






Material Issues and KPIs of the LOGISTEED Group






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The LOGISTEED Group has set KPIs for 12 identified material issues based on the priority measures, etc. of the Mid-term Management Plan "LOGISTEED2024." We will promote group-wide initiatives to address issues, manage the progress of KPIs, promote information disclosure, and aim to realize a sustainable society through dialogues with stakeholders.

Focus Area 1 Contribute to Decarbonized/Recycling-oriented Society









Material issues	Risks and opportunities	KPIs	LOGISTEED	Domestic	Overseas	FY2023 achievements	Targets Unless otherwise stated, the figures represent targets for FY2024	Related SDGs	References
Contribute to decarbonized society	Risks <ul style="list-style-type: none">● Increase in tax burden related to climate change and cost increase due to tightening or introduction of regulations on CO₂ emissions● Increase in CO₂ emission reduction cost and loss of customers due to delay/failure in introducing environmental technology● Loss of customers due to inadequate response to customers who emphasize low carbon or carbon-neutral transportation and the use of renewable energy Opportunities <ul style="list-style-type: none">● Promote introduction of more efficient transportation modes and production/distribution processes by pursuing low energy● Continue receiving orders from existing customers and acquire new customers by enhancing climate- and decarbonization-conscious measures and promoting use of renewable energy	Reduction of CO ₂ emissions* ¹	●	●		Down by 24.8% from FY2013	Down by 26% from FY2013		P57-63
		Support customers' decarbonization by providing SCDOS "Decarbonization Monitoring Service"	●	●	●	Proposed the SCDOS "EcoLogiPortal (CO ₂ emission visualization solution)" to customers exceeding the annual target for the number of companies we approach this fiscal year, and supported multiple customers in visualizing and reducing CO ₂ emissions in their logistics areas both domestically and internationally	Achieve annual targets for the number of companies we approach	  	P24,62
		Promote initiatives to set CO ₂ emission reduction targets including supply chains	●	●	●	Domestic: Established a framework for automating and visualizing SCOPE 3 emissions aggregation Overseas: Developed a system for aggregating SCOPE 1 and 2 emissions	Establish a framework and scheme for calculating supply chain emissions, including international operations	 	P58,62
Contribute to recycling-oriented society	Risks <ul style="list-style-type: none">● Loss of reputation and customers due to inadequate responses to environmental pollution and waste reduction● Obsolescence of services and decrease in competitiveness due to a delayed response to a recycling-oriented society Opportunities <ul style="list-style-type: none">● Continue receiving orders from existing customers and acquire new customers by enhancing measures considering environmental pollution● Diversify business activities and create new businesses by seeking to reduce and avoid resource use	Recycling rate	●	●		99%	Maintain 99% every fiscal year		P57,63
		Promote initiatives to build a circular economy business model	●	●		Partnered with recycling businesses to commence full-scale operations in the Greater Tokyo Area for the recycling of plastic waste (such as stretch film) generated in the logistics process	Keep track of the achievements		P63

Focus Area 2 Build and Evolve Resilient, Sustainable Logistics Services

Material issues	Risks and opportunities	KPIs	LOGISTEED	Domestic	Overseas	FY2023 achievements	Targets Unless otherwise stated, the figures represent targets for FY2024	Related SDGs	References
Build and evolve resilient, sustainable logistics services	Risks <ul style="list-style-type: none">● Decrease in competitiveness and loss of customers due to deterioration of safety/quality/productivity and delayed deliveries, etc.● Suspension of operations due to inadequate transportation enhancement measures, etc., interruption/weakening of logistics networks, and deterioration of services/quality● Difficulties in securing transportation capacity due to the aging of managers and drivers of transportation partner companies and rising costs to secure such capacity Opportunities <ul style="list-style-type: none">● Acquire customer trust and improve reputation by strengthening the business continuity● Diversify business activities and create new businesses by pursuing transportation enhancement measures to address social issues and services with high level of safety/quality/productivity● Build partnerships with customers and acquire new customers by continuously providing services with high level of safety/quality/productivity	Support customers' SCM* ² with SCDOS	●	●	●	Enhanced the functions of SCDOS and made proposals to a large number of customers exceeding the annual target for the number of companies we approach this fiscal year, supporting multiple customers in improving their SCM both domestically and internationally	Achieve annual support targets		P24,64
		Realize a comfortable workplace by installing automated/labor-saving equipment at logistics centers	●	●	●	Installed automated/labor-saving equipment for cargo handling and delivery at multiple logistics centers in Japan, saving 100 FTE* ³ per year compared to FY2022	Mechanize cargo handling work (100 FTE per year)		P25,64
		Contribute to safe and more efficient transport by expanding user network of each "SSCV" (→P8) function	●	●		Expanded the LOGISTEED Group's ecosystem through the installation of "SSCV" (1) Smart: Installed at a total of 751 partner companies (2) Safety: Installed in a total of 3,066 vehicles (including 557 vehicles of partner companies) (3) Vehicle: Installed in a total of 3,249 vehicles	Achieve the targets to install: (1) Smart: partner companies (2) Safety: vehicles of partner companies (3) Vehicle: the LOGISTEED Group's vehicles* ⁴	  	P44,64
		Enhance transport business to cope with the 2024 issue	●	●		Number of violations of labor standards regarding drivers: 0	Number of violations of labor standards regarding drivers: 0		P25,64
		Expand GDP-compliant equipment at medical DCs	●	●		• Implemented an educational program aimed at strengthening GDP quality control and operational capabilities for all employees engaged in GDP operations. • Introduced a standardized system with documentation management capabilities equivalent to those in the manufacturing domain to key locations in the Kanto and Kansai regions	Complete installations in target sites		P64

