Pursuing Sustainability and Strengthening the Foundation for Value Creation

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# Sustainability Governance

For details, please visit our website. ↗ LOGISTEED Group Sustainability https://www.logisteed.com/en/csr/sustainability/
Material Issues https://www.logisteed.com/en/csr/materiality/

Under the LOGISTEED Group's corporate philosophy, "to deliver high-quality services that will help make the world a better place for people and nature for generations to come," we have been promoting sustainability initiatives to contribute to the realization of a sustainable society.

## Sustainability Promotion Structure

In order to promote sustainability on a group-wide level, the LOGISTEED Group has set up the "Sustainability Promotion Committee," chaired by the Executive Officer, General Manager of Corporate Strategy Office, and holds meetings regularly. Important agenda discussed in the meetings are submitted to the Executive Committee.



| Chair | Executive Officer, General Manager of Corporate Strategy Office |
| Committee members | Person in charge of each division | Environment, Safety, Quality, Human Resource, Administration, Procurement, Legal, Risk Management, Information Security, Finance, Corporate Planning, Public Relations, Digital Promotion, Business Improvement, Business Development, Domestic Business Management, Global Business Management |

Secretariat: Corporate Strategy Office Sustainability Promotion Department

### ● FY2024 Sustainability Promotion Committee

| Number of the committee held | 2 times (September, March) |
|---|---|
| Major agenda items | • Discuss and approve the method to disclose information on the progress of material issues and ESG<br>• Share the information about the ESG external evaluation and external trends regarding sustainability |

## Participation in International Initiatives

The LOGISTEED Group expresses its support for the UN Global Compact (hereafter, UNGC). The UNGC is a voluntary initiative to participate in creating a global framework for the sustainable growth. The LOGISTEED Group continues to make efforts to realize the ten principles of the UNGC by, for example, reporting the progress annually.

### ● Contribution to SDGs

SDGs are 17 universal goals for the international community to be attained by 2030, which the UNGC takes the lead in efforts toward their achievements, and the LOGISTEED Group is fully aware of the importance of achieving the SDGs. Eight of the 17 goals are deeply related to us. We will work to do our part in achieving these SDGs as we move into high gear to reach our Focus Areas.

SDGs closely relating to Focus Areas of the LOGISTEED Group ▶P42-46

### Message from the officer in charge

In recent years, as awareness toward building a sustainable society has grown, activities related to sustainable development are now viewed by a wide range of stakeholders as critical benchmarks for evaluating corporate value. Under our new Mid-term Management Plan "LOGISTEED2027," which began in FY2025, we have positioned "Implement industry-leading ESG management initiatives" as a priority measure with the goal of accelerating sustainability initiatives in tandem with business expansion. We remain committed to advancing sustainability management, striving to contribute to a sustainable society while creating environmental, social, and economic value, and enhancing corporate value.

**Isao Takaoka**

Executive Officer, CSO and CPO General Manager, Corporate Strategy Office
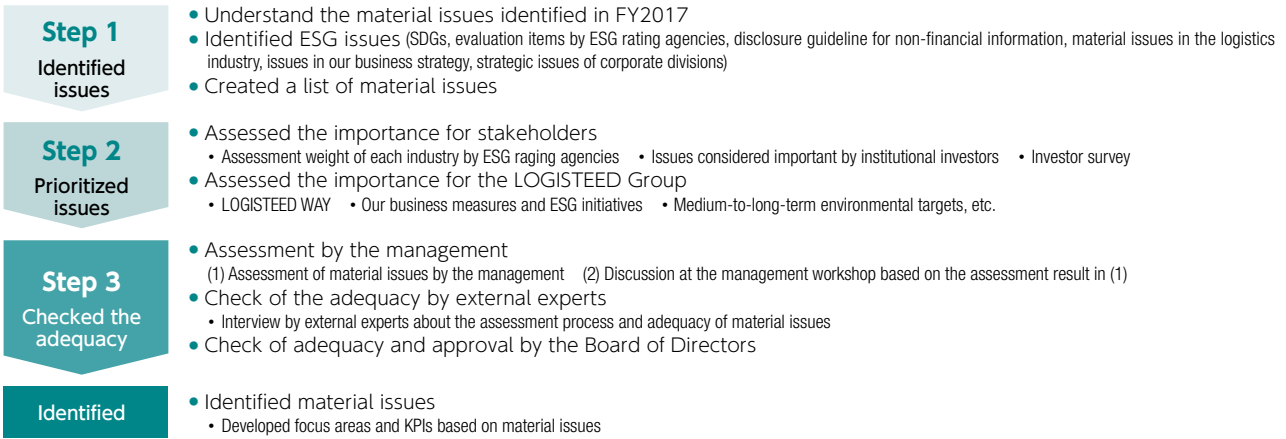
## LOGISTEED Group Material Issues

The LOGISTEED Group identified 15 material issues in FY2017 and developed four focus areas from CSV* viewpoint, but we reviewed the material issues in FY2021 in light of drastic changes in issues and management environment relating to sustainability. In the course of the review, we identified material issues not only from an ESG perspective, but also with a focus on addressing social challenges specific to the logistics sector and alignment with our business strategy. As a result, the material issues identified reflect a strong business-oriented dimension. Furthermore, sector-specific priorities such as "Prevent accidents during operation" and "Enhance disaster prevention/mitigation," inherent to the logistics industry's role as a key pillar of social infrastructure, were clarified, leading to the final selection of 12 material issues. With the recognition of the identified material issues as the social responsibility that the LOGISTEED Group should fulfill, we promote effective activities toward solving social issues.

*Creating Shared Value (CSV): Refers to practices that balance activities to create economic benefits with solutions to social issues, or management strategies to achieve them

### ● Process to identify material issues

| Step 1 Identified issues | • Understand the material issues identified in FY2017<br>• Identified ESG issues (SDGs, evaluation items by ESG rating agencies, disclosure guideline for non-financial information, material issues in the logistics industry, issues in our business strategy, strategic issues of corporate divisions)<br>• Created a list of material issues |
|---|---|
| Step 2 Prioritized issues | • Assessed the importance for stakeholders<br>• Assessment weight of each industry by ESG raging agencies • Issues considered important by institutional investors • Investor survey<br>• Assessed the importance for the LOGISTEED Group<br>• LOGISTEED WAY • Our business measures and ESG initiatives • Medium-to-long-term environmental targets, etc. |
| Step 3 Checked the adequacy | • Assessment by the management<br>(1) Assessment of material issues by the management (2) Discussion at the management workshop based on the assessment result in (1)<br>• Check of the adequacy by external experts<br>• Interview by external experts about the assessment process and adequacy of material issues<br>• Check of adequacy and approval by the Board of Directors |
| Identified | • Identified material issues<br>• Developed focus areas and KPIs based on material issues |

## Developed Focus Areas

Of the identified 12 material issues, we classified those relating to value creation into three Focus Areas and those relating to the business base, such as compliance and risk management, into "Supportive foundation for the Focus Areas" in order to take actions for issues to be addressed with priority. We also clarified the relation between the Focus Areas and SDGs.
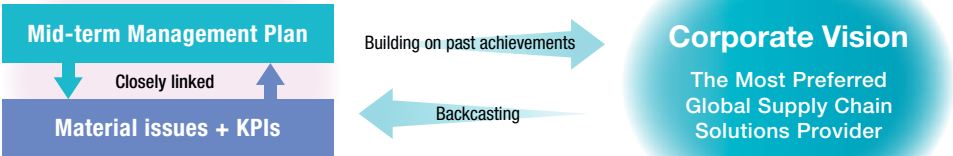


**Focus Area 1 — Contribute to Decarbonized/ Recycling-oriented Society**
Material issues
- Contribute to decarbonized society
- Contribute to recycling-oriented society

**Focus Area 2 — Build and Evolve Resilient, Sustainable Logistics Services**
Material issues
- Build and evolve resilient, sustainable logistics services

**Focus Area 3 — Create New Values through Collaborative Innovation**
Material issues
- Secure diverse human resources to support growth
- Step up DX
- Establish business models through collaborative innovation

**Supportive Foundation for the Focus Areas**
Material issues
- Realize safe, healthy, and rewarding workplace
- Establish a responsible supply chain in which human rights are respected
- Governance and compliance
- Risk management
- Prevent accidents during operation
- Enhance disaster prevention/mitigation

▶P43-48

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# Material Issues and KPIs of the LOGISTEED Group

For details, please visit our website. ↗ Material Issues https://www.logisteed.com/en/csr/materiality/

For the 12 material issues identified, the LOGISTEED Group has set KPIs that are closely aligned with both its Mid-term Management Plan and operational initiatives. We aim to contribute to the realization of a sustainable society and our corporate vision by promoting group-wide initiatives related to material issues and advancing the management and disclosure of KPI progress.

Mid-term Management Plan → Closely linked → Material issues + KPIs
Building on past achievements → Corporate Vision
Backcasting ←
**Corporate Vision** The Most Preferred Global Supply Chain Solutions Provider

## Focus Area 1 — Contribute to Decarbonized/Recycling-oriented Society

| Material issues | Risks and opportunities | KPIs | LOGISTEED | Japan | Overseas | FY2024 achievements | Targets (Unless otherwise stated, the figures represent targets for FY2024) | Related SDGs | References |
|---|---|---|---|---|---|---|---|---|---|
| **Contribute to decarbonized society** | **Risks** Medium- to Long-term ● Increase in tax burden related to climate change and cost increase due to tightening or introduction of regulations on $CO_2$ emissions | Reduction of $CO_2$ emissions[1] | ● | ● | | Down by 22% from FY2013 *Down by 31% from FY2013 when excluding the impact of consolidating ALPS LOGISTICS within the Group | Down by 26% from FY2013 | SDG 7, 11, 12 | P57-64 |
| | Medium- to Long-term ● Increase in $CO_2$ emission reduction cost and loss of customers due to delay/failure in introducing environmental technology | 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 | | P29-30, 63 |
| | Medium- to Long-term ● Loss of customers due to inadequate response to customers who emphasize low carbon or carbon-neutral transportation and the use of renewable energy **Opportunities** Medium- to Long-term ● Promote introduction of more efficient transportation modes and production/ distribution processes by pursuing low energy | Promote initiatives to set $CO_2$ emission reduction targets including supply chains | ● | ● | ● | Japan: Automated Scope 3 data aggregation Overseas: Implemented and commenced operation of a system for aggregating Scope 1 and 2 emissions | Establish a framework and scheme for calculating supply chain emissions, including international operations | | P58,63 |
| | Long-term ● Continue receiving orders from existing customers and acquire new customers by enhancing climate- and decarbonization-conscious measures and promoting use of renewable energy | | | | | | | | |
| **Contribute to recycling-oriented society** | **Risks** Medium- to Long-term ● Loss of reputation and customers due to inadequate responses to environmental pollution and waste reduction | Recycling rate | ● | ● | | 99% | Maintain 99% every fiscal year | SDG 13, 17 | P57,64 |
| | Medium- to Long-term ● Obsolescence of services and decrease in competitiveness due to a delayed response to a recycling-oriented society **Opportunities** Long-term ● Continue receiving orders from existing customers and acquire new customers by enhancing measures considering environmental pollution | Promote initiatives to build a circular economy business model | ● | ● | | A LOGISTEED Group company which sells and rents plastic pallets, recycles damaged pallets into raw materials and refurbishes them into plastic pallets, enabling their reuse within the rental pallet business | Keep track of the achievements | | P64 |
| | Long-term ● Diversify business activities and create new businesses by seeking to reduce and avoid resource use | | | | | | | | |

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

| Material issues | Risks and opportunities | KPIs | LOGISTEED | Japan | Overseas | FY2024 achievements | Targets (Unless otherwise stated, the figures represent targets for FY2024) | Related SDGs | References |
|---|---|---|---|---|---|---|---|---|---|
| **Build and evolve resilient, sustainable logistics services** | **Risks** Short to Long-term ● Decrease in competitiveness and loss of customers due to deterioration of safety/ quality/productivity and delayed deliveries, etc. | 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 | SDG 8, 9, 11, 17 | P29-30 |
| | Short to Long-term ● Suspension of operations due to inadequate transportation enhancement measures, etc., interruption/weakening of logistics networks, and deterioration of services/quality | 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 and overseas, saving 100 FTE[3] per year compared to FY2023 | Mechanize cargo handling work (100 FTE per year) | | P24,65 |
| | Short to Medium-term ● 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** Medium- to Long-term ● Acquire customer trust and improve reputation by strengthening the business continuity | Contribute to safe and more efficient transport by expanding user network of each "SSCV" function | ● | ● | | Expanded the LOGISTEED Group's ecosystem through the installation of "SSCV" (1) Smart: Installed at a total of 913 partner companies (2) Safety: Installed in a total of 4,313 vehicles (of which, 1,285 are vehicles operated by partner companies) (3) Vehicle: Installed in a total of 3,423 vehicles | Achieve the targets to install: (1) Smart: partner companies (2) Safety: vehicles of partner companies (3) Vehicle: the LOGISTEED Group's vehicles[4] | | P29-30, 65,67 |
| | Short to Long-term ● 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 | Enhance transport business to cope with the 2024 issue in logistics | ● | ● | | Number of violations of labor standards regarding drivers: 0 | Number of violations of labor standards regarding drivers: 0 | | P65 |
| | Short to Long-term ● Build partnerships with customers and acquire new customers by continuously providing services with high level of safety/quality/productivity | Expand GDP-compliant equipment at medical DCs | ● | ● | | Expanded our educational program aimed at strengthening GDP quality control and operational capabilities, and implemented this program for all employees engaged in GDP operations. | Complete installations in target sites | | P24,65 |

