

Last Update: April 1, 2026

SBS Holdings, Inc.

Masahiko Kamata, Representative Director

Contact: Corporate Communication Division

Securities code: 2384

<https://www.sbs-group.co.jp>

The corporate governance of SBS Holdings, Inc. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

As the holding company of the SBS Group, we ensure the efficiency, soundness, and transparency of the Group’s overall management. To continuously enhance corporate value and earn the trust of society, we position compliance and risk management as key pillars of management and work to strengthen the corporate governance framework across the entire SBS Group.

Reasons for Non-compliance with the Principles of the Corporate Governance Code **UPDATED**

This report is prepared based on the Corporate Governance Code revised in June 2021.

[Supplementary Principle 4-1-3: Oversight of the CEO Succession Plan]

The Board of Directors has not yet formulated a specific succession plan for the CEO. Going forward, the Board will continue to deliberate on the oversight of the formulation and operation of such a succession plan.

Disclosure Based on each Principle of the Corporate Governance Code **UPDATED**

[Principle 1-4 Policy on Cross-Shareholdings]

(1) Basic Policy

We hold cross-shareholdings only when we determine that such holdings contribute to the sustainable growth and enhancement of corporate value of the Company and its Group through strengthened relationships with business partners.

(2) Review of Cross-Shareholdings

For major cross-shareholdings, we annually assess the benefits of maintaining or strengthening business relationships for each issuer. If a holding is deemed to have limited medium- to long-term contribution to corporate value, we will sell the shares after obtaining Board approval, taking into account market impact and shareholder interests.

(3) Exercising Voting Rights

We exercise voting rights for cross-shareholdings based on individual review of each company’s management policies and strategies, and determine approval or disapproval by assessing whether each proposal contributes to the corporate value of the investee and our Group.

[Principle 1-7 Related Party Transactions]

When a Director intends to engage in a transaction that constitutes competition or a conflict of interest under the Companies Act (including transactions with potential conflicts), or when transacting with shareholders holding 10% or more of voting rights, prior approval of the Board is required, and the results must be reported to the Board without delay.

[Supplementary Principle 2-4-1 Ensuring Diversity in Core Human Resources]

Based on our belief that “people are the source of sustainable corporate prosperity,” we regard human capital as our most important driver of value creation. We promote respect for human rights, diversity and inclusion, anti-harassment initiatives, and workstyle reforms to enhance human capital and maximize value creation.

(1) Materiality: “Human Capital”

We position human capital as a core materiality and focus on securing, developing, and enhancing the productivity of diverse and talented personnel.

(2) Human Rights & D&I Initiatives

Under the “SBS Group Human Rights Policy” and “SBS Group Diversity Policy,” we foster a culture that respects diverse individuality and leverages diversity.

◆ Percentage of Female Employees in Managerial Positions and Childcare Leave Utilization Rate among Male Employees (FY2025 Results)

- Percentage of female employees in managerial positions (Note 1): 12.3%
- Childcare leave utilization rate among male employees (Note 2): 33.3%

(Note)

1. Calculated based on the provisions of the Act on the Promotion of Women’s Participation and Advancement in the Workplace (Act No. 46 of 2015).
2. Calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991) and Article 71-6, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labour Ordinance No. 25 of 1991), regarding the percentage of workers taking childcare leave, etc.

Certifications

- Eruboshi Certification for Promoting Women’s Participation and Advancement in the Workplace
- Kurumin Certification for companies offering childcare support to employees
- Silver Certification for Excellent Health Company



◆ Targets and Results for Participants in Diversity Awareness and Promotion Training (SBS Group Total) Number of participants in diversity awareness training (Group)

- FY2023 Results: 280 employees
- FY2024 Results: 508 employees
- FY2025 Results: 507 employees
- FY2026 Target: 500 employees

Further details are disclosed in our Annual Securities Report and Integrated Report.

<https://www.sbs-group.co.jp/sbshlds/ir/certificate/>

<https://www.sbs-group.co.jp/sbshlds/csr/report/>

[Principle 2-6 Asset Owner Functions of Corporate Pension Plans]

We operate a defined contribution pension plan and regularly provide employees with explanatory sessions on investment schemes.

[Principle 3-1 Enhancement of Information Disclosure]

(1) Guided by our corporate philosophy and the “SBS Group Charter of Conduct,” we aim to enhance shareholder value and contribute to society through compliant and proactive corporate activities.

“SBS Group Charter of Conduct” is disclosed on the following website.

<https://www.sbs-group.co.jp/sbsh/ir/governance/>

(2) To support sustainable growth and medium- to long-term value creation, we have established the “Corporate Governance Guidelines,” which set out the basic approach to Group governance.

“Corporate Governance Guideline” is disclosed on the following website.

<https://www.sbs-group.co.jp/sbsh/ir/governance/>

(3) Our policy on determining compensation for Directors (excluding Audit and Supervisory Committee Members) is described in the Guidelines.

“Corporate Governance Guideline” is disclosed on the following website.

<https://www.sbs-group.co.jp/sbsh/ir/governance/>

(4) Director candidates are nominated by the President, respecting recommendations from the Nomination and Compensation Committee, based on diverse expertise, experience, and integrity.

(5) Reasons for electing all Director candidates, including Audit and Supervisory Committee Members, are disclosed in the Notice of Convocation of the General Meeting of Shareholders.

[Supplementary Principle 3-1-3 Sustainability Initiatives]

We have redefined materiality and established the “Sustainability Policy” to address the growing importance of solving social issues while enhancing corporate value. Our Medium-Term Management Plan “Harmonized Growth 2030”, announced in February 2026 and covering the period through FY2030, integrates management strategy and sustainability initiatives.