*1 Total of scope 1 and 2 *2 Supply chain management
*3 Full-Time Equivalent: A unit of the full-time work amount in an organization *4 Trucks, commercial vehicles, forklifts

Focus Area ③ Create New Values through Collaborative Innovation

Material issues	Risks and opportunities	KPIs	LOGISTEED	Domestic	Overseas	FY2023 achievements	Targets <small>Unless otherwise stated, the figures represent targets for FY2024</small>	Related SDGs	References
Secure diverse human resources to support growth	<div>Risks</div> <ul style="list-style-type: none">Human resource shortage due to failure to promptly respond to digitalization and labor savingStereotypical ideas due to lack of diverse human resources, loss of new business opportunities, and decrease in competitivenessLoss of human resources due to a mismatch between the HR measures and what employees desire and a delayed response to diversified working-style <div>Opportunities</div> <ul style="list-style-type: none">Create new business opportunities and improve competitiveness by securing diverse human resources including highly skilled personnel and those from different industries, etc.Improve labor productivity by increasing employee motivation	Implement education to develop human resources with DX skills	●	●		<ul style="list-style-type: none">All relevant employees received "Basic DX Training" aimed at developing a digital transformation mindset (2,770 attendees)Implemented an education program to develop human resources with DX skillsIntensive training for human resources to promote DX business: 578 attendees in total (cumulative)Intensive training for DX technical skills: 598 attendees in total (cumulative)DX mindset cultivation program: 3,452 attendees in total (cumulative)*2	Every fiscal year: All employees attend mindset training	   	P39-40,66
		Expand global human resources and reform organizational culture	●	●	●	<ul style="list-style-type: none">To enhance the visibility of human resources across the entire LOGISTEED Group, implementation of the global human resources DB has been launched in some group companies overseas.A dialog-based education program with executive management was conducted to promote the internal dissemination of LOGISTEED WAY throughout the LOGISTEED GroupTime invested in global human resource development: 11,308 hours	Keep track of the achievements		P39-42,66
		Improve operational efficiency by installing digital tools such as RPA	●	●	●	Reduction of working hours: Cumulative 800,000 hours	Reduction of working hours: Cumulative 1.2 million hours		P66
		Improve the score of sustainable engagement in the employee engagement survey	●	●	●	<ul style="list-style-type: none">Domestic: Scored 64 (down 2 points from last time)Overseas: Implemented at 11 group companies	Domestic: Scored 70 or more Overseas: Expansion of the implementation scope		P41-42
		Ratio of female managers	●			7.3%	FY2025: 10%		P41-42
Step up DX	<div>Risks</div> <ul style="list-style-type: none">Obsolescence of existing technologies due to failure to promptly deal with digitalization and introduce new technologiesObsolescence of existing services and business models due to rapid development of digital technologiesDamage to the Company's business and loss of position in the industry due to the rise of new entrants and competitors <div>Opportunities</div> <ul style="list-style-type: none">Improve efficiency of business operations, promote labor-saving, and improve quality/safety through "Step up DX"Create new businesses leading to continued orders from existing customers and acquisition of new customers	Establish a digital platform to create innovation through DX	●	●	●	Launched the core management system in the Asian group companies	Keep track of the achievements	   	P65
		Execute logistics service reform projects utilizing a digital business platform (data linkage hubs)	●	●	●	Achieved the FY2024 targets ahead of schedule in FY2022	Total number of executions: 60		P65
		Implementation of Resource Control System (RCS)	●	●	●	Installed in 22 warehouse projects	Achieve the target number of installations		P25,65
		Improve conformance rate of ONEsLOGI*1 WMS-Platform (PF) to logistics operations	●	●	●	Conformance rate of 94%	Maintenance and continuation of conformance rate		P65
		Number and percentage of DX-related patent applications included in the total patent applications (publication)	●	●	●	Number of DX-related patent applications: 8 Rate of patent applications in the DX area: 67%	Keep track of the achievements		P43-44, 65
Establish business models through collaborative innovation	<div>Risks</div> <ul style="list-style-type: none">Obsolescence of existing services and business models due to lack of or delay in collaboration with external parties and a delayed response to rapid technological development <div>Opportunities</div> <ul style="list-style-type: none">Acquire growth opportunities through the development of revolutionary technologies that reflect external perspectivesEstablishment of growth platforms through acquisition of new management resources and creation/expansion of an ecosystem	Develop new services and business models through collaborative innovation	●	●	●	Started a partnership with the SOMPO Group to address the 2024 issue in the logistics industry by utilizing the transport digital platform "SSCV"(➡P8)	Keep track of the achievements		—

