense of professionalism, I will continue to grow while developing junior employees.

I strongly resonated with the Human Assets Vision of fostering skills and growth through a mindset of professionalism. Logistics work goes far beyond customs clearance. It encompasses a wide variety of areas including site coordination and customer service and requires an extremely high level of expertise. Since joining the Company, I have deepened my knowledge through a robust training system and e-learning, and thanks to a working environment that actively provides young employees with opportunities, I have steadily felt my skills improve. Going forward, I will build on the knowledge and experience I have gained and carry out my work with an even stronger sense of professionalism. Furthermore, I want to focus not only on my own growth, but on developing junior employees, contributing to the overall development of the Company as a thriving member of its workforce.

### I will become a leader who respects and works collaboratively with colleagues and values individuality.

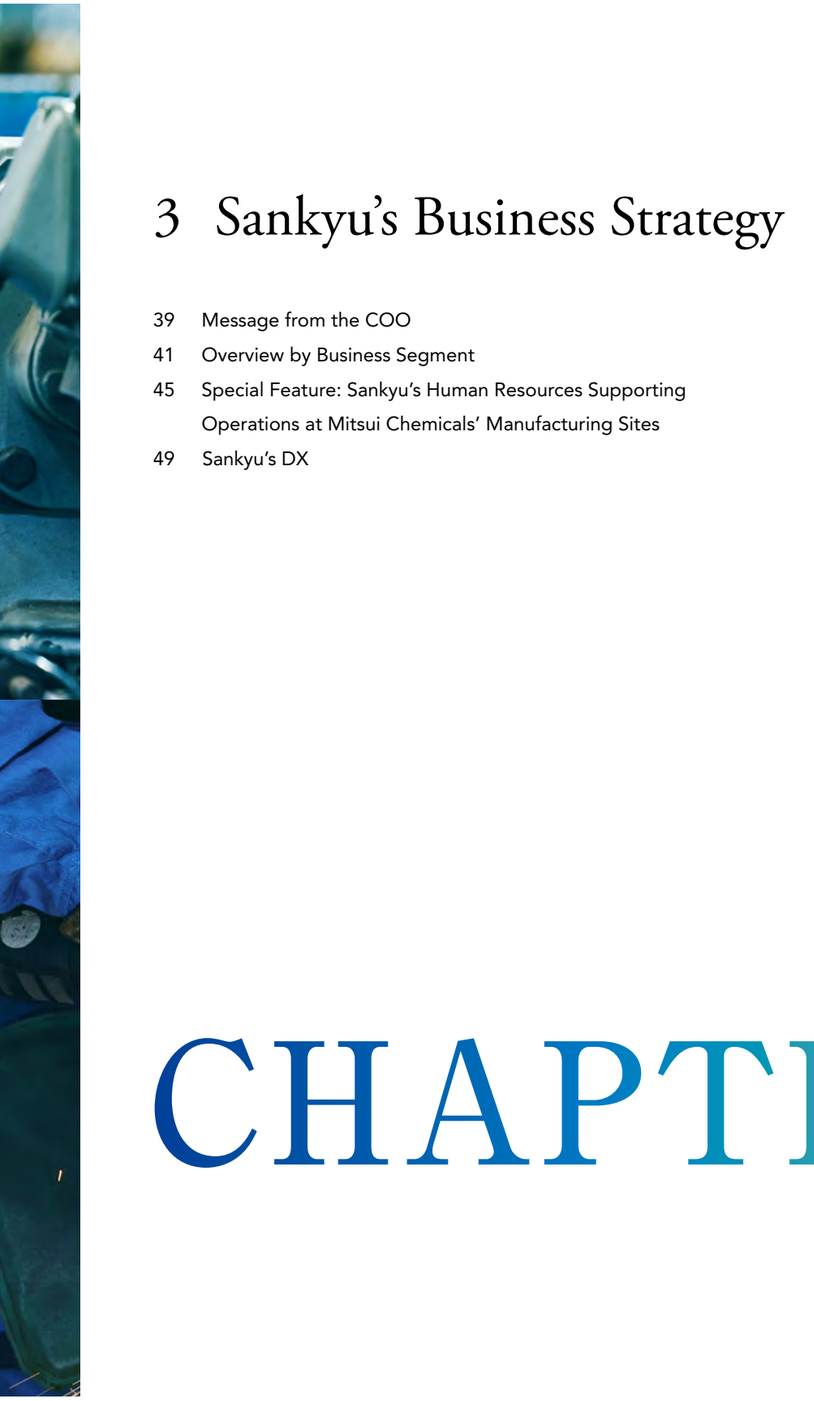
I am currently engaged in piping design work for a large-scale construction project. This project is being executed under an EPC (engineering, procurement, and construction) contract, and people from various fields—including civil engineering, machinery, piping, electrical, and instrumentation—work daily toward its success. From the design stage to execution at plants, many colleagues work together to bring a plant to life. Although the process is not without challenges, overcoming them makes the accomplishment all the more rewarding. I find this work meaningful because it involves valuing and respecting each other as colleagues while working to create something together. I intend to continue growing in the future and aim to become a project manager.



**Ahmed Wafi Bin Ghazali**
Piping Group, Engineering Department

# 3 Sankyu's Business Strategy

39 Message from the COO
41 Overview by Business Segment
45 Special Feature: Sankyu's Human Resources Supporting Operations at Mitsui Chemicals' Manufacturing Sites
49 Sankyu's DX





CHAPTER 3



Kenji Ohnaka
Senior Managing Executive Officer (Representative Director), COO, in charge of Areas, Supervisor of Areas, and Supervisor of Safety

# COO MESSAGE

## Aiming for medium- to long-term growth through entry into new business areas and proactive overseas expansion

My name is Kenji Ohnaka, and I was newly appointed to the position of chief operating officer (COO) in April 2026. Since joining the Company in 1984, I have built a career dedicated mainly to the Plant Engineering Business, in which I have been responsible for both logistics and plant engineering as a branch general manager and area head. I will fully leverage the insight I have cultivated through many years of frontline experience and my deep understanding of the Plant Engineering Business and Logistics Business to lead the Company's operations.

### Maximizing value creation on the front lines

Most of the value we provide is created on the front lines, and the source of that value creation is, without question, the power of people. I am convinced that creating workplaces that are safe and allow employees to work with vigor and a sense of fulfillment as they devote themselves day in and day out to addressing customers' on-site issues, while continuously developing high-caliber human resources, will serve to maximize the value we deliver. I regard these efforts as my mission and will carry out my responsibilities as COO accordingly.

### Review of FY2025 and business policy for FY2026

In FY2025, we pushed forward with our business strategy based on upward revisions to Medium-Term Management Plan 2026, which was announced in May 2025. Due to the advancement of scheduled construction works in the Plant Engineering Business and the impact of M&A, net sales reached 631.6 billion yen, and our efforts are gradually bearing fruit.

**Logistics Business**

In the Logistics Business, we advanced initiatives in cost pass-through, negotiations with customers, and structural reforms, yielding results roughly as planned: net sales of 295.3 billion yen (down 0.1% year on year) and operating profit of 9.8 billion yen (up 1.5%). However, some parts of our Logistics Business are organized in multi-layered structures involving the Company, affiliates, and partner companies, resulting in overlapping operations. We are currently transitioning to a business structure in which affiliates contract directly with customers and are advancing efforts to build a framework that can generate profits appropriately.

We will pursue such structural reforms with unwavering resolve while continuing to negotiate with customers to ensure that we receive appropriate unit prices and that they recognize the value we create on the front lines.

External conditions remain challenging due to changes to the business environment that have exceeded predictions and the prolonged slump in the Chinese market, underscoring the importance of identifying unprofitable businesses. Amid such conditions, however, the strength of the Logistics Business lies in its stationing of employees on-site at customers' facilities and its resultant ability to handle all aspects of logistics, including on-site and off-site operations, domestic and overseas transport, and final delivery to destinations requested by customers.

To achieve further leaps forward, I believe it is important to clearly identify our strengths and proactively expand into promising business fields and regions.

**Plant Engineering Business**

In the Plant Engineering Business, net sales remained solid, surpassing our target to reach 307.5 billion yen (up 8.5% year on year). Historically, turnaround maintenance projects have been concentrated in even-numbered or so-called major years, causing annual earnings to fluctuate significantly. However, over time, the earnings gap between major and minor years has been narrowing, and the business is gradually shifting toward a structure in which earnings can be secured with greater stability. Operating profit decreased slightly to 31.0 billion yen (down 3.3% year on year), but despite being an odd-numbered or minor year, we achieved higher sales due to the advancement of scheduled construction works and the impact of M&A.

For our growth strategy moving forward, we will aim to expand the scale of the business, including pursuing further M&A, while enhancing skills development through strategic allocation of human resources in Japan and overseas and through education and training as well as strengthening our mobilization capabilities. In Japan in particular, alongside our core operations in the steel and petrochemical sectors, we will actively move forward with entry into growth areas such as electric power, carbon neutral-related projects, and social infrastructure such as water supply and sewage systems.

### Increasing our market share in Japan and expanding overseas with a view to the future

In the Japanese market, we believe we can further increase our market share by strengthening our quality control and mobilization capabilities. Considering medium- to long-term growth, however, the Japanese markets for the steel and petrochemical industries in which we are deeply involved are contracting, and customer investment is shifting overseas. It is clear that growth will be limited if we remain only in the Japanese market, making active expansion into overseas markets indispensable. Building our business expansion around our strengths, particularly in the steel sector, we will steadily advance our operations with full consideration of geopolitical risks and the unique business practices and cultural backgrounds of each country.

### Strengthening risk management and governance

In an overseas construction project in FY2025, concerns arose over the collection of receivables due to cash flow constraints of a business partner, and we had to record an allowance for doubtful accounts. We take this issue seriously and deeply regret that our governance system to ensure credit control was insufficient. Going forward, we will strengthen system alert functions and build mechanisms that can detect anomalies early by sharing delinquency information in real time and thoroughly enforcing credit control.

In terms of risk management, we have taken as an important lesson the FY2023 incident in which we recorded a provision for loss on construction projects in the Middle East, and have enacted measures to expand our legal team and strengthen our system of checks. Having established rigorous review processes for contract terms when submitting quotations and for contract details when orders are received and contracts are concluded, we recognize our risk-management level to be significantly improved. We will continue strengthening and improving our contract management and credit control processes in order to build a robust risk management system.

### Continuously developing high-caliber human resources

Through many years of working on the front lines, I strongly feel that our greatest strength is our large pool of human resources that customers want to work with and can rely on when problems arise.

At the core of this strength lies the spirit of our three corporate mottos: *kogen jikko* (put words into practice), *jimon jito* (self-questioning), and *kansha* (appreciation). The internalization of these principles in each employee and their continuous embodiment in day-to-day work on the front lines enable us to remain a company that customers truly find indispensable. I am convinced that continuing to develop our human resources will be the cornerstone of our sustainable growth.

As COO, I place the highest value on dialogue with employees active on the front lines, and by tackling challenges in alignment with them, I will maximize value creation on the front lines and lead the Company's further growth.

# Overview by Business Segment

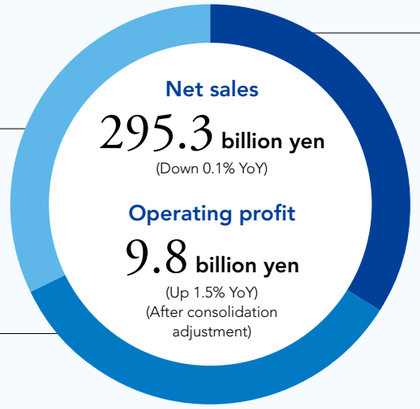
## Logistics Business Division

To achieve Medium-Term Management Plan 2026, we will further accelerate structural reforms in the Logistics Business, focusing on selection and concentration, reskilling, and the elimination of multi-layered structures.

**Tatsuji Kasai**
Managing Executive Officer,
Head of Logistics Business Division



### FY2025 net sales and operating profit by business segment




**On-site operations**
32%
**Sales: 107.4 billion yen**
Refers to on-site operations and logistics on page 5.

**3PL and general logistics**
34%
**Sales: 116.8 billion yen**
Refers to 3PL and domestic logistics on page 5.

**Port logistics and international logistics**
34%
**Net sales: 117.1 billion yen**
Refers to international logistics and port logistics on page 5.

### Review of FY2025

FY2025 was a year that tested the ability of the Logistics Business to respond to changes in the business environment both in Japan and overseas. Amid difficult conditions such as chronic driver shortages and rising prices in Japan, supply chain restructuring driven by geopolitical risk, and unstable shipping market conditions, we advanced the review of unprofitable businesses and reduction of layered costs. Our business structure reforms yielded a certain degree of improvement in profitability; however, as the reforms took time, we were unable to fully absorb increases in personnel and outsourcing costs, leaving room to improve the pace of reforms going forward. The Logistics Business as a whole recorded net sales of 295.3 billion yen and operating profit of 9.8 billion yen, the latter representing a year-on-year increase. However, both figures fell slightly short of our targets. In FY2026, we will shift up a gear and accelerate our reforms.

### FY2026 initiatives

While business risks including the situation in the Middle East remain uncertain in FY2026, in this final year of the medium-term management plan, we will carry out all relevant initiatives to ensure we achieve our operating profit margin target of 3.8%.
In port logistics and international logistics, cargo volumes are unlikely to rebound, so we will promote reskilling and DX-driven productivity improvements. Additionally, to catch up on delays in structural reform and achieve our goals quickly, in 3PL and general logistics, we will further advance efforts to eliminate the layered cost structure and accelerate business consolidation and asset-light strategies, and in on-site operations, we will likewise further advance efforts to reskill and reallocate personnel across the Group. Looking ahead to the next medium-term management plan, we will further accelerate selection and concentration and establish a solid management foundation that supports sustainable growth.

## Engineering Business Division

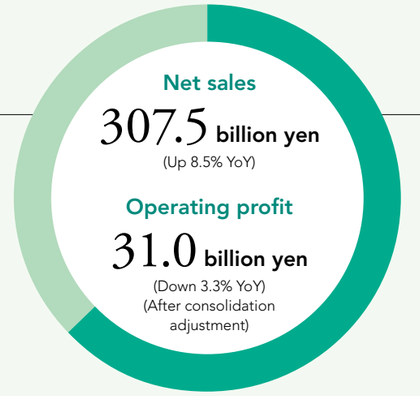
In tandem with Company-wide efforts to improve capital efficiency and streamline the balance sheet, we will also build a leaner business structure within this division. Through this transformation, we will drive the sustainable enhancement of corporate value.

**Chihiro Hino**
Managing Executive Officer,
Head of Engineering Business Division





### FY2025 net sales and operating profit by business segment




**Facilities construction work**
37%
**Net sales: 122.3 billion yen**
Refers to design, procurement and fabrication, and construction on page 6.

**Maintenance**
63%
**Net sales: 204.6 billion yen**
Refers to maintenance and daily maintenance on page 6.

### Review of FY2025

The Plant Engineering Business performed solidly, supported by continued firm demand for maintenance and large-scale facilities construction work in our core steel and petrochemical industries. Even amid rapidly changing business conditions, including rising materials and machinery prices and shifts in supply chains, we fully demonstrated our strengths of frontline and work execution capabilities, reaffirming the solid earnings base of our existing businesses. In addition, to strengthen our capabilities for expanding into new business areas, we welcomed Maruei Sangyo Co., Ltd. and Hino Kensetsu Kogyo Co., Ltd. into the Group. By integrating both companies' construction capabilities, technological expertise, customer bases, and human resources with our own, we further strengthened competitiveness and laid the foundation for expanding service areas and creating new business opportunities.

### FY2026 initiatives

We position this final year of the current medium-term management plan as an important year for preparing for further growth under the next plan. We will firmly secure demand in key industries such as steel and petrochemicals while strengthening our efforts in growth areas including social infrastructure, the environment, and electric power. To build a foundation for these growth areas, we will advance functional enhancements through M&A, strategic human resource reallocations from existing domains, organizational restructuring, and other efforts, thereby driving the transformation of our business portfolio. Furthermore, we will advance labor-saving through the utilization of new technologies and thoroughly implement the centralization of personnel management across the entire Group, including partner companies, continuously pursuing the optimal allocation and efficiency of resources.

# Overview by Business Segment

## Overseas Business Division

We will strengthen our foundation by rebuilding our governance framework and place the highest priority on enhancing profitability to respond swiftly to changes in the business environment. In addition, to realize sustainable growth in our overseas business, we will focus on developing human resources that underpin such growth.

**Masahiro Kohno**
Managing Executive Officer,
Head of Overseas Business Division




### Sankyu's overseas business development




### Review of FY2025

We achieved a certain level of results by thoroughly streamlining our China business and optimizing management resources in response to China's prolonged economic slump. Meanwhile, in Southeast Asia and the Americas, net sales increased year on year, but operating profit margins worsened, and restoring and enhancing profitability remains a challenge. In addition, the recording of an allowance for doubtful accounts led us to recognize the need to reexamine our initiatives to strengthen governance. Regarding human resource development, following similar efforts in Malaysia, we brought the Saudi Arabia Maintenance Center into full-scale operation and concentrated on using the facility to further enhance skills, technological capabilities, and quality in order to strengthen mobilization capabilities in the Middle East.

### FY2026 initiatives

We are preparing for sluggish economic conditions in China to spread to Southeast Asia, our core region, and for difficult business conditions to persist. Under such conditions, our overseas business will change course from expanding sales to selection and concentration, and toward fundamental reforms to enhance profitability. We will also work to enhance profitability in Southeast Asia and the Americas with the same rigor as in China. Meanwhile, in our focus region of India, we will pursue sustainable growth through the resolution of social issues and advance partnerships with local companies and other initiatives in order to expand our presence in growth areas, such as the environment and infrastructure. Also, in the Middle East, we will further enhance our human resource development and sales support systems, aiming for the horizontal deployment of our operations and maintenance services—strengths of the Company—and securing orders for turnaround maintenance projects.

TOPIC 1

### Conclusion of a marketing partnership agreement with Universal Studios Japan
**(April 2026)**

In April 2026, Sankyu entered into a five-year marketing partnership agreement with USJ LLC to become Universal Studios Japan (hereinafter "USJ")'s official technical partner in facility maintenance. Since before the opening of USJ in 2000, we have been responsible for attraction installation and maintenance operations such as daily inspections, supporting the safety and security of the theme park for many years behind the scenes.