(1) Sustainability Policy

Established in January 2023, based on the theme of “connections”—between people, society, and the planet—aligned with key materiality issues and the UN Global Compact principles.

(2) Materiality

We identify “Safety,” “Environment,” and “Human Capital” as material issues and periodically reassess them based on stakeholder expectations and our business priorities.

(3) Strategy

Under the Medium-Term Management Plan “Harmonized Growth 2030”, we promote initiatives related to sustainability management, including strengthening governance and addressing materiality issues.

(4) Decarbonization Initiatives

We implement the “Sincere Challenge 2030” environmental plan and pursue decarbonization of vehicles and facilities toward

carbon neutrality by 2050.

(5) Climate Change Initiatives

We recognize climate change as a major management risk and enhance disclosures aligned with the TCFD recommendations. Details are provided in our statutory and integrated reports.

Further details are disclosed in our Annual Securities Report and Integrated Report.

<https://www.sbs-group.co.jp/sbshlds/ir/certificate/>

<https://www.sbs-group.co.jp/sbshlds/csr/report/>

[Supplementary Principle 4-1-1 Scope of Delegation to Management]

- (1) The Board determines key management matters and supervises execution to ensure sustainable growth and long-term value creation.
- (2) Matters for Board resolution are specified in the Board Rules.
- (3) Authority is delegated to the President, Executive Directors, and Executive Officers in accordance with the Authority Rules.

[Principle 4-8 Effective Use of Independent Directors]

Three of eight Directors (excluding Audit and Supervisory Committee Members) and three of four Committee Members are independent. Independent Directors provide oversight and strategic advice through participation in key meetings and contribute effectively to enhancing long-term corporate value.

[Principle 4-9 Independence Criteria for Independent Directors]

We have established “Independence Standards for Outside Directors” and appoint candidates who meet these criteria. “The Corporate Governance Guideline” is disclosed on the following website.

<https://www.sbs-group.co.jp/sbsh/ir/governance/>

[Supplementary Principle 4-10-1 Approach to the Independence, Authority, and Roles of the Nomination and Compensation Committee]

The Company is a Company with Audit & Supervisory Committee, and currently, six of the twelve Directors are Independent Outside Directors.

In addition, as an advisory body to the Board of Directors, the Company has established a voluntary Nomination and Compensation Committee with the aim of enhancing the fairness, transparency, and objectivity of procedures related to the nomination and compensation of Directors (including Audit & Supervisory Committee Members), thereby strengthening the Company’s corporate governance.

The Nomination and Compensation Committee consists of three or more Directors, with a majority of the members selected from Independent Outside Directors. The Committee deliberates on matters such as the basic approach to the composition of the Board of Directors, the appointment and dismissal of Directors (including Audit & Supervisory Committee Members), Director compensation, and criteria for selecting Outside Directors, based on inquiries from the Board of Directors. The Committee then provides recommendations to the Board. The Board of Directors respects these recommendations when making decisions on the matters deliberated.

Details regarding the composition of the Company’s Independent Outside Directors and the membership of the Nomination and Compensation Committee are provided in this report under “II. Management Decision-Making, Execution, and Oversight Structure and Other Corporate Governance Systems—1. Organizational Structure and Operational Status,” specifically in the sections titled “Directors” and “Voluntary Committees.”

[Supplementary Principle 4-11-1 Board Balance, Diversity, and Size]

- (1) In selecting candidates for Director, the Company takes into consideration not only the enhancement of the supervisory function but also the appropriate numerical balance between supervision and execution. In addition, in order to ensure that the Board of Directors fulfills its role and objectives effectively, the Board is composed of individuals with experience and expertise in key areas of business management.
- (2) When selecting candidates for Outside Director, the President respects the recommendations of the Nomination and Compensation Committee—which deliberates in response to inquiries from the Board of Directors—and selects individuals who possess suitable backgrounds, extensive management experience, and specialized knowledge. The final decision is made by the Board of Directors.
- (3) For internal Director candidates, the President—respecting the recommendations of the Nomination and Compensation Committee—selects individuals who possess diverse expertise and specialized knowledge in areas such as Group management, financial strategy, risk management, and compliance, and who demonstrate integrity as well as the knowledge, experience, and capability required to fulfill their responsibilities. The Board of Directors then makes the final decision.
- (4) Since FY2023, the Company has included in the Notice of Convocation of the General Meeting of Shareholders a “skills matrix” summarizing the expertise and experience of each Director, including Audit & Supervisory Committee Members.

[Supplementary Principle 4-11-2 Outside Positions Held by Directors]

The Company limits cases in which Directors (excluding Outside Directors) concurrently serve as officers of other listed companies to circumstances where such concurrent service has a clear rationale, such as contributing to strengthened business relationships. Directors are expected to devote themselves as much as possible to their duties at the Company. The number of concurrent positions is kept within a reasonable scope, and the status of such concurrent positions is disclosed annually in the Business Report.

[Supplementary Principle 4-11-3 Board Effectiveness Evaluation]

The Company conducts an annual questionnaire survey of all Directors, including Audit & Supervisory Committee Members, in order to evaluate the effectiveness of the Board of Directors.

A summary of the FY2025 questionnaire results is as follows.