Timeline definitions: Short-term: Up to one year; Medium term: Two to five years; Long-term: Six years or more
[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

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## Material Issues and KPIs of the LOGISTEED Group

**Focus Area 3** | **Create New Values through Collaborative Innovation**

| Material issues | Risks and opportunities | KPIs | LOGISTEED | Japan | Overseas | FY2024 achievements | Targets Unless otherwise stated, the figures represent targets for FY2024 | Related SDGs | References |
|---|---|---|---|---|---|---|---|---|---|
| Secure diverse human resources to support growth | **Risks** — Medium- to Long-term ● Human resource shortage due to failure to promptly respond to digitalization and labor saving — Medium- to Long-term ● Stereotypical ideas due to lack of diverse human resources, loss of new business opportunities, and decrease in competitiveness — Medium- to Long-term ● Loss of human resources due to a mismatch between the HR measures and what employees desire and a delayed response to diversified working-style — **Opportunities** — Medium- to Long-term ● Create new business opportunities and improve competitiveness by securing diverse human resources including highly skilled personnel and those from different industries, etc. — Short to Long-term ● Improve labor productivity by increasing employee motivation | Implement education to develop human resources with DX skills | ● | ● | | · All relevant employees received "Basic DX Training" aimed at developing a digital transformation mindset (14,408 attendees) · Implemented an education program to develop human resources with DX skills · Intensive training for human resources to promote DX business: 618 attendees in total (cumulative) · Intensive training for DX technical skills: 670 attendees in total (cumulative) · DX mindset cultivation program: 4,152 attendees in total (cumulative)[2] | Every fiscal year: All employees attend mindset training | 5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 17 PARTNERSHIPS FOR THE GOALS | P35-36, 66 |
| | | Expand global human resources and reform organizational culture | ● | ● | ● | · To enhance the visibility of human resources across the entire LOGISTEED Group, implementation of the global human resources DB has been launched in group companies overseas, including Asia and China. · A dialog-based education program was conducted in Indonesia to promote the internal dissemination of LOGISTEED WAY throughout the LOGISTEED Group, including overseas group companies. · Time invested in global human resource development: 12,888 hours | Keep track of the achievements | | P35-38, 66 |
| | | Improve operational efficiency by installing digital tools such as RPA | ● | ● | ● | Reduction of working hours: Cumulative 1.21 million hours | Reduction of working hours: Cumulative 1.2 million hours | | — |
| | | Improve the score of sustainable engagement in the employee engagement survey | ● | ● | ● | Benchmark score clear rate by country[3]: 44% | FY2027: Benchmark score clear rate by country: 100% | | P37-38 |
| | | Ratio of female managers | ● | | | 6.9% | FY2025:8% | | P37-38 |
| Step up DX | **Risks** — Medium- to Long-term ● Obsolescence of existing technologies due to failure to promptly deal with digitalization and introduce new technologies — Medium- to Long-term ● Obsolescence of existing services and business models due to rapid development of digital technologies — Medium- to Long-term ● Damage to the Company's business and loss of position in the industry due to the rise of new entrants and competitors — **Opportunities** — Short to Long-term ● Improve efficiency of business operations, promote labor-saving, and improve quality/safety through "Step up DX" — Short to Long-term ● Create new businesses leading to continued orders from existing customers and acquisition of new customers | Establish a digital platform to create innovation through DX | ● | ● | ● | Renewal of core management system at 17 overseas group companies | Keep track of the achievements | | P29-30 |
| | | 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 | | P29-30 |
| | | Implementation of Resource Control System (RCS) | ● | ● | ● | Installed in 70 warehouse projects | Achieve the target number of installations | | P29-30 |
| | | Improve conformance rate of ONEsLOGI[1] WMS-Platform (PF) to logistics operations | ● | ● | ● | Conformance rate of 95.9% | Maintenance and continuation of conformance rate | | P29-30 |
| | | Number and percentage of DX-related patent applications included in the total patent applications (publication) | ● | ● | ● | Number of DX-related patent applications: 12 Share of DX-related patent applications: 63% | Keep track of the achievements | | P39-40 |
| Establish business models through collaborative innovation | **Risks** — Medium- to Long-term ● 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 — **Opportunities** — Medium- to Long-term ● Acquire growth opportunities through the development of revolutionary technologies that reflect external perspectives — Medium- to Long-term ● Establishment of growth platforms through acquisition of new management resources and creation/expansion of an ecosystem | Develop new services and business models through collaborative innovation | ● | ● | ● | Development of the autonomous mobile collaborative robot "AutonMate" [4] through collaborative innovation with partner companies | Keep track of the achievements | | P24, 65-66 |

Timeline definitions  Short-term: Up to 1 year; Medium-term: 2 to 5 years; Long-term: 6 years or more
*1 One Stop Logistics IT Solution: A suite of logistics management solutions provided by our subsidiary company, LOGISTEED Solutions, Ltd.
*2 Certain components of training programs have been excluded from aggregate totals as these have been incorporated into the "VC Basics Course" e-learning program for all employees
*3 Proportion of companies implementing engagement surveys exceeding the country-specific benchmark scores provided by Willis Towers Watson
*4 AutonMate: An AMR (Autonomous Mobile Robot) developed by our subsidiary company, LOGISTEED Solutions, Ltd.

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## Material Issues and KPIs of the LOGISTEED Group

## Supportive Foundation for the Focus Areas

| Material issues | Risks and opportunities | KPIs | LOGISTEED | Japan | Overseas | FY2024 achievements | Targets Unless otherwise stated, the figures represent targets for FY20244 | References |
|---|---|---|---|---|---|---|---|---|
| Realize safe, healthy, and rewarding workplace | **Risks** Short to Long-term ● Impact on operations and loss of social trust due to workplace accidents | Workplace accident frequency rate/severity rate | ● | ● | | Frequency rate: 0.44  Severity rate: 0.018 | Keep track of the achievements | P67 |
| | Short to Long-term ● Loss of employee motivation, decline in labor productivity, and loss of human resources due to long working hours | Number of serious accidents (fatal workplace accidents) | ● | ● | ● | Japan: 0, Overseas: 4 | 0 | P67 |
| | **Opportunities** Short to Long-term ● Improve employee motivation and labor productivity by creating a comfortable workplace that takes health and safety into consideration | Rate of paid leave taken | ● | ● | | 68.3% (+0.9% YoY) | Keep track of the achievements | P37-38, 67 |
| | Short to Long-term ● Enable stable operations by ensuring occupational health and safety | Rate of sick leave days[1] —Promote health and productivity management— | ● | ● | | 1.05% (-0.03% YoY) | Keep track of the achievements | P37-38 |
| Establish a responsible supply chain in which human rights are respected | **Risks** Short to Long-term ● Reputational damage, lawsuits and penalties resulting from infringement of human rights, and loss of human resources | Promote initiatives to develop a business platform that respects human rights | ● | ● | ● | · Submitted initial statement to the Australian government in compliance with the Australian Modern Slavery Act · Implemented risk mitigation measures, including support for foreign technical intern trainees, based on the results of the human rights risk assessment survey conducted in FY2023 | Keep track of the achievements | P37-38, 68 |
| | Short to Long-term ● Decrease in competitiveness due to deterioration of quality and productivity in the supply chain **Opportunities** Short to Long-term ● Enable stable business operations by building long-term relationships with suppliers that give consideration to human rights | Human rights education | ● | ● | ● | · Conducted human rights education for employees in Japan and overseas (35,437 participants, participation rate 98.5%) · Conducted human rights training for newly appointed executives of domestic and overseas group companies (excluding some regions) (41 participants, 100% participation rate) | Keep track of the achievements | P37-38, 68 |
| | Medium- to Long-term ● Improve competitiveness by building a supply chain with high quality and productivity | Promote initiatives to establish a compliance screening system for suppliers | ● | ● | ● | Established an annual screening framework for customs clearance service providers | Perform regular screening | P53 |
| Governance and compliance | **Risks** Short to Long-term ● Loss of social trust due to violation of various laws and regulations and deviation from social norms | Attendance rate for LOGISTEED Group Code of Conduct education (e-learning)[2] | ● | ● | ● | 98.8% (71,430 participants in total) | Every fiscal year: 100% | P53 |
| | Short to Long-term ● Business disruption, loss of social trust, and unexpected losses due to dysfunctional governance and internal control | Ratio of female executive officers[3] | ● | | | 0% (as of March 31, 2025) *Ratio of executive officers with a foreign nationality: 8% | Over 10% | — |
| | **Opportunities** Short to Long-term ● Earn social trust by demonstrating a commitment to legal compliance Short to Long-term ● Earn trust of stakeholders by realizing highly effective corporate governance and making ongoing improvement | Reflect evaluation of ESG initiatives, etc. in compensation plan for officers | ● | | | From FY2024, annual bonuses for executive officers reflect both $CO_2$ emissions reduction, employee engagement survey results, and progress on KPIs concerning material issues | Increase factors to be reflected | — |
| Prevent accidents during operation | | Reduction rate for three types of accidents[4] | ● | ● | ● | Up by 8% from FY2023 | Down by 30% from FY2023 | P67 |
| | **Risks** Short to Long-term ● Impact on operations and loss of human resources and social trust due to accidents **Opportunities** Short to Long-term ● Enable stable operations by securing safety in operation/transportation | Implement measures to strengthen prevention | ● | ● | ● | · Conducted safety education (Group training: 6; Off-site/online training: 17/Number of participants: 370 in total) · Conducted education through experiential sessions using VR (Implemented at 65 domestic and overseas sites/Approximately 1,955 participants in total) · Held regular education webinars for companies that installed SSCV-Safety[5] (including those considering to install) (Number of sessions held: 12/Number of attendees: 44 companies, 77 persons in total) | Keep track of the achievements | P67 |
| | Short to Long-term ● Earn social trust by demonstrating a commitment to preventing accidents during operation/transportation | Reduce incidents during vehicle operation by utilizing "SSCV-Safety" | ● | ● | | Number of incidents[6]: 0.010 (Down by 33% YoY) The rate of serious accidents involving the LOGISTEED Group's vehicles was approximately 82% lower than the national average as of FY2022[7]. 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** Short to Long-term ● Business suspension/discontinuation due to inadequate/dysfunctional risk management | Conduct company-wide disaster prevention training and overseas BCP caravans[8] | ● | ● | ● | · Conducted "company-wide BCP trainings by disaster response HQ" in September · Developed BCP manuals for seven companies[9] in the Asia and China area as part of the overseas BCP caravan | Keep track of the achievements | P68 |
| | | Number of information security incidents | ● | ● | ● | 0 | Every fiscal year: 0 | P53 |
| | **Opportunities** Short to Long-term ● Enable to recover business quickly and restore corporate reputation by enhancing risk management initiatives | 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% (35,504 attendees) · Rate of targeted threat emails for simulation trainings[10] opened: 11% | Every fiscal year: 100% attendance/Open rate: 10% | P53 |
| Enhance disaster prevention/ mitigation | **Risks** Short to Long-term ● 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 measures | Enhance functions of the Centralized Safety and Quality Control Center | ● | ● | | Installed advanced video management systems and other technologies at seven distribution centers in Japan (cumulative total), expanding remote monitoring of unsafe behaviors and hazardous events | Keep track of the achievements | P68 |
| | Short to Long-term ● Damage to related parties, compensation to victims, and lawsuits by victims | Establish a management system utilizing a visualization system for firefighting operations | ● | ● | | Launched regular monitoring and improvement guidance operations for approximately 500 sites equipped with the "firefighting visualization system" | Keep track of the achievements | P68 |
| | **Opportunities** Short to Long-term ● Avoid opportunity loss through rapid business continuity and recovery Short to Long-term ● Earn social trust by demonstrating a commitment to enhancing resilience | Conduct trainings for initial response at disasters | ● | ● | | Conducted initial response training group-wide assuming natural disasters such as earthquakes: 14 companies (286 participants) | Keep track of the achievements | P68 |

Timeline definitions: Short-term: Up to one year; Medium term: Two to five years; Long-term: Six years or more
[1] Rate of sick leave days = (Number of sick leave days/Total prescribed working days for employees) × 100   [2] Training themes for FY2024 include the Subcontract Act, Construction Industry Act, Worker Dispatch Act, respect for human rights, antitrust law, bribery, conflicts of interest, laws and regulations on importing and exporting, money laundering   [3] Percentage of female executive officers and operating officers   [4] Workplace accidents, vehicle accidents, and product accidents   [5] SSCV-Safety service is available only in Japan   [6] Average number of incidents per month per vehicle in operation owned by the LOGISTEED Group

[7] Calculated based on the "Data on Traffic Accidents Involving Commercial Vehicles (2022)" published by the Institute for Traffic Accident Research and Data Analysis. While the national average driving distance per accident stands at 4.55 million kilometers, for the LOGISTEED group this figure is 25.5 million kilometers.   [8] Activities to build and improve risk management systems in overseas sites by sending instructors from Japan   [9] LOGISTEED China, Ltd., LOGISTEED Malaysia Sdn. Bhd., LOGISTEED (Thailand), Ltd., Eternity Grand Logistics Public Co., Ltd., PT Berdiri Matahari Logistik, PT LOGISTEED Indonesia, PT VANTEC INDOMOBIL LOGISTICS   [10] The scope includes LOGISTEED and domestic group companies, with some exceptions for overseas group companies

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# Executive Team
*Listed in Japanese alphabetical order by title*

## Directors

**Representative Director** **Yasuo Nakatani**

**Outside Director** **Mitsudo Urano**

**Outside Director** **Hirofumi Hirano**
Partner, Chief Executive Officer, KKR Japan

**Outside Director** **Takeshi Watabe**
General Manager, Business Development Office, Strategy Planning Division, Hitachi, Ltd.