Through this partnership, we will demonstrate to the world our advanced skills and technological capabilities and our services supporting the safety and security of USJ, a theme park with world-class brand power, thereby strengthening our corporate branding. Simultaneously, we will deepen sustainability management, strengthen our recruitment competitiveness, and improve employee engagement through joint CSR and SDGs activities and enhanced employee benefits utilizing park privileges.

Building on this partnership, we will further strengthen stakeholder trust and pursue the sustainable enhancement of corporate value.




TM & © 2026 Universal Studios.
All rights reserved.
CR26-3605

TOPIC 2

### Investment in plant maintenance company in Singapore
**(April 2026)**

In April 2026, Sankyu jointly acquired all shares of Singapore-based SWTS Asia Pte. Ltd. (hereinafter "SWTS") with ITOCHU Corporation (hereinafter "ITOCHU"). SWTS has a history extending over 50 years and approximately 700 skilled technical specialists, and is Southeast Asia's leader in both scale and track record for the maintenance of critical equipment for oil refineries, petrochemical plants, power plants, and other facilities.

Under the guiding principle of valuing people, we have expanded our business by leveraging frontline capabilities, skills, and technological capabilities, but are facing an industry-wide shortage of technical specialists. Medium-Term Management Plan 2026 addresses this by complementing and expanding our capabilities through cooperation and co-creation with external partners. Such joint investment, carried out in line with the management plan, serves as an initiative to strategically combine Sankyu's skills and technological capabilities and mobilization capabilities with ITOCHU's management know-how and extensive network to further enhance the competitiveness of SWTS.

Going forward, we will build on infrastructure maintenance, which is resilient to economic fluctuations, and expand into growth fields such as data centers. We will also promote high-value-added businesses that contribute to the sustainable development of society and industry.



TOPIC 3

### Establishment of real estate management company
**(July 2026)**

Aiming to improve the profitability of warehouse operations and enhance the efficiency of logistics assets, Sankyu established Sankyu Asset Management Co., Ltd., a wholly owned subsidiary, in July 2026. Since 2021, we have worked with CRE, Inc. as a strategic partner to advance portfolio optimization through the effective utilization of logistics facilities in Japan and overseas and through site reorganization.

We will move away from a traditional in-house approach and accelerate the asset-light transformation of the Logistics Business by having the newly established company handle real estate leasing, management, and asset management in an integrated manner. Through property transfers via a simplified absorption-type company split, we aim to achieve the Logistics Business Division's target operating profit margin of 5.5%, build a model that generates earnings from our core materials handling operations, and maximize asset value.

Tangible results of the newly established company will be reflected in the next medium-term management plan, and by pursuing sustainable business growth and improved capital efficiency, we will achieve further enhancement of corporate value.



Special Feature

Mitsui Chemicals, Inc. × Sankyu Inc.

### Sankyu's skills: Honed continuously on-site

Sankyu's on-site value stems from its capability to directly handle customers' production lines. Each employee has cultivated skills through many years of deep involvement at customers' work sites, and they continue to hone these skills day by day.

### Supporting the stable operations of Mitsui Chemicals' manufacturing sites

At Mitsui Chemicals' Ichihara Works, Sankyu has handled a wide range of operations for over 50 years, including maintenance of machinery and management of filling and packaging equipment. Maintaining rotating machinery demands precision to within one hundredth of a millimeter, while product filling and shipping demand a level of accuracy that permits absolutely no interruption. The systems established to consistently meet these exacting standards underpin the plant's stable operations.

These systems are rooted in human resources with deep knowledge of Mitsui Chemicals' work sites. Their deep understanding of equipment and their personal connections cultivated through experience at Japanese and overseas locations bolster their on-site responsiveness. By continuously thinking through solutions alongside Mitsui Chemicals employees and taking initiative regardless of one's position, Sankyu's employees have built a relationship of trust that goes beyond a simple client-contractor arrangement.

Sankyu will continue to deepen this relationship, which has been nurtured for over half a century, with a shared commitment to building a better manufacturing site together.






Sankyu's business relationship with Mitsui Chemicals' Ichihara Works began with installation work in 1967. Today, a team of 386 people—including Sankyu employees and personnel from partner companies—provides wide-ranging support in areas such as on-site operations, logistics, and equipment maintenance.

# Sankyu's Human Resources Supporting Operations at Mitsui Chemicals' Manufacturing Sites

**Scope of the Company's operations**

**Plant construction and maintenance** → **Procurement** → **Manufacturing** → **Logistics**



We handle installation of large production equipment, complex piping work, and large-scale periodic repairs.

Our integrated construction delivery model, which manages everything from design to construction, achieves meticulous process control with safety as the top priority.

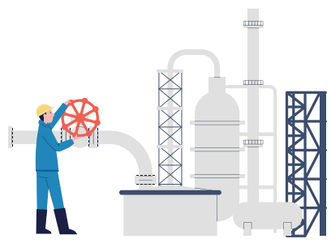
We support smooth plant operations and an environment where the customer can focus on manufacturing with peace of mind.



We handle the procurement and logistics of basic raw materials, the starting point of chemical manufacturing.

We provide integrated support ranging from ocean-going vessel agency services and import and export customs clearance to mooring at port and receiving raw materials under strict quality standards.

We link sea and land logistics routes, including overland transport from external warehouses, to supply raw materials without interruption to production lines that operate around the clock.



At the heart of the plant, we handle everything from operational support for processes involving hazardous materials and high-pressure gases to filling and packaging chemicals into drums and flexible container bags.

In the extremely delicate processes unique to chemical products, characterized by demanding conditions in which continuity must be maintained, we have safeguarded stable operations through specialized skills developed on-site over many years with strict adherence to procedures.




We provide third-party logistics services that comprehensively manage the entire supply chain.

Beyond day-to-day operations such as temperature-controlled, stacking-regulated storage and transport unique to chemicals and repackaging and distribution processing, we oversee everything from planning and proposals to on-site execution—including promoting modal shifts and reviewing the placement of warehouses across Japan—to achieve overall logistics optimization and $CO_2$ reduction.

It is at customers' work sites that the strong professional awareness and depth of skill of Sankyu's human resources are refined and demonstrated.

We take a closer look at what this looks like in practice, from the perspectives of four individuals involved in operations at Mitsui Chemicals' Ichihara Plant.



**Tomoya Kato**
Chiba Branch
Maintenance Group 3

## Continuing to uphold on-site safety and quality through attention to detail and dialogue

As an on-site supervisor for equipment maintenance and related work, I oversee the entire construction process, from formulating construction plans to giving instructions to workers and verifying quality. Unexpected issues are not uncommon in large-scale construction projects, and I consider it my duty, especially in these situations, to discuss issues with the customer and partner companies and work as a unified team to find optimal solutions.

Because this is delicate work where even the smallest debris or moisture contamination can lead to quality problems, I make daily communication with workers a priority. It is often casual conversation that reveals the true state of the work site. I believe that checking things together as a team from multiple perspectives directly helps ensure quality and uphold safety.

The more experience I gain on-site, the more I appreciate the depth of this work. I will continue to learn from my senior colleagues while passing on the knowledge and experience I have accumulated to the next generation, confident that this will continue to underpin stable operations at the Ichihara Plant.





## Contributing to stable plant operations through team unity

I am in charge of filling and shipping the elastomer resin produced at the 3EPT Plant. Since halting operations can give rise to issues such as reduced product fluidity, the accurate and swift execution of work is essential. The work keeps the production line operating stably, and thus requires constant alertness.

Among the tasks involved, forklift operation during shipping is entrusted to a select few licensed employees. Over 10 years of experience I have come to realize that maintaining strong awareness of and commitment to safety and quality in daily work leads to improved skill.

If I were to describe this job in one word, it would be "unity." Because work at this site requires a high level of alertness and cannot be handled by a single individual, daily handovers, dialogue, and trust among colleagues form the foundation of the job.

In my current role directing operations as the team's assistant leader, I will strive to lead the team from the front and continue supporting the stable operations of Mitsui Chemicals.



**Satoru Suzuki**
Sankyu Higashi Nihon Service Co., Ltd.
Chiba Department 2
MCI On-Site Operations Section





## A reliable partner who knows our work sites thoroughly and acts in anticipation of our needs

In my daily collaboration with Sankyu, I am reassured in the ability to entrust them with our work. Regarding maintenance of packaging equipment, Sankyu's duties are not limited to upkeep. We entrust Sankyu with all stages of work, starting with devising preventative measures. As a result, we are seeing tangible results in the form of stable equipment operations.

Furthermore, the fact that Sankyu can precisely articulate and explain how they will carry out the work we have ordered is, I feel, a testament to their high level of technological capabilities. After carefully explaining to us why a particular method is used and in what order the work will proceed, they then carry out said work and even conduct final quality checks. What is particularly impressive is that they transcend the conventional client-contractor relationship to work with us as a united team, sharing our commitment to improving Mitsui Chemicals' work sites.

Even when sudden problems have occurred, supervisors working on-site have proactively gathered and resolved them. I believe this attitude is cultivated through systematic development efforts—including continuous internal education that starts immediately upon joining the company—and many years of relationship-building. We place great trust in Sankyu's training system, to the extent that our own junior employees have also participated in their training programs.

Sankyu's ability to make proposals rooted in a thorough understanding of our work sites, along with their ability to respond to any situation, will continue to be a major source of support for us at Mitsui Chemicals. We look forward to continuing to work together beyond the scope of equipment maintenance to create a better production site.



**Hideshi Ishimoto**
Mitsui Chemicals, Inc.
Ichihara Works
Manager



## The source of the value we generate on-site comes from the transmission of knowledge and skills accumulated over many years



**Akira Sakanishi**
Chiba Branch
General Manager

The Chiba Branch is one of the Group's key sites, engaging in the Logistics and Plant Engineering Businesses, where we handle a wide range of operations within Mitsui Chemicals' Ichihara Plant as well. Specifically, we handle everything from daily maintenance and periodic repairs to product filling and shipping in an integrated manner, supporting stable operations throughout the plant.

The strengths of our on-site employees are most clearly demonstrated in the face of unforeseen circumstances. For instance, on one occasion, a typhoon caused an emergency in which flying debris became lodged in equipment at the Ichihara Plant. Despite the danger involved, our on-site employees pooled their knowledge and removed the debris while ensuring the safety of everyone involved. In this way, employees with experience at Mitsui Chemicals' locations both in Japan and overseas combine their expertise to think through solutions. This convergence of individual capabilities supports the Group's on-site operations.

Moreover, we focus on improving employees' skills to further enhance the value we provide on-site. Through the Sankyu Forklift Safe-Driving Skills Competition, the Chiba Branch's efforts have spread to other branches, giving rise to a culture of cross-branch instruction and mutual improvement. I believe that creating an environment where junior employees are trained as construction officers from an early stage and where the skills of experienced workers are passed on to this next generation forms the very foundation of Sankyu's on-site capabilities.

I consider it my mission as general manager of the branch to foster an environment alongside employees who have grown in this manner, where we can devote our full effort to maximizing the value generated on-site in the Logistics and Plant Engineering Businesses while continuing to meet Mitsui Chemicals' expectations.

Sankyu's Business Strategy

# Sankyu's DX

Through the latest digital technologies, we will further enhance the Sankyu Group's unique strengths, such as the ability to adapt to changes, skills, and technological capabilities of its human resources who possess deep frontline expertise. DX is not merely a means of improving the efficiency of operations. It represents a transformation aimed at maximizing the value of human work, which we hold in high esteem, and ensuring high levels of safety and quality. By integrating digital technologies with frontline expertise, we will create new value that only the Group can achieve, contributing to the realization of a sustainable society.

**Frontline issues**

- Labor shortages and increased on-site workload
- Passing on technological capabilities and dependence on specific personnel to perform certain tasks
- Heightened expectations for safety, quality, and operational stability
- Changes in the competitive landscape based on data utilization and industry collaboration

**Customer needs**

- Stable operation of production facilities
- Cost reduction through improvement of operational efficiency and automation
- Problem-solving proposals that consider the entire production flow
- Sustainable services

## Value created through DX

**Problem-solving**
- Improving the quality, volume, and speed of problem-solving proposals
- Contributing to initiatives addressing decarbonization and climate change risks
- Contributing to the transformation of production structures and to transformation within the industry

**Stable operations**
- Ensuring the capabilities and resources essential for operations
- Improving the operating rate and extending the life of customer facilities
- Enhancing efficiency and stability in production activities

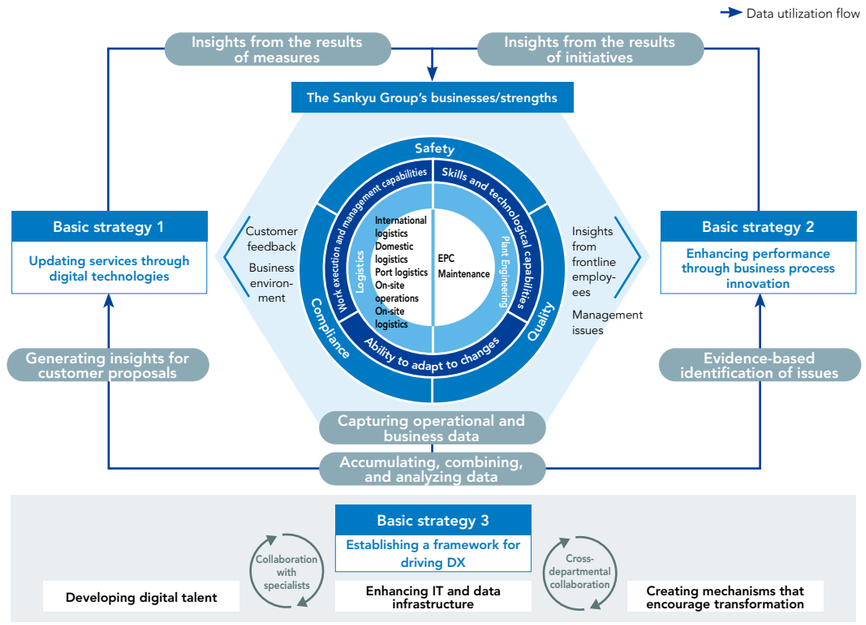
**Sustainable services**
- An operational ecosystem capable of adapting to environmental changes
- Increasing the transparency of services using digital technologies and data
- Supporting decision-making through analytical and predictive data

### Sankyu's DX strategy

We are advancing three basic strategies to realize Vision 2030: updating services through digital technologies, enhancing performance through business process innovation, and establishing a framework for driving DX. We will transform our business model itself by enhancing the development of DX personnel and cross-departmental collaboration and building a data-driven management foundation. Furthermore, by combining the execution capabilities of the front lines with the transformative power of digital technologies, we aim to sustainably enhance corporate value.

**Sankyu's DX Vision**

By integrating people and digital technologies, we will continuously update our services to address evolving social issues and customer needs, thereby supporting the transformation of global industry.




### Three basic strategies

**Basic strategy 1**
**Updating services through digital technologies**

| | |
|---|---|
| Responding to customers | Improving service efficiency<br>Passing on skills and technological capabilities |
| Connecting with customers | Industry-specific platforms<br>System and data integration |
| Going beyond with customers | Quantitative improvement proposals<br>Proposals using analysis and simulation |

**Basic strategy 2**
**Enhancing performance through business process innovation**

| | |
|---|---|
| Creating time | Automation and streamlining of routine tasks<br>Promoting paperless operations and meetings |
| Transforming processes | Building optimal workforce structures<br>Utilizing automation and labor-saving equipment |
| Harnessing knowledge | Integrating individual know-how across the Company<br>Company-wide visualization and integration |

**Basic strategy 3**
**Establishing a framework for driving DX**

**Enhancing IT and data infrastructure**

Collaboration with specialists ↓ ↑ Cross-departmental collaboration ↓

**Developing digital talent**

**Creating mechanisms that encourage transformation**

### Long-term direction

The Group is accelerating sustainable business transformation to provide updated services through the fusion of people and digital technologies by 2030.

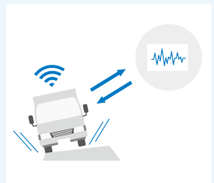
Regarding specific achievements to date, in the Logistics Business, we have advanced data integration by adapting to industry-standard platforms, while in the Plant Engineering Business, we have utilized 3D data to enhance project management and maximize frontline capabilities. Furthermore, in response to the changing business environment, we are advancing two initiatives in parallel: ensuring resilience through stronger cybersecurity measures and improving productivity in administrative and frontline operations through the use of generative AI.

We also place great importance on the power of the people who support this transformation. We have set a target of developing 450 DX personnel, and at present, approximately 250 employees have taken up the challenge of new DX initiatives. By combining our technological foundation, cultivated over many long years with our developed personnel, we will chart a solid growth trajectory leading into the next medium-term management plan. To ensure the reliable execution of these initiatives, we will strategically utilize our 30 billion yen investment budget through FY2030, maximizing business value through the use of digital technologies.

## TOPIC 1

**From reactive response to prevention: DX in safety management via collaboration between industry and academia**

To address critical safety issues, we are promoting DX in safety management that leverages "Detection of the Three Dimensional Center of Gravity" technology in collaboration with Tokyo University of Marine Science and Technology. This technology detects an object's center of gravity in real time based on oscillations, enabling the early identification of accident risks arising from loss of balance. It has been highly acclaimed globally, becoming the first Asian entry to win the top award in a competition at an international conference on automotive safety technology. We are currently conducting demonstration trials of a trailer rollover prevention system and wearable devices utilizing this technology, and once these are completed, we will deploy them within the Company to reduce work-related accidents. In the future, we aim to provide new value in the form of safety across the entire logistics and construction industry.



## TOPIC 2

**CVC investment in BALLAS, Inc. and DX in plant engineering design and procurement**

Through our CVC fund Sankyu-SBI Innovation Fund No. 1 Investment Limited Partnership, we have invested in BALLAS, Inc., a company leading the optimization of the construction supply chain. Through this investment, we will implement the AI-based automated drafting and modularization technologies of BALLAS to advance DX in plant engineering design and procurement. Through the resulting standardization of design work and increased efficiency in procurement processes, we aim to address the industry's labor shortage issue, enhance competitiveness in plant construction and maintenance, and build a sustainable business foundation.