1. Evaluation Method

- (1) The questionnaire targeted all 11 Directors, including Audit & Supervisory Committee Members, and was conducted anonymously. Respondents evaluated 22 questions across the following four categories on a five-point scale, and provided comments in dedicated fields for each question as well as in an optional free-text section at the end:
 - ① Composition of the Board of Directors (3 questions)
 - ② Operation of the Board of Directors (5 questions)
 - ③ Agenda of the Board of Directors (10 questions)
 - ④ Framework supporting the Board of Directors (4 questions) Total: 22 questions
- (2) To enable year-over-year comparison through fixed-point observation—including the impact of changes in Directors and Audit & Supervisory Committee Members—the questionnaire content remained unchanged for the five years from the initial survey in 2017 through 2021. In 2022, the Company revised and added questions to reflect its transition to a company with an Audit & Supervisory Committee and the realignment of market segments. However, because the revisions were

limited, the same comparative evaluation method based on scoring has been maintained. There were no changes to the question set or evaluation method for this year’s survey.

- (3) The results of the questionnaire and comments submitted were discussed at meetings of the Board of Directors, where issues to be addressed going forward were shared and deliberations were conducted regarding future initiatives.

2. Overview of Evaluation Results and Issues

The average score across all questions was 4.34, exceeding last year’s score of 4.04 by 0.30 points, resulting in an overall conclusion that the Board of Directors is functioning at a generally satisfactory level.

3. Future Actions

Based on the results of this evaluation, the Company’s Board of Directors will continue to pursue further enhancement of its effectiveness by engaging in ongoing discussions and implementing necessary initiatives, striving for continuous improvement.

[Supplementary Principle 4-14-2 Policy on Training for Directors]

- (1) Upon assuming office, the Company provides each Director with explanations regarding their duties, obligations, and responsibilities as Directors. For Outside Directors, the Company also provides explanations regarding the Group’s management policies and business operations.
- (2) As part of ongoing training for Directors, the Company invites external instructors to conduct training sessions approximately twice a year, and provides necessary support for Directors’ self-development.

[Principle 5-1 Policy on Constructive Dialogue with Shareholders]

The Company recognizes that the understanding and support of shareholders and investors are essential for sustainable growth and the enhancement of medium- to long-term corporate value. To establish a foundation for constructive dialogue with shareholders and investors, the Company strives to develop an IR framework centered on the President.

“The Corporate Governance Guideline” is disclosed on the following website:

<https://www.sbs-group.co.jp/hdg/ir/governance/>

[Supplementary Principle 5-1-2 Status of Dialogue with Shareholders]

The Company has established a dedicated IR department to facilitate dialogue with shareholders and investors. In addition to holding earnings briefings twice a year and small meetings on a quarterly basis, the Company conducts individual meetings with institutional and overseas investors, striving to enhance its market valuation by ensuring that shareholders and investors are able to accurately assess the Company.

In FY2025, the Company held approximately 120 individual meetings with institutional and overseas investors, including 54 meetings with overseas investors and 12 meetings attended by the Representative Director.

For further details on IR activities, please refer to “III. Implementation Status of Measures for Shareholders and Other Stakeholders – 2. IR Activities” in this report.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure	UPDATED	Disclosure of Initiatives (Update)
Availability of English Disclosure	UPDATED	Available
Date of Disclosure Update	UPDATED	April 1, 2026

Explanation of Actions	UPDATED
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The Company believes that, in order to achieve sustainable growth and enhance corporate value over the medium to long term, it is essential to accurately identify its capital costs—namely the cost of equity and the weighted average cost of capital (WACC)—and to manage its business with a clear focus on capital efficiency.

With respect to capital profitability, we regard consolidated return on equity (ROE) as a key performance indicator and operate our business with the awareness that ROE should exceed the cost of equity, which represents the expected rate of return for shareholders. In the most recent fiscal year (fiscal year ended December 2025), ROE was 12.7%, exceeding the cost of equity and securing a high equity spread.

In addition, return on invested capital (ROIC) was 6.6% for the most recent fiscal year (fiscal year ended December 2025), exceeding our WACC.

With the aim of further enhancing medium- to long-term corporate value and maximizing shareholder value, we have formulated a new medium-term management plan, “Harmonized Growth 2030,” which was announced in February 2026. Through sustainable business growth, the plan seeks not only top-line expansion but also improvement in profit margins, thereby pursuing “Harmonized Growth”—balanced and well-aligned growth.

The core elements of “Harmonized Growth 2030” are the organic growth of the three pillars of our logistics business—3PL, international logistics, and e-commerce logistics—combined with our real estate business, centered on investments in self-developed warehouses. In addition, we aim for accelerated growth through proactive M&A activities both in Japan and overseas, while simultaneously promoting sustainable structural reforms to significantly improve profitability in the logistics business.

Through the initiatives to enhance profitability under the “Harmonized Growth 2030” plan, the Company aims to further increase ROE. During the period of the medium-term management plan, our ROE target is to consistently maintain a level of 12% to 14% or higher, and we forecast ROE of 13.2% for the fiscal year ending December 2026.

Regarding the price-earnings ratio (PER), which reflects shareholders’ expectations for share price appreciation, PER for the most recent fiscal year (fiscal year ended December 2025) was 13.2 times—below the industry average. From the perspective of raising growth expectations and reducing capital costs, we aim for an industry-average level of approximately 15 times as a future target.

Furthermore, while the price-to-book ratio (PBR) for the most recent fiscal year (fiscal year ended December 2025) was 1.6 times—above the industry average—we will strive to achieve a future PBR target range of 1.6 to 2.0 times through improvements in ROE and PER.

With respect to shareholder returns, while strengthening internal reserves to build a more solid financial base, we are working to raise dividend levels by balancing growth investments with financial soundness.