**Outside Director** **Miho Aoki**
(Audit & Supervisory Committee Member)

**Outside Director** **Hideaki Miyauchi**
(Audit & Supervisory Committee Member)
Director, KKR Japan

**Outside Director** **Eiji Yatagawa**
(Audit & Supervisory Committee Member)
Partner, KKR Japan

## Executive Officers

**Executive Chairman, President and CEO★** **Yasuo Nakatani**
★Concurrently serve as Director

**Executive Vice President and Executive Officer, CIBO** **Christopher Logan**
President of LOGISTEED International Company

**Executive Vice President and Executive Officer, CJBO** **Kazuhiro Nishikawa**
President of LOGISTEED Japan Company
General Manager, AL Collaborative Innovation Project Team

**Executive Vice President and Executive Officer, CTrO** **Nobukazu Hayashi**
In charge of Corporate Function

**Executive Officer, Deputy CIBO** **Kazuo Abe**
General Manager, International Business Headquarters
General Manager, AEO* & Corporate Export Regulation Office

**Executive Officer** **Masaru Usui**
Representative Director, Executive Chairman of ALPS LOGISTICS CO., LTD.

**Executive Officer, CMO** **Koji Kawakita**

**Executive Officer, CHRO** **Tsukasa Kudo**
General Manager, Human Resources & Business Support Office
In charge of Internal Auditing Office

**Executive Officer** **Takashi Jinguji**
President and Representative Director, LOGISTEED East Japan, Ltd.

**Executive Officer, CSO and CPO** **Isao Takaoka**
General Manager, Corporate Strategy Office

**Executive Officer, CFO** **Hideo Nakamoto**
General Manager, Financial Strategy Office

**Executive Officer, CDXO and CTO** **Yutaka Haga**
General Manager, Logistics Solution Management Headquarters
Representative Director, President Executive Officer, LOGISTEED Solutions, Ltd.

**Executive Officer, Deputy CJBO** **Keisuke Fukazawa**
General Manager, Japan Business Headquarters

* AEO (Authorized Economic Operator) System: A system in which customs authorities certify businesses that have established security management and legal compliance systems, and grant benefits such as simplified customs procedures

### Abbreviation Details

| | |
|---|---|
| C E O | Chief Executive Officer |
| CIBO | Chief International Business Officer |
| CJBO | Chief Japan Business Officer |
| CTrO | Chief Transformation Officer |
| C M O | Chief Marketing Officer |
| CHRO | Chief Human Resources Officer |
| C S O | Chief Strategy Officer |
| C P O | Chief Procurement Officer |
| C F O | Chief Financial Officer |
| CDXO | Chief Digital Transformation Officer |
| C T O | Chief Technology Officer |
| C I O | Chief Information Officer |

## Operating Officers

| Name | Position |
|---|---|
| Akhil Nair | Operating Officer   International Head of Freight Forwarding |
| Kazunori Azusawa | Operating Officer, CIO General Manager, Information & Communication Technology Infrastructure Headquarters, Logistics Solution Management Headquarters, General Manager, Information Security Office |
| Koji Ito | Operating Officer   General Manager, Global Business Development Headquarters |
| Kenichi Iyoku | Operating Officer   Deputy General Manager, Japan Business Headquarters |
| Ryoichi Okamoto | Operating Officer   General Manager, Safety and Quality Control Management Office |
| Kenichiro Ogawa | Operating Officer   Deputy General Manager, Corporate Strategy Office |
| Yuichi Kuroume | Operating Officer   Deputy General Manager, International Business Headquarters President, LOGISTEED China, Ltd. |
| Kazuhiko Zaiki | Operating Officer   General Manager, Business Development Headquarters |
| Kazuhisa Sakaguchi | Operating Officer   Deputy General Manager, Japan Business Headquarters |
| Mitsushika Nagano | Operating Officer   President and Representative Director, LOGISTEED West Japan, Ltd. |
| Kazushige Natori | Operating Officer   General Manager, Freight Forwarding Headquarters President and Representative Director, LOGISTEED Express, Ltd. |
| Kazuhiro Fujiwara | Operating Officer   Deputy General Manager, Financial Strategy Office |
| Toru Watanabe | Operating Officer   General Manager, Transport Business Enhancement Headquarters, Japan Business Headquarters |

As of June 27, 2025

Pursuing Sustainability and Strengthening the Foundation for Value Creation

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# Corporate Governance

## Basic Principle

At the LOGISTEED Group, we consider corporate governance to be key to realizing even greater management transparency and efficiency, as well as ensuring that our business is carried out with compliance and in accordance with correct corporate ethics. By extension, the crux of corporate governance lies in increasing medium-to-long term corporate value and sustainable development.

## LOGISTEED's Organization' Design

To enhance corporate value through faster decision-making and strengthening and upgrading the Board of Directors' oversight functions, we adopted a company with Audit & Supervisory Committee system. We have established a Board of Directors, an Audit & Supervisory Committee, and accounting auditors. By reinforcing the oversight function of the directors' duties, we ensure objectivity and transparency in management. Additionally, we have adopted an executive officer system to accelerate decision-making and clarify the responsibilities and authority for business execution.

### ● Board of Directors

The Board of Directors consists of seven directors, including six outside directors, and appoints executive officers based on the recommendations of the voluntarily established Nominating and Compensation Committee.

Each executive officer executes their duties under the direction and supervision of the Representative Director within the scope of their respective authority and responsibility.

### ● Audit & Supervisory Committee

The Audit & Supervisory Committee, which is held once a month in principle, is composed of three outside directors who are also Audit & Supervisory Committee members. The committee exchanges information and discusses audit implementation status, and receives reports from the

accounting auditors and internal audit departments, among others, to exchange opinions. The Audit & Supervisory Committee members receive advance reports from the accounting auditors regarding their audit plans.

### ● Executive Committee

In principle, the Executive Committee meets once a month, and conducts deliberations in accordance with the agenda criteria set forth in the "Rules of the Executive Committee." In addition, each executive officer carries out their duties in

line with the "Criteria for Resolution of Executive Officer" established. The Company has an environment which allows outside directors to remotely attend important internal meetings, such as the Executive Committee.

### ● Primary roles of the Board of Directors, etc. (FY2025)

**Board of Directors**
**Determines basic management policies, etc. and supervises the execution of duties by directors and executive officers**
Also passes a resolution by focusing on specific discussions on the Mid-term Management Plan and fiscal budget in addition to matters to be resolved stipulated by laws and regulations, the Articles of Incorporation and the Board of Directors regulations.

Female **1**
Male **6**

**Audit & Supervisory Committee**
**Performs audits of directors'business implementation and prepares audit reports**
Performs audits of execution of duties by directors from the viewpoint of legal compliance and appropriate performance of duties in cooperation with accounting auditors and internal audit division, with an aim of establishing a high-quality corporate governance system to maintain social trust.

Female **1**
Male **2**

**Nominating and Compensation Committee**
**Gives recommendations on the nomination of candidates for directors, etc. as an advisory board to the Board of Directors**
Makes proposals on the nomination of director candidates, the appointment and dismissal of executive officers, etc. the selection and removal of Representative Directors, the succession plan for executive officers including the President, and the policies regarding the compensation of directors and executive officers, etc.

Female **0**
Male **4**

### ● Primary roles of the Executive Committee (FY2025)

**Executive Committee**
**Deliberates on important issues related to business implementation**
Composed of executive officers and persons specifically nominated by the Executive Chairman, President and CEO, and is responsible for deliberating and reporting on fundamental policies related to business management, financial results, and business plans, etc.

Female **0**
Male **13**

## The Corporate Governance System and Internal Control System

Under the "Basic Policy for Building an Internal Control System" established by the Board of Directors, the Company strives to develop and appropriately operate a system to ensure the appropriateness of the operations of the corporate group. The following illustrates an overview of the operational status.
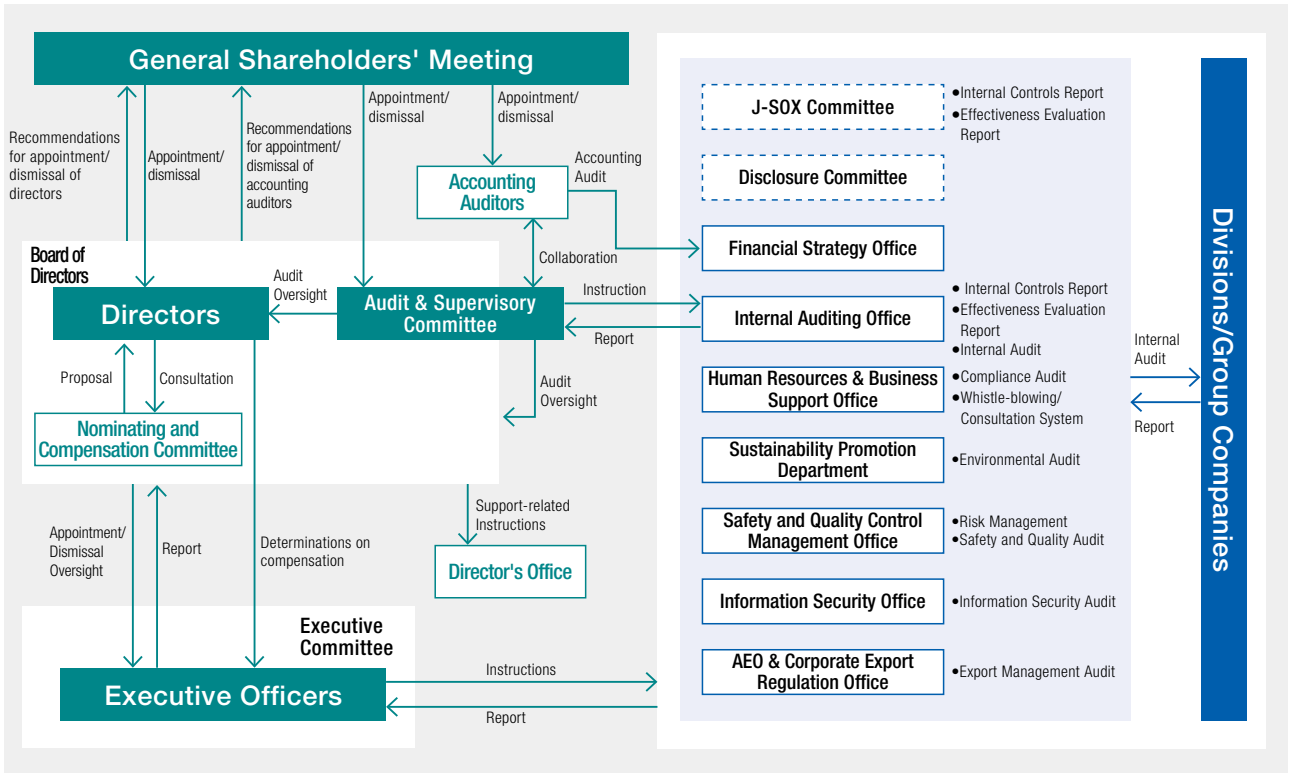


### ● Overall internal control and internal audit

With regard to overall internal control, we have established and operate the internal control system of the Company and group companies, and perform an audit on a regular basis to effectively achieve the internal control goals. Regarding internal audits, the Internal Auditing Office, other responsible departments, and the relevant departments of our subsidiaries conduct internal audits to verify

compliance with laws and regulations and to deter violations of such laws and regulations. Additionally, we have established the "LOGISTEED Group Internal Whistleblowing System," our internal reporting system. The results of internal audits and the status of reports under the compliance internal whistle-blowing system are regularly reported to the Audit & Supervisory Committee.