# 4 Sustainability

53 Sustainability Strategy and Material Issues
55 Environmental Conservation
60 Creation of Fulfilling Workplaces
63 Assurance of Service Safety and Quality
65 Contribution to Local Communities
66 Compliance




CHAPTER 4





# Sustainability Strategy

The Sankyu Group has established a sustainability policy to realize a sustainable society and enhance corporate value. In accordance with the policy, we aim to contribute to solving various social issues through our business operations, and to achieve sustainable development of both the Company and society. To achieve this, we will strive to enhance our engagement to meet the expectations of all of our stakeholders.

## The Sankyu Group's basic policy on sustainability

Since it was founded, the Sankyu Group has inherited the spirit instilled in its management principles, and changed the form of its business in response to society's requirements, walking hand-in-hand with the development of society. We will continue to aim to achieve sustained development of the Company and society by contributing to the resolution of social issues including environmental issues through business activities based on our management principles.

**Linkage between the Sankyu Group's management principles and sustainability**

| Management principle | Sankyu Group's sustainability goal |
|---|---|
| **Our guiding principle is valuing people** | We aim for a future in which everyone is able to work with peace of mind and all people involved in the Sankyu Group can live in happiness. |
| **Establishing a presence that is indispensable to our customers** | We aim to be a company that continues to be chosen worldwide by responding to changes in the environment and providing services that meet society's needs. |
| **Contributing to the development of society through the development of the Company's business** | We aim to contribute to the development of society through global business activities. |

## Promotion structure

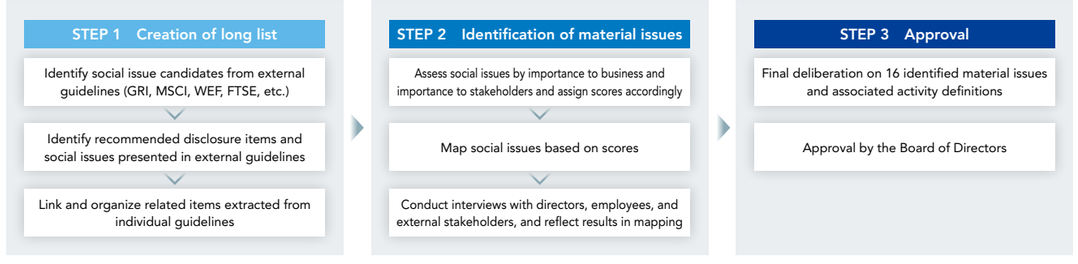
The Sankyu Group has established the Sustainability Committee as a body for deliberations on sustainability, and promotes Group-wide initiatives in collaboration with related committees. Matters discussed at the Sustainability Committee are submitted to and reported at the Management Meeting and the Board of Directors. In addition, the Group receives instructions from the Board of Directors as needed.




# Material Issues

Referring to international guidelines and other standards, we identified potential social issues and, based on our management principles and policies, conducted interviews with directors, employees, and external stakeholders. We then evaluated these issues in terms of their importance to the Sankyu Group's business and their importance to stakeholders, and identified material issues accordingly. The 16 identified material issues were organized into six themes, for each of which we formulated response policies and are advancing initiatives.

## Process for identifying material issues




**Material issues at a glance**

Importance to stakeholders ◉: Large ●: Medium ○: Small
Importance to business ◉: Large ●: Medium ○: Small

| Theme | Material issue | Indicator/KPI (unit) | | Non-consolidated | Domestic-related | Overseas-related | 2023 | 2024 | 2025 | Importance | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Environmental conservation** | Response to climate change | Reductions in $CO_2$ emissions (vs. FY2020)*1 (kt $CO_2$) FY2030 -42%, net zero in FY2050 | | ○ | ○ (Consolidated) | | 113 | 112 | **101** | ◉ | ◉ |
| | | Energy use intensity 5-year annual average reduction of 1% or more (L/m²) | | ○ | | | 8.311 (–2.5%) | 7.480 (–1.7%) | **7.099 (–3.0%)** | | |
| | Resource recycling | Continue zero infringements of environmental laws and regulations (incidents) | | ○ | | | 0 | 0 | **0** | ● | ● |
| **Creation of fulfilling workplaces** | Creation of fulfilling workplaces | Engagement score (positive responses) (%) | | ○ | | | 44.5 | 45.4 | **43.8** | ◉ | ◉ |
| | Human resource development | Training cost per employee (non-consolidated basis) (thousand yen) | | ○ | | | 165 | 170 | **211** | ◉ | ◉ |
| | | Training time per trainee (hours)*2 | | ○ | ○ (Participants only) | ○ (Participants only) | 48.5 | 47.6 | **44.5** | | |
| | Diversity | Women in managerial positions (%) 11.0% in FY2030 | | ○ | ○ (Consolidated) | ○ (Consolidated) | 7.2 | 7.2 | **7.5** | ● | ● |
| | | Wage difference between men and women (%) | | ○ | | | 64.4 | 65.7 | **67.3** | | |
| | | Percentage of men taking childcare leave (%) | | ○ | | | 28.0 | 42.2 | **58.6** | | |
| | | Percentage of employees who have disabilities (%) | | ○ | ○ | | 2.54 | 2.54 | **2.44** | | |
| | Enhancement of occupational safety and health | Accident frequency rate*3 | | ○ | ○ | | 0.44 | 0.73 | **0.41** | ◉ | ◉ |
| | | Severity rate*3 | | ○ | ○ | | 0.13 | 0.03 | **0.02** | | |
| **Assurance of service safety and quality** | Assurance of service safety and quality | Job-level-specific safety and health training and quality management system training | | | | | | | | ◉ | ◉ |
| | Provision of value in response to social change | Sales of relevant business/service*4 (billion yen) | Logistics | ○ | ○ | ○ | 3.27 | 3.39 | **2.91** | ● | ● |
| | | | Plant Engineering | ○ | ○ | ○ | 17.10 | 18.99 | **23.06** | | |
| | Ensuring information security | Number of information security incidents | | ○ | ○ | ○ | 0 | 0 | **0** | ● | ● |
| | Provision of services utilizing innovative technology | Number of registered intellectual properties | | ○ | ○ | ○ | 222 | 207 | **197** | ○ | ● |
| | | IT/DX-related investment (billion yen) | | ○ | ○ | ○ | 1.38 | 1.42 | **1.47** | | |
| **Contribution to local communities** | Respect for human rights and contribution to local communities | Human rights due diligence analysis is ongoing, indicators to be formulated based on results | | | | | | | | ○ | ○ |
| **Strengthening of management base** | Securing governance systems | Reflecting feedback from dialogues with shareholders and other stakeholders to ensure an optimal governance system | | | | | | | | ● | ● |
| | Thorough risk management | Risk assessments are carried out at all branches and Group companies, with monitoring conducted by the Risk Management Committee | | | | | | | | ● | ● |
| | Dialogue with stakeholders | Number of dialogue sessions by stakeholder group (times) | Officers and employees*5 | ○ | | | 68 | 70 | **64** | ○ | ○ |
| | | | Labor and management | ○ | | | 27 | 27 | **27** | | |
| | | | Investors*6 | ○ | | | 217 | 296 | **330** | | |
| | Disclosure of information on business activities | Responding to various external ESG rating agencies | | | | | | | | ● | ○ |
| **Compliance** | Thorough compliance | Number of job-level-specific training sessions and number of participants | | ○ | ○ | | 17/810 | 20/742 | **19/723** | ● | ○ |

*1 Scopes 1 and 2 *2 Six domestic and overseas training facilities *3 Including partner companies *4 Services related to modal shifts, carbon neutrality-related facilities construction, etc.
*5 From FY2024 onward: number of Sankyu Mirai Dialogues sessions conducted *6 The number of meetings represents the total count, including multiple meetings with the same investor.

# Environmental Conservation

## Environmental management

The Sankyu Group views environmental conservation as an important management priority. We are promoting initiatives in response to climate change and for resource recycling.




### Key initiatives

The Sankyu Group takes responsibility as an inhabitant of the earth by reducing environmental impact and engaging in conservation, and by actively participating in environmental businesses worldwide to realize our gratitude to the environment through our business.

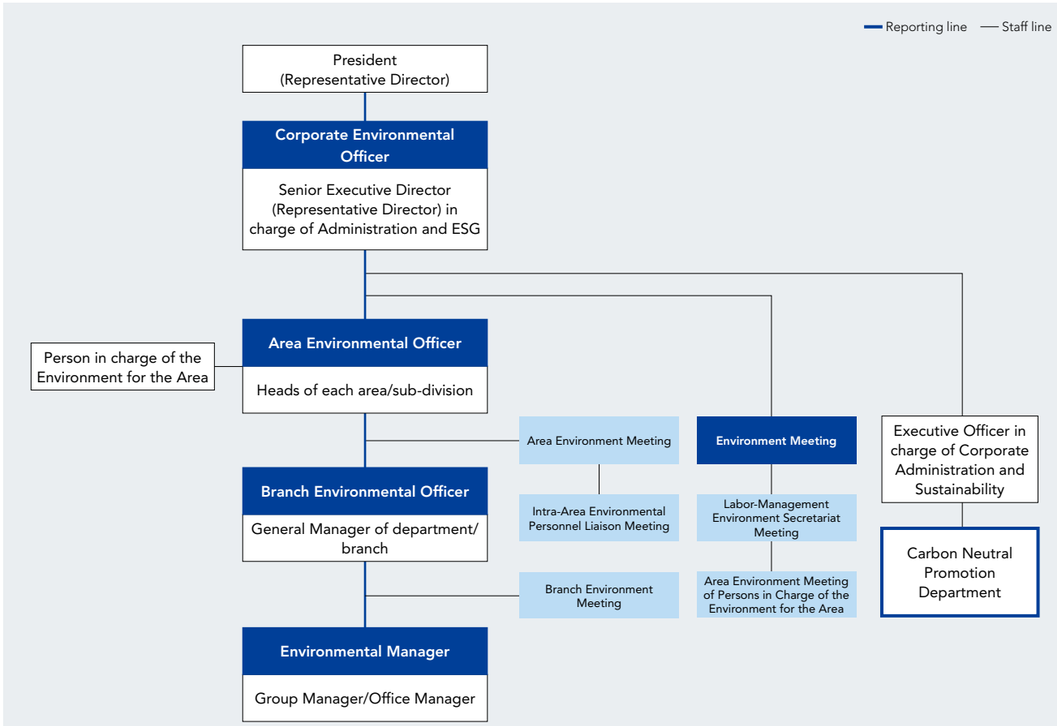
**1 Realization of decarbonization**

**2 Transition to a circular economy**

**3 Biodiversity conservation and restoration, including aquatic ecosystems**

## Environmental management structure

The Senior Executive Director (Representative Director) in charge of Administration and ESG is designated as the Corporate Environmental Officer, and Area and Branch Environmental Officers are appointed to manage various meetings and promote environmental management. Furthermore, to promote green management, the Iwakuni branch, all six Sankyu Transport companies, and Sankyu Kairiku Co., Ltd. have acquired green management certification and are promoting a transition to green management.




# Response to climate change

The Sankyu Group is implementing specific initiatives to realize a decarbonized society. We are working to reduce $CO_2$ emissions through the use of renewable energy and the promotion of alternative energy vehicles, and we are also actively working to reduce the environmental impact of our entire supply chain.

**$CO_2$ emissions***

| FY2021 result | FY2022 result | FY2023 result | FY2024 result | FY2025 result |
|---|---|---|---|---|
| 127 kt $CO_2$ | 119 kt $CO_2$ | 113 kt $CO_2$ | 112 kt $CO_2$ | 101 kt $CO_2$ |

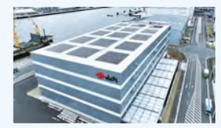
* Scopes 1 and 2; parent company and domestic consolidated subsidiaries

## Initiatives for realization of decarbonization

### Solar power generation

Newly constructed warehouses are reducing our annual primary energy consumption by generating energy through solar power and other means. We are also expanding the introduction of solar power generation to existing buildings.

**Circulated electricity: Providing renewable energy generated at a facility to other sites and increasing renewable energy self-sufficiency**



In February 2025, the Yokohama Logistics Center began solar power generation, achieving a renewable energy self-sufficiency rate of 32%.

Furthermore, in July 2025, we began supplying surplus electricity generated at the Yokohama Logistics Center to Warehouse No. 6, the Kashima Branch Office, and the Kashima Logistics Center, all managed by the Kashima Branch, under a "circulated electricity" system. This system is expected to reduce $CO_2$ emissions by approximately 120 t-$CO_2$ per year.

### Electric vehicles

We are promoting the introduction of highly environmentally friendly electric vehicles that do not emit $CO_2$. We are currently expanding the adoption of electric trucks and electric shuttle vehicles and will continue expanding our use of green energy in the future.




### Biofuel vehicles

We conducted a demonstration trial of B100, a 100% biodiesel obtained from natural waste oils. We are also progressing with trials of other biofuels and considering practical deployment.



**Strengthening environmental measures in chemical product transport**

In some of the tank trucks we operate for chemical product transport, we have begun using Bio AdBlue®, a product that is made from urea derived from biomass using the mass balance method and manufactured and sold by Mitsui Chemicals, Inc.

**Press Release:** https://ssl4.eir-parts.net/doc/9065/ir_material8/257864/00.pdf



**Demonstration trial of Renewable Diesel, a next-generation biodiesel fuel**

In 2025, we conducted a demonstration trial at the Kitakyushu Center using Renewable Diesel (hereinafter "RD"), a next-generation biodiesel fuel, in our forklifts. RD is an environment- and people-friendly fuel made from waste cooking oil. The odorless fuel produces little smoke and is capable of reducing $CO_2$ emissions by 100%. We will continue to explore measures toward realizing a decarbonized society.





### Fuel cell forklifts (hydrogen-powered)

Fuel cell forklifts use a chemical reaction between hydrogen and oxygen to generate the electricity that powers their operation. As they emit only water, they are considered extremely effective in reducing $CO_2$ emissions. We conducted a demonstration test of these forklifts in 2023.



## Response to TCFD recommendations

In June 2022, Sankyu publicly announced its support for the TCFD recommendations, and is pursuing information disclosure (e.g., governance, risk management, strategy, indicators and targets related to climate change risks and opportunities) in line with the information disclosure framework recommended by the TCFD.

**Indicators and targets:** https://www.sankyu.co.jp/en/sustainability/environment/03/index.html

| | |
|---|---|
| **Governance** | As an important management priority, climate change is a topic of discussion for the Sustainability Committee and the Environment Meeting. Critical issues are placed on the agenda for and reported to the Management Meeting and the Board of Directors. The Sustainability Committee, chaired by the Senior Executive Director (Representative Director) in charge of Administration and ESG, is mainly responsible for the formulation and review of sustainability-related policies, as well as verifying progress and offering guidance on countermeasures and relevant initiatives. The Environment Meeting, meanwhile, promotes thorough compliance with environmental regulations and advances initiatives for reducing environmental impact. |
| **Risk management** | We appropriately understand the risks and opportunities that climate change brings to our business, managing these risks separately as transition risks and physical risks. At the same time, we identify important risks and opportunities with consideration to their financial impact. For risks, including climate change, we have established a Risk Management Committee and outlined a risk management system in preparation for addressing anticipated risks. Based on risk management regulations, we identify and evaluate the risks most likely to materialize and devise accurate countermeasures in striving to prevent situations that could threaten business continuity. |
| **Strategy** | We have conducted quantitative and qualitative assessments of risks and opportunities that climate change will present for the Sankyu Group by FY2030. In parallel, we are evaluating the potential financial impact and actions to take using scenarios that assume a temperature rise of 1.5°C (environmental conservation scenario) and 4°C (inaction scenario). By considering multiple scenarios, we are exploring options that enable Sankyu to respond flexibly to environmental changes and social conditions. Additionally, Sankyu has set medium- and long-term targets, such as achieving net-zero $CO_2$ emissions by FY2050, and is working to advance initiatives for reducing greenhouse gases (especially $CO_2$, which has a significant impact), the primary cause of climate change. |

**Scenario analysis, risk and opportunity assessment**

2030 financial impact ◉: High importance ●: Medium importance ○: Low importance

| Item | | Risk/Opportunity | | Main action | Environmental conservation scenario | Inaction scenario |
|---|---|---|---|---|---|---|
| Transition risk | Carbon pricing | Risk | Reduced profitability due to the introduction of carbon taxes by national governments and the inability to transfer the cost to service prices | Promotion of initiatives to reduce $CO_2$ emissions | ● | ○ |
| | Changes in behavior of financial institutions, investors and employees | Risk | Decrease in sales and profit and tarnishing of market reputation due to delays in establishing a system for executing and managing green strategies and stagnation of strategy implementation caused by unchanged officer and employee behavior | Creation of functions for promoting measures<br>Introduction of evaluation system | ◉ | ◉ |
| | Changes in behavior of customers | Risk | Not being chosen by customers and existing sales decreasing due to delays in initiatives such as decarbonization measures in plant engineering and logistics areas | Promotion of decarbonization measures | ◉ | ◉ |
| | Contraction of customers' market sizes | Risk | Contraction of Japanese production volume and supply chain and decrease of existing sales, due to a gap in manufacturing costs compared with overseas manufacturers caused by the large environmental cost burden on major customers | Strengthening of business operations in overseas plants | ● | ○ |
| | Extension of life of facilities | Risk | Reduction of existing sales related to maintenance due to customers' progress with initiatives to extend the life of facilities with the acceleration of a circular economy | Expansion of business into the area of predictive maintenance through new technology | ● | ● |
| | Changes in customers' manufacturing processes | Risk | Reduction of work and decrease in sales in existing areas due to progress in responses to decarbonization such as major customers adopting equipment supporting the reduction of $CO_2$ and switching to recycled materials | Strengthening of support related to various equipment supporting the reduction of $CO_2$ and non-petroleum plant technologies | ● | ○ |
| | | Opportunity | Acquisition of sales opportunities through participation in work to disassemble aging facilities and establish new facilities due to progress in new manufacturing technology | Strengthening of ability to respond to various work requirements | ◉ | ◉ |
| | Requests for alternative energy infrastructure | Opportunity | Acquisition of new sales opportunities through participation in projects for power plants, projects in the manufacturing industry, etc. that involve hydrogen and ammonia manufacturing plants and fuel in response to the formation of supply chains for hydrogen and ammonia | Participation in projects related to hydrogen and ammonia facilities | ○ | ○ |
| | Requests for waste recycling | Opportunity | Acquisition of new sales opportunities through participation in commercial, logistics and information ecosystems in chemical/ferrous/non-ferrous areas | Creation of reverse logistics network, participation in ecosystems | ● | ● |
| | Spread of renewable energy generation | Opportunity | Acquisition of sales opportunities by obtaining know-how on the establishment of work systems, construction methods, etc. for renewable energy businesses (solar power, wind power, hydropower, etc.) | Strengthening of ability to support renewable energy business | ○ | ○ |
| Physical risk | Frequent occurrence of natural disasters | Risk | Increase in risk of warehouse relocation and repair costs of machinery, etc. due to increased damage caused by typhoons and heavy rainfall associated with future rising sea levels brought about by climate change | Strengthening of action to address natural disasters such as measures to address flooding | ○ | ○ |
| | Rise of average temperature | Risk | Lowering of profitability due to increase in cost of addressing heat stress and deterioration in worker productivity due to heat stress | Establishment of working environment | ○ | ○ |

# Resource recycling

The Group engages in sustainable business activities that take the global environment into consideration. Resource recycling is an essential element in fulfilling our future social responsibility, and we are advancing the specific initiatives below to realize a circular economy and the conservation and restoration of biodiversity, including aquatic ecosystems.

