

Climate Change Initiatives - Response to the TCFD* Recommendations -

*TCFD: Task Force on Climate-related Financial Disclosures

As the LOGISTEED Group's corporate philosophy is "to deliver high-quality services that will help make the world a better place for people and nature for generations to come," we position climate change response as one of our highest priority management themes and identifies "Contribute to decarbonized society" as one of the material issues. We also defined "Contribute to decarbonized/recycling-oriented society" as one of the business objectives to promote initiatives to address climate-related risks and opportunities and reduce CO₂ emissions. In addition, we announced our endorsement of the TCFD recommendations in September 2021, and in FY2023, we have refined our scenario analysis (risks, opportunities, and response measures).

Basic Policy on Climate Change

Governance

The Board of Directors provides guidance and supervises climate change initiatives included in the highest priority items of the LOGISTEED Group's management such as management strategies and business plans (e.g. target setting and determination of specific climate change responses such as energy-saving investments and budget allocation for greenhouse gas (CO₂) emission reduction) through Executive Chairman, President and CEO who is responsible for climate change initiatives. The executive officer in charge reports to the Board of Directors the progress of the climate change initiatives annually or as needed. The Sustainability Promotion Department within the Corporate Strategy Office oversees all aspects of environmental management under the supervision of the Executive Officer responsible for sustainability strategy. The Environmental Promotion Conference comprised of the LOGISTEED Group's environment officers including Chief Sustainability Officer is held semiannually to confirm the achievement level of climate change responses including reduction of energy consumption and CO₂ emissions, as well as determine necessary corrective measures and

discuss measures to be taken in the future. Based on the decisions at the Environmental Promotion Conference with the Chief Sustainability Officer's approval, the progress of climate change initiatives and the proposed strategy in the future are reported to the Executive Committee semiannually or as needed.

Meeting Bodies/ Departments	Roles
Board of Directors	<ul style="list-style-type: none">Provides guidance and supervises initiatives to address management issues related to climate changeApproves reduction targets/ measures/budgets
Executive Officer	<ul style="list-style-type: none">Understands the progress of initiatives to address management issues related to climate change, and reports to the Board of Directors
Sustainability Promotion Department	<ul style="list-style-type: none">Oversees overall environmental management work, holds Environmental Promotion Conference, and reports/proposes to the Executive Committee based on decisions at the Committee
Environmental Promotion Conference	<ul style="list-style-type: none">Confirms the achievement level of measures related to climate change, determines corrective measures, and discusses proposed measures

▶P57 Environmental management structure

Risk Management

In consideration of all management risks identified, Sustainability Promotion Department, Corporate Strategy Office has selected risks and opportunities related to "Contribute to decarbonized society," one of the material issues, and has identified items having large financial impacts

as material risks and opportunities. Sustainability Promotion Department is responsible for developing and executing plans to address them with approval of the Executive Committee and supervision by the Board of Directors.

Metrics and Targets

Medium-to-long-term environmental targets 2030/2050

For the purpose of addressing climate change risks and opportunities, the LOGSITEED Group has set the medium-to-long-term targets for reduction of greenhouse gas (CO₂) emissions

and is actively promoting initiatives in the decarbonization projects in five areas (energy saving, electrification, procurement of renewable energy, energy creation, and emissions trading).

▶P58 Trend of LOGISTEED Group CO₂ emissions

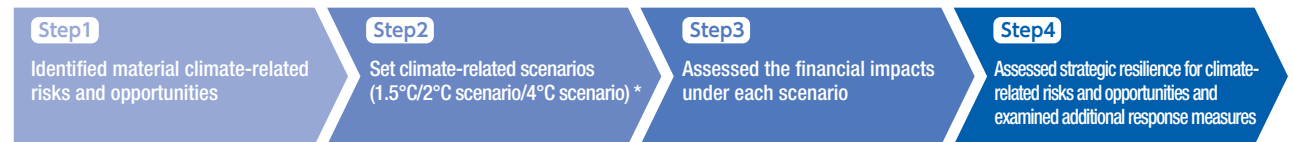
Risk Strategy

The LOGISTEED Group uses a scenario analysis to identify and assess climate-related risks and opportunities that are expected to affect our medium-to-long-term business activities and also assess resilience and examine response measures.