Through fiscal year 2025, our policy is to raise the dividend payout ratio to 30%. In the most recent fiscal year (fiscal year ended December 2025), we paid an annual dividend of ¥90 per share (a payout ratio of 30.3%), marking the eighth consecutive year of dividend increases.

Under the new medium-term management plan, “Harmonized Growth 2030,” we have revised our shareholder return policy from the perspective of further enhancing shareholder returns. We intend to maintain a dividend payout ratio of at least 30% and aim to increase it toward 35%. Based on this policy, our dividend forecast for the fiscal year ending December 2026 is ¥105 per share, representing a ¥15 increase from the previous fiscal year and a payout ratio of 30.9%.

Details on our initiatives to enhance corporate value are provided on pages 35–40 of the “Financial Results Presentation for Fiscal Year 2025 (Fiscal Year Ended December 2025).”

<https://www.sbs-group.co.jp/sbshlds/ir/explanation/>

The Company’s medium-term management plan “Harmonized Growth 2030” is disclosed on the following website:

2. Capital Structure

Foreign Shareholding Ratio	10% or more but less than 20%
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Status of Major Shareholders **UPDATED**

Name or Company Name	Number of Shares Owned	Percentage (%)
Kamatagakaku, Inc.	19,688,400	49.57
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,924,900	7.36
Custody Bank of Japan, Ltd. (Trust Account)	1,662,700	4.18
SBS Holdings Employee Stock Ownership Association	1,240,700	3.12
Mr. Masaru Wasami	1,078,600	2.71
TOBU REAL ESTATE CO., LTD.	1,001,000	2.52
CEPLUX- THE INDEPENDENT UCITS PLATFORM 2	967,700	2.43
Mr. Junichi Ohuchi	501,400	1.26
Bansei Research Institute Co., Ltd.	410,000	1.03
OVERNMENT OF NORWAY	304,975	0.76

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
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Name of Parent Company, if applicable	—
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UPDATED

Supplementary Explanation **UPDATED**

(Note)

- Of the number of shares owned as stated above, the following shares are held in trust accounts:
 - The Master Trust Bank of Japan, Ltd. (Trust Account): 2,924,900 shares
 - Custody Bank of Japan, Ltd. (Trust Account): 1,662,700 shares
- The percentage of shares owned to the total number of issued shares (excluding treasury shares) is shown after truncating the decimal at the third place.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	December
Business Sector	Land Transportation
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have a Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	20
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	12
Election of Outside Directors	Elected
Number of Outside Directors UPDATED	6
Number of Independent Directors UPDATED	6

Outside Directors' Relationship with the Company (1) **UPDATED**

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Jiro Iwasaki	From another company								△			
Yoshinobu Kosugi	From another company								△			
Chizu Sekine	From another company											
Sachie Tsuji	CPA											
Eiichiro Washio	CPA											
Hiroshi Fujiura	CPA											

* Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client

- f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- k. Other

Outside Directors' Relationship with the Company (2) **UPDATED**

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Jiro Iwasaki		○	Mr. Jiro Iwasaki concurrently serves as an Outside Director of Renesas Electronics Corporation, and served as an Outside Director (Full-time Audit and Supervisory Committee Member) of GCA Corporation until December 2021. However, there are no special interests between the Company and either of these entities. Therefore, the Company has determined that he is fully independent under both the independence criteria established by the TSE and the additional criteria set independently by the Company.	He possesses extensive management experience and broad expertise gained over many years as a corporate executive. The Company believes that he will continue to contribute meaningfully to its management.
Yoshinobu Kosugi		○	Mr. Yoshinobu Kosugi concurrently serves as Advisor to Nippon Television Network Corporation, Outside Audit & Supervisory Board Member of The Yomiuri Shimbun Holdings, and Outside Director of Resorttrust, Inc. However, there are no special interests between the Company and any of these entities. Accordingly, the Company has determined that he is fully independent under both the independence criteria established by the Tokyo Stock Exchange and the additional criteria independently set by the Company.	He has long been involved in corporate management as a company executive, and the Company believes that his experience and management capabilities will contribute to the decision-making of the Board of Directors.
Chizu Sekine		○	Ms. Chizu Sekine concurrently serves as an Outside Director of KOKUSAI ELECTRIC CORPORATION and an Outside Director of Arubirogen Co., Ltd. However, there are no special	In addition to her management experience at a company engaged primarily in conducting research on technical and chemical product safety, providing chemical technology

			interests between the Company and either of these entities. Accordingly, the Company has determined that she is fully independent under both the independence criteria established by the TSE and the additional criteria independently set by the Company.	information, and performing commissioned patent searches, she has also participated in corporate management as an outside officer at multiple companies. The Company believes that her knowledge and experience will contribute to the decision-making of the Board of Directors.
Sachie Tsuji	○	○	Ms. Sachie Tsuji concurrently serves as President of BizSuppli Co., Ltd., Director of the Association of Certified Fraud Examiners Japan, and Outside Audit & Supervisory Board Member of Otsuka Holdings Co., Ltd. However, there are no special interests between the Company and any of these entities. Accordingly, the Company has determined that she is fully independent under both the independence criteria established by the TSE and the additional criteria independently set by the Company.	In addition to her specialized knowledge and experience as a certified public accountant, she has extensive experience in internal control, internal auditing, and compliance-related operations. The Company believes that her expertise will be effectively utilized in the Company's audits in her role as a Director who is an Audit and Supervisory Committee Member.
Eiichiro Washio	○	○	The Company has determined that Mr. Eiichiro Washio is fully independent under both the independence criteria established by the TSE and the additional criteria independently set by the Company.	He has experience in accounting and taxation gained through his work at a major audit firm and a private practice, as well as legal expertise. In addition, he has served as a Member of the House of Representatives, Parliamentary Vice-Minister of Agriculture, Forestry and Fisheries, Chairperson of the Committee on the Environment of the House of Representatives, and State Minister for Foreign Affairs. The Company believes that his broad knowledge and experience will contribute to the Company's audits in his role as a Director who is an Audit and Supervisory Committee Member.
Hiroshi Fujiura	○	○	Mr. Hiroshi Fujiura concurrently serves as President of Agatt Consulting Co., Ltd., Outside Director of D5 Consulting Co., Ltd., and President of Agatt Innovation Co., Ltd. However, there are no special interests between the Company and any of these entities. He also serves as Auditor of the SBS Kamata Foundation, a public interest incorporated foundation to which	He has engaged in audits of listed and major companies as a certified public accountant and possesses advanced and specialized knowledge in internal control and corporate governance. He also has experience contributing to corporate management from an independent standpoint as an outside director. The Company believes that his expertise will