### ● Risk management system

For compliance, information security, environment, disasters, quality control, export control, and prevention of antisocial transactions, etc., each responsible department established rules including "Rules on Prevention of Bribery," "Basic Policy on Information Security," and "Quality Assurance Control Rules." The Company, together with its subsidiaries, prepared and distributed manuals for

legal compliance, and holds e-learning on a regular basis. In addition, the Executive Committee deliberates and reports on compliance, information security, environment, disasters, quality control, export control, and prevention of antisocial transactions, etc. to understand the risk likelihood. The Board of Directors also deliberates and reports on important policies and internal rules.

### ● Structure of group companies

We require our group companies to establish a system according to their size, as well as send directors and Audit & Supervisory Board members to subsidiaries and conduct audits, etc. of each department of subsidiaries on a regular basis. Also, the Company's Board of Directors and Executive Committee deliberate important business

matters related to subsidiaries in accordance with the "Group Company Management Standards." In addition, we established basic policies such as the "LOGISTEED Group Code of Conduct" and share corporate social responsibility with group companies.

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# Compliance/Information Security

## Compliance

In order to ensure management in compliance with laws and regulations, the LOGISTEED Group has put in place a system to clarify compliance functions and set a compliance basic policy, including matters concerning anticorruption, to be observed by all officers and employees, to ensure thorough compliance with laws and regulations, company rules, and corporate ethics. Additionally, we have established the "LOGISTEED Group Code of Conduct," which specifies how all officers and employees should act in their corporate activities. It is mandatory for the entire group to act in accordance with this code, ensuring compliance with corporate ethics.

### ● Compliance education

To build a robust corporate culture that does not tolerate compliance violations, we regularly provide "Code of Conduct e-learning" for all employees, including officers. Additionally, we conduct rank-based education programs and group

training sessions for newly appointed executives of domestic.

**Attendance rate of Code of Conduct e-learning course (FY2024)**
**98.8**%
Scope: LOGISTEED, domestic and overseas group companies

### ● Procurement compliance education

To ensure fair procurement activities, we provide e-learning for procurement compliance targeting all employees, as well as special e-learning and group trainings on a regular basis for those engaging in procurement in domestic and overseas group companies.

**Number of companies implementing education for those engaging in procurement (FY2024)**
Domestic: **18** companies    Overseas: **27** companies

### ● Initiatives to prevent bribery

We view anti-corruption efforts as a key compliance issue. In particular, we are actively working to strengthen management and control frameworks concerning bribery prevention both in domestic and overseas. We conduct anti-bribery training

for all employees, obtain annual anti-bribery pledges from management, and carry out due diligence on business partners dealing with customs clearance both at the commencement of transactions and on a periodic basis.

### ● Whistle-blowing system

In order to detect and correct illegal and/or inappropriate actions early on, the LOGISTEED Group has a whistleblowing system with internal and external points of

contact to allow employees and other stakeholders to report without hesitation, and ensures thorough protection of whistleblowers.

## Information Security

We recognize that the highest priority is to properly manage and protect information assets of customers and the LOGISTEED Group, and accordingly the entire group has been promoting the preparation of internal rules as well as education and awareness activities for employees. In response to changes in social conditions and the status of personal information protection abroad, we revise our internal rules accordingly. We work to prevent information leakage by verifying the management and operational status of personal information protection and information security, striving to maintain a high level of security and strengthen governance across the entire group.

### ● Education and training for personal information protection/information security

In addition to e-learning for all employees, we provide rank-based group trainings for information security education. Additionally, as a countermeasure against targeted threat emails, we have expanded our training to include not only our domestic group companies but also our overseas group companies. This training utilizes a simulation system

we have independently developed.

**Attendance rate of information security training course (FY2024)**
**100**%

**Rate of targeted threat emails for simulation trainings opened (FY2024)**
**11**%
Scope: LOGISTEED, domestic and overseas group companies

### ● Acquisition and maintenance of third-party certification

We have obtained the Privacy Mark certification, which certifies that we have established a system to implement appropriate measures for protecting personal information. We have also acquired ISO/IEC 27001 which is an international standard certifying that an information security

management system satisfies certain criteria.

**Privacy Mark acquisition status (As of March 31, 2025)**
**9** companies
Scope: LOGISTEED, domestic group companies

**ISMS Certification\* (As of March 31, 2025)**
**20** departments

\* Scope of registration: Sales, design, and development operations within the 3PL business, and logistics center operation (Medical, pharmaceutical, agrochemical, document management, and ICT equipment)

For LOGISTEED Group Code of Conduct, please refer to our website.  https://www.logisteed.com/en/csr/pdf/logisteed_group_code_of_conduct.pdf
For Compliance information, please refer to our website.  https://www.logisteed.com/en/csr/governance/compliance/
For Information security, please refer to our website.  https://www.logisteed.com/en/csr/governance/riskmanagement/
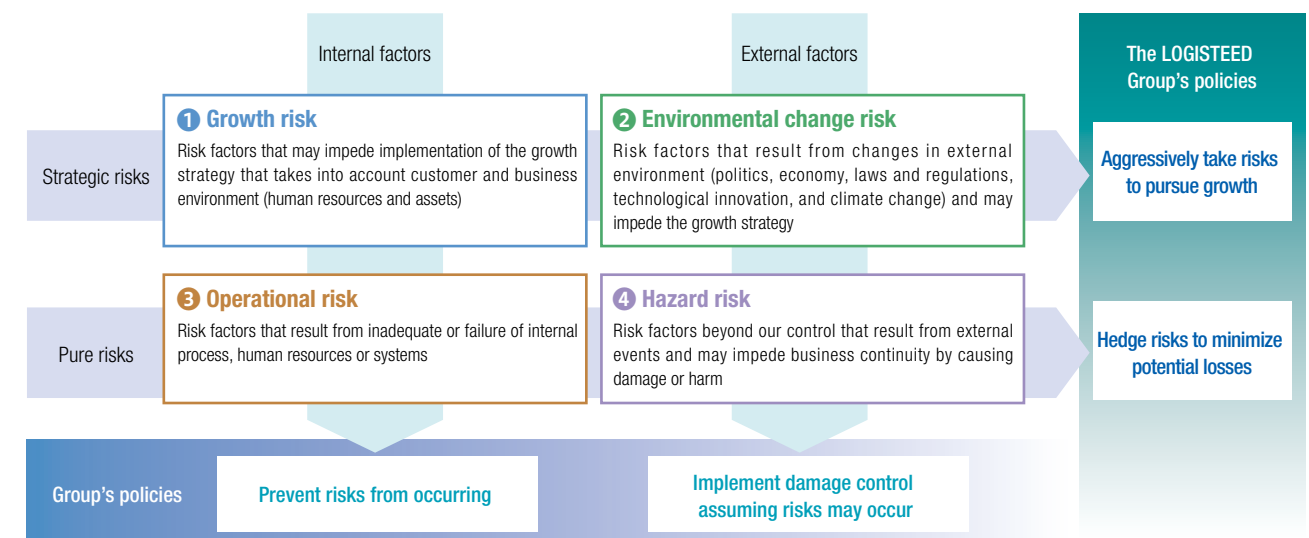
# Risk Management

The LOGISTEED Group strives to enhance the PDCA cycle of risk management to address risks or opportunities that are difficult to foresee and require company-wide response. This involves identifying risk items (detection), analyzing risks (quantification), assessing risks (prioritization), and considering risk responses (response policies) increase corporate value and achieve sustainable growth.
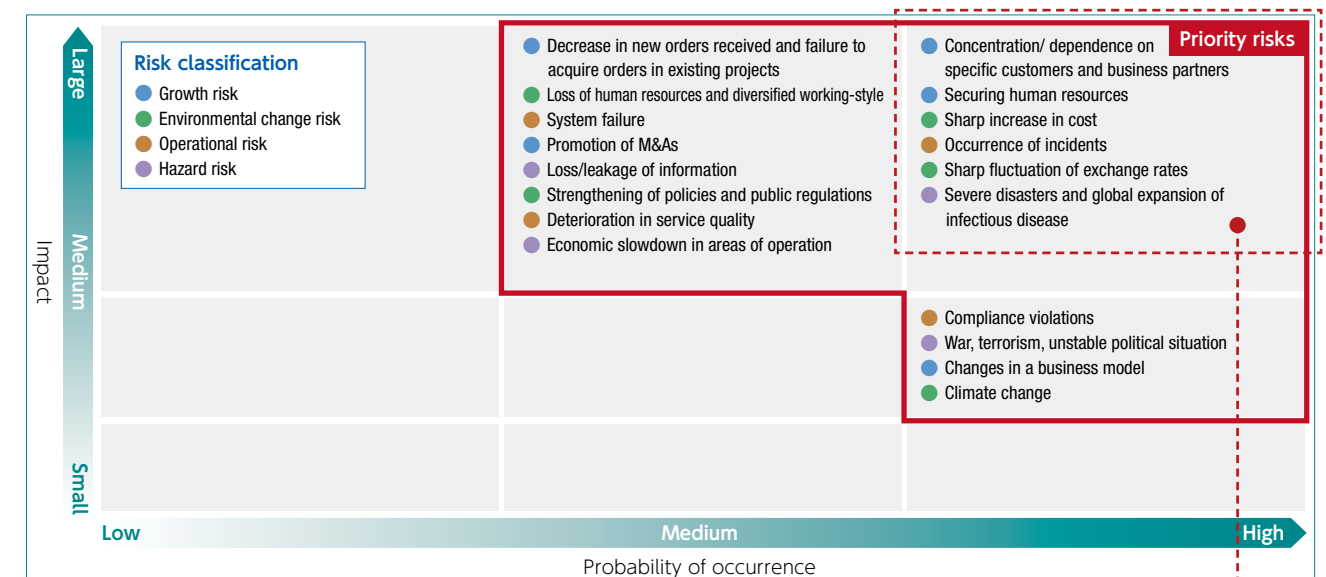
## ● Definition and classification of risks

The LOGISTEED Group defines risk as "the influence of uncertainty about our objectives and the possibility to influence the achievement of our strategy and business goals when an event occurs."
We classify recognized risks as follows based on their types (strategic or pure) and factors (internal or external)

and quantify them by risk factors based on the probability of occurrence and the degree of impact to select priority risk which exceeds the reference point. We also prioritize risks based on the assessment points and focus on reviewing countermeasures against them.



Internal factors / External factors / The LOGISTEED Group's policies

**Strategic risks**

**❶ Growth risk**
Risk factors that may impede implementation of the growth strategy that takes into account customer and business environment (human resources and assets)

**❷ Environmental change risk**
Risk factors that result from changes in external environment (politics, economy, laws and regulations, technological innovation, and climate change) and may impede the growth strategy

**Aggressively take risks to pursue growth**

**Pure risks**

**❸ Operational risk**
Risk factors that result from inadequate or failure of internal process, human resources or systems

**❹ Hazard risk**
Risk factors beyond our control that result from external events and may impede business continuity by causing damage or harm

**Hedge risks to minimize potential losses**

**Group's policies**    **Prevent risks from occurring**    **Implement damage control assuming risks may occur**

## ● Heatmap by risk factors (in descending order of priority)



**Risk classification**
● Growth risk
● Environmental change risk
● Operational risk
● Hazard risk

● Decrease in new orders received and failure to acquire orders in existing projects
● Loss of human resources and diversified working-style
● System failure
● Promotion of M&As
● Loss/leakage of information
● Strengthening of policies and public regulations
● Deterioration in service quality
● Economic slowdown in areas of operation

**Priority risks**
● Concentration/ dependence on specific customers and business partners
● Securing human resources
● Sharp increase in cost
● Occurrence of incidents
● Sharp fluctuation of exchange rates
● Severe disasters and global expansion of infectious disease

● Compliance violations
● War, terrorism, unstable political situation
● Changes in a business model
● Climate change

Impact: Large / Medium / Small
Probability of occurrence: Low / Medium / High

**The status of measures addressing the priority risks that have the highest priority is outlined on the next page.**

For disaster risk measures and the business continuity management/BCP promotion system, please refer to our website.
https://www.logisteed.com/en/csr/governance/riskmanagement/

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# Risk Management

For details, please visit our website. Risk factors ↗  Risk Management  https://www.logisteed.com/en/csr/governance/riskmanagement/

## ● Risk Management System

The LOGISTEED Group manages risks with a system whereby a Risk owner[1] and a Risk manager[2] are appointed for each risk factor who collaborate across divisions (domestic business, overseas business, sales and development division, corporate division). Risk owners or risk managers report the status of relevant risk items to the Executive Committee and also to the Board of Directors and the Audit & Supervisory Committee when necessary, in order to ensure effectiveness of Enterprise Risk Management (ERM).

