

## Focus Area 2 Build and Evolve Resilient, Sustainable Logistics Services

### Material Issues Build and Evolve Resilient, Sustainable Logistics Services

Implement measures to enhance transport business to address social issues including aging of managers, business slump of small- and medium-sized transportation companies, driver shortage, and recruitment challenges as well as build/evolve sustainable logistics services with a high level of safety/quality/productivity, aiming to create business opportunities and fulfill our role as social infrastructure

The LOGISTEED Group is working to sophisticate its supply chain optimization services and enhance its warehousing and transport businesses with an aim to build and evolve resilient and sustainable logistics services with a high level of safety/quality/productivity that contribute to solving social issues.

### Installation of Automated/Labor-saving Equipment

To respond to social issues such as labor shortages at logistics sites and realize a safe, secure, and comfortable working environment, we are promoting the installation of automation and labor-saving technologies and installation of equipment. This helps reduce the burden on workers while improving operational efficiency. In FY2024, we introduced the proprietary developed AMR (Autonomous Mobile Robot) "AutonMate" into logistics centers, in addition to rotary racks\*1 and other GTP\*2 equipment. AMRs are considered the next generation of AGVs (Automated Guided Vehicle). Unlike conventional AGVs, they navigate without fixed guides and can autonomously detect and avoid people and obstacles.



Through the proactive adoption of automation and labor-saving technologies, we achieved annual labor savings equivalent to 100 FTE\*3 compared to FY2023.

Compared to FY2023  
Labor savings of **100 FTE**

\*1 Rotary rack: An automated warehouse solution that stores and retrieves items through horizontal rotation  
\*2 GTP (Goods To Person) equipment: Equipment used to transport cargo to the worker using robots, etc.  
\*3 FTE (Full-Time Equivalent): The full-time equivalent amount. Unit measuring workload productivity produced by a full-time employee in an organization

### Contribution to Safe and Efficient Transport Through "SSCV"

To realize "zero-accident society," we have developed a transport digital platform "SSCV," contributing to the improvement of operational efficiency and legal compliance of transport operators, as well as ensuring driver safety, etc. One such solution, "SSCV-Safety," uses AI to analyze biometric data collected before, during, and after driving, alongside driving behavior and dashcam data, to visualize driver fatigue and stress levels that are often difficult to detect independently. This helps prevent accidents caused by inattentive driving and reinforces efforts to enhance

driver safety and well-being. In FY2024, "SSCV-Safety" was certified by the Ministry of Land, Infrastructure, Transport and Tourism as an approved device under the "Devices contributing to the prevention of overwork driving in FY2024" scheme. In addition, the system's in-house deployment and its measurable impact on enhancing driver safety were highly acclaimed, culminating in the receipt of the prestigious Minister of Land, Infrastructure, Transport and Tourism Award.

### GDP-Compliant Storage/Shipping –Enhancement of Quality Control and Operational Capabilities at Medical DCs–

We have enhanced medical DCs across the country providing storage and shipping services specialized in pharmaceutical logistics. To enhance operational capabilities of GDP, we are working to strengthen the quality assurance system in the pharmaceutical logistics by setting up an organization dedicated to promoting GDP to establish a quality management system. In FY2024, to meet the stringent temperature control requirements mandated under GDP compliance, we conducted

warehouse temperature mapping and transport testing to verify the appropriateness of temperature monitoring points and confirm the reliability of temperature control during transportation. In addition, we expanded our GDP video-based training program, developed to enhance quality control and operational capabilities at Gemba sites, by incorporating more advanced educational content and delivering enhanced instruction to employees.

### Improve the Resilience of Transport Business (including addressing the transport capacity shortage in the 2024 issue)

Addressing the transport capacity shortage across society, including the 2024 issue in logistics\*, requires urgent measures such as shortening total working hours of drivers and strengthening transportation capacity to compensate for the shortage of drivers. The LOGISTEED Group is pursuing inter-company relay transport, modal shift in collaboration with collaborative innovation partners, and the deployment of double-trailer trucks, enabling reduced labor dependency, increased cargo capacity, and

optimized transport distances. In addition, we have implemented our proprietary truck loading dock booking management system at approximately 200 sites, contributing to shorter truck waiting times and more streamlined cargo handling operations. As a result of these initiatives, the number of violations of labor standards by the LOGISTEED Group's truck drivers was zero in FY2024.

\* The 2024 issue in logistics: Various problems arising from the limitations on drivers' overtime work imposed by the Work Style Reform Act, which has been applicable starting in 2024

## Focus Area 3 Create New Values Through Collaborative Innovation

### Material Issues Secure diverse human resources to support growth

By securing diverse human resources including highly skilled personnel and those from different industries, etc. and increasing employee motivation through various initiatives, we aim to create new business opportunities and enhance competitiveness.

Toward the "LOGISTEED2030," we strive to actively secure diverse human resources who can contribute to our business with skills for global business and DX and other expertise, and promote initiatives to support their early participation.

### Training for Autonomous Career Development

#### ● Develop human resources with DX skills

To secure human resources with DX skills responsible for creating new business opportunities through IT, we are enhancing our DX education in addition to our traditional training systems. Based on the results of skill surveys (IT literacy x IT business application), we are implementing educational measures tailored to the individual levels of our employees. Specifically, we offer e-learning courses such as the "DX Mindset Training" to learn the basics of DX, as well as specialized training such as the "DX Mindset

Cultivation Program," which promotes transformation, and the "Intensive Training for DX Technical Skills," aimed at strengthening DX practical skills.



#### ● Expand global human resources and reform organizational culture

We promote the development of "global human resources" capable of understanding diverse values across countries and regions and leading business on a global scale. To develop global leadership capabilities, we offer targeted, role-specific programs encompassing cross-cultural competence, global mindset development, strategic policy planning and implementation, people management, and risk oversight. We also provide subsidies for English proficiency exams and offer voluntary programs designed

to cultivate comprehensive English communication skills (reading, listening, writing, and speaking), encouraging proactive employee engagement.



### Material Issues Establish business models through collaborative innovation

Build innovative services and business models that strengthen and enhance the resilience of our value chain through collaborative innovation with business partners

The LOGISTEED Group engages in collaborative innovation with various business partners to address customer supply chain challenges, drive sustainable corporate value growth, and contribute meaningfully to addressing societal challenges.

### Develop new labor-saving solutions through collaborative innovation

Group company, LOGISTEED Solutions, Ltd., successfully developed the autonomous mobile collaborative robot "AutonMate" through collaborative innovation with partner companies. The solution was made possible by collaborative development with Sony Semiconductor Solutions Corporation, which provided the control software technology "Robotics Package," facilitating efficient development, implementation, and operational management.

AutonMate is an autonomous mobile collaborative robot that utilizes a pre-loaded digital map and integrated sensors to estimate its own location, calculating the

optimal route to its destination when autonomously transporting products. Designed to automate material handling traditionally performed by personnel at logistics centers, this robot delivers labor and effort savings, and serves as an effective solution to the significant challenge of workforce shortages in the logistics centers. Going forward, we remain committed to engaging in collaborative innovation with business partners from a wide range of industries and fields to develop new services and business models, contributing to the resolution of social challenges.