			the Company makes donations; however, he is not involved in the execution of the Foundation's operations and does not receive any compensation or other economic benefits from the Foundation. Accordingly, the Company has determined that he is fully independent under both the independence criteria established by the TSE and the additional criteria independently set by the Company.	enhance the effectiveness of the Company's governance in his role as a Director who is an Audit and Supervisory Committee Member.
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Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson **UPDATED**

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	4	1	1	3	Inside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee	Appointed
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Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

- (1) If the Audit and Supervisory Committee requests the assignment of employees to assist in the performance of its duties, the Company appoints and assigns "Audit and Supervisory Committee Staff" ("Committee Staff"). Instructions and orders to the Committee Staff are given solely by the Audit and Supervisory Committee, and the Committee Staff are prohibited from concurrently engaging in other duties.
- (2) Personnel matters concerning the appointment, transfer, or other HR decisions related to the Committee Staff are determined with the prior consent of the Audit and Supervisory Committee.

Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Department

- (1) Members of the Audit and Supervisory Committee receive explanations of the annual audit plan from the Accounting Auditor and attend audits conducted by the Accounting Auditor as necessary. The Committee also holds regular meetings with the Finance Department and the Accounting Auditor to exchange information and opinions, and may request reports from the Accounting Auditor when deemed necessary.
- (2) The Internal Audit Department maintains close coordination with the Audit and Supervisory Committee and audits whether the business operations of the Company and its group companies comply with laws and regulations, the Articles of Incorporation, internal rules, and the Company's management policies and plans, and whether such operations are conducted appropriately and efficiently. Matters identified through internal audits are reported, as appropriate, to the Audit and Supervisory Committee, the Company's Representative Director, and the representative directors of relevant group companies, and necessary corrective actions or improvements are requested.

- (3) For matters identified through the above processes that may have a significant impact on management or where involvement of senior management of the Company or its group companies is suspected, an “Internal Investigation Committee,” chaired by the Chair of the SBS Group Compliance Committee, is established. This committee conducts fact-finding investigations and issues recommendations, and may propose the convocation of an extraordinary Board meeting to the Audit and Supervisory Committee, thereby ensuring appropriate responses.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson **UPDATED**

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Compensation Committee	3	0	1	2	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Compensation Committee	3	0	1	2	0	0	Outside Director

Supplementary Explanation

To enhance the fairness, transparency, and objectivity of procedures related to the nomination and compensation of directors and to further strengthen the Company's corporate governance, the Company established the Nomination and Compensation Committee pursuant to a resolution of the Board of Directors on December 14, 2022.

The Nomination and Compensation Committee deliberates on matters referred to it by the Board of Directors and submits its recommendations. The Committee may also propose to the Board of Directors that certain matters be designated as subjects for Committee deliberation when deemed necessary.

As of April 1, 2026, the Chairperson and members of the Committee are as follows:

< Chairperson >

Jiro Iwasaki, Outside Director (Independent Director)

< Members >

Masahiko Kamata, President & Representative Director

Yoshinobu Kosugi, Outside Director (Independent Director)

Matters Concerning Independent Directors

Number of Independent Directors	6
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Other Matters Concerning Independent Directors

Information regarding independent directors is disclosed in the Notice of Convocation of the General Meeting of Shareholders (Status of Corporate Officers / Proposal for Election of Directors), the Annual Securities Report (Corporate Governance), and in

this Corporate Governance Report (Independent Directors).

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items **UPDATED**

The performance-based remuneration is determined based on financial indicators (“Operating Profit” and “Logistics Business Operating Profit Margin”) and non-financial indicators (“ESG” and “Individual Performance”).

For the financial indicators, “Operating Profit” is used to enhance alignment with the Company’s performance as well as objectivity and transparency, assessing the achievement level of short-term performance targets. In addition, the “Logistics Business Operating Profit Margin,” which reflects the profitability and efficiency of our core logistics business, is used to evaluate the progress of logistics cost structure reforms and operational improvements, thereby appropriately assessing medium-term profit enhancement.

For the non-financial indicators, ESG-related indicators (“Environment, Safety, and Human Resources”) are used to evaluate sustainable growth and social responsibility, while “Individual Performance” is used to comprehensively assess each executive’s strategic execution capabilities, leadership, and organizational contribution.

The amount of performance-based remuneration is calculated, in accordance with the Directors’ Compensation Rules, by multiplying the standard amount set for each position by the total of quantitative points—based on the achievement levels of the above indicators—and qualitative points—based on the roles, functions, responsibilities, and performance required for each position.