## ● Risk Management Structure



*1 Risk owner: A person in charge of discussing risk responses and monitoring/supervising the implementation of measures
*2 Risk manager: A person in charge of addressing risks in cooperation with a Risk owner and promptly implementing relevant measures
*3 For details on the officer abbreviations, please refer to page 49.

## ● Risk factors and the implementation status of our measures (highest priority risks)

### ❶ Growth risk

| Risk factors | Description of risks/opportunities | Group's measures |
|---|---|---|
| Concentration/dependence on specific customers and business partners | **Risks**<br>• Impact on business results and continued employment by losing projects<br>• Impact on the LOGISTEED Group's business due to customers' performance fluctuations or deterioration, and business reorganizations<br>• Impact on the LOGISTEED Group's business due to the changes in customers' business environment including drastic changes in the industrial structure and increasing supply chain vulnerability<br>• Impact on the LOGISTEED Group's business due to the poor performance of the business partners<br>**Opportunities**<br>• Efficient business expansion and able to take advantage of scale | • Account management through enhanced collaboration among group companies and divisions<br>• Monitor customers' business condition<br>• Monitor the movements of peer companies<br>• Establish and monitor credit limit<br>• Perform periodic review of customer dependency<br>• Allocate management resources to non-core businesses<br>• Develop/provide services beyond conventional logistics domain<br>• Strengthen sales and marketing activities to existing/new Key Accounts (KA) via the Global Account Program (GAP)<br>• Supply chain optimization consulting activities utilizing engineering expertise |
| Securing human resources | **Risks**<br>• Labor shortage due to tighter regulation on drivers' overtime work by the Work Style Reform Act<br>• Difficulty in securing human resources due to aging population combined with a declining birth rate and intensifying competition in the labor market<br>• Loss of momentum for promotion of diversity management which enables diverse employees to participate in the workplace<br>**Opportunities**<br>• Acquisition of new expertise and creation of new businesses | • Expand network of partner companies and secure workforce by enhancing recruitment of in-house drivers (increase personal vehicles) including reviewing drivers' benefit<br>• Monitor the bankruptcy risk of partner transport companies, and negotiate with partner companies to appropriately pass on labor costs in pricing<br>• Visualize human resource skills using the HR management system and make full use of skills<br>• Secure human resources with site management, global, digital, and business management capabilities according to the business strategy (Enhance recruiting and establish a compensation system)<br>• Enhance in-house training programs to foster and educate human resources<br>• Perform human resource retention control (create a pleasant working environment, conduct regular employee engagement surveys)<br>• Improve work efficiency through implementation of automation, RPA, and generative AI<br>• Foster human resources proficient in logistics through collaboration with external organizations, including industry-academia partnerships<br>• Promote recruiting of foreign drivers and employees |

### ❷ Environmental change risk

| Risk factors | Description of risks/opportunities | Group's measures |
|---|---|---|
| Sharp increase in cost | **Risks**<br>• Impact on profits due to increase in procurement costs (fuel, car allocation expenses, labor costs, warehouse rent, and utility costs, etc.)<br>**Opportunities**<br>• Decrease in procurement costs<br>• Improvement in profitability through customer pricing negotiations | • Promote streamlining through relay transport, joint delivery, modal shift and double-trailer truck transport, etc., in addition to building close relationships with partner companies<br>• Optimize fees and contract form based on the movements of peer companies<br>• Efficient management by promoting automation, digitalization, in-house manufacturing, and joint procurement<br>• Reduce impact on business continuity by monitoring management of major partner companies<br>• Curbing procurement costs by changing and consolidating suppliers, canceling unnecessary contracts, reviewing contract periods, and taking other measures<br>• Appropriately passing on costs to customers<br>• Specify in the contract terms to ensure passing on costs |
| Sharp fluctuation of exchange rates | **Risks**<br>• Exchange loss<br>• Negative impact of translation of business results of overseas subsidiaries into Japanese yen<br>**Opportunities**<br>• Exchange gain<br>• Positive impact of translation of business results of overseas subsidiaries into Japanese yen | • Concentrate exchange risks (centralize transactions such as forward exchange contracts and currency options in the head office)<br>• Enter into hedge transactions including forward exchange contracts with financial institutions<br>• Maintain a balance of foreign currencies and continue investment in time deposits |

### ❸ Operational risk

| Risk factors | Description of risks/opportunities | Group's measures |
|---|---|---|
| Occurrence of incidents | **Risks**<br>• Occurrence of industrial accident, vehicle or product accidents, and fire | • Enhance disaster prevention/mitigation capabilities by providing education and trainings and installing equipment and systems<br>• Confirm proper insurance for assets in custody (inventory), and inspection of fire extinguishing equipment<br>• Strengthen communications with employees, and develop educational materials and experiential training adapted to changes in the work environment, such as an increasing number of older employees and foreign workers<br>• Establish safety workplaces through the proactive use of technology (such as the Centralized Safety and Quality Control Center, SSCV, and security robots)<br>• Develop and implement a facility maintenance plan<br>• Establish an initial response and reporting system in case of an accident, and conduct drills<br>• Share lessons, insights, and good examples within the Company<br>• Implement safety activities both domestically and internationally, including remote and VR education<br>• Implement safety and quality caravans, including overseas, comply with fire safety laws through the use of a firefighting visualization system, and conduct fire drills with full employee participation<br>• Establish and regularly review the LDSK (LOGISTEED Work Standards) |

### ❹ Hazard risk

| Risk factors | Description of risks/opportunities | Group's measures |
|---|---|---|
| Severe disasters and global expansion of infectious disease (pandemic) | **Risks**<br>• Damage to employees<br>• Disruption of logistics network<br>• Damage to the LOGISTEED Group's assets (e.g. buildings and facilities) and customers' products | • Assess business interruption risk in each region<br>• Develop business continuity plan (BCP) for early business recovery (including prior consultation with customers and business partners)<br>• Establish rules for information collection and work regulations as a global organization in case of pandemic<br>• Carry out business continuity management (BCM)<br>• Promote automation/labor-saving<br>• Execution of operations remotely using online tools<br>• Introduce a disaster and infection reporting system |

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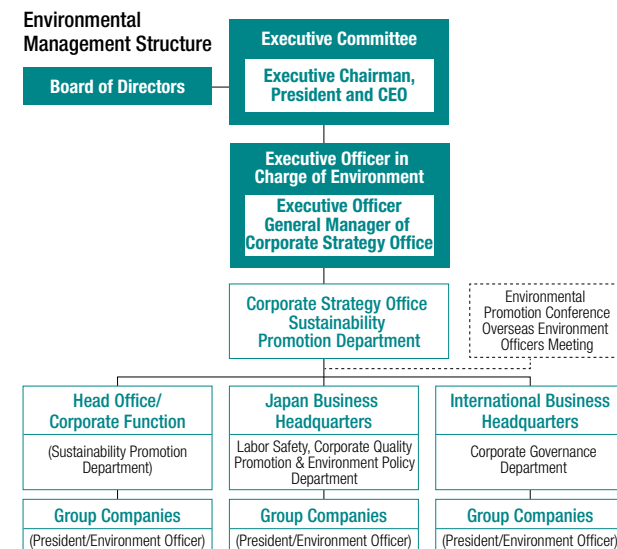
# Environmental Management

The LOGISTEED Group is promoting "business activities with less environmental load" based on the following four policies. As for measures against global warming, we are working to enhance green logistics including collaborative logistics and modal shift together with our partner companies.

## Environmental Policy

**1 Reduce Environmental Load Generated at All Our Places of Business**
Reduction of consumption of electricity, fuel, and packaging materials, as well as recycling of waste, etc.

**2 Provide Logistics/Services with Less Environmental Load**
Contribute to customers through $CO_2$ emission reduction and resource recycling.

**3 Improve Eco-Mind Level and Enhance Eco-Management System**
Increase global environmental awareness. Observe environmental laws/ordinances and company regulations.

**4 Promote Symbiosis with Nature and Environmental Communications**
Preserve biodiversity and ecosystem. Maintain environmental collaboration with customers and local communities.

## Environmental Management Structure

Since establishing a dedicated environmental department at our headquarters in August 1992, we have been advancing efforts to reduce environmental impact. Currently, we are engaged in unified global activities across the LOGISTEED Group, working toward environment-conscious business operations. Under the supervision of the Board of Directors and the Executive Committee, Sustainability Promotion Department, Corporate Strategy Office chaired by Executive Officer in charge of environmental issues, is responsible for overall environmental management work and oversees the entire group.

## Strengthen Environmental Management

We utilize management systems to understand and monitor actual data. In overseas, we conduct research on important environmental laws and regulations for the purpose of managing environmental load and legal compliance.

### ● Holding Environmental Conference

We share environmental information in Japan and overseas to improve environmental awareness and the management level.

**Number of environmental conferences held (FY2024)**

Japan: Environmental Promotion Conference **2** times

Overseas: Environment Officers Meeting **2** times

### ● Performance of internal environmental audit

We perform internal audit to prevent or promptly correct violations of the environmental compliance and improve the management level.

**Number of sites subjected to internal environmental audits (Japan : FY2024)**
**56** sites

## Improving Environmental Awareness

We conduct environmental e-learning for domestic employees on topics such as global warming prevention, resource recycling, and ecosystem preservation. In FY2024, reflecting global trends, we expanded the scope to include overseas subsidiaries with the theme of a "Circular Economy" and carried out the training. In addition, we publish newsletters for both domestic and international employees, featuring essential knowledge on decarbonization and case studies of our own initiatives. In FY2024, our communications highlighted key environmental initiatives, including topics such as $CO_2$ emissions reduction targets, electric vehicles,

**Environmental Management Structure**

- Board of Directors
- Executive Committee
  - Executive Chairman, President and CEO
  - Executive Officer in Charge of Environment
  - Executive Officer General Manager of Corporate Strategy Office
    - Corporate Strategy Office Sustainability Promotion Department
    - Environmental Promotion Conference Overseas Environment Officers Meeting
      - Head Office/ Corporate Function (Sustainability Promotion Department)
        - Group Companies (President/Environment Officer)
      - Japan Business Headquarters (Labor Safety, Corporate Quality Promotion & Environment Policy Department)
        - Group Companies (President/Environment Officer)
      - International Business Headquarters (Corporate Governance Department)
        - Group Companies (President/Environment Officer)

### ● Strengthening cooperation with overseas group companies

In FY2024, our overseas subsidiaries, alongside domestic group companies, formulated environmental action plans tailored to each country's circumstances and actively promoted monitoring of environmental impact data, with a focus on $CO_2$ emissions.

### ● Third-party certification initiatives

The LOGISTEED Group seeks third-party certification and Sustainability Promotion Department has acquired the "Eco Stage" certification. From FY2017, we have upgraded the certification level to "Eco Stage II" which is equivalent to ISO14001.

and LED lighting equipment. In addition, in Japan, we updated the manuals and conducted online training to improve the input accuracy of the management system.

**Attendance rate of environmental e-learning courses (Japan: FY2024)**
**89**%

**Management system online training (Japan: FY2024)**
Total participants: **409**

**No. of articles featured in newsletters (FY2024)**
**18**

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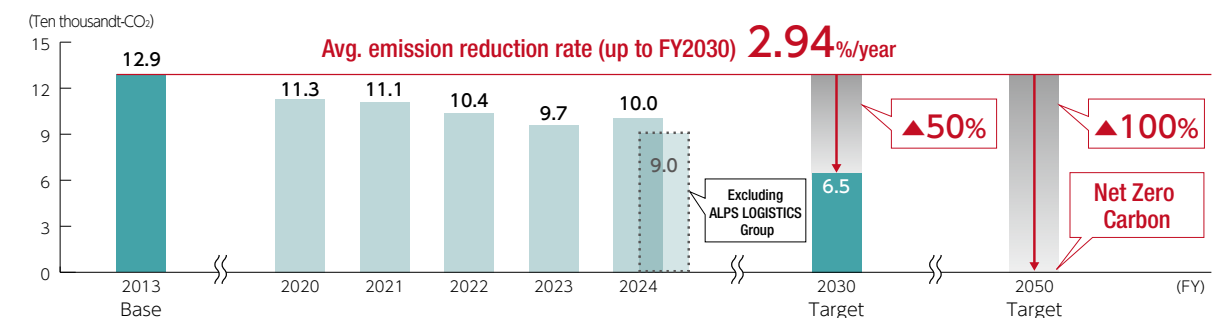# Medium-to-Long-term Environmental Targets 2030/2050

The LOGISTEED Group developed the medium-to-long-term environmental targets 2030/2050 in FY2020 to contribute to the realization of sustainable society, and is striving to reduce $CO_2$ emissions. Amid the accelerating global efforts to achieve a decarbonized society, the LOGISTEED Group revised the medium-to-long-term environmental targets 2030/2050, which were set in FY2020, to more ambitious goals starting in FY2021.