*1 One Stop Logistics IT Solution: A group of logistics management systems provided by LOGISTEED Solutions, Ltd., our subsidiary
*2 Due to the change of some training components in the program to the e-learning course "VC Basic Course" for all employees, these values have been excluded from this aggregate figure

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Supportive Foundation for the Focus Areas

Material issues	Risks and opportunities	KPIs	LOGISTEED	Domestic	Overseas	FY2023 achievements	Targets Unless otherwise stated, the figures represent targets for FY2024	References
Realize safe, healthy, and rewarding workplace	Risks <ul style="list-style-type: none">Impact on operations and loss of social trust due to workplace accidentsLoss of employee motivation, decline in labor productivity, and loss of human resources due to long working hours Opportunities <ul style="list-style-type: none">Improve employee motivation and labor productivity by creating a comfortable workplace that takes health and safety into considerationEnable stable operations by ensuring occupational health and safety	Workplace accident frequency rate/severity rate	●	●		Frequency rate: 0.80 Severity rate: 0.161	Keep track of the achievements	P67
		Number of serious accidents (fatal workplace accidents)	●	●	●	1	Every fiscal year: 0	P67
		Rate of paid leave taken	●	●		67.4% (YoY -1.4%)	Keep track of the achievements	P41-42
		Rate of sick leave days*1 —Promote health and productivity management—	●	●		1.08% (YoY +0.03%)	Keep track of the achievements	P41-42
Establish a responsible supply chain in which human rights are respected	Risks <ul style="list-style-type: none">Reputational damage, lawsuits and penalties resulting from infringement of human rights, and loss of human resourcesDecrease in competitiveness due to deterioration of quality and productivity in the supply chain Opportunities <ul style="list-style-type: none">Enable stable business operations by building long-term relationships with suppliers that give consideration to human rightsImprove competitiveness by building a supply chain with high quality and productivity	Promote initiatives to develop a business platform that respects human rights	●	●	●	• Conducted desktop research on 81 group companies*2 with regard to geography, products, industries, employment types, and regulations (100% execution rate) • Completed SAQ*3 for 27 companies identified as high-risk in the desktop research	Keep track of the achievements	P41-42, 68
		Human right education	●	●	●	• Established a system for continuous human rights education for all employees • Conducted human rights training for executives of group companies (excluding some regions) (182 participants, 100% participation rate)	Keep track of the achievements	P41-42, 68
		Promote initiatives to establish a compliance screening system for suppliers	●	●	●	• Completed the review of customs operations outsourcing partners based on internal regulations related to anti-bribery (100% execution rate) • Explored mechanisms for monitoring the Group's contractor for customs clearance	Perform regular screening	P53
Governance and compliance	Risks <ul style="list-style-type: none">Loss of social trust due to violation of various laws and regulations and deviation from social normsBusiness disruption, loss of social trust, and unexpected losses due to dysfunctional governance and internal control Opportunities <ul style="list-style-type: none">Earn social trust by demonstrating a commitment to legal complianceEarn trust of stakeholders by realizing highly effective corporate governance and making ongoing improvement	Attendance rate for LOGISTEED Group Code of Conduct education (e-learning)*4	●	●	●	98.5% (81,955 attendees in total)	Every fiscal year: 100%	P53
		Ratio of female executive officers*5	●			5% (as of March 31, 2024)	Over 10%	—
		Reflect evaluation of ESG initiatives, etc. in compensation plan for officers	●			Incorporated CO ₂ emission reduction achievements into the annual bonuses for executive officers for FY2023	Increase factors to be reflected	—
Prevent accidents during operation	Risks <ul style="list-style-type: none">Impact on operations and loss of human resources and social trust due to accidents Opportunities <ul style="list-style-type: none">Enable stable operations by securing safety in operation/transportationEarn social trust by demonstrating a commitment to preventing accidents during operation/transportation	Reduction rate for three types of accidents*6	●	●	●	Up by 32% from FY2022	Down by 30% from FY2023	P67