Persons Eligible for Stock Options

Supplementary Explanation for Applicable Items

Director Remuneration

Status of Disclosure of Individual Director’s Remuneration

No Disclosure for any Directors

Supplementary Explanation for Applicable Items

The total amount of directors’ compensation is disclosed in the “Annual Securities Report” and the “Business Report.”

Policy on Determining Remuneration Amounts and Calculation Methods

Established **UPDATED**

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

(1) The Company has established its policies regarding decisions on the amount of remuneration for Directors and the method for calculating such remuneration in its Rules on Director Remuneration. These policies have been resolved by the Board of Directors as set forth below. Furthermore, in order to enhance the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of Directors and to further strengthen corporate governance, the Company established a voluntary Nomination and Remuneration Committee pursuant to a resolution of the Board of Directors on December 14, 2022.

① Directors engaged in the execution of business

- Remuneration consists of a base remuneration amount, determined for each position in accordance with the Rules on Director Remuneration, and performance-linked remuneration.
- The base remuneration for each Director is determined by the President, taking into comprehensive consideration each Director's capabilities, achievements, and years of service as a Director, while respecting the recommendations of the Nomination and Remuneration Committee.
- The proportion of performance-linked remuneration relative to total remuneration is set at a standard level of 30% upon achievement of performance targets. The final proportion is determined within an approximate range of 20% to 40%, following deliberation by the Nomination and Remuneration Committee. The President is excluded from individual performance evaluation.

② Directors who concurrently serve as Representative Directors of subsidiaries

Performance evaluation is conducted at the relevant subsidiary, and the remuneration paid by the Company shall consist solely of base remuneration in accordance with the Rules on Director Remuneration.

③ Outside Directors (excluding Directors who serve as Audit and Supervisory Committee Members)

Remuneration consists solely of base remuneration in accordance with the Rules on Director Remuneration.

④ Directors who serve as Audit and Supervisory Committee Members

Remuneration is determined through discussions among all Directors who serve as Audit and Supervisory Committee Members.

- (2) The resolution of the General Meeting of Shareholders regarding the determination of directors' compensation was adopted on March 25, 2021. In conjunction with the transition to a company with an Audit and Supervisory Committee on the same date, it was resolved that the annual compensation for directors who are not Audit and Supervisory Committee Members shall be within 200 million yen (of which the portion for Outside Directors shall be within 40 million yen annually), and that the annual compensation for directors who are Audit and Supervisory Committee Members shall be within 50 million yen. At that time, the number of directors was 10 for those who were not Audit and Supervisory Committee Members (including 3 Outside Directors) and 3 for those who were Audit and Supervisory Committee Members.

Support System for Outside Directors

To facilitate active and effective discussion at meetings of the Board of Directors, the Company distributes meeting materials to directors, in principle, no later than three days prior to each meeting.

In addition, the Company has established a system that allows directors to instruct relevant departments to provide prior explanations on the details of proposals submitted to the Board of Directors.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

Overview of the Current Corporate Governance System is as follows.

< Corporate Bodies >

- (1) The Company is a company with an Audit and Supervisory Committee and has established the General Meeting of Shareholders, the Board of Directors, the Audit and Supervisory Committee, and the Accounting Auditor as its corporate organs.

(2) The Board of Directors serves as the decision-making body and determines matters prescribed by laws, regulations, and the Articles of Incorporation, as well as key management policies and other important matters related to the Company's operations. It also supervises and oversees the execution of duties by directors.

(3) The Board of Directors convenes at least once a month and holds extraordinary meetings as necessary to enable prompt and effective decision-making by directors.

In addition, certain directors—excluding Outside Directors—concurrently serve as directors of major subsidiaries. Through their attendance at Board meetings, they participate in the deliberation of important matters related to subsidiaries and help facilitate smooth communication across the Group.

(Members of the Board of Directors)

Chairperson:

Masahiko Kamata, President & Representative Director

Directors (excluding Audit and Supervisory Committee Members):

Masahiko Kamata, Masato Taichi, Yasuhito Tanaka, Natsuki Gomi, Katsuhisa Wakamatsu,

Outside Directors:

Jiro Iwasaki, Yoshinobu Kosugi, Chizu Sekine

< Status of Audits and Supervision by the Audit and Supervisory Committee >

The Audit and Supervisory Committee consists of four members, three of whom are Outside Directors. In addition to holding meetings at least once a month, the Committee convenes extraordinary meetings as necessary, and audits and supervises the execution of duties and legality of actions by directors other than those who are Audit and Supervisory Committee Members. Led by Chairperson Hiroya Kawai, the Committee attends important internal meetings, including Board of Directors meetings, and provides advice as necessary.

(Members of the Audit and Supervisory Committee)

Chairperson:

Hiroya Kawai

Members:

Hiroya Kawai

Sachie Tsuji, Outside Director

Eiichiro Washio, Outside Director

Hiroshi Fujiura, Outside Director

< Status of financial audit >

(1) Name of the Audit Firm

EY ShinNihon LLC

(2) Consecutive Years of Engagement

25 years

(3) Certified Public Accountants in Charge of the Audit

Masahiko Nagasaki, Designated Limited Liability Partner, Engagement Partner

Jun Suganuma, Designated Limited Liability Partner, Engagement Partner

(4) Composition of Assistants Involved in the Audit

Assistants involved in the Company's audit consist of 11 certified public accountants and 24 other personnel.