**Medium-to-Long-term Environmental Targets**

Reduction of $CO_2$ emissions (Scope 1 and 2 in Japan[*1])

| FY2030 target | FY2050 target |
|---|---|
| Reduce by 50% compared to base year (FY2013) | Net Zero Carbon[*2] |

[*1] Definition of scope
Scope 1: Direct emissions from in-house energy (fuel, etc.) use (e.g. $CO_2$ released by company vehicles)
Scope 2: Indirect emissions from the use of energy supplied by other companies (e.g. $CO_2$ released by a third-party power plant due to electricity use in the company's facility)
Scope 3: Indirect emissions by supply chain other than Scope 1 and 2 (total of 15 categories including transportation outsourcing and business trip of employees)
[*2] Net Zero Carbon: To balance emissions of $CO_2$, one of greenhouse gases, and its absorption/removal

## Trend of LOGISTEED Group $CO_2$ emissions*

\* Total of Scope 1 and 2
Scope: LOGISTEED, domestic group companies

(Ten thousandt-$CO_2$)

Avg. emission reduction rate (up to FY2030) **2.94**%/year

| | 2013 Base | 2020 | 2021 | 2022 | 2023 | 2024 | 2030 Target | 2050 Target |
|---|---|---|---|---|---|---|---|---|
| | 12.9 | 11.3 | 11.1 | 10.4 | 9.7 | 10.0 (9.0 Excluding ALPS LOGISTICS Group) | ▲50% 6.5 | ▲100% Net Zero Carbon |

(FY)

### ● Submission of a commitment letter concerning the acquisition of SBT certification

In line with our commitment to reducing greenhouse gas emissions to levels consistent with the Paris Agreement, we submitted a commitment letter to the Science Based Targets initiative (SBTi) in March 2025 with the goal of obtaining SBT certification.

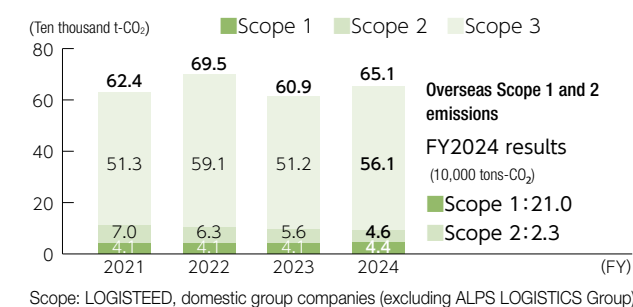### ● Examples of $CO_2$ Emission Reduction initiatives

The LOGISTEED Group has launched a decarbonization promotion project to achieve the medium-to-long-term environmental targets and is working proactively on initiatives in five areas.

| | | 2024 | 2030 | 2040 | 2050 |
|---|---|---|---|---|---|
| | Scope 1 and 2 emission reduction rate* | ▲26% | ▲50% | | Net Zero Carbon |
| Five areas | (1) Energy saving | ● Introduction of energy-saving equipment (LED lighting, energy-saving air conditioning, lithium-ion battery forklift, etc.) ● Improvement of vehicle fuel efficiency (promotion of eco-driving, introduction of fuel-efficient tires, expansion of SSCV introduction, etc.) ● Expansion of efficient logistics operations (modal shift, sharing, etc.) ● Introduction of $CO_2$ emissions visualizing solution | | | |
| | (2) Electrification | ● Shift to electric vehicles/fuel cell vehicles | | | |
| | (3) Procurement of renewable energy | ● Increase in procurement of electricity from renewable energy sources ● Purchase of environmental value certifications (non-fossil fuel energy certificates/green power certificates, etc.) | | | |
| | (4) Energy creation | ● Introduction of solar power generation equipment, and research/examination of new technologie (hydrogen/wind power/fuel cells, etc.) | | | |
| | (5) Emissions trading | ● Research/examination and implementation of emissions trading and carbon offsetting | | | |

\* Compared to FY2013

### ● $CO_2$ emissions throughout the supply chain

We started to calculate "Scope 3" from FY2017 to identify and reduce $CO_2$ emissions from the entire supply chain.

(Ten thousand t-$CO_2$)

■ Scope 1  ■ Scope 2  ■ Scope 3

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Scope 3 | 62.4 | 69.5 | 60.9 | 65.1 |
| Scope 2 | 51.3 | 59.1 | 51.2 | 56.1 |
| Scope 1 | 7.0 | 6.3 | 5.6 | 4.6 |

(FY)

Overseas Scope 1 and 2 emissions
**FY2024 results** (10,000 tons-$CO_2$)
■ Scope 1 : 21.0
■ Scope 2 : 2.3

Scope: LOGISTEED, domestic group companies (excluding ALPS LOGISTICS Group)

### ● Third-party certification on $CO_2$ emissions data

For greenhouse gas (GHG) emissions in FY2023, the LOGISTEED Group expanded the scope of emissions tracked to Scope 3 in FY2024, and acquired a third-party certification based on ISO14064-3: 2019 through an assessment by a certification body LRQA Limited. Going forward, we remain committed to obtain third-party assurance on an ongoing basis to ensure the reliability of our reported data.

For details about environmental information, please visit our website.
**https://www.logisteed.com/en/csr/environment/**

Please visit our website for details about $CO_2$ emissions data in Scope 3.
**https://www.logisteed.com/en/csr/environment/activity/**

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# 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 Focus Areas to promote initiatives to address climate-related risks and opportunities and reduce $CO_2$ emissions. In addition, we announced our endorsement of the TCFD recommendations in September 2021, and in FY2024, we have continued to refine our scenario analysis and have worked to partially quantify the potential financial impact.

## 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 ($CO_2$) 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 $CO_2$ 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 | • Provides guidance and supervises initiatives to address management issues related to climate change<br>• Approves reduction targets/ measures/budgets |
| Executive Officer | • Understands the progress of initiatives to address management issues related to climate change, and reports to the Board of Directors |
| Sustainability Promotion Department | • 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 | • 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 LOGISTEED Group has set the medium-to long-term targets for reduction of greenhouse gas ($CO_2$)

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).
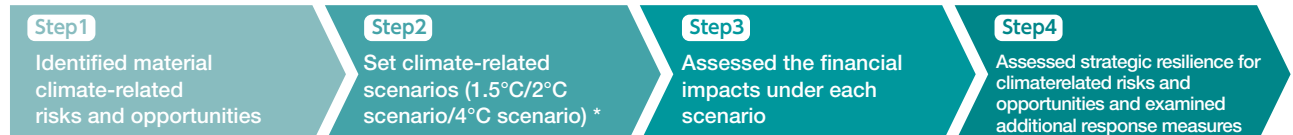
▶P58 **Trend of LOGISTEED Group $CO_2$ emissions**

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

| Step1 | Step2 | Step3 | Step4 |
|---|---|---|---|
| Identified material climate-related risks and opportunities | Set climate-related scenarios (1.5℃/2℃ scenario/4°C scenario) * | Assessed the financial impacts under each scenario | Assessed strategic resilience for climate-related risks and opportunities and examined additional response measures |

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

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

In FY2024, we continued our comprehensive review of material climate-related risks and opportunities to the LOGISTEED Group. Through a detailed assessment of scenario analysis drivers, we identified a total of 11 distinct risk and opportunity categories, including the addition of new market-related opportunities. In addition, we calculated the level of financial impact posed by each risk and opportunity. 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 we have established a sufficient degree of resilience at present.

#### ❶ Transition Risks (1.5℃ Scenario/2℃ Scenario)

| Types | Timeline* | Risks | Impact* (Financial Impact) | Measures |
|---|---|---|---|---|
| Policy and Legal | Mid- to Long-term | Increased carbon costs due to tightening climate regulations and growing demand for carbon offsets | Large (up to 5.6 billion yen) | Develop and implement environment strategies toward carbon neutrality<br>1 Implement renewable energy<br>2 Implement EVs/FCVs<br>3 Establish and implement an internal carbon pricing (ICP) mechanism |
| Policy and Legal | Short- to Mid-term | Increased compliance costs resulting from insufficient adaptation to new disclosure obligations | Medium | 1 Promote emissions data collection and control structures<br>2 Expand the scope of emissions verification conducted by external parties |
| Technology | Mid-term | Increased cost of introducing low-carbon vehicles and equipment | Large | Facilitate decarbonization investment and new technology deployment through the development and operation of an internal carbon pricing (ICP) mechanism |
| Technology | Mid-term | Reduced operational efficiency due to changes in business model and operations associated with the introduction of new technologies | Large (up to 0.8 billion yen) | Roll out company-wide in phases based on the pilot site trial results |
| Market | Mid-term | Missed business opportunities or the loss of customers due to insufficient or delayed response to decarbonization efforts | Large | Promote decarbonization measures alongside strengthened disclosure practices<br>1 Execute energy conservation efforts in a proactive manner supported by the decarbonization investment scheme<br>2 Disclose information on an ongoing basis via the company website, Integrated Reports, and related publications<br>3 Strengthen sustainable marketing communications |
| Reputation | Short- to Mid-term | Lower investor and customer confidence driven by perceived gaps in climate change response or inadequate disclosure | Large | |

#### ❷ Physical Risks (4℃ Scenario)

| Types | Timeline* | Risks | Impact* (Financial Impact) | Measures |
|---|---|---|---|---|
| Physical - Acute | Short to Long-term | Amplified risk of business interruption and revenue loss linked to the increased severity of extreme weather events causing supplier and customer shutdowns, as well as damage to our own facilities and infrastructure | Large | Strengthen BCP measures against hazard risks<br>1 Diversify sites<br>2 Install solar power generation/storage battery facilities<br>3 Relocate to regions posing lower risk<br>4 Adjust transportation plans<br>5 Secure a diverse base of business partners<br>6 Implement returnable packaging materials |
| Physical Chronic | Mid-term | Increase in cost of work environment measures due to rising temperatures | Medium | Promote worker-friendly logistics operation<br>1 Provide a comfortable workplace environment<br>2 Promote automation/labor-saving/unmanned operations |

#### ❸ Opportunities

| Types | Timeline* | Opportunities | Impact* (Financial Impact) | Measures |
|---|---|---|---|---|
| Resource Efficiency | Mid-term | Opportunity to reduce energy consumption by vehicles and $CO_2$ emissions with advanced decarbonization | Medium | Reduce energy cost by promoting decarbonization measures<br>1 Promote energy-saving measures<br>2 Introduce and expand renewable energy<br>3 Introduce and expand non-fossil fuel vehicles (EVs/FCVs, etc.)<br>4 Promote modal shift and collaborative logistics |
| Resource Efficiency | Short- to Mid-term | Cost reduction by introducing efficient logistics operations such as Smart Logistics and collaborative logistics | Large | |
| Resource Efficiency | Mid- to Long-term | Establishing and strengthening our brand reputation as an environmentally responsible company by advancing 3R initiatives in packaging and waste reduction | Large (up to 8.0 billion yen) | 1 Establish a 99% resource recovery target and consistently meet the target<br>2 Promote the 3Rs in packaging and packing materials |
| 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 |
| Energy | Short- to Mid-term | Improvement of operational performance by leveraging AI, IoT, and big data for energy usage visualization and optimization | Medium | 1 Expand internal deployment of the EcoLogiPortal service for visualizing $CO_2$ emissions during transportation<br>2 Investigate and consider the adoption of EV energy management technologies |
| Products and Services | Short to Long-term | Market expansion through focused research and development into decarbonization logistics technology and delivery of low-carbon services | Large (up to 5.5 billion yen) | Provide low-carbon services using the Company's unique Smart Logistics<br>1 Smart Warehouses    2 EcoLogiPortal    3 SSCV-Safety |
| Market | Short to Mid-term | Creation of revenue streams in climate change-focused markets via $CO_2$ emissions visualization solutions and energy infrastructure | Medium | Expand external sales of EcoLogiPortal and accumulate heavy machinery know-how |
| Resilience | Long-term | Securing and maintaining of customer trust by promoting BCP | Large | Provide resilient operations that enable logistics services "that never stop" |

* Definition of impacts: Large: It has a significant business and financial impact   Medium: It has some business and financial impac   Small: It has a small business and financial impact
* Timeline definitions: Short-term: Up to one year; Mid-term: Two to five years; Long-term: Six years or more

### (3) Transition Plan to Achieve 1.5℃ 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 "LOGISTEED2027" and will promote $CO_2$ emission reduction measures to limit the temperature increase to 1.5℃ above pre-industrial levels.