## Initiatives for the transition to a circular economy

| | |
|---|---|
| **Recycling logistics for containers and packaging** | As part of its container and packaging recycling initiatives, the Sankyu Transport Group transports recycled plastic manufactured at recycling plants from waste PET bottles to beverage-related plants. |
| **Collection and recycling logistics for discarded PCs from households** | We use Japan Post's Eco Yu-Pack for recycling logistics based on the Act on the Promotion of Effective Utilization of Resources. After manufacturers are contacted by consumers, we are in charge of the entire process from issuing delivery slips for Eco Yu-Pack using our system to transshipment and storage in various regions of Japan, as well as transportation to the recycling plant. Rare metals, precious metals, metals, plastics, etc. are recycled from collected PCs.  |
| **Collection, reuse, and recycling logistics for used solar panels** | At the request of solar panel reuse and recycling businesses, we collect discarded solar panels, sort them into those that can be reused and those that are to be recycled, perform maintenance (cleaning), and then package and ship after third-party inspection. In addition, information on maintenance and inspection results is linked to barcodes attached to solar panels to visualize operations and enable traceability.  |

## Initiatives for biodiversity conservation and restoration, including aquatic ecosystems

A biodiversity survey conducted in FY2024 in a forest we own in Hobetsu, Mukawa-cho, Yufutsu-gun, Hokkaido Prefecture, confirmed the presence of a diverse range of approximately 900 species, including rare species, reaffirming the richness of the area's natural environment. To ensure this precious ecosystem is preserved for future generations, we have formulated a conservation and monitoring plan. Furthermore, in March 2026, the forest was registered as a Nationally Certified Sustainably Managed Natural Site*1 promoted by the Ministry of the Environment and as an OECM*2 in the international database. Going forward, we will continue to pursue business activities in harmony with the local natural environment and actively promote biodiversity conservation.

*1 At the 15th Conference of the Parties to the Convention on Biological Diversity (COP15) held in December 2022, "30by30"*3 was adopted as one of the global targets. Based on this, the Ministry of the Environment launched an initiative in FY2023 to certify areas where biodiversity conservation is being promoted through private sector activities—such as corporate forests, rural landscapes, and urban green spaces—as Nationally Certified Sustainably Managed Natural Sites.
*2 Other Effective Area-Based Conservation Measures are sites outside of protected areas that contribute to biodiversity conservation.
*3 A target of effectively conserving at least 30% of land and sea areas as healthy ecosystems by 2030

- Forest conservation in Mukawa-cho, Yufutsu-gun, Hokkaido Prefecture
- Mangrove plantation in Indonesia

**Biodiversity conservation and restoration:** https://www.sankyu.co.jp/en/sustainability/environment/05/index.html

## Recognition of our dependence and impact on natural capital and associated risks and opportunities

### Analyzing our dependence and impact on natural capital

We analyzed our dependence and impact on natural capital separately for the Logistics and Plant Engineering Businesses. Based on the LEAP approach, we created a heat map using the ENCORE tool, whereupon we assessed potential dependencies and impacts on nature and their respective degrees, taking into account the characteristics of each business.

Looking across the value chain as a whole, we found that the degree of dependency and impact is relatively high on the downstream side (customer side). We also found that, because many of our workplaces operate on the premises of our customers' factories, customers' dependencies and impacts can become factors that affect our own. Therefore, we have recognized the need to work together with our customers to implement relevant measures going forward.

| | | | Logistics | Plant Engineering | Dependence on nature | | | | | Impact on nature | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Provision services | Regulating and maintenance services | | | | Climate change | Pollution | | Invasive species and other issues | |
| | | | | | Water needed for business activities | Ground stability and healthy condition of waterways | Mitigation of storm and flood damage | Changes in rainfall patterns | Changes in water level and flow rate of rivers and waterways | Greenhouse gas emissions | Emissions of air pollutants such as exhaust gas and dust | Emissions of water and soil pollutants | Noise, light pollution, vibration, etc. | Introduction and spread of invasive species |
| Upstream (procurement and suppliers) | Wood products, cork, straw, and woven material products manufacturing industry | Packaging materials | ○ | ○ | | | | | | | | | Very High | |
| | Refined petroleum product manufacturing industry | Fuel and materials | ○ | ○ | | | | | | | High | Very High | | |
| | Industrial machinery manufacturing industry | Trucks and heavy equipment | ○ | ○ | | | | | | | | | Very High | |
| | Railway transportation industry | Rail transport | ○ | | | High | | | | | | | | |
| | Inland transportation industry | Domestic vessel | ○ | | | | | Very High | | High | High | | | |
| | Air cargo transportation industry | Air cargo | ○ | | | | | Very High | | High | | | Very High | Very High |
| Company business activities (Provision of logistics and plant engineering services) | Primary steel manufacturing industry | Operations | ○ | | High | | | | High | High | High | Very High | Very High | |
| | Other land transportation industries | Truck transport | ○ | | | | | | | | | | | |
| | Warehouse and storage industry | Warehouse | ○ | | | | | | | | | | | |
| | Metal products and mechanical equipment repair industry | Maintenance | | ○ | | | | | | | | | | |
| | Industrial machinery and equipment installation industry | Construction | | ○ | | | | | | | | | Very High | |
| | Electrical, piping, and other building equipment installation industry | Plant | | ○ | | | | High | | | | | | |
| Downstream (customers and services) | Basic chemical manufacturing industry | Chemical manufacturer | ○ | ○ | | | | | | | | Very High | Very High | |
| | Ocean and coastal shipping industry | Ocean-going vessel | ○ | | | | High | | | High | High | | Very High | Very High |
| | Industrial machinery and equipment installation industry | Plant and maintenance | | ○ | | | | | | | | | Very High | |

Very High | High | Medium, Low, N/A

### Identifying nature-related risks and opportunities

Based on the results of analysis of dependency and impact on natural capital, we have identified nature-related risks and opportunities and examined response measures. As regulations become stricter and social responsibility becomes more important, we will minimize our negative impact by thoroughly implementing the procurement of environmentally friendly materials and pollution control. At the same time, by providing environmentally friendly services and promoting modal shifts, we aim to gain new business opportunities while actively contributing to biodiversity conservation. Such efforts will help us fulfill our social responsibilities, secure talented human resources, and strengthen relationships of trust with our business partners. Our policy moving forward is to reduce environmental impact across the entire value chain through our business activities in collaboration with business partners and partner companies. Furthermore, we will fulfill our responsibility to realize a sustainable society.

| | | Risk/opportunity description | Response measures |
|---|---|---|---|
| Risk | Physical | Delayed construction periods, damages from work interruptions, and impact on the Logistics Business due to increased frequency and severity of disasters such as typhoons and floods<br>Impact on port logistics continuity due to floods and sedimentation | Formulation of plans in preparation for disasters such as typhoons<br>Strengthening of business continuity plan (BCP) measures |
| | Policy | Increased energy and material procurement costs due to stricter regulations on pollution, etc. | Securing of suppliers for environmentally friendly materials |
| | Policy | Increased countermeasure costs for air pollutants derived from fossil fuels and $CO_2$ emissions | Proposals for $CO_2$ reduction in operations (effective utilization of $CO_2$ calculation systems) |
| | Market | Reduced work due to decreased production volumes stemming from stricter pollution regulations and changes in consumer purchasing behavior | Expanding adoption of $CO_2$ reduction equipment and non-fossil fuel plant technology |
| | Reputation | Diminished reputation among customers due to negative impacts on environments surrounding factories (e.g., ecosystem degradation) | Review of management systems and methods for hazardous substances |
| Opportunity | Market | Increased sales through the securing of green opportunities (e.g., low-carbon fuel production plant construction, addressing of new societal and customer needs) | Enhancement of internal sharing of skills, technological capabilities, and know-how cultivated through carbon-neutral related work, and improvement of response capabilities<br>Proactive upfront investment in environmentally friendly equipment, etc. |
| | Reputation | Securing of outstanding human resources by providing environmentally friendly services | Disclosure and sharing of initiatives through publication on the recruitment information page of the Company website, etc. |
| | Products and services | Reduced environmental impact through the expansion of modal shift businesses in regions with undeveloped road infrastructure | Feasibility studies for modal shift projects and strengthening of collaboration with local governments and companies |
| | Products and services | Increased revenue opportunities through the introduction of new technologies for environmentally friendly vehicles (e.g., hydrogen trucks) | Proactive participation in the introduction of new technologies and demonstration trials |
| | Reputation | Improved reputation among business partners due to switching vehicle fuels to low-environmental-impact fuels such as biofuels | Promotion of carbon neutral road map (energy saving, energy creation, electrification, and renewable energy) |

# Creation of Fulfilling Workplaces

## Creation of fulfilling workplaces

For better work-life balance and employee health, Sankyu set up a committee dedicated to reducing excessive working hours in 2017. While the effort to raise efficiency continues unabated, we've implemented initiatives to manage employee work hours using a Company-wide time and attendance registration system, and introduced a work-interval system. We also encourage employees to use their paid leave to counterbalance their daily work.

**Recent system changes (FY2022–2026: Non-consolidated)**

**Conducted annually**
Review of starting and continuing compensation levels

**Conducted in FY2023**
- Lump-sum payments for living support
- Review of amount of annual paid leave

**Conducted in FY2024**
- Adoption of educational loan support system

**Conducted in FY2026**
- Review of annual regular work hours
- Shift work allowance increase

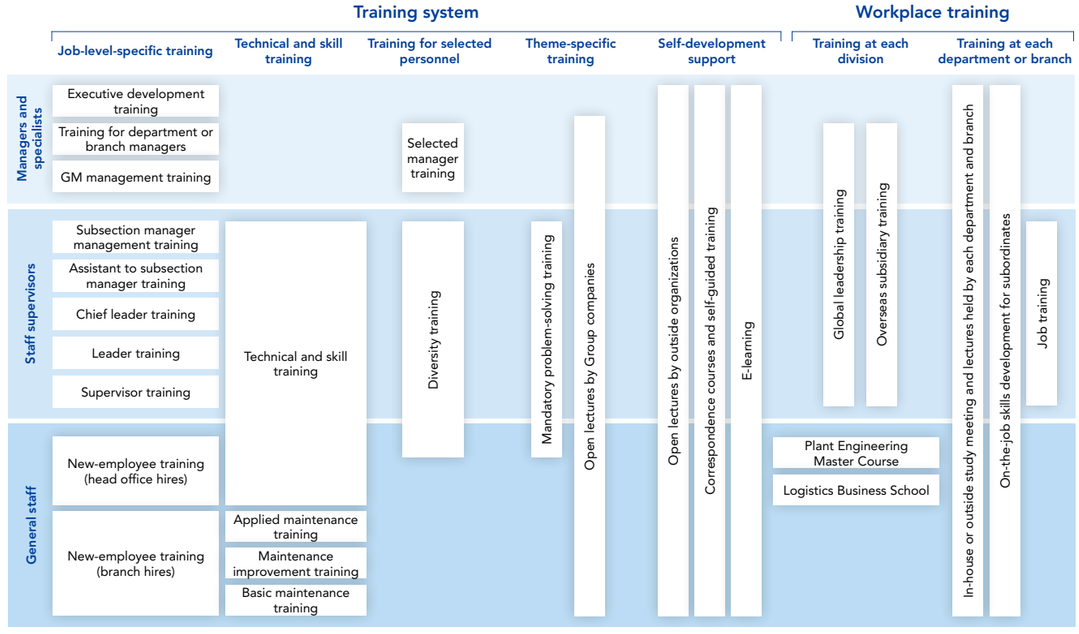
## Human resource development

### Human resource training system

We have introduced training programs and support systems for self-guided career development using educational infrastructure designed to help each employee make the most of their potential, beyond the acquisition of skills and techniques needed for work.

### Human resource training policy

In its approach to human resource training, the Sankyu Group works to help all employees understand our corporate mission and to realize it by making the most of their resources and skills to maximize the Group's value creation. We also assist in employees' self-actualization as responsible members of society.




Note: Employees of affiliated companies participate in job-level-specific training, technical and skill training, and open lectures as well.

# Diversity

## Basic approach

The Sankyu Group thinks of its employees as assets, and puts high priority on helping diverse human resources perform at their best in a wide variety of ways, which ensures the sustainable growth of the Group. We build environments where employees of diverse backgrounds, abilities, gender identities, ages, cultures, faiths, and values can make the most of their potential, and cultivate a corporate culture that embraces and respects that diversity.

- Active participation of women in the workplace
- Active senior employees
- Promoting employment of persons with disabilities

**Diversity:** https://www.sankyu.co.jp/en/sustainability/social/02/index.html#diversity

# Enhancement of occupational safety and health

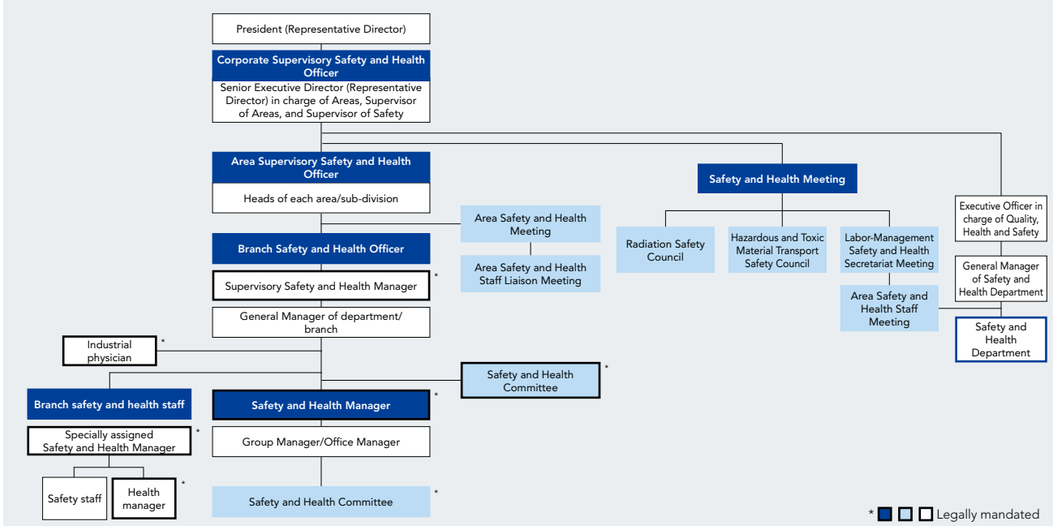
## Basic approach

The Sankyu Group values people. Based on this guiding principle, we are committed to bringing happiness to as many people related to our businesses as possible, including their families. Safety, we believe, is our top-priority precondition for happiness.

We believe it is important to stay alert to danger, and in across-the-board effort by the Sankyu Group and all its business partners, bring together knowledge and creativity in our workplaces to eliminate it. We want to be an organization that truly cares about people, and we pursue this by training human resources capable of leading safety awareness activities and managing safety, and by handing our culture of safety down the generations. We will further enhance our safety management across the entire Group, including all our overseas operations.




## Organizational chart of Company-wide safety and health management system




## 13th Three-Year Health and Safety Plan (2024–2026)

**Basic policy**

We shall work to eradicate major accidents and serious accidents that cause a suspension of work by adhering to the Five Principles of Safe Action.

**Goal*1**

Major accidents — 0

**Target values*1**

Serious accidents caused by violations of the Five Principles — 0

Target frequency rate for eliminating violations of the Five Principles — 0.3

*1 Goal and target values include those of domestic partner companies affected by the disaster.
*2 Priority action items will be addressed in collaboration with partner companies.

**Priority action items*2**

1. Compliance with the Five Principles of Safe Action (+1)
2. Promoting inherent safety measures through risk assessment
3. Promoting employee health
4. Taking appropriate action in cases of work accidents

**The Five Principles of Safe Action (+1)**

1. Always use a full-body harness when working at heights
2. Promptly seal openings
3. Shut off the power source when entering operating equipment
4. Do not touch a rotating body
5. Do not enter or approach the space below a suspended object

+1. Observe thorough pointing and calling to confirm the above

## Safety and health training

Following our annual plan based on legally required safety and health training guidelines and those we set up, we offer a range of educational programs helpful to job-level safety training and safety management skills development.

- Safety and health training system diagram

**Health and safety at work:** https://www.sankyu.co.jp/en/sustainability/social/02/index.html#safety

### COLUMN Two-Month Safety and Health Training for Manager Development

In FY2025, we launched a safety and health training program for manager development targeting employees in Japan and overseas who have been promoted to subsection manager within the relevant fiscal year.

Under our management principle of valuing people and the first rule of our Code of Conduct—"I will commit to always giving utmost priority to safety"—we position safety and health management capability as a fundamental and essential skill required for all managers. Based on this policy, completion of the training program is a mandatory requirement for promotion to manager.