		Implement measures to strengthen prevention	●	●	●	• Held regular education webinars for companies that installed SSCV-Safety*7 (including those considering to install) (Number of sessions held: 12/Number of attendees: 24 companies, 44 persons in total) • Conducted experiential education using VR (Implemented at 177 domestic and international sites/Approximately 6,054 participants in total)	Keep track of the achievements	P67
		Reduce incidents during vehicle operation by utilizing "SSCV-Safety"	●	●		Number of incidents*8: 0.015 (Down by 60% YoY) The rate of serious accidents involving the Group's vehicles was approximately 82% lower than the national average as of FY2021*9. As a further measure to prevent accidents in advance, we are promoting the visualization of incidents to reduce the number of close calls.	Keep track of the achievements	P67
Risk management	Risks <ul style="list-style-type: none">Business suspension/discontinuation due to inadequate/dysfunctional risk management Opportunities <ul style="list-style-type: none">Enable to recover business quickly and restore corporate reputation by enhancing risk management initiatives	Conduct company-wide disaster prevention training and overseas BCP caravans*10	●	●	●	• Conducted "company-wide BCP trainings by disaster response HQ" in August • Provided support and education for the development of BCP manuals for six companies*11 in Asia as part of the overseas BCP caravan	Keep track of the achievements	P68
		Number of information security incidents	●	●	●	0	Every fiscal year: 0 incident	P53
		Attendance rate for information security training course and rate of targeted threat emails for simulation trainings opened	●	●	●	• Attendance rate for information security training course: 100% (35,967 attendees) • Rate of targeted threat emails for simulation trainings*12 opened: 12.0%	Every fiscal year: 100% attendance/Open rate: 10%	P53
Enhance disaster prevention/mitigation	Risks <ul style="list-style-type: none">Suspension of operations, interruption of logistics networks and damage to employees, as well as damage to the Group assets (e.g. buildings and facilities) and customer products, and loss of customer trust due to insufficient measuresDamage to related parties, compensation to victims, and lawsuits by victims Opportunities <ul style="list-style-type: none">Avoid opportunity loss through rapid business continuity and recoveryEarn social trust by demonstrating a commitment to enhancing resilience	Enhance functions of the Centralized Safety and Quality Control Center	●	●		Installed advanced video management systems and other technologies at five distribution centers in Japan (cumulative total), expanding remote monitoring of unsafe behaviors and hazardous events, and began validating AI recognition capabilities	Keep track of the achievements	P68
		Establish a management system utilizing a visualization system for firefighting operations	●	●		For approximately 500 sites equipped with the "Firefighting Visualization System," regular monitoring is conducted to ensure compliance with the Fire Service Act and relevant regulations	Keep track of the achievements	P68
		Conduct trainings for initial response at disasters	●	●		Conducted initial response training assuming natural disasters such as earthquakes: 13 companies (225 participants)	Keep track of the achievements	P68

*1 Rate of sick leave days = (Number of sick leave days/Total prescribed working days for employees) × 100
*4 Education themes for FY2023 were document management, severance of ties with anti-social forces, human rights, competition law, bribery, health and safety, intellectual property, and whistleblowing
*5 Percentage of female executive officers and operating officers *6 Workplace accidents, vehicle accidents, and product accidents
*10 Activities to build and improve risk management systems in overseas locations by sending instructors from Japan

*2 As of April 2023 *3 Self-Assessment Questionnaire (Self-checklist) *7 SSCV-Safety service is available only in Japan *8 Average number of incidents per month per vehicle in operation owned by the LOGISTEED Group *9 Calculated based on "Business Vehicle Accident Statistics (2021)" by Institute for Traffic Accident Research and Data Analysis. Compared to the national average of 45,900 kilometers per accident, our group achieves 260,000 kilometers per accident *11 LOGISTEED China, Ltd., LOGISTEED Taiwan, Ltd., PT Berdiri Matahari Logistik, PT LOGISTEED Indonesia, PT VANTEC INDOMOBIL LOGISTICS, and Flyjac Logistics Pvt. Ltd. *12 The scope includes LOGISTEED and domestic group companies, with some exceptions for overseas group companies