▶P58 **Examples of $CO_2$ Emission Reduction initiatives**

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# Initiatives on Biodiversity/Natural-related Issues
## -Respond to the TFND* Recommendations-

*TNFD: Taskforce on Nature-related Financial Disclosures

The LOGISTEED Group recognizes the growing global expectations for corporations to address not only climate-related challenges but also issues related to biodiversity and nature. We view these as one of the most critical management themes and have identified them as a material issue under the principle of "Contribute to a recycling-oriented society." We are working to reduce our environmental footprint through initiatives such as improving our resource recycling rate and implementing measures that minimize environmental pollution. In line with our environmental policy, which outlines an intent to "Promote Symbiosis with Nature and Environmental Communications," we are advancing initiatives to preserve biodiversity and protect ecosystems. Moving forward, we will integrate nature-related risks and opportunities into our business strategy and execution, in line with the evolving TNFD framework.

## ● FY2024 Initiatives

During FY2024, we revised the categories of environmental impact and reclassified nature-related risks and opportunities stemming from our dependencies and impacts on natural ecosystems, as initially identified with the ENCORE*1 tool in FY2023. Impacts were updated based on the analysis results and actual conditions identified using the SBTs for Nature*2 tools, while the associated risks and opportunities were clarified in terms of their materiality and expected timeframes for manifestation. In addition, we analyzed newly identified regions where nature-related issues are present. Analysis using Global

Forest Watch*3 revealed that certain high water-usage domestic sites are situated adjacent to critical biodiversity areas, designated as 'watchlist' or 'priority' regions.

*1 ENCORE (Exploring Natural Capital Opportunities, Risk and Exposure) is a tool jointly developed with the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) and the International Financial Industry Association (NCFA), among others. It evaluates the "dependence" and "impact" of a company's business on the natural environment based on global industry classification.
*2 SBTs for Nature is a framework that enables companies to set science-based targets focused on nature, including biodiversity. For part of the impact category updates in this disclosure, we applied the Materiality Screening Tool used in the environmental impact screening stage of the SBTs for Nature framework.
*3 Global Forest Watch is an online platform founded and managed by the World Resources Institute (WRI) under the Forest Frontiers Initiative, providing high-resolution satellite-based monitoring of forests worldwide.

### Dependence and Impact (Heatmap)

| VH | Very High | H | High | M | Medium | L | Low | VL | Very Low |

| Business | Value chain | Operation Processes | Dependence on nature | | | | | | | | | Impact on nature | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Surface water | Groundwater | Water source cultivation function | Water quality | Filtration | Mitigation of sensory impacts | Climate regulation | Flood and storm suppression | Terrain stabilization and erosion control | Use of marine ecosystems | Air pollution | Soil contamination | Water pollution | Solid waste | Water resource usage | GHG emissions | (Noise and other) disturbances |
| Warehouse | Procurement | Procurement of warehouses and ancillary facilities | VL | VL | | | L | | | | | | | | | | M | | |
| | | Procurement of logistics equipment and facilities (material handling equipment, etc.) | M | M | M | L | VL | M | VL | M | VL | | M | H | H | H | H | H | M |
| | Operation | Warehouse operations | VL | VL | | | L | | | | | | | | | M | L | VL | VL |
| Transport | Procurement | Procurement of large trucks | M | M | M | L | VL | M | VL | M | VL | | M | H | H | H | H | H | M |
| | Operation | Truck transportation | M | M | M | L | VL | M | VL | M | VL | | M | H | H | H | H | H | M |
| | | Rail transportation | M | M | | | | | M | M | H | | H | L | L | | | H | H |
| | | Sea transportation | M | M | | M | | | VH | H | | H | | H | H | | | H | H |
| | | Air transportation | | | | | | | H | M | M | M | H | L | L | | | H | H |

### Risks and opportunities

| Category | | Items associated with heatmap | Description | Risks and opportunities *1 | Timeline *2 | | Measures |
|---|---|---|---|---|---|---|---|
| | | | | | Mid-term | Long-term | |
| Risks | Physical | [Dependency] Climate regulation Flood and storm suppression Terrain stabilization and erosion control [Impact] GHG emissions | • Suspension of logistics operations and revenue loss caused by extreme weather and increased natural disasters • Increase energy costs due to rising temperatures, and costs associated with fitting out the workplace environment | Medium | ● | ● | • Strengthen BCP measures against hazard risks, including wind and flood damage, by decentralizing business sites and enhancing solar power generation systems to establish an early recovery framework • Promote energy savings through the introduction of high-efficiency equipment • Promote automation/labor-saving/unmanned operations |
| | Transition | [Dependency] Groundwater/Surface water/Water quality [Impact] Pollution/GHG emissions Noise and other disturbances | • Increase costs directed at curtailing emissions due to stricter regulations on greenhouse gas emissions and pollutants related to transportation • Decrease in reputation due to inadequate response to pollutants, etc. • Decrease corporate evaluation and reputation due to a lack of consideration for ecosystems in warehouse facilities and equipment, and noise and vibration, etc. | Medium | ● | ● | • Utilize vehicles with low emissions, such as non-fossil fuel vehicles, and reduce emissions through operational efficiency improvements • Promote environmental mitigation measures, such as emission reduction, ecological considerations in facility development, and controls on noise and vibration, accompanied by enhanced stakeholder communication and disclosure |
| Opportunities | Resource Efficiency | [Impact] GHG emissions | • Reduce energy costs through the adoption of low-carbon technologies | Large | ● | ● | • Advance decarbonization initiatives (renewable energy, introduce non-fossil fuel vehicles, promote of modal shift) |
| | Reputation | [Dependency] Groundwater/Surface water/Water quality [Impact] General (excluding use of marine ecosystems) | • Ensure reliability through the execution of proactive measures addressing pollution and GHG emissions | Large | | ● | • Ensure the effective implementation of measures through appropriate governance and risk management processes |
| | Products and Services | [Dependency] Flood and storm suppression Terrain stabilization and erosion control | • Strengthen resilience by promoting BCP | Medium | ● | ● | • Diversify transportation routes • Plan transportation dynamically based on real-time weather data |

*1 Risks and opportunities listed primarily focus on items deemed to have a medium to large impact
*2 Mid-term: 2 to 5 years, Long-term: 6 years or more

## ● Status of measures implemented addressing core disclosure items

LOGISTEED has adopted the TNFD framework as the basis for its nature-related risk and opportunity disclosures. In alignment with the TNFD's 14 recommended disclosures across four pillars, we currently satisfy several items, particularly within three of the pillars, namely Strategy, Risk and Impact Management, and Metrics and Targets as illustrated below.

| TNFD nature-related disclosure recommendations (Blue text: Addressed items *Includes partially addressed items) | | | | |
|---|---|---|---|---|
| Governance | A | Oversight by the Board of Directors on nature-related dependencies, impacts, risks, and opportunities (hereafter, nature-related issues) | A(i) | Process for identifying, assessing, and prioritizing nature-related issues in its direct operations |
| | B | Role of management in nature-related issue assessment and controls | A(ii) | Process for identifying, assessing, and prioritizing nature-related issues in its upstream and downstream value chain Process for managing nature-related issues |
| | C | Human Rights Policy and engagement with respect to stakeholders in the assessment and response to nature-related issues | B | Implementation of the abovementioned process in risk management company-wide |
| Strategy | A | Identification and duration of nature-related issues (short-term, mid-term, long-term) | C | Measurement metrics for evaluating and managing nature-related risks and opportunities |
| | B | Analysis of the impact of nature-related issues on business operations, value chain, strategy, and business planning | A | Metrics for assessing and managing nature-related risks and opportunities |
| | C | Scenario-based evaluation of strategic resilience to nature-related issues | B | Measurement metrics for evaluating and managing nature-related dependencies and impacts* |
| | D | Designation of priority areas in direct operations and the value chain | C | Targets for managing nature-related issues, and progress and results related to such* |

(Row-spanning labels: "Risk and impact management" spans A(i), A(ii), B, C; "Measurement metrics and targets" spans A, B, C)

* Select risk and opportunity metrics are published in the sections on ESG Data and Environmental Action Plan on the LOGISTEED website

## ● Future response policy

Moving forward, we will continue to analyze nature-related issues using the LEAP approach, while progressively addressing the two outstanding items currently not addressed or disclosed.

(1) Governance, Risk Management Process: Integration of TNFD initiatives into existing frameworks, including TCFD and company-wide risk management
(2) Strategy, Measurement metrics and targets: Detailed analysis to clarify the impact of nature-related issues on LOGISTEED, along with ongoing monitoring

In FY2024, in addition to our domestic sites, we expanded our efforts to identify priority areas to include overseas sites and truck transportation. Our long-term goal is to provide comprehensive disclosures encompassing targeted actions, performance indicators, and objectives specifically tailored to identified priority regions.

## Protection of Biodiversity

We aim to promote symbiosis with nature and environmental communications under our environmental policy and are working to preserve biodiversity and ecosystems.

### ◆ Biodiversity-conscious Procurement

We continue to promote green purchasing of office supplies and purchase of products with environment certificates and work to reduce deforestation mainly through reduction of printing papers used by digitizing documents and ensuring double-sided copying.

### ◆ Initiatives for Ecosystem Preservation

We regularly conduct cleanup and beautification activities in areas surrounding our offices and light-down campaign in our sites in domestic and overseas. We have also designated June as the "Group Environment Month" and promote environmental beautification activities, environmental awareness activities in the workplace, and social contribution activities. We have established the "LOGISTEED Group Magokoro (Sincere Heart) Fund," a matching gift system where funds donated by our group employees and officers are matched by the Company to meet the cost for the activity, and use the fund to support environmental preservation activities. In FY2024, we made we made donations in support of the "Mt. Fuji Reforestation Project" by the Organization for Industrial, Spiritual and Cultural Advancement (OISCA) (public interest incorporated foundation), among others.

### ◆ Overseas activities

In August 2024, our group company LOGISTEED Malaysia Sdn. Bhd. conducted a cleanup activity, with around 80 volunteers, most of whom were employees, taking part. This activity was conducted as part of a national initiative organized by government agencies responsible for energy and water management. Its objectives extended beyond river pollution prevention and sustainability, seeking also to encourage multi-stakeholder responsibility and enhance community environmental consciousness. Approximately 250 kilograms of waste were collected and properly disposed of along a riverside area located near the company's headquarters. LOGISTEED Malaysia Sdn. Bhd. remains committed to ongoing ecosystem conservation efforts, working in partnership with governmental bodies and local stakeholders.

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## Focus Area 1 — Contribute to Decarbonized/Recycling-oriented Society

**Material Issues**
**Contribute to decarbonized society**

Work to reduce greenhouse gas ($CO_2$) emissions including those from supply chains, improve energy efficiency, and create business opportunities to address climate change and realize a decarbonized society.

The LOGISTEED Group recognizes that reduction of $CO_2$ emissions in the logistics domain will have an impact on the realization of carbon neutrality, and therefore it is important to work to reduce $CO_2$ emissions and environmental load not only in the LOGISTEED Group but also in the supply chains of our customers. Based on this idea, to "provide logistics/services with less environmental load" as set forth in our environmental policy, we are striving to reduce the environmental load and provide new environmental value through our business activities, e.g., development of services that contribute to the reduction of $CO_2$ emissions including Scope 3 emissions from our customers, in addition to ongoing initiatives such as modal shift and collaborative logistics.

### Initiatives to Reduce $CO_2$ Emissions

To contribute to the realization of a sustainable society, the LOGISTEED Group is advancing initiatives to reduce $CO_2$ emissions.

**$CO_2$ emissions (Scope 1 and 2 in Japan)**

FY2024 target Compared to FY2013 **-26**%  FY2024 result Compared to FY2013* **-31**%

* Excluding the impact of consolidating ALPS LOGISTICS within the Group
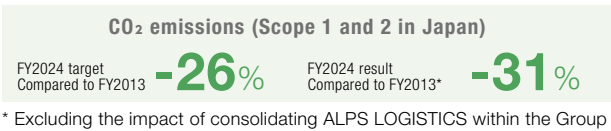
#### Energy Saving

To improve energy efficiency, we are implementing energy saving initiatives such as introducing LED lighting in logistics centers and offices, introducing lithium-ion batteries in forklifts, and using motion sensor light, and also promoting modal shift and joint delivery, etc.

#### Electrification

In order to reduce environmental load of transport, we are introducing electric vehicles and fuel cell vehicles closely monitoring market trends. In FY2024, we replaced 9 commercial vehicles with passenger electric vehicles.

#### Procurement of Renewable Energy

**Renewable Energy**
During FY2024, we completed the transition to renewable energy at nine additional business sites, bringing the total number of sites using renewable energy to 97. Of these, 28 sites achieved zero $CO_2$ emissions through the implementation of 100% renewable energy plans. Additionally, 14.3% of Scope 2 emissions by domestic LOGISTEED Group companies was offset by non-fossil fuel energy certificates. Specifically, a number of sites, including our headquarters, have achieved effective net-zero $CO_2$ emissions by offsetting with non-fossil fuel energy certificates.