The program spans approximately two months per person and consists of off-the-job training conducted away from the employee's assigned workplace (one week of introductory classroom instruction) in addition to on-the-job training (on-site at four locations, two weeks per location). This training is designed to help managers acquire basic safety and health knowledge necessary to fulfill their duty of protecting the lives of subordinates, as well as legal knowledge regarding the serious management risk of work-related accidents. In addition, through on-site patrols, we promote understanding of unsafe conditions and behaviors, acquisition of knowledge necessary for workplace improvement, deeper understanding of our business and operations, and the formation of internal networks.





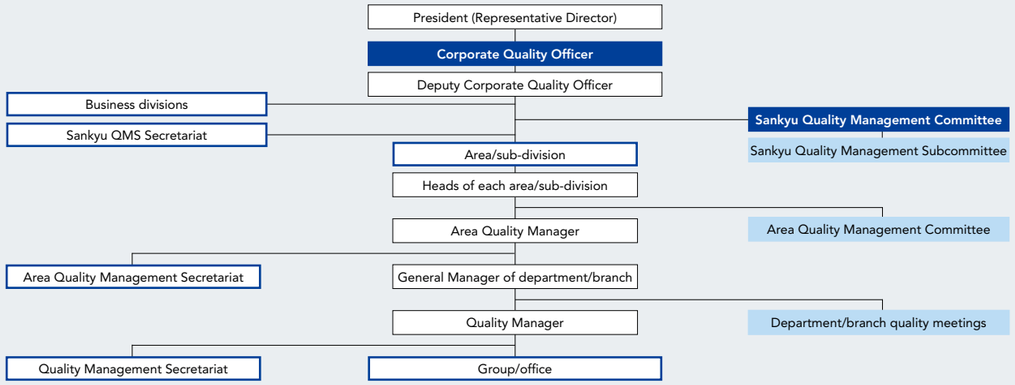

# Assurance of Service Safety and Quality

## Assurance of service safety and quality

### Quality policy

In our management principles, the Sankyu Group commits to establishing "a presence that is indispensable to our customers," and to make this happen, we provide services with a quality that offers the customer assurance. The entire Group, including foreign subsidiaries, operates under a unified quality policy.

### Quality management structure




▶ Quality management system
▶ Quality information system

**Quality improvement:** https://www.sankyu.co.jp/en/sustainability/social/01/index.html#quality

## Provision of value in response to social change

In order to capture the needs for transitioning to a recycling-oriented society, we have made steady progress in the field of logistics, advancing modal shifts and the recycling transport of discarded household PCs, fire extinguishers, and solar panels. In the field of plant engineering, we engaged in the construction of carbon neutral-related facilities for decarbonization in industries such as the steel industry. We will continue to strengthen our response in FY2026 and beyond, and contribute to solving social and environmental issues.

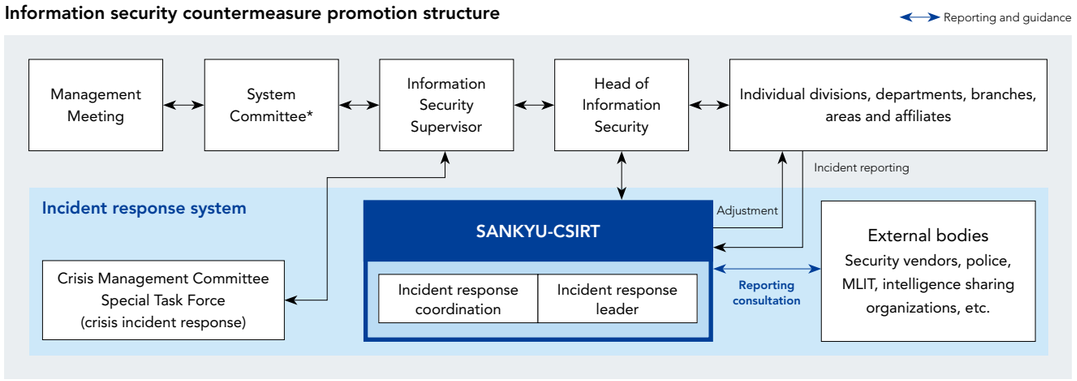
## Ensuring information security

The Sankyu Group recognizes information that exists inside the Company, including personal information, as important assets. In addition to protecting these data from various internal and external security threats, and thereby fulfilling its corporate social responsibility, the Group strives for stable business operations and improved corporate value by providing customers with services it can guarantee as safe.

### Structure enhancement

We have developed a structure for promoting information security countermeasures and created a countermeasure promotion framework. Through these efforts, we are taking steps to achieve and sustain a sophisticated information security management structure across the entire Group.

**Information security countermeasure promotion structure**




* Serving as a subcommittee to the Management Meeting, this committee deliberates the content of Company-wide information systems in order to formulate and promote measures regarding information systems from a Company-wide perspective.

### Key initiatives

For Sankyu employees and those of its Group companies in Japan, in addition to training seminars in information security, we carry out drills of targeted email attacks and cybersecurity education. To strengthen initiatives to improve information security awareness, from FY2024, we have adopted an information security education platform and are conducting email training (domestic and overseas), video training for all employees (domestic), and security training (for new employees and others).

**Key initiatives for information security**

Information security is based on three pillars

| Technology | Education | Organization |
|---|---|---|
| Vulnerability diagnosis is conducted to strive for technologically appropriate countermeasures to respond to external threats and latent security risks. | Targeted attack email drills, cybersecurity education and other actions are taken to improve individual information security awareness. | Drills are conducted with relevant departments to minimize damage and to achieve swift recovery when incidents arise. |

## Provision of services utilizing innovative technology

### Intellectual property

To improve the advantage of the Sankyu Group's services and enhance its competitiveness, the Technical Development & Administration Division and all business divisions collaborate to create, accumulate, convert to rights and effectively utilize intellectual property. We take especially aggressive action in converting to rights technologies linked to business strategy in the areas of manpower reduction and labor saving, remote operation and automation. Sankyu respects the intellectual property rights of other companies as well as its own, and is developing a framework for managing intellectual property designed to maintain social trust.

| | |
|---|---|
| **Patents** | 102 (including 6 overseas) |
| **Utility models** | 50 (including 2 overseas) |
| **Design patents** | 45 |

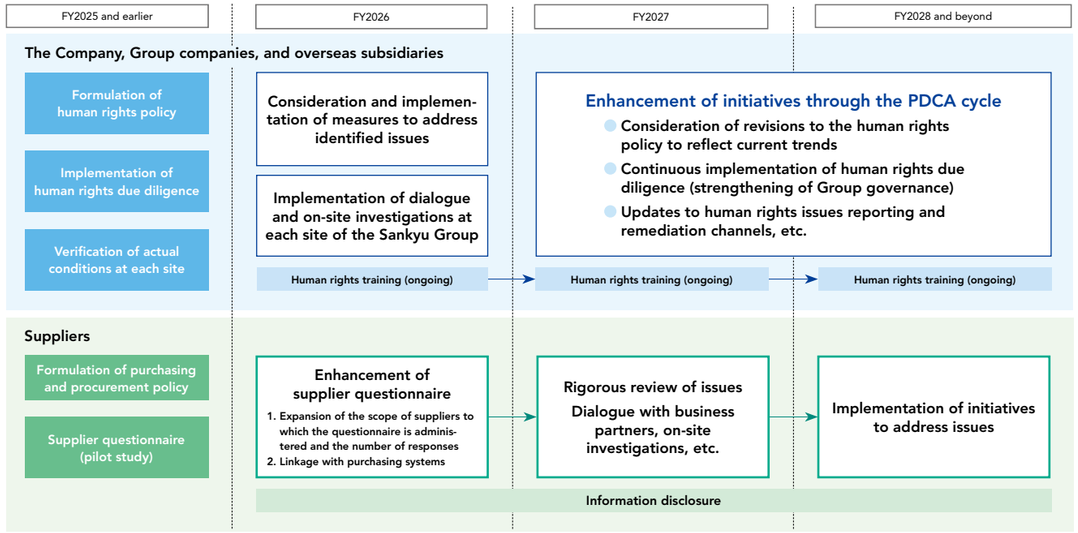
# Contribution to Local Communities

## Basic approach

The Sankyu Group aims to contribute to the sustainable development of society through its business activities. We have formulated the Sankyu Group Human Rights Policy based on our management principle of valuing people by positioning respect for the human rights of all people involved in our business activities, including not only employees but local residents, the supply chain, and business partners, as the foundation of our management. We promote the management of and appropriate response to risks of human rights violations inside and outside the Group. At the same time, as a member of our communities, we pursue social contribution activities in line with local needs, in addition to contributions through our core business, such as nurturing next-generation human resources, promoting sports, creating safe living environments, and providing support close to community life.

## Human rights due diligence and supplier management

The human rights due diligence conducted in FY2024 revealed inconsistencies in internal regulations between the Company and Group companies, which we recognize as a governance issue. To address this, we are working to strengthen Group governance and thereby create a workplace environment where diverse human resources can thrive and work with a sense of security. In addition, we will review our existing supplier management approach, expanding the scope of investigations to include human rights and other areas and enhancing communication with our suppliers to promote respect for human rights throughout the entire supply chain.




## Other initiatives

### Site visits to suppliers' plants



To promote respect for human rights at the global level, with the cooperation of MIDORI ANZEN CO., LTD., one of our supply chain business partners, we visited plants in Vietnam (Hanoi and Da Nang) that manufacture work uniforms, safety footwear, and other products. We also exchanged views on local human rights initiatives, including safety, health, and respect for diversity. Going forward, we will strive to enhance the effectiveness of our global human rights assessments while respecting the cultures and values of each country and region.

### Sports promotion activities



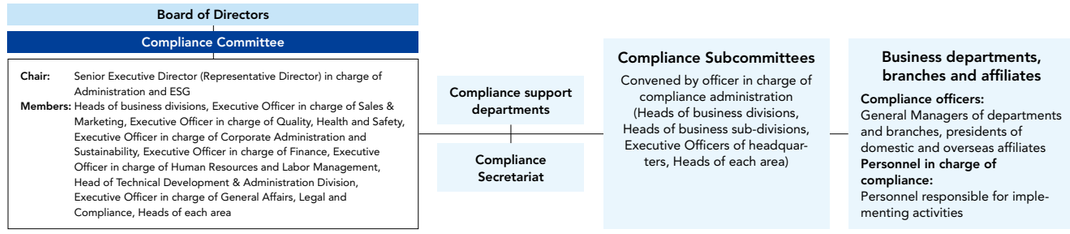
As part of an awareness-raising event during Human Rights Week in December 2025, we held an in-house lecture with the cooperation of our partner organization, P.UNITED, a joint project of eight parasports organizations. We invited para fencer Michinobu Fujita and wheelchair curler Aki Ogawa as lecturers, who shared their experiences competing in the Paralympic Games and discussed such topics as the importance of mutual understanding and respect for diversity. At a hands-on experiential session following the lecture, participants had the valuable opportunity to discover the appeal and depth of para-sports by actually trying them under the guidance of the athletes.

# Compliance

## Compliance promotion structure

Under the Board of Directors, the Sankyu Group has established a Compliance Committee, chaired by the Senior Executive Director (Representative Director) in charge of Administration and ESG, to promote conformity in the practice of and spirit with all laws, regulations and international rules. As part of a subcommittee structure, Executive Officers in charge of each business department chair individual Compliance Subcommittees, responsible for overseeing departments, branches, and affiliates and promoting compliance activities.

## Compliance organizational structure




## Raising compliance awareness

### Initiatives in Japan

Aiming to raise compliance awareness, in FY2025, the Group conducted an awareness-raising initiative with the cooperation of relevant government authorities during the year-end and New Year period (December to January), when opportunities to consume alcohol increase, under the theme of "the eradication of drinking and driving," which has been positioned as a key compliance initiative across the Company. Under this initiative, we created educational videos with the aim of enhancing compliance through their viewing. Going forward, the Sankyu Group will strengthen initiatives for the further raising of compliance awareness.

### Overseas initiatives

Seeking to cultivate and improve compliance awareness at overseas subsidiaries, in FY2025, as in the previous year, we conducted an online compliance awareness survey targeting employees at overseas subsidiaries (target survey population: 9,992; valid responses: 5,407; response rate: 54.1%). This survey identified trends in the present state of compliance awareness at the Group's overseas subsidiaries. Also in FY2025, we conducted compliance training at overseas subsidiaries in China and Southeast Asia, through which we similarly identified trends in the present state of compliance awareness. The Sankyu Group will continue to enhance compliance going forward.

## Compliance training

Compliance lectures are incorporated into the Sankyu Group's training curriculum for all job levels. Discussions are centered on details regarding the Code of Ethics, operational status of the internal whistleblower system, and examples of compliance violations in an attempt to widely raise compliance awareness.

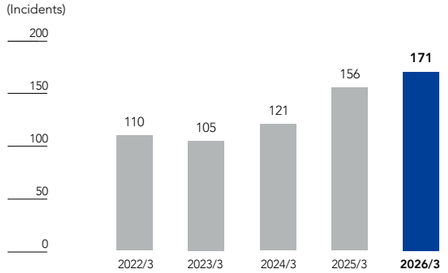
**FY2025 training for all job levels**

| Job level | Participants |
|---|---|
| New employees | 123 |
| Frontline operations officers | 285 |
| Staff supervisors | 160 |
| Administrators | 155 |
| Total | 723 |

## Internal whistleblower system

The Sankyu Group has established an internal whistleblower system, the Sankyu Hotline, and a public whistleblower system as points of contact within and outside of the Company, and the outside contact is handled by an attorney. We have established a system that allows Sankyu Group employees, their families, and business partners, etc. to report incidents, and ensures that the identity of the reporter is kept confidential and that the reporter does not suffer any disadvantage. The number of reports (consultations) in FY2025 was 171, on an increasing trend, with most consultations related to harassment, violations of internal regulations, and unfavorable treatment. This is considered to be an indication of the success of the system becoming established through awareness-raising activities. We will take steps to strengthen awareness-raising activities, with the aim of further embedding the system and enhancing its functionality.

**Internal whistleblower consultation trends**



# 5 Governance


69 Directors and Audit & Supervisory Board Members
71 Corporate Governance
75 Risk Management
77 Dialogue with Shareholders and Investors
79 Message from the Nomination Committee Chair
80 Message from the Remuneration Committee Chair









CHAPTER 5

# Directors and Audit & Supervisory Board Members

## Directors

| Board of Directors | Independent | Management Strategy | Finance/ Accounting | Global | Technology/ IT/Digital | HR/Labor/ Human Resource Development | Safety/ Quality | Risk management/ Compliance | Capital markets | ESG |
|---|---|---|---|---|---|---|---|---|---|---|
|  **Kimikazu Nakamura**<br>Chair of the Board | | ● | | ● | | ● | ● | | | ● |
|  **Kimihiro Nakamura**<br>President and CEO (Representative Director) | | ● | | ● | | | ● | ● | ● | ● |
|  **Tsuyoshi Kukihara**<br>Senior Managing Executive Officer (Director), CSO in charge of business operations, Technical Development & Administration Division, CTO | | ● | ● | ● | ● | | ● | | ● | |
|  Newly appointed<br>**Kenji Ohnaka**<br>Senior Managing Executive Officer (Representative Director), COO, in charge of Areas, Supervisor of Areas, and Supervisor of Safety | | ● | | | | ● | ● | | | |
|  Newly appointed<br>**Tomomi Iguchi**<br>Senior Managing Executive Officer (Representative Director), CHRO, in charge of Administration and ESG | | ● | | | | ● | | ● | | ● |
|  **Naoko Saiki**<br>Independent Director | ● | ● | | ● | | ● | | ● | | ● |
|  **Akira Takada**<br>Independent Director | ● | ● | ● | | | | | ● | ● | |
|  **Toru Ishida**<br>Independent Director | ● | ● | | | ● | | | ● | | ● |
|  Newly appointed<br>**Noriko Kawakami**<br>Independent Director | ● | ● | | ● | ● | | ● | ● | | |

## Audit & Supervisory Board Members

| Audit & Supervisory Board Members | External | Corporate Management | Finance/ Accounting | Legal | Auditing/Internal Auditing | Global |
|---|---|---|---|---|---|---|
|  **Toshio Yuki**<br>Standing Audit & Supervisory Board Member | | ● | ● | | | ● |
|  **Yoshiteru Tsuji**<br>Standing Audit & Supervisory Board Member | | ● | ● | | ● | |
|  Newly appointed<br>**Kazuhiro Shigeta**<br>Standing Audit & Supervisory Board Member<br>External Audit & Supervisory Board Member | ● | ● | ● | | | ● |
|  **Ryuzo Shiraha**<br>External Audit & Supervisory Board Member | ● | ● | ● | | ● | |
|  Newly appointed<br>**Akira Yoshino**<br>External Audit & Supervisory Board Member | ● | | | ● | | ● |

### Criteria for determining the independence of Independent Directors and External Audit & Supervisory Board Members

The Company has formulated criteria for determining independence based on terms and conditions for Independent Directors and External Audit & Supervisory Board Members stipulated by Japan's Companies Act and criteria for independence defined by financial instruments exchanges. There are four Independent Directors and three External Audit & Supervisory Board Members designated as independent.