(1)Scenario analysis process

The LOGISTEED Group conducts scenario analyses following the procedures outlined below. Under the scenario that

assumes the goal of the Paris Agreement is achieved (1.5°C /2°C scenario) and the one that assumes that no new policies are implemented but each country's announced policies are achieved (4°C scenario), we have assessed financial impacts of identified climate-related risks and opportunities based on the information such as the trend of key parameters.



* Reference scenario: 1.5°C scenario: IEA Net Zero Emissions by 2050 Scenario 2°C scenario: IEA Sustainable Development Scenario/IPCC RCP2.6 4°C scenario: IEA Stated Policies Scenario/IPCC RCP8.5

(2) Assessment of climate-related risks and opportunities and financial impacts

In FY2023, we reviewed our material climate-related risks and opportunities and assessed potential quantitative/ qualitative financial impacts for 10 items identified using scenario analysis. We also examined resilience of our current

response measures and future measures. As the LOGISTEED Group is examining and implementing response measures to reduce risks and seize opportunities that may have significant financial impacts, we have confirmed that they are sufficiently resilient at present.

1 Transition Risks (1.5°C Scenario/2°C Scenario)

Types	Period	Risks and Opportunities	Impact	Measures
Policy and Legal	→ Long-term	Increase in carbon price due to climate change regulations	Medium	Develop and implement systematic environment strategies toward carbon neutrality 1. Introduce renewable energy, 2. Introduce non-fossil fuel vehicles (e.g. electric vehicles/fuel cell vehicles), and 3. Procure green power, and 4. Introduce internal carbon pricing (ICP)
Technology	→ Mid-term	Increased cost of introducing low-carbon vehicles and equipment	Large	Promote decarbonization investment through the introduction of internal carbon pricing (ICP) and the introduction of new technologies
Market	→ Mid-term	The risk of losing customers due to insufficient or delayed response to decarbonization efforts	Large	Promote decarbonization measures in logistics services and enhance information disclosure to stakeholders
Reputation	→ Mid-term	Decrease in corporate reputation due to insufficient climate change measures and disclosure information	Large	

2 Physical Risks (4°C Scenario)

Types	Period	Risks and Opportunities	Impact	Measures
Physical - Acute	→ Short-term	Increased risk of suspension of logistics operations and reduced revenue due to facility damage from intensified wind and flood damage	Large	Strengthen BCP measures against hazard risks including wind and flood damage 1. Decentralize business sites, 2. Install solar power generation system/storage batteries, and 3. Relocate sites to low-risk regions, and other measures
Physical Chronic	→ Mid-term	Increase in cost of work environment measures due to rising average temperatures	Medium	Promote worker-friendly logistics operation 1. Provide a pleasant working environment and 2. Promote automated/labor-saving/unmanned operations

3 Opportunities

Types	Period	Risks and Opportunities	Impact	Measures
Resource Efficiency	→ Mid-term	Opportunity to reduce energy consumption by vehicles and CO ₂ emissions with advanced decarbonization technology	Medium	Reduce energy cost by promoting decarbonization measures 1. Promote energy-saving measures, 2. Introduce renewable energy, 3. Introduce non-fossil fuel vehicles, and 4. Promote modal shift and collaborative logistics
		Cost reduction by introducing efficient logistics operations such as Smart Logistics and collaborative logistics services	Large	
Energy	→ Mid-term	Mitigation of procurement risk through the use of renewable and low-carbon energy	Medium	Explore efficient and stable implementation schemes for renewable and low-carbon energy
Products and Services	→ Long-term	Increase in demand due to our unique low-carbon services in response to climate change	Large	Provide logistics services using the Company's unique Smart Logistics 1. Smart Warehouse 2. EcoLogiPortal 3. SSCV-Safety
Resilience	→ Long-term	Securing of customer trust by promoting BCP	Large	Provide logistics operations "that never stop"

Note: Definition of impacts
Large: It has a significant business and financial impact Medium: It has some business and financial impact Small: It has a small business and financial impact

(3) Transition Plan to Achieve 1.5°C target

The LOGISTEED Group has incorporated the five initiatives toward the realization of the medium-to-long-term environmental targets (energy saving, electrification, procurement of renewable energy, energy creation, and

emissions trading) in the Mid-term Management Plan "LOGISTEED2024" and will promote CO₂ emission reduction measures to limit the temperature increase to 1.5 °C above pre-industrial levels.

▶P58 Examples of CO₂ Emission Reduction initiatives