#### Energy Creation

We are installing solar panels on the roofs of our logistics centers. In FY2024, we installed new solar panels on the roofs of logistics centers in Kyoto, Osaka, Hiroshima, and elsewhere. We are also actively pursuing initiatives to install solar panels under the PPA* scheme.

*PPA: Power Purchase Agreement

#### Initiatives to Set $CO_2$ Emission Reduction Targets throughout the Supply Chain

To set $CO_2$ emission (including Scope 3) reduction targets throughout the supply chain, we have been building a system to calculate and visualize emissions with higher accuracy. In FY2024, we began implementing monthly tracking of Scope 1 and Scope 2 $CO_2$ emissions at overseas sites, in line with our domestic practices. The development of a system that would enable tracking of Scope 3 emissions at overseas sites is also under review.

### Contribution to Decarbonization in Customers' Supply Chain

#### Support Customers' Decarbonization through the Provision of EcoLogiPortal

As part of "SCDOS," our DX service to support optimization of customers' supply chain, we offer $CO_2$ emission visualization function "EcoLogiPortal" from FY2021. This service enables customers to accurately measure and visualize $CO_2$ emissions and reduction in the supply chain by centrally managing and monitoring their various data, which has received conformity assessment by a third-party organization. To strengthen customer engagement in FY2024, we published a service case study compendium and delivered a broad range of tailored proposals. These efforts were made to support both domestic and international clients in visualizing and reducing $CO_2$ emissions within their logistics operations.

"EcoLogiPortal®" Collaborates with ASUENE ~ Supporting Corporate Decarbonization Management with $CO_2$ Emission Visualization Solutions ~ For details, please visit our website.
https://www.logisteed.com/en/news/news-release/202411261533/

#### Internal Carbon Pricing(ICP)

In FY2024, building on the internal carbon price of ¥10,000 per t-$CO_2$ set in FY2022, we explored further decarbonization initiatives by evaluating additional measures, including the potential implementation of internal carbon pricing (Internal Fee) for emissions reduction.

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**Material Issues**
**Contribute to Recycling Oriented Society**

Work to reduce/avoid resource use, prevent environmental pollution, and create business opportunities to contribute to a recycling-oriented society

By setting "reduction of environmental load" as one of its environmental action plans, the LOGISTEED Group aims to contribute to recycling oriented society by promoting initiatives for resource recycling and waste control with an awareness of symbiosis with nature as well as preservation of biodiversity and ecosystem.

### Waste Control and Effective Use of Resources

#### Setting and achievement of recycling targets

To ensure that waste generated in our business activities is recycled as much as possible, we are actively promoting measures to control waste emissions and reduce the amount of landfill disposal throughout the LOGISTEED Group with an aim to maintain and improve the recycling rate.

**Recycling rate (Japan: FY2024)**

Target **99**%   Result **99**%

Scope: LOGISTEED, domestic group companies
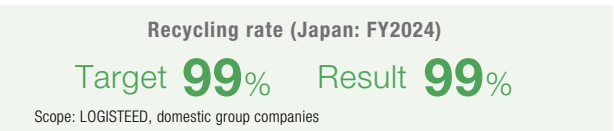
#### Overseas waste control initiatives

Mars Logistics Group Inc. (hereafter, Mars), a group company, acquired the "Zero Waste Certificate." This is a certificate issued by the Ministry of the Environment in Turkey to organizations that have actively implemented waste reduction initiatives, disclosed results, and undergone third-party audits to verify their efforts. This certificate was acquired at four sites operated by Mars in FY2024, with plans to acquire certification at a further eight sites in FY2025.


SIFIR ATIK BELGESİ

#### Reduce Resource Use in Packaging Design

We are working to improve packaging technology and reduce environmental load in packaging design including reduction of packaging-related materials and wastes while meeting customer needs. In FY2024, at the Japan Packaging Contest hosted by the Japan Packaging Institute, our "recyclable hybrid pallets with a load capacity of 1 ton" received the Logistics Award, while the "decks for stacking cargo with detachable stanchions" and the "wooden boxes with ramps for small electron microscopes" received Transport Packaging Awards. In the case of the "decks for stacking cargo with detachable stanchions," adopting a simple structural design helped reduce costs, and reduce the number of vehicles by 40% and $CO_2$ emissions by 45%.

| Award-winning Case/Award Titles | Main Effect |
|---|---|
| Recyclable hybrid pallets with a load capacity of 1 ton/ Logistics Award | • Reduced cost and weight compared to steel pallets (9kg) • Easy separation for greater recyclability, etc. |
| Decks for stacking cargo with detachable stanchions/ Transport Packaging Award | • No. of vehicles: down 40% • $CO_2$ emissions: down 45%, etc. |
| Wooden boxes with ramps for small electron microscopes/Transport Packaging Award | • Streamlines unloading by eliminating the need for handling equipment • Improved safety |

For details on the three awards received at the 2024 Japan Packaging Contest, please visit our website.
https://www.logisteed.com/en/news/news-release/202408291221/

### Circular Economy Initiatives

#### Recycling scheme for plastic waste pallets

PALENET CO., LTD., a group company specializing in the sale and rental of plastic pallets, promotes circular resource use by providing damaged, unusable returned pallets, rather than disposing of them, to a plastic pallet manufacturer in which the company holds an equity stake. The provided plastic pallets undergo cleaning and crushing processes before being recycled as raw material for new pallets. These regenerated pallets are then reintroduced into PALENET CO., LTD.'s rental pallet operations. Through this initiative, over 20,000 used plastic pallets are recycled annually, reducing the use of new plastic materials. This helps reduce our environmental impact and facilitates the continued provision of sustainable logistics services.


Recycled pallet

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**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 startingin 2024

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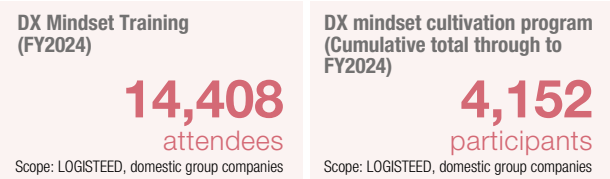
Toward the "LOGISTEED2030," we strive to actively secure diverse human resources who can contribute to our business with skills for global business and DX and other expertise, and promote initiatives to support their early participation.

## 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.

**DX Mindset Training (FY2024)**

**14,408** attendees

Scope: LOGISTEED, domestic group companies

**DX mindset cultivation program (Cumulative total through to FY2024)**

**4,152** participants

Scope: LOGISTEED, domestic group companies

### ● 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.

**Investment in training aimed at developing global human resources (FY2024)**

**12,888** hours

Scope: LOGISTEED, domestic group companies

**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.

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# Supportive Foundation for the Focus Areas

We define matters related to our business base, such as safety, enhancement of disaster prevention/mitigation, and respect for human rights, as "Supportive Foundation for the Focus Areas," and take various measures to accelerate initiatives for three Focus Areas.

**Material Issues**
**Realize safe, healthy, and rewarding workplace**

We are realizing a framework to ensure the safety and health of our employees by promoting occupational health and safety awareness and implementing risk assessments to prevent and mitigate labor-related issues.

To enable employees to work in good health, with peace of mind, and a sense of purpose, we are promoting "work style reform" through various initiatives. By empowering each individual to perform at their best, we aim to enhance overall organizational productivity and increase corporate value.

## Initiatives Toward Ensuring Health and Safety of Employees

### ● Promoting the taking of paid leave

The LOGISTEED Group strictly complies with local laws and regulations regarding paid leave in all countries and regions where we conduct business activities. To foster a workplace culture that encourages the use of paid leave, in FY2024 we implemented a range of initiatives, including the rollout of e-learning programs for all group employees in Japan using a learning platform (event management system), and the continued sharing of paid leave utilization status with administrative departments at each business site on a regular basis.

Rate of paid leave taken (FY2024)

**68.3%**

Scope: LOGISTEED, domestic group companies

**Material Issues**
**Prevent accidents during operation**

Strive for safe operation by promoting initiatives to prevent accidents at the Company and its suppliers

Under the policy that "Safety is our first priority" and the safety slogan based on the policy, the LOGISTEED Group ensures that each employee carries on the safety cultures and strives to provide safe and high quality services during operations.

## Safety Priority Policy

The LOGISTEED Group works on activities based on the policy and the safety slogan.

Safety Slogan
**"Safety First"**

## Safety Promotion Structure

LOGISTEED assigns an Operating Officer in charge of safety under the confirmation by the Board of Directors, who promotes top-down safety activities. Executive officers deliberate and report on safety activities and accident occurrence, etc. at the monthly Executive Committee, and the Audit & Supervisory Committee also receives reports on the progress of safety activities and accident occurrence, etc. every year. Under the structure which enables the supervision by the Board of Directors, we ensure to promote and manage safety activities.

## Initiatives for Accident Prevention

### ● SSCV-Safety
(safety operation management solution) –Introduction to the LOGISTEED Group's own vehicles–

In order to protect drivers as an organization and not to become either the victim or assailant, the LOGISTEED Group is promoting the installation of "SSCV-Safety," a solution to prevent accidents due to absent-minded driving. In Japan, we completed the installation of SSCV-Safety in all approximately 2,400 commercial trucks and private vehicles owned by the LOGISTEED Group, and started its operation. The installation of "SSCV-Safety" has allowed us to provide drivers with guidance based on the daily review, reducing the number of average incidents in FY2024 by 33% year on year.

Number of incidents during vehicle operation* (FY2024)

**0.010** (**-33%** YoY)

* Per vehicle in operation per month (Scope: LOGISTEED, domestic group companies)

**Material Issues**
**Enhance disaster prevention/mitigation**

Implement disaster prevention measures to prepare for natural disasters and prevent fires as well as strengthen systems for speedy recovery in the event of a disaster

The LOGISTEED Group works to strengthen disaster prevention/mitigation measures in order to protect people's lives through the logistics business, which is social infrastructure, even in the event of a natural disaster or infectious disease.

## Toward the Realization of the Future Vision of Logistics Center

As part of our efforts to enhance our warehouse business, we are working to visualize safety- and quality-related incidents and hazardous work that may occur in our logistics centers. Starting in FY2022, to realize the automated center concept which visualizes and centrally controls safety/quality/productivity/fire prevention/crime prevention, we have introduced a video management system with advanced analysis functions in seven sites centers in Japan. We are currently operating a cloud-based remote monitoring and centralized control system at the "Centralized Safety and Quality Control Center" established in the head office. From FY2025, we aim to promote the expansion of such functions as issuing alerts using AI and increase the number of sites subject to monitoring, and look to establish safe, secure, and resilient logistics sites.

## Visualization of Self-Defense Firefighting Operations

### ● Development and utilization of firefighting visualization system

We have developed our own firefighting visualization system to strengthen our self-defense firefighting system by ensuring compliance with the Fire Service Act and other relevant laws and regulations. This system has now been introduced at approximately 500 sites. Introducing this system has enabled us to manage inspection deadlines through real-time checks of the inspection status of firefighting equipment, which leads to prevention of cases where firefighting equipment remains unrepaired by an oversight and reduction of human and material damage, etc. due to defective firefighting equipment.

## Disaster Prevention Measures

### ● Enhancement of initial response at disasters

We are working to enhance initiatives focusing on disaster prevention with regard to an initial response necessary to take before BCP is activated when a disaster occurs. In FY2024, we conducted simulation training for 13 domestic group companies, based on a scenario of a large-scale earthquake occurring at night or on a holiday. The training simulated initial response actions from the moment the earthquake occurs through the day of the event.

**Material Issues**
**Establish a responsible supply chain in which human rights are respected**

Promote a sustainable supply chain by taking measures to improve quality/productivity, conduct environmental/social assessments, ensure compliance with laws and regulations by suppliers, and avoid/prevent/mitigate human rights issues of relevant stakeholders

Recognizing that human rights of all people affected in our business activities must be respected, the LOGISTEED Group has implemented initiatives to build a responsible supply chain that respects human rights.

## Toward Developing Business Platform That Respects Human Rights

### ● Reducing the risk of human rights infringements worldwide

The LOGISTEED Group conducts human rights impact assessments through third-party organizations to identify risks and issues and develop our business foundation with respect for human rights. In FY2022, with the support of NGOs knowledgeable about human rights, we organized global human rights issues that are important to all industries and specifically the logistics industry. In addition, we conduct risk assessments for group companies in Japan and overseas from five perspectives (geography, products, industry, employment type, and regulatory compliance), and implement measures tailored to the specific risks and challenges faced by each entity. In FY2024, we worked to ensure compliance with human rights-related laws and regulations in countries outside Japan as part of our response to human rights issues identified in prior years. In Japan, we conducted surveys on the state of management of foreign technical trainees, and verified that said trainees were being managed in an appropriate manner.