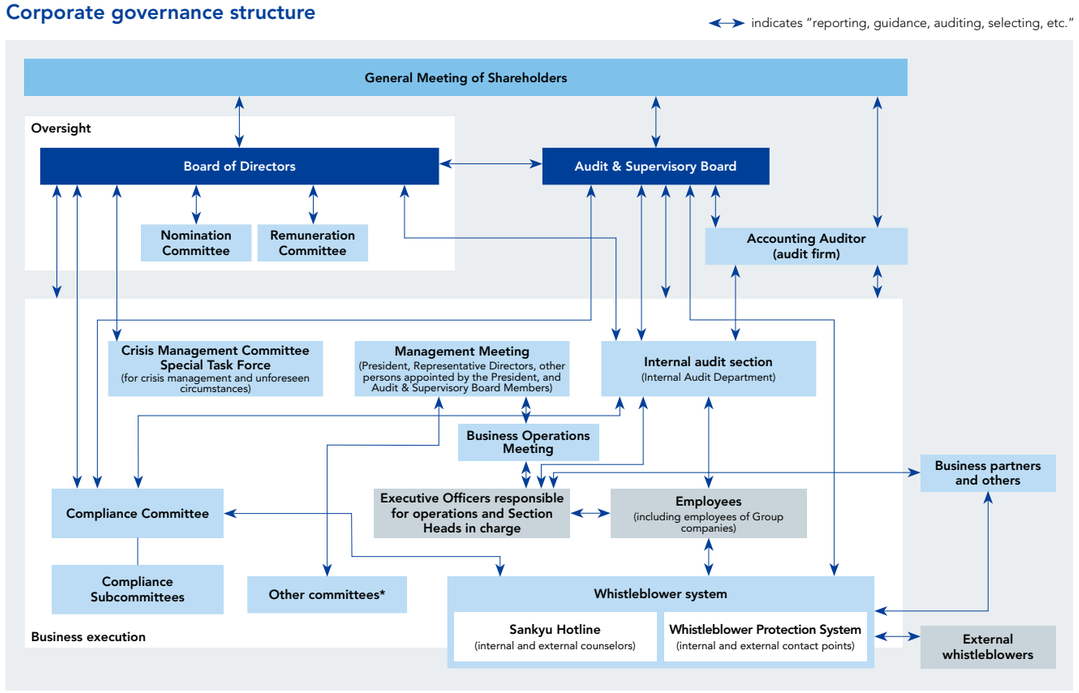
Additionally, in the selection of Independent Directors and External Audit & Supervisory Board Members, candidates are to be examined via deliberations by the Nomination Committee and Audit & Supervisory Board, and after accounting comprehensively for background, personality, skills, knowledge and other areas, efforts are made to select individuals capable of fulfilling roles and duties that contribute to the Company's sustainable growth and improvements in corporate value.

# Corporate Governance

## Basic approach

Sankyu is committed to advancing stronger corporate governance, aiming for sustainable growth and development as an enterprise by ensuring transparent management to meet its duty to explain itself to stakeholders, while also improving efficiency.

## Corporate governance structure




* Other committees include the Sustainability Committee and Risk Management Committee.

**Recent milestones in strengthening corporate governance**

| | |
|---|---|
| **2015** | • Disclosure of Corporate Governance Code-oriented initiatives |
| **2021** | • Establishment of Compliance Administration Department<br>• Disclosure of skill matrix for Board of Directors<br>• Adjustment in number of Directors (from 16 to nine, three of whom are Independent Directors) |
| **2022** | • Migration to Prime Market<br>• Appointment of female Independent Director<br>• Adoption of system for evaluating effectiveness of Board of Directors<br>• Review of whistleblower system in line with revised Whistleblower Protection Act |
| **2023** | • Voluntary establishment of Nomination Committee and Remuneration Committee<br>• Start of information disclosure related to TSE mandate of "implementing management that is conscious of cost of capital and stock price" |
| **2024** | • Adjustment in term of office for Directors from two years to one year<br>• Revision of remuneration for Directors to prepare for increase in Independent Directors (from four to five)<br>→ Total annual remuneration pool of under 1.2 billion yen (under 0.2 billion yen reserved for External Directors) |
| **2025** | • Review of remuneration system for Directors and Audit & Supervisory Board Members (adoption of restricted stock-based remuneration system) |
| **2026** | • Change in the number of Audit & Supervisory Board Members (from four to five, three of whom are External Audit & Supervisory Board Members)<br>• Appointment of two female Independent Directors (female representation on the Board at 22%) |

**Principal governance structure and meetings**

| | Chair or committee chair | Purpose |
|---|---|---|
| **Board of Directors** | Chair of the Board | Membership: Five Internal Directors, four Independent Directors<br>Along with meetings once a month and at other times, as needed, to ensure efficiency in the execution of duties by Directors, the Board of Directors meets to decide important matters and to mutually monitor the status of business execution by Directors. Important matters with respect to management policy and management strategy are deliberated at the Management Meeting, with concerns that emerge from these discussions decided by the Board of Directors. The Board of Directors met 14 times in FY2025. |
| **Nomination Committee** | Independent Director | Membership: One Internal Director, four Independent Directors<br>The Nomination Committee is charged primarily with the discussion of policy regarding the nomination of Directors, propriety of appointment and dismissal standards for managers, composition of the Board of Directors (requisite qualities, skills and diversity of Directors), appointment and dismissal of Directors, and succession plans. The Nomination Committee met nine times in FY2025. |
| **Remuneration Committee** | Independent Director | Membership: One Internal Director, four Independent Directors<br>The Remuneration Committee discusses the propriety of decision-making policies regarding compensation, as well as individual compensation. The Remuneration Committee met eight times in FY2025. |
| **Audit & Supervisory Board** | Standing Audit & Supervisory Board Member | Membership: Two Internal Standing Audit & Supervisory Board Members, one External Standing Audit & Supervisory Board Member, two External Audit & Supervisory Board Members<br>Sankyu has developed a management-monitoring structure centered on the monitoring of Directors in their business execution and the performing of audits by Audit & Supervisory Board Members and the Audit & Supervisory Board. In principle, the Audit & Supervisory Board meets once monthly, with other meetings held as needed. The Audit & Supervisory Board met 15 times in FY2025. |
| **Compliance Committee** | Senior Executive Director (Representative Director) in charge of Administration and ESG | This committee was established to ensure compliance with all domestic and international laws and regulations, international rules, and the spirit thereof. Compliance is promoted through the Compliance Committee and its Compliance Subcommittees, which are chaired by Executive Officers in charge of each business department. The Compliance Committee met twice in FY2025. |
| **Sustainability Committee** | Senior Executive Director (Representative Director) in charge of Administration and ESG | Sankyu has drafted a basic policy that aims to contribute to resolving social issues through business activities, as well as for sustainable development as an enterprise in partnership with society. Accordingly, this committee promotes initiatives that seek to resolve social issues such as climate change and human rights. The Sustainability Committee met three times in FY2025. |
| **Risk Management Committee** | Senior Executive Director (Representative Director) in charge of Administration and ESG | This committee seeks to reduce risk by identifying and analyzing potential risks related to business continuity, determining which of those risks require priority countermeasures, and enacting said countermeasures. Furthermore, the Company has a structure in place enabling control and supervision of the progress of each countermeasure by the Management Meeting and Board of Directors. The Risk Management Committee met three times in FY2025. |
| | Number of officers | Purpose |
| **Executive Officer system** | 21 | To progress the separation of business monitoring from execution, Sankyu has adopted an Executive Officer system. This system is designed to strengthen monitoring functions pertaining to business execution of the Board of Directors and accelerate its decision-making abilities. Business execution based on decisions by the Board of Directors falls under either "work-duty authority regulations" or "division of administrative responsibilities," with personnel responsible for each defined along with details regarding responsibilities and execution procedures. |

Numbers of committee and meeting members and Executive Officers as of June 26, 2026

## Board of Directors

In FY2025, the Board of Directors put forward 64 resolutions and 59 reportable items. In addition to deliberating on matters pertaining to business operations, disclosure data, and governance as part of its decision-making, the Board also made strides in examining its role going forward, taking steps to enhance its monitoring functions and to further improve corporate governance.

**Key themes deliberated by the Board of Directors in FY2025**

| Theme | Number of resolutions | Number of reportable items | Main topics |
|---|---|---|---|
| **Management/ Business strategy** | **30** | **19** | Formulation and progress of the medium-term management plan, M&A, launch of new businesses, major capital investments, organizational restructuring, etc. |
| **Sustainability/ESG** | **2** | **1** | Discussion on investment in non-financial capital, identification of material issues, response to climate change, promotion of DE&I, Human Assets Vision, etc. |
| **Governance/ Nomination/ Remuneration** | **13** | **3** | Discussion on management transparency and the monitoring functions of the management team, effectiveness evaluation of the Board of Directors, decisions on personnel matters involving Directors and Audit & Supervisory Board Members and the remuneration system, succession planning, review of cross-shareholdings, compliance with the Corporate Governance Code, etc. |
| **Risk management/ Internal controls** | **2** | **9** | Discussion on building and monitoring a system to prevent risks that would harm corporate value, formulation of risk management policy, internal audit planning and reporting, reporting of compliance-related matters, etc. |
| **Performance/Financial and capital strategy** | **13** | **15** | Monitoring of financial condition from past to present, discussion on shareholder returns, approval of financial results, monthly performance reporting, funding, acquisition of treasury shares, dividends policy, etc. |
| **Statutory/Routine matters** | **4** | **12** | Formal procedures for which resolution is mandated under the Companies Act and other applicable laws and regulations, reporting of routine business execution, decisions to convene the General Meeting of Shareholders, appointment of the share transfer agent, regular commendations, etc. |
| **Total** | **64** | **59** | |

## Effectiveness evaluation of the Board of Directors

As part of efforts to further enhance its functions and to understand current conditions in order to realize its ideal management approach, the Board of Directors conducts an annual questionnaire-based survey among all Directors and Audit & Supervisory Board Members. The survey results are shared with the Board of Directors for in-depth discussion, through which the Board analyzes and evaluates its effectiveness, identifies future issues, and considers and implements measures to further enhance its effectiveness.

**Concerns from the FY2024 effectiveness evaluation and initiatives in FY2025**

| Concerns from the FY2024 effectiveness evaluation | Key initiatives |
|---|---|
| **Enhancing shared understanding and expanding opportunities for dialogue among Directors and Audit & Supervisory Board Members to realize our management principles and long-term vision** | With the aim of strengthening collaboration through free and open exchange of views between Directors and Audit & Supervisory Board Members, the Company established regular "off-meetings"(held four times annually). This initiative has further advanced shared understanding of our management principles and long-term vision, building a foundation for more active discussions at meetings of the Board of Directors. |
| **Enriching strategic discussion on key management issues that drive medium- to long-term corporate value enhancement** | To deepen strategic dialogue aimed at medium- to long-term corporate value enhancement, in FY2025, the Company set as key themes human resource strategy based on the Human Assets Vision, enhancing the effectiveness of internal controls, and the role of the Board of Directors moving forward. Directors, Audit & Supervisory Board Members and Executive Officers held multifaceted discussions on each theme. |

## FY2025 effectiveness evaluation

<Specific Process and Evaluation Method>

1. In February 2026, all Directors and Audit & Supervisory Board Members completed a Board of Directors Effectiveness Survey.
2. The responses to the above survey were compiled objectively by an external organization, and the results were analyzed and evaluated by the Board of Directors.

## Evaluation results

Based on a multifaceted review that included quantitative analysis of survey results, Board discussions, opinions of Directors and Audit & Supervisory Board Members, and changes in the management environment, the Board was found to be sufficiently effective overall. However, feedback obtained through the evaluation once again identified "further deepening of strategic discussions" as an issue. Accordingly, it has been designated as an ongoing issue that should be addressed, and efforts toward further improvement will continue in FY2026.

**Concerns from the FY2025 effectiveness evaluation and initiatives in FY2026**

| Concerns from the FY2025 effectiveness evaluation | Key initiatives |
|---|---|
| **Deepening strategic discussion on key management issues that drive medium- to long-term corporate value enhancement (ongoing issues)** | • To further enhance strategic discussion among the Board of Directors, the Company will proactively select key issues central to management strategy and expand opportunities for in-depth discussion.<br>• The Company will review agenda submission criteria so the Board can focus on monitoring management and medium- to long-term strategic decision-making. By appropriately delegating authority to the execution team and securing sufficient deliberation time for key strategic and risk management matters, the Company will further enhance its monitoring functions. |

## Nomination Committee and Remuneration Committee

In FY2025, the Nomination Committee mainly discussed revisions to the skill matrix for the Board of Directors, review of CxO succession plans, and personnel matters involving Directors and Executive Officers, including the selection of new Independent Director candidates.

Furthermore, the Remuneration Committee discussed the basic (monthly) remuneration for Directors and Executive Officers, evaluation metrics for short-term incentive remuneration (business performance-linked monetary remuneration), and the detailed design of medium- to long-term incentive remuneration (restricted share-based remuneration).

| | Number of members | Committee chair | Members | |
|---|---|---|---|---|
| | | | Internal Directors | Independent Directors |
| **Nomination Committee** | 5 | Naoko Saiki | Katsuaki Morofuji | Masahiro Ogawa, Akira Takada, Toru Ishida |
| **Remuneration Committee** | 5 | Masahiro Ogawa | Katsuaki Morofuji | Naoko Saiki, Akira Takada, Toru Ishida |

Below is the structure as of June 26, 2026.

Nomination Committee:

5 members; Chair: Naoko Saiki, Members: Tomomi Iguchi, Akira Takada, Toru Ishida, Noriko Kawakami

Remuneration Committee:

5 members; Chair: Akira Takada, Members: Tomomi Iguchi, Naoko Saiki, Toru Ishida, Noriko Kawakami

## Policy and procedure for nominating candidates for Director and Audit & Supervisory Board Member

The Board of Directors, as needed, selects individuals it recognizes as the most suitable candidates for Directors and Audit & Supervisory Board Members, accounting comprehensively for background, personality, skills, knowledge and other areas. Candidates for Director are selected following deliberations by the voluntary Nomination Committee, while candidates for Audit & Supervisory Board Members are selected with approval from the Audit & Supervisory Board. Candidates are then put forward as proposed nominees for consideration at the General Meeting of Shareholders.

The selection of positions on the senior management team occurs following deliberations by the Nomination Committee, with ample discussion by the Board of Directors of individuals granted representative authority and other matters.

## Remuneration system for Directors and Audit & Supervisory Board Members

| | |
|---|---|
| **Basic policy** | The Company has established a basic policy for determining the amount of remuneration and other payments for Directors. Remuneration is decided based on their responsibilities, taking into account the social trends regarding remuneration for Directors, the Company's business performance, as well as balance and equity with employee salaries and other matters that should be accounted for when determining remuneration levels.<br>Furthermore, in terms of remuneration for Directors (including Independent Directors; "eligible Directors" below), the system of remuneration is able to provide incentives for the ongoing improvement of the Sankyu Group's corporate value, while advancing ever greater shared value with shareholders.<br>This policy is deliberated by the voluntary Remuneration Committee, of which Independent Directors comprise over half of membership, and decided by the Board of Directors. |
| **Procedure** | Remuneration for individual Directors consists of three parts: fixed basic remuneration; business performance-linked monetary remuneration, which serves as a short-term incentive in the form of bonuses; and share-based remuneration, a business performance-linked, non-monetary form of remuneration serving as a medium- to long-term incentive.<br>Basic remuneration for Directors consists of fixed remuneration commensurate with their respective roles. Independent Directors are excluded from the payment of bonuses to Directors. To link bonuses to the Group's business performance achievements in a given fiscal year as well as to share price, bonus payments are calculated by multiplying consolidated ordinary profit by relative total shareholder return (TSR) and a coefficient specific to the Director's role. Share-based remuneration is provided to eligible Directors on a set schedule and based on a resolution from the General Meeting of Shareholders regarding restricted shares. Independent Directors receive a fixed number of shares, while other Directors receive a number of shares in line with business performance achievements in a given fiscal year (consolidated operating profit margin) and their duties. The proportion of fixed, short-term incentive and medium- to long-term incentive remuneration is deliberated by the Remuneration Committee and decided by the Board of Directors so that the remuneration structure functions effectively as an incentive based on the above-mentioned policy. |

**Total remuneration by Director and Audit & Supervisory Board Member category, total remuneration by type and number of applicable individuals (FY2025)**

| | Category | Total remuneration (thousand yen) | Total remuneration by type (thousand yen) | | | Number of applicable individuals |
|---|---|---|---|---|---|---|
| | | | Basic remuneration | Bonuses | Share-based remuneration | |
| **Directors** | Directors (excluding Independent Directors) | 660,951 | 319,500 | 291,200 | 50,251 | 7 |
| | Independent Directors | 69,757 | 65,100 | | 4,657 | 5 |
| **Audit & Supervisory Board Members** | Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members) | 69,600 | 69,600 | | | 2 |
| | External Audit & Supervisory Board Members | 34,800 | 34,800 | | | 2 |
| **Total** | | **835,108** | **489,000** | **291,200** | **54,908** | **16** |

### Message from a newly appointed Independent Director

My impression of Sankyu is that of a solid, trustworthy company that has supported industry for over a century, accurately grasping the demands of each era to consistently deliver value. One of the Company's important strengths is its corporate culture founded on safety and quality. I believe it is important for the Board of Directors to conduct candid exchanges of opinion based on mutual respect, enhancing effectiveness through highly transparent discussion. Furthermore, I will value trust not only with shareholders but also with customers, employees, and local communities, promoting sincere governance. Having spent over 40 years engaged in the development and design of large-capacity power electronics equipment in the industrial and power sectors, I understand Sankyu's business domains from a frontline perspective. Leveraging this experience, I will contribute to improved capital efficiency, value creation, and sustainable corporate growth.



**Noriko Kawakami**
**Independent Director**

## Cross-shareholdings

If the holding of shares from other companies is deemed rational after taking into account both medium- to long-term improvements in corporate value and factors such as alignment with business strategy and impact on business operations, Sankyu holds such shares as cross-shareholdings. The appropriateness of holding such shares is scrutinized annually under continuously tightened criteria, and shares that are determined as no longer necessary are offered for sale or otherwise gradually reduced.

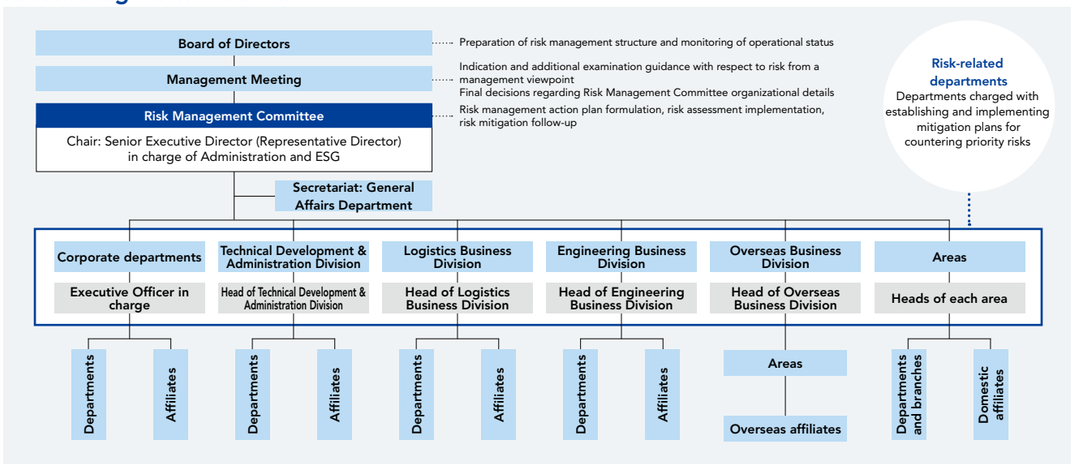
The Company conducts these rigorous annual reviews on both a quantitative and qualitative basis, reporting the results to the Board of Directors and thereafter verifying the appropriateness of relevant holdings.