(5) Policy and Reasons for Selecting the Accounting Auditor

- ① In selecting the Accounting Auditor, the Audit and Supervisory Committee comprehensively evaluates factors such as the auditor's scale and global network, which enable efficient audit operations aligned with the Company's business characteristics, the soundness of its review structure, and its audit performance.
- ② If the Audit and Supervisory Committee determines that the Accounting Auditor is unable to appropriately perform audit duties or otherwise deems it necessary, the Committee decides the content of proposals for dismissal or non-reappointment of the Accounting Auditor, and the Board of Directors submits such proposals to the General Meeting of Shareholders. Furthermore, if the Accounting Auditor is found to fall under any of the items listed in Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee may dismiss the Accounting Auditor with the unanimous consent of all members of the Committee.
- ③ If the Accounting Auditor is dismissed, the Audit and Supervisory Committee Member designated by the Committee shall report the dismissal and the reasons therefor at the first General Meeting of Shareholders convened after such dismissal.

(6) Evaluation of the Accounting Auditor by the Audit and Supervisory Committee

The Audit and Supervisory Committee and its members have established criteria for appropriately evaluating the independence of the Accounting Auditor and the appropriateness of its quality control system. They also verify and confirm that the Accounting Auditor possesses the necessary expertise.

< Outline of the Nomination and Compensation Committee >

The Nomination and Compensation Committee consists of four directors, three of whom are Independent Outside Directors. The Committee meets at least once a year and holds extraordinary meetings as necessary to strengthen the fairness, transparency, and objectivity of procedures related to the nomination and compensation of directors and Audit and Supervisory Committee Members.

(Members of the Nomination and Compensation Committee)

Chairperson:

Jiro Iwasaki, Outside Director

Members:

Masahiko Kamata, President & Representative Director

Yoshinobu Kosugi, Outside Director

Chizu Sekine, Outside Director

3. Reasons for Adoption of Current Corporate Governance System

The reasons the Company has adopted its current governance structure are as follows:

- (1) To ensure swift decision-making and maintain the agility of decision-making bodies, which represent the greatest management strength of the Company and its Group.
- (2) To maintain sound management through objective and neutral oversight.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	Policy to send the notice earlier than the statutory deadline.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	Meeting date set to avoid peak/overlapping shareholder meeting days.
Electronic Exercise of Voting Rights	Voting rights can be exercised online via PC or smartphone.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Participating in the electronic voting platform and posting the convocation notice early on the Company website.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	English version of the convocation notice is disclosed on the Company website, TSE website, and the electronic voting platform.
Other	Convocation notice provided in print (notes posted on the Company website); also disclosed on the Company and TSE websites.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	Disclosure Policy is posted on the Company website. https://www.sbs-group.co.jp/sbshlds/sitepolicy/	
Regular Investor Briefings held for Analysts and Institutional Investors	Earnings briefings held twice a year after Q2 and year-end results; quarterly small meetings with the President; 120 one-on-one meetings in FY2025 (12 with the President).	Held
Regular Investor Briefings held for Overseas Investors	54 one-on-one meetings in FY2025 including online; 6 with the President.	Held
Online Disclosure of IR Information	“Investor Relations” page provides growth strategy, disclosure policy, IR calendar, timely disclosures, and IR library (annual securities report, financial results, briefing videos, etc.).	
Establishment of Department in Charge of IR	Corporate Communication Division established.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	“SBS Holdings Corporate Governance Guidelines” define respect and cooperation with stakeholders (disclosed on website).
Implementation of Environmental Preservation Activities and CSR Activities, etc.	Medium-Term Management Plan includes CO ₂ and energy evaluation; environmental plans, governance system, and results disclosed in the annual Integrated Report and Company website.
Formulation of Policies, etc. on Provision of Information to Stakeholders	Registering disclosure information, including voluntary disclosures, on TDnet and posting it on the Company website.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

- 1. Framework to Ensure that Directors and Employees of the Company and the Group Execute Their Duties in Compliance with Laws, Regulations, and the Articles of Incorporation**
 - (1) The Company and the SBS Group ensure strict compliance with laws, regulations, the Articles of Incorporation, and internal rules by directors and employees in accordance with the SBS Group Code of Corporate Ethics and the SBS Group Compliance Regulations. In addition, through the activities of the SBS Group Compliance Committee, jointly

established with Group companies, the Company promotes the maintenance and enhancement of the Group-wide compliance framework.

- (2) The Company and the SBS Group have established internal rules, including the Board of Directors Regulations, to ensure that the actions and decision-making of directors and employees do not violate laws, regulations, or the Articles of Incorporation.
- (3) To ensure the reliability of financial reporting, the Company appropriately implements the principles set forth in its Basic Policy on Financial Reporting and has established an appropriate and efficient internal control system related to financial reporting.
- (4) The Company's Audit Department maintains close coordination with Audit & Supervisory Committee members and audits whether the business activities of the Company and the Group comply with laws, regulations, the Articles of Incorporation, internal rules, as well as the Company's management policies and plans, and whether such activities are conducted properly and efficiently. Matters identified through internal audits are reported as appropriate to the Audit & Supervisory Committee, the Company's Representative Director, and the Representative Directors of the relevant Group companies, and corrective or remedial actions are requested when necessary.
- (5) Among matters identified above, cases deemed to have a significant impact on management or those suspected of involving senior management of the Company or the Group are investigated by the Internal Investigation Committee, chaired by the Chairperson of the SBS Group Compliance Committee. The Committee conducts fact-finding investigations, makes recommendations, and takes appropriate measures, including proposing to the Audit & Supervisory Committee that an extraordinary meeting of the Board of Directors be convened.
- (6) In addition to the above frameworks, directors and employees of the Company and the Group may contact internal or external whistleblowing channels as stipulated in the SBS Group Whistleblowing Regulations if they become aware of acts that violate laws, regulations, the Articles of Incorporation, internal rules, or compliance requirements.