- Quantitative evaluation: An evaluation of whether the economic return from held shares exceeds the Company's cost of capital, verifying the appropriateness of holding from a capital efficiency perspective.
- Qualitative evaluation: A comprehensive judgment made from perspectives such as the ripple effect on business, stability of Group management, human resources, and technological exchange. Regarding the ripple effect on business, the Company has adopted objective indicators as evaluation criteria, such as the sales performance of the companies whose shares are held.

Furthermore, for all cross-shareholdings, the Company appropriately exercises voting rights following rigorous review of each agenda item. As of March 31, 2025, Sankyu held publicly listed shares from 60 companies, collectively totaling 30,670 million yen on its balance sheet and accounting for 10.0% of net assets.

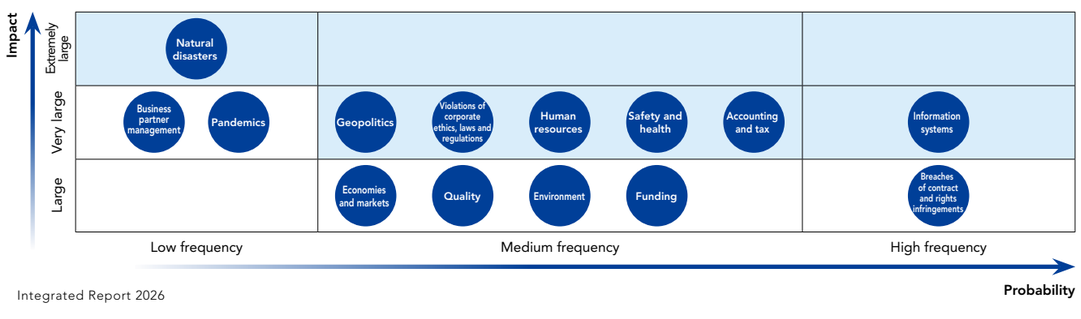
# Risk Management

## Risk management structure




## Narrowing down risks for priority measures

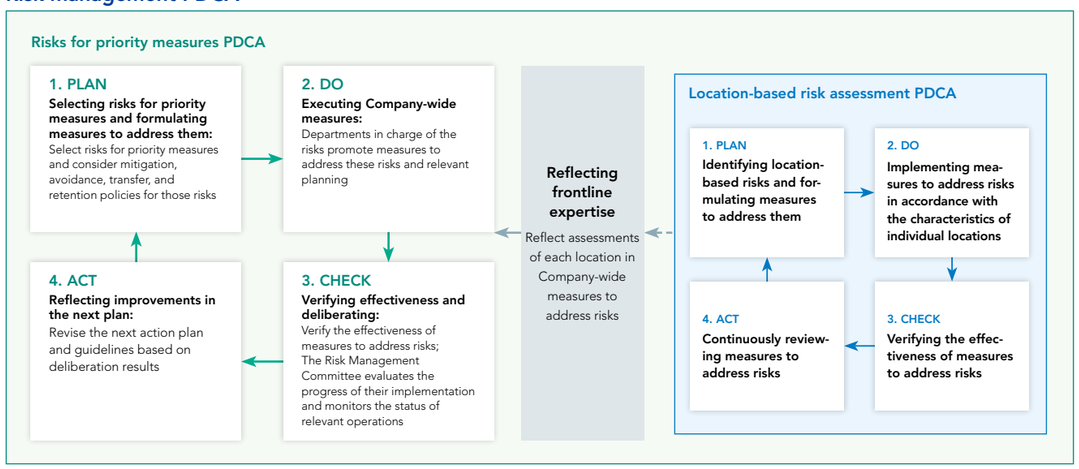
The Company's Risk Management Committee identifies risks deemed to have a particularly significant impact on management as risks for priority measures and continuously monitors the implementation status of mitigation measures for each. Furthermore, each department, branch, and Group company regularly conducts risk assessments to identify potential risks and implement measures, and the risks requiring priority measures are reviewed based on the results of these risk assessments. We will continue to identify and assess potential risks arising from continued business operations, taking into account changes in the internal situation and external environment surrounding the Group, and strive to prevent and mitigate risks.




**Definitions of risks**

| | Category | Risk definition |
|---|---|---|
| 1 | **Natural disasters** | Risk that business continuity will be threatened due to a natural disaster or pandemic |
| 2 | **Pandemics** | Risk of business disruption and failure to achieve planned targets due to outbreaks of infection among employees or customers |
| 3 | **Geopolitics** | Risk of failing to achieve planned targets due to changes in the political, social, and military situation in specific regions |
| 4 | **Economies and markets** | Risk of failing to achieve planned targets due to changes in economic conditions or macroeconomic structure |
| 5 | **Business partner management** | Risk of financial condition or reputation being harmed due to the business performance or misconduct, etc. of business partners, etc. |
| 6 | **Human resources** | Risk of corporate competitiveness being harmed due to quantitative and qualitative deficiencies in human resources |
| 7 | **Safety and health** | Risk of employees' physical and mental health being harmed due to accidents, etc. arising from work |
| 8 | **Violations of corporate ethics, laws and regulations** | Risks of reputational damage, license revocation, or penalties due to violations of corporate ethics, laws, and regulations |
| 9 | **Breaches of contract and rights infringements** | Risk of infringing the rights of a contractual counterparty or third party and being subject to claims for damages |
| 10 | **Information systems** | Risk of suspension of business activities, leaks of important information, lost sales opportunities, and claims for damages due to unauthorized access, system failures, etc. |
| 11 | **Funding** | Risk of business continuity being threatened by a shortage of funds |
| 12 | **Accounting and tax** | Risk of reputation of corporate value being harmed due to improper accounting, window-dressing financial statements, tax evasion, or omissions on tax returns |
| 13 | **Quality** | Risk of receiving complaints or claims for damages from customers due to service quality or defects |
| 14 | **Environment** | Risks of reputational damage or penalties due to violations of environmental laws and regulations or the release of hazardous substances |

## Risk management PDCA




## Business continuity-oriented initiatives

In line with crisis management regulations, the Sankyu Group produces a variety of response manuals to prepare for the occurrence of major disasters, accidents, pandemics and similar events, and strives to standardize these manuals to enable swift and appropriate responses, while supplementing them whenever needed to keep the content up to date with current trends.

There is serious concern of large-scale earthquakes occurring in the future, including an earthquake in the Nankai trough or one directly beneath Tokyo. Accordingly, we periodically carry out Company-wide disaster-readiness drills around various scenarios, and use these drills as a means to improve response manual content.

# Dialogue with Shareholders and Investors

## Approach to IR

The Group recognizes that sincere and highly transparent dialogue with shareholders, investors, and other market participants is an essential foundation for sustainable growth and medium- to long-term enhancement of corporate value.

In addition to complying with laws such as the Financial Instruments and Exchange Act and rules on timely disclosure, the Company fairly and proactively discloses to stakeholders via its website and other channels information deemed important or useful for deepening understanding of its business activities, such as management strategy, financial condition, and ESG (Environmental, Social, and Governance) initiatives that address social issues.

Furthermore, valuable opinions and requests obtained through sincere and constructive dialogue (engagement) with market participants are fed back to the management team and utilized in formulating management strategy and strengthening corporate governance, thereby enhancing management transparency and reliability.

Through these efforts, the Company will strive to build long-term relationships of trust and sustainably enhance corporate value.

## Main IR activities in FY2025

The Group actively creates opportunities for communication with investors, striving to strengthen relationships of trust. Also, the Group is carrying out various IR activities to further deepen understanding of its business activities among not only Japanese but also overseas investors.

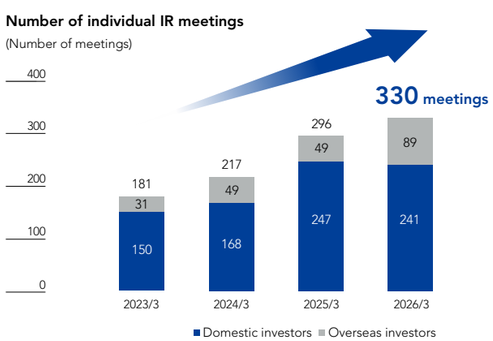
**Dialogue with shareholders and investors**

| | FY2024 | FY2025 |
|---|---|---|
| **Financial results briefings** | 2 times | 2 times |
| **Small meetings with the President** | 1 time | 1 time |
| **Small meetings with an Independent Director** | — | 1 time (inaugural) |
| **Individual meetings** | 296 times | 330 times (including individual meetings with the President) |
| **Overseas roadshows** | 2 times (North America/Asia) | 3 times (Europe/North America/Asia) |
| **Site visits** | 2 times | 4 times (3 times in Japan, 1 time overseas) |
| **Shareholder relations (SR) meetings** | 7 times | 1 time (participation by CFO) |

## Main themes of dialogues

- Company-wide cost reduction
- Progress on structural reforms and unit price revisions in the Logistics Business
- Acquisition of new domains in the Plant Engineering Business, including through M&A

**Number of individual IR meetings**




## Small meetings with an Independent Director

A small meeting was held between six institutional investors and Independent Director Naoko Saiki. The participants engaged in active discussion on numerous themes, including the effectiveness of the Board of Directors and the role of Independent Directors, governance and risk management for overseas businesses, and succession planning.



## Publication of business introduction video for investors

As the Company's business spans a broad and diverse range covering logistics and plant engineering, it created and published a business introduction video on its corporate website to deepen understanding of its multifaceted business and lead to fruitful communication. By visually conveying its complex business lines, the Company aims to raise interest among shareholders and investors and enrich dialogue and build solid relationships of trust with them.

**The Sankyu Group as seen in video:** https://www.sankyu.co.jp/ir/individual.html
https://vimeo.com/1192515014 (Japanese only)



## Feedback to management

Valuable opinions and questions are received from shareholders and investors and reported to the Board of Directors. Furthermore, the opinions and questions are shared widely with relevant internal departments and used to improve management and IR/SR activities.

| Activity | Frequency |
|---|---|
| **Reporting at meetings of the Board of Directors** | Four times annually |
| **Sharing of analyst reports** | Irregular |
| **Sharing of information with relevant departments** | As appropriate |

## Items adopted based on dialogue with investors

- Strengthening of IR system
- Securitization of accounts receivable
- Holding of small meetings attended by the President and Independent Directors
- Redesign of work uniforms

COLUMN

### Shaping the future of the Company through execution of the Social Value Co-Creation Project

The Social Value Co-Creation Project was a study session conducted in which employees discussed and articulated the social value the Group aims to deliver by 2050. Over approximately ten months, junior and mid-level employees engaged in ongoing discussions, fostering momentum toward shaping the Company's future. Furthermore, through dialogue with management, they built a logic model backcasting from their vision of the Company's future. Going forward, the Company will deepen discussion with a greater number of employees, aiming to realize its ideal vision as a company that contributes to the resolution of social issues.





Assessing and supporting a fair selection process for management human resources

**Naoko Saiki**
**Independent Director**
**Nomination Committee Chair**

## Message from the Nomination Committee Chair

### The role of the Nomination Committee and deepening discussions

In recent years, many companies have come to advocate human capital management. Sankyu, aspiring to be a company full of human potential, likewise positions its human resource as a valuable form of capital. One of our greatest challenges is maximizing the value of this human capital to enhance medium- to long-term corporate value. A key question is how to align our aspirations with the self-realization of each employee. In my extensive career at the Ministry of Foreign Affairs, I engaged in international law, treaties, and economics, as well as human resources and other Secretariat duties. Human resource development is important to organizational management in both the public and private sectors, and I believe my experience is being leveraged in the activities of the Nomination Committee.

As an advisory body, the role of Sankyu's Nomination Committee is to confirm and advise on whether the executive team is appropriately selecting and developing future management human resources, and in particular, whether the process ensures fairness and transparency. The committee is also expected to engage appropriately in deliberations regarding specific candidates for management positions and render judgments accordingly. Since its establishment in 2023, the committee has been sorting through key issues with support from external third-party organizations. We continue to bring together more diverse insights and build upon objective and substantive discussions. To enhance this process, in June 2025, the Company transitioned to a system in which all Independent Directors participate in both the Nomination and Remuneration committees.

### Toward further enhancement of the effectiveness of the skill matrix and succession plan

The skill matrix provides a structured view of the Board of Directors' effectiveness as a whole, indicating which skills are satisfied by its membership. Linking management strategy and human resource strategy is essential, and building on the annual revisions we have made to the skill matrix, we will continue to examine the matrix within the Nomination Committee, positioning it as a means of making dialogue with investors and other stakeholders more fruitful.

A succession plan is not simply a plan; it is, in essence, a dynamic process. Specifically, it generally consists of five stages: (1) identifying key positions and defining their requirements, (2) identifying the pool of internal and external human resources and selecting candidates according to predetermined criteria, (3) formulating and executing development plans for those candidates, (4) evaluating development outcomes based on appropriate criteria, and (5) implementing suitable placements and promotions based on the evaluation. It is essential that the Nomination Committee closely follow the progress of each of these stages going forward. To enhance the effectiveness of the succession plan, we intend to strengthen information sharing and collaboration with the executive team while leveraging data in decision-making.

### Closing message

This is my second year as Nomination Committee chair. To achieve sustainable growth, we must maintain the trust of our stakeholders, and further strengthening governance is indispensable to maintaining that trust. I will continue my efforts to further evolve the Company's governance and ensure that the Nomination Committee fully carries out its responsibilities to fulfill the duty entrusted to us by shareholders and enhance our medium- to long-term corporate value.



An effective remuneration system that shapes the actions of the management team

**Akira Takada**
**Independent Director**
**Remuneration Committee Chair**

## Message from the Remuneration Committee Chair

### Sound remuneration design that strengthens a shareholder-oriented mindset

The remuneration system is a mechanism that heightens management's motivation to improve performance. It also serves as an important foundation that influences our corporate culture and relationships among officers. I believe that excessively increasing the performance-linked nature of remuneration risks inviting a mindset of short-term results and unproductive internal competition, while concentrating evaluation authority among a limited few risks impeding free and open discussion and management.

In FY2025, Sankyu adopted a restricted share-based remuneration system, revising the design of business performance-linked monetary remuneration to consist of cash remuneration linked to consolidated ordinary profit and factoring in relative total shareholder return, along with share-based remuneration linked to future stock price performance. While Sankyu's previous remuneration system maintained a roughly even balance between fixed remuneration and business performance-linked monetary remuneration, the FY2025 revision aimed to promote management that is more closely aligned with shareholders' perspectives. A potential future option is to increase the proportion of share-based remuneration. For the time being, we will evaluate the effectiveness of the current system through its operation.

### Toward a remuneration system linked to the medium-term management plan

With the introduction of the share-based remuneration system, we will engage in management that aims to further improve capital efficiency. Given our business structure, improving capital efficiency has become a management priority in recent years, and the share-based remuneration system serves as a mechanism to ensure that management addresses this challenge from a shareholder perspective. For several years, we have made efforts to foster awareness of capital efficiency centered on ROIC, and going forward, we will further instill this awareness not only among Directors but also among executive officers and heads of business divisions. We will also continue discussions on how to reflect in our evaluations not only business scale expansion, but initiatives to enter new business domains and future growth potential.

In recognition of these issues, the Remuneration Committee has participated in discussions on the next medium-term management plan since its formulation. In the past, the remuneration system was based on targets previously set by the medium-term management plan. This time, however, the Remuneration Committee has been involved in discussions from the outset concerning goals and KPIs to be set by the executive team, to develop a remuneration system that more appropriately reflects capital efficiency, growth potential, and each officer's commitment to their roles and responsibilities.

Furthermore, we are examining both financial and non-financial indicators. Among the latter, employee engagement is a key indicator that embodies the Company's guiding principle of valuing people, and we believe it has the potential to drive medium- to long-term improvements in corporate value. We will continue discussions on how to reflect employee engagement in officer evaluations to ensure a highly transparent remuneration system.

### Closing message

As Remuneration Committee chair, my goal is to build a system that encourages each member of management to act autonomously in ways that help enhance corporate value, and that earns the acceptance of shareholders, investors, and employees. In recent years, we have strengthened our constructive dialogue with shareholders and investors, and we believe that the stock split scheduled for FY2026 will further increase interest in the Company. We will leverage this opportunity to build a highly effective remuneration system linked to the next medium-term management plan.

# Five-Year Data Highlights

(Million yen)

| Sankyu Inc. and its consolidated subsidiaries<br>Fiscal years ended March 31 | | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|---|---|
| **Consolidated data** | | | | | | |
| **Consolidated subsidiaries** | | 56 companies | 56 companies | 56 companies | 57 companies | **60 companies** |
| **Equity-method affiliates** | | 1 company | 1 company | 1 company | 1 company | **1 company** |
| **Net sales** | | 553,831 | 579,226 | 563,547 | 606,791 | **631,573** |
| **Cost of sales** | | 495,711 | 515,514 | 501,553 | 533,136 | **555,204** |
| **Gross profit** | | 58,120 | 63,711 | 61,993 | 73,654 | **76,368** |
| **Operating profit** | | 34,465 | 38,169 | 35,216 | 43,945 | **43,240** |
| **Ratio of operating profit to net sales** | | 6.2% | 6.6% | 6.2% | 7.2% | **6.8%** |
| **Ordinary profit** | | 35,432 | 39,631 | 36,631 | 44,679 | **43,385** |
| **Profit attributable to owners of parent** | | 22,636 | 24,959 | 24,379 | 30,747 | **31,505** |
| **Ratio of net profit to net sales** | | 4.1% | 4.3% | 4.3% | 5.1% | **5.0%** |
| **Total assets** | | 462,467 | 481,661 | 505,045 | 545,189 | **559,746** |
| **Net assets** | | 248,725 | 272,532 | 285,433 | 297,063 | **306,988** |
| **Equity** | | 245,954 | 269,284 | 282,047 | 293,211 | **303,169** |
| **Interest-bearing debt** | | 45,686 | 49,226 | 72,596 | 81,230 | **92,015** |
| **Depreciation** | | 18,172 | 18,953 | 19,567 | 19,604 | **20,501** |
| **Capital investment** | | 20,489 | 23,341 | 20,589 | 35,470 | **23,181** |
| **Cash flows from operating activities** | | 43,692 | 33,277 | 21,731 | 43,532 | **51,993** |
| **Cash flows from investing activities** | | (14,938) | (16,533) | (18,434) | (26,472) | **(19,188)** |
| **Cash flows from financing activities** | | (24,491) | (11,106) | (9,142) | (25,313) | **(32,383)** |
| **Free cash flow** | | 28,754 | 16,744 | 3,297 | 17,059 | **32,805** |
| **Equity ratio** | | 53.2% | 55.9% | 55.8% | 53.8% | **54.2%** |
| **Return on equity (ROE)** | | 9.4% | 9.7% | 8.8% | 10.7% | **10.6%** |
| **Return on invested capital (ROIC)** | | 8.4% | 8.9% | 7.6% | 8.8% | **8.2%** |
| **Return on assets (ROA)** | | 7.7% | 8.4% | 7.4% | 8.5% | **7.9%** |
| **D/E ratio (times)** | | 0.19 | 0.18 | 0.26 | 0.28 | **0.30** |
| **Dividend payout ratio** | | 28.8% | 35.2% | 40.6% | 40.6% | **40.1%** |
| **Total return ratio** | | 72.7% | 35.2% | 101.6% | 88.8% | **103.1%** |
| **Price earnings ratio (PER) (times)** | | 10.43 | 11.50 | 12.18 | 10.74 | **14.21** |
| **Price book-value ratio (PBR) (times)** | | 0.95 | 1.07 | 1.03 | 1.10 | **1.44** |
| **Earnings per share (EPS) (yen)** | | 382.50 | 426.68 | 428.60 | 570.99 | **614.05** |
| **Book value per share (BPS) (yen)** | | 4,204.60 | 4,603.55 | 5,083.35 | 5,580.58 | **6,047.98** |
| **Overseas sales** | | 88,095 | 101,808 | 98,671 | 107,110 | **110,363** |
| **Asia and the Middle East** | | 81,912 | 93,586 | 91,234 | 89,004 | **87,513** |
| **North & South America and other regions** | | 6,183 | 8,222 | 7,437 | 18,105 | **22,849** |
| **Overseas sales ratio** | | 15.9% | 17.6% | 17.5% | 17.7% | **17.5%** |
| **Logistics Business** | Net sales | 286,945 | 302,067 | 284,258 | 295,564 | **295,256** |
| | Operating profit | 10,996 | 9,877 | 8,057 | 9,681 | **9,826** |
| **Plant Engineering Business** | Net sales | 242,851 | 252,488 | 252,611 | 283,289 | **307,458** |
| | Operating profit | 22,163 | 26,075 | 25,122 | 32,001 | **30,960** |
| **Other** | Net sales | 24,034 | 24,670 | 26,667 | 27,937 | **28,858** |
| | Operating profit | 961 | 1,639 | 1,845 | 2,218 | **2,472** |
| **Orders received (Logistics)** | | 286,314 | 302,075 | 284,706 | 295,416 | **295,028** |
| **Orders received (Plant Engineering)** | | 231,135 | 262,356 | 261,186 | 296,089 | **295,035** |
| **Order backlog (Plant Engineering)** | | 62,700 | 72,568 | 81,143 | 93,943 | **81,520** |

# Non-Financial Data

| Sankyu Inc.<br>Fiscal years ended March 31 | | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|
| **$CO_2$ emissions*1** | Scope1 (t-$CO_2$) | 94,528 | 93,138 | **86,265** |
| | Scope2 (t-$CO_2$) | 18,221 | 18,503 | **14,957** |
| | Scope3 (t-$CO_2$) | 894,959 | 1,045,513 | **999,033** |
| | Total | 1,007,708 | 1,157,154 | **1,100,255** |
| **Energy use intensity (l/m²)** | | 8.311 | 7.480 | **7.099** |
| **Infringements of environmental laws and regulations (incidents)** | | 0 | 0 | **0** |
| **Number of employees** | Consolidated | 30,672 | 29,614 | **29,324** |
| | Overseas employees*2 | 11,639 | 10,484 | **9,922** |
| | Percentage of overseas employees (%) | 37.9 | 35.4 | **33.8** |
| | Non-consolidated | 12,235 | 12,292 | **12,452** |
| | Men | 10,677 | 10,684 | **10,769** |
| | Women | 1,558 | 1,608 | **1,683** |
| | Percentage of women (%) | 12.7 | 13.1 | **13.5** |
| **Average years of service of full-time employees** | Men (years) | 15.4 | 15.7 | **15.9** |
| | Women (years) | 10.6 | 10.8 | **10.9** |
| | Difference (%) | 68.6 | 68.8 | **68.6** |
| **Number of full-time employees who resigned** | | 570 | 505 | **428** |
| **Full-time employee turnover rate (%)** | | 5.1 | 4.4 | **3.7** |
| **Average overtime hours per employee per month (hours)** | | 26.6 | 27.4 | **24.6** |
| **Average number of paid leave days taken (days)** | | 14.8 | 14.5 | **14.6** |
| **Rate of use of annual paid leave (%)** | | 74.5 | 72.6 | **73.6** |
| **Number of personnel taking childbirth leave** | | 31 | 48 | **36** |
| **Number of personnel taking childcare leave** | Men | 80 | 119 | **153** |
| | Women | 24 | 48 | **36** |
| **Rate of use of childcare leave*3** | Men (%) | 28.0 | 42.2 | **58.6** |
| | Women (%) | 77.4 | 100.0 | **97.3** |
| **Number of personnel taking family care leave*3** | | 4 | 3 | **7** |
| **Training expenses per full-time employee*4 (thousand yen)** | | 165.0 | 169.6 | **211.2** |
| **Company-wide job-level-specific training*4,5** | Number of participants | 6,583 | 5,547 | **5,779** |
| | Average hours of training | 60.8 | 54.1 | **56.3** |
| **Technical and skill training*4,5** | Number of participants | 17,850 | 15,134 | **20,108** |
| | Average hours of training | 45.1 | 45.6 | **42.0** |
| **Percentage of managerial positions held by women*6** | Consolidated (%) | 7.2 | 7.2 | **7.5** |
| | Non-consolidated (%) | 1.8 | 2.2 | **2.4** |
| **Wage difference between men and women*6 (%)** | | 64.4 | 65.7 | **67.3** |
| **Percentage of employees who have disabilities*7 (%)** | | 2.54 | 2.54 | **2.44** |
| **Accident frequency rate*8,9** | | 0.44 | 0.73 | **0.41** |
| **Severity rate*8,10** | | 0.13 | 0.03 | **0.02** |
| **Number of compliance training sessions*1** | | 17 | 20 | **19** |
| **Number of compliance training participants*1** | | 810 | 742 | **723** |
| **Number of briefings held by the Company (briefings on financial results, IR Day, etc.)** | | 2 | 2 | **2** |

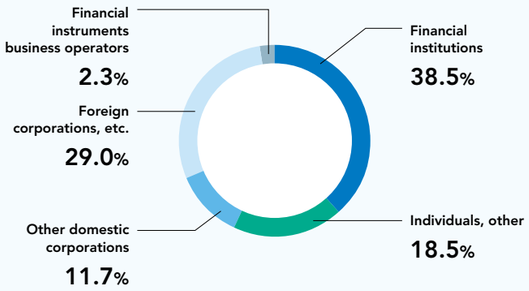
*1 Figures including domestic consolidated subsidiaries *2 Number of foreign national employees hired abroad *3 Figures calculated based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members *4 Figures based on Company-wide education and training plans for the period from April 1 to March 31 *5 Figures for five training facilities in Japan and overseas for the period from April 1 to March 31 *6 Figures calculated based on the Act on the Promotion of Women's Active Engagement in Professional Life for the period from April 1 to March 31 *7 Figures for 12 designated Group companies calculated based on the Act to Facilitate the Employment of Persons with Disabilities *8 Figures include domestic consolidated subsidiaries and domestic partner companies for the period from January 1 to December 31 *9 Accident frequency rate indicates the frequency of work-related accidents as the total number of casualties due to work-related accidents per million hours worked *10 Severity rate indicates the severity of work-related accidents as the total number of lost workdays per thousand hours worked

# Company Outline / Investor Information

## Company outline

| | |
|---|---|
| **Company name** | Sankyu Inc. |
| **Headquarters** | 5-23, Kachidoki 6-chome, Chuo-ku, Tokyo 104-0054, Japan<br>Tel: +81-3-3536-3939 (switchboard) |
| **Founded** | October 1, 1918 |
| **Paid-in capital** | 28,619 million yen |
| **Business locations** | 38 branches in Japan, 49 affiliated companies in Japan, 38 affiliated companies overseas,1 representative office overseas |
| **Number of employees** | 12,452 (Consolidated: 29,324) (As of March 31, 2026) |
| **Sales** | 440,504 million yen (Consolidated: 631,573 million yen) (FY2025) |
| **Business lines** | Operation of Logistics and Plant Engineering Businesses in Japan and overseas. In the Logistics Business, Sankyu engages in various tasks in ports, warehouse storage, truck transportation and in-plant tasks for client companies.<br>In the Plant Engineering Business, Sankyu conducts construction of general industrial machinery and environmental facilities, equipment installation, piping work, maintenance, etc. |

## Composition of shareholders (as of March 31, 2026)




## IR calendar

| | |
|---|---|
| **Jan.** | End of month: Third quarter financial results announcement |
| **Feb.** | |
| **Mar.** | |
| **Apr.** | |
| **May** | Beginning of month: Fourth quarter financial results announcement |
| **June** | End of month: Annual General Meeting of Shareholders |
| **July** | End of month: First quarter financial results announcement |
| **Aug.** | |
| **Sept.** | |
| **Oct.** | End of month: Second quarter financial results announcement |
| **Nov.** | |
| **Dec.** | |

## Share information

| | |
|---|---|
| **Listed exchanges** | Tokyo Stock Exchange Prime Market, Fukuoka Stock Exchange (Securities code: 9065) |
| **Business year** | From April 1 each year to March 31 of the following year |
| **Annual General Meeting of Shareholders** | June every year |
| **Total number of authorized shares to be issued** | 200,000,000 shares |
| **Total number of issued shares** | 52,901,749 shares |
| **Shareholders** | 9,872 (As of March 31, 2026) |
| **Number of shares in one unit** | 100 shares |

## Major shareholders (as of March 31, 2026)

| Shareholder name | Number of shares held (thousands) | Percentage held (%) |
|---|---|---|
| **The Master Trust Bank of Japan, Ltd. (Trust Account)** | 7,596 | 15.15 |
| **Custody Bank of Japan, Ltd. (Trust Account)** | 4,852 | 9.68 |
| **STATE STREET BANK AND TRUST COMPANY 505001** | 2,658 | 5.30 |
| **Nippon Steel Corporation** | 2,061 | 4.11 |
| **Nibiki Scholarship Foundation** | 1,960 | 3.91 |
| **Sankyu Employee Ownership Account** | 1,541 | 3.07 |
| **Mizuho Bank, Ltd.** | 1,212 | 2.42 |
| **Meiji Yasuda Life Insurance Company** | 1,200 | 2.39 |
| **Sankyu Business Partners Stock Ownership Association** | 771 | 1.54 |
| **Tokio Marine & Nichido Fire Insurance Co., Ltd.** | 735 | 1.47 |

*1 Treasury shares are excluded from the list of major shareholders above.
*2 The percentage of shares held is calculated excluding treasury shares.

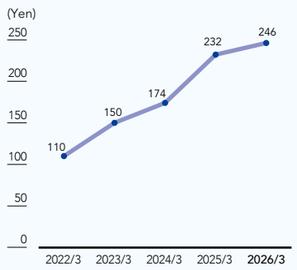
## Credit rating information (as of March 31, 2026)

| Credit rating agency | Issuer rating |
|---|---|
| **Rating and Investment Information, Inc. (R&I)** | A (positive) |

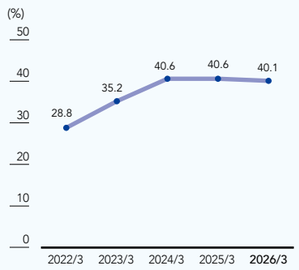
## Stock price and market value

| | 2022/3 | 2023/3 | 2024/3 | 2025/3 | 2026/3 |
|---|---|---|---|---|---|
| **Stock price at period-end (yen)** | 3,990 | 4,905 | 5,222 | 6,132 | **8,723** |
| **Highest price (yen)** | 5,590 | 5,350 | 5,644 | 6,413 | **10,065** |
| **Lowest price (yen)** | 3,740 | 3,595 | 4,513 | 3,993 | **5,413** |
| **Number of shares outstanding at period-end (thousand shares)** | 61,758 | 61,758 | 61,758 | 55,470 | **52,901** |
| **Market value at period-end (million yen)** | 246,414 | 302,923 | 322,500 | 340,144 | **461,462** |

## Dividend per share




## Dividend payout ratio




# Network

## Japanese branches and major domestic affiliates

| Japanese branches | | | |
|---|---|---|---|
| **East Japan area** | Kimitsu Branch | **Kansai area** | Okayama Branch |
| | Kashima Steel Branch | | Keiji Branch |
| | Chiba Branch | | Kobe Branch |
| | Tomakomai Branch | | Hyogo Branch |
| | Kashima Branch | **Chugoku and Shikoku area** | Okayama Branch |
| **Metropolitan area** | North Kanto Branch | | Shikoku Branch |
| | Tohoku Branch | | East Chugoku Branch |
| | Tokyo Branch | | Hiroshima Branch |
| | Yokohama Branch | | Iwakuni Branch |
| | Metropolitan DC Branch | | Hikari Branch |
| **Chubu area** | Shizuoka Branch | | Shunan Branch |
| | Tokai Branch | **Kyushu area** | Yahata Branch |
| | Chita Branch | | Kitakyushu Branch |
| | Nagoya Branch | | Moji Branch |
| | Yokkaichi Branch | | Wakamatsu Branch |
| | Mie Branch | | Fukuoka Branch |
| **Kansai area** | Senboku Branch | | Oita Branch |
| | Hokuriku Branch | | Oita East Branch |
| | Kansai Branch | | Miyazaki Branch |

| Major domestic affiliates | |
|---|---|
| **Logistics-related** | |
| Sankyu Transport Higashinihon Co., Ltd. | Sankyu Kyushu Business Co., Ltd. |
| Sankyu Transport Tokyo Co., Ltd. | Sankyu Delivery & Service Co., Ltd. |
| Sankyu Transport Chubu Co., Ltd. | Sankyu Shipping Inc. |
| Sankyu Transport Kansai Co., Ltd. | Chiyoda Shipping Ltd. |
| Sankyu Transport Chugoku Co., Ltd. | Sankyu Kairiku Co., Ltd. |
| Sankyu Transport Kyushu Co., Ltd. | Chubu Kaiun Kaisha, Ltd. |
| Sankyu Higashi Nihon Service Co., Ltd. | Hirobishi Sokounyu Co., Ltd. |
| Sankyu Chubu Service Co., Ltd. | Sankyo Koun Co., Ltd. |
| Sankyu Kinki Service Co., Ltd. | Sankyu Air Logistics Co., Ltd. |
| Sankyu Yamaguchi Business Co., Ltd. | Sannet Logistics Co., Ltd. |
| **Plant Engineering-related** | |
| Sankyu Plant Techno Co., Ltd. | Sanyou Kogyo Corporation |
| Sankyu Jukiko Co., Ltd. | Maruei Sangyo Co., Ltd. |
| Japan Industrial Testing Co., Ltd. | Sankyu Road Engineering Co., Ltd. |
| Heiwa Fuso Techno Co., Ltd. | |
| **Service-related** | |
| Infosense Corporation | |
| Sankyu Clearing Co., Ltd. | |
| Sankyu Business Service Co., Ltd. | |
| Sankyu-SBI Innovation Fund No. 1 Investment Limited Partnership | |
| Sankyu-SBI M&A No. 1 Investment Limited Partnership | |

## Major overseas affiliates

| East Asia | |
|---|---|
| **China** | Beijing Sankyu Logistics Co., Ltd. |
| | Dalian Sankyu International Logistics Co., Ltd. |
| | Qingdao Sankyu Asia-Pacific Logistics Co., Ltd. |
| | Qingdao JSD Logistics Co., Ltd. |
| | Shanghai E&T Sankyu Logistics Co., Ltd. |
| | Sankyu Plant Engineering Shanghai Co., Ltd. |
| | Sankyu Jiangsu Logistics Co., Ltd. |
| | Sankyu Guangzhou Logistics Co., Ltd. |
| | Sankyu Eastern International (H.K.) Co., Ltd. |
| **South Korea** | Taiyoung Sankyu International Logistics Co., Ltd. |
| **Taiwan** | Sankyu-Jvanan International Logistics Co., Ltd. |

| Southeast Asia, Middle East | |
|---|---|
| **Vietnam** | Sankyu (Vietnam) Co., Ltd. |
| | Sankyu Logistics (Vietnam) Co., Ltd. |
| **Thailand** | Sankyu-Thai Co., Ltd. |
| **Malaysia** | Sankyu (Malaysia) Sdn. Bhd. |
| **Singapore** | Sankyu (Singapore) Pte. Ltd. |
| | Sankyu Southeast Asia Holdings Pte. Ltd. |
| **Indonesia** | PT. Sankyu Indonesia International |
| **India** | Sankyu India Logistics & Engineering Private Limited |
| **Saudi Arabia** | Sankyu Saudi Arabia Co. |
| **Americas and Europe** | |
| **U.S.A.** | Sankyu U.S.A., Incorporated |
| **Mexico** | Sankyu Mexico S.A. de C.V. |
| **Brazil** | Sankyu S/A |
| | Sankyu Logistics Do Brasil Ltda. |