2. Framework for Preserving and Managing Information Related to Directors' Execution of Duties

- (1) The Company preserves and manages documents (including electronic records) related to the execution of duties by directors in accordance with the Document Management Regulations, Confidential Document Management Regulations, and the SBS Group Information Security Policy. Directors may access or obtain copies of such documents whenever necessary for their duties. Retention periods are specified in the Document Management Regulations, and where retention periods are prescribed by laws or regulations, those longer periods apply.

3. Regulations and Framework for Managing Risks of Loss at the Company and the Group

- (1) In accordance with the SBS Group Risk Management Regulations, the Company and the Group identify risks specific to each Group company and implement countermeasures to prevent risks from materializing and to minimize damage or losses. The SBS Group Risk Management Committee, jointly established with Group companies, reviews, evaluates, and approves the execution and results of risk countermeasures.
- (2) The Company has established a specialized department dedicated to preventing industrial accidents and vehicle accidents, and promotes safety education and awareness activities across the Company and the Group. Through the jointly established SBS Group Transport Safety Promotion Committee, the Company analyzes the causes of industrial and vehicle accidents and implements recurrence-prevention measures, while strengthening workplace safety and health.

- (3) In the event of major natural disasters such as typhoons, floods, or large earthquakes, the Company and the Group establish an emergency response headquarters based on the SBS Group Risk Management Regulations and each company's Business Continuity Plan (BCP), and work to restore and continue business operations.

4. Framework to Ensure Efficient Execution of Duties by Directors of the Company and the Group

- (1) The Company and the Group ensure appropriate and efficient execution of duties through decision-making rules established under internal regulations such as the Board of Directors Regulations, Authority Regulations, and Approval Regulations.
- (2) The Company and the Group formulate annual business plans at the beginning of each fiscal year, evaluate progress at monthly Board meetings, and maintain a framework that enables prompt responses to urgent issues and environmental changes.

5. Reporting Framework Regarding Matters Related to the Execution of Duties by Directors of Group Companies

- (1) Group companies regularly report the status of their business operations, assets, and other important matters to the Company, ensuring information sharing.
- (2) When Group companies handle important matters, they consult with the responsible department of the Company and obtain required approvals based on the Domestic Affiliates Management Regulations, Overseas Affiliates Management Regulations, and other relevant rules.

6. Framework Regarding Personnel Assigned to Assist the Audit & Supervisory Committee

- (1) If the Audit & Supervisory Committee requests personnel to assist in its duties, the Company appoints and assigns Audit & Supervisory Committee Staff.

7. Ensuring Independence of the Above Personnel from Other Directors and Ensuring Effectiveness of Instructions

- (1) In decisions concerning appointment, performance evaluation, personnel transfers, or disciplinary actions of Committee Staff, the Company respects the opinions of the Audit & Supervisory Committee.
- (2) The Audit & Supervisory Committee directs and supervises Committee Staff, and such staff are prohibited from concurrently engaging in other duties.

8. Framework for Directors (Excluding Audit & Supervisory Committee Members) and Employees of the Company and the Group to Report to the Audit & Supervisory Committee

- (1) If directors (excluding Audit & Supervisory Committee members) or employees of the Company or Group become aware of facts violating laws, regulations, the Articles of Incorporation, compliance requirements, or facts that may cause significant damage to the Company, they must promptly report such matters to the Audit & Supervisory Committee.
- (2) When the Audit & Supervisory Committee requests reports concerning business execution, the Company and the Group respond promptly.

9. Framework to Ensure that Persons Making Reports Are Not Treated Disadvantageously

- (1) The Company and the Group ensure that directors (excluding Audit & Supervisory Committee members) and employees who make reports are not subjected to disadvantageous treatment as a result of such reporting.

10. Procedures for Advance Payment or Reimbursement of Expenses Incurred by Audit & Supervisory Committee Members and Policies for Processing Related Debts

(1) Upon request from Audit & Supervisory Committee members for advance payment or reimbursement of expenses incurred in the execution of their duties, the Company processes such payments promptly.

11. Framework to Ensure Effective Audits by Audit & Supervisory Committee Members

(1) Audit & Supervisory Committee members may attend important internal meetings and provide advice as necessary, and may freely review minutes and other documents.

(2) The Representative Director regularly meets with the Audit & Supervisory Committee to exchange opinions on important audit issues.

(3) Audit & Supervisory Committee members receive explanations of annual audit plans from the accounting auditor, attend audits as needed, and meet regularly with the Finance Department and accounting auditor to exchange information and opinions. They may request reports from the accounting auditor when necessary.

(4) Audit & Supervisory Committee members hold regular meetings with the Internal Audit Department to maintain close coordination, and the Committee may issue audit-related instructions to the Internal Audit Department as needed.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

(1) The Company and the Group strictly adhere to the SBS Group Charter of Corporate Behavior, the SBS Group Code of Corporate Ethics, and the SBS Group Anti-Social Forces Countermeasure Regulations, maintain a resolute stance against anti-social forces that threaten civil society, and completely avoid any relationship with such entities.

(2) In the event of unjust demands or similar actions by anti-social forces, the Company cooperates with legal counsel, the police, and other relevant authorities to respond appropriately.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation for Applicable Items

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2. Other Matters Concerning the Corporate Governance System

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END

