

Special Feature 3 –Initiatives for Intellectual Property/Intangible Assets Governance–

To Become a Company That Grows by Utilizing Intellectual Assets as Management Resources

Mission

Visualize the LOGISTEED Group's intellectual capital and utilize it for business model planning and sales strategy to promote collaboration and innovation

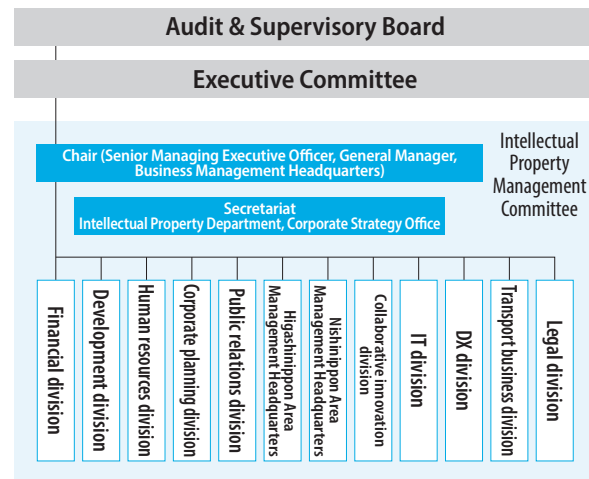
Aims for Sustainable Corporate Growth Under the New Brand



"LOGISTEED," which we have used as a business concept since 2018, represents our determination to lead businesses to a new domain beyond the conventional logistics. Following the change of the corporate name in April 2023, the Group, including overseas subsidiaries, changed to the LOGISTEED brand. We will protect our brand logos of "ロジステード," "LOGISTEED," and "羅集帝" as well as the stripe mark and promote initiatives that contribute to increasing our brand value for the sustainable growth of the Group.

Intellectual Property Management System

Based on the belief that intellectual property is an important management resource, the Group has established the Intellectual Property Management Committee as a decision-making body on intellectual property strategy/management, which supervises and manages intellectual property and intangible assets within the Group in a cross-organizational manner. We also protect new service solutions and business models by acquiring industrial property rights including patents in general, and promote game-changing strategies for data acquired during the course of our logistics activities and the accumulated on-site expertise by considering how to use, protect, and add greater value to them. In terms of intellectual property of third parties, we ensure to appropriately handle and protect them in accordance with laws and regulations as well as agreements in general and strive to act with integrity and fairness.



Intellectual Property Management that Visualizes "Knowledge" and Explores the Next Strategy

The source of the Group's "knowledge" is none other than "human resources" that support the logistics sites. We discover intellectual property such as expertise and inventions created from the promotion of DX and improvement activities based on and originating from the site, and use them for business model planning and sales strategies. Also, we are building a system to support sustainable growth by clarifying the positioning of intellectual property in relation to the business and management strategy, while sharing the recognition throughout the Group that inventors themselves are the source of our business growth. Data and information acquired during the course of our logistics and transport operations indicates social activities, and analyzing such data allows us to forecast the next trend of social activities. In addition, as we consider such data as an important intellectual asset, we are working to realize advanced Smart Logistics by promoting DX and proposing measures to minimize risks and costs to customers.

Although the Company was delisted following a series of capital policies, with an eye on relisting and installing a sustainable value creation process, we are enhancing governance while maintaining the intellectual property and intangible asset management system.



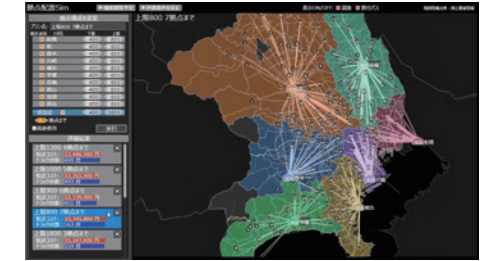
*IP landscape: (1) conduct analysis that incorporates intellectual property information into management/business information, and (2) share the current overview and future prospects with management and business managers, in developing management or business strategies

Example of initiative 1 Global development of Smart Logistics

Smart Logistics Configurator (SLC)

This tool quantitatively proposes an optimal plan in a short time from a vast number of combinations of warehouse placement plans and warehouse design parameters by simulating the process flow in procurement/manufacturing/delivery/sales. We evaluate simulations in India, Thailand, North America, and Europe in addition to Japan, and use the results when considering the reorganization of logistics sites.

We acquired patents on this technology in Japan, the U.S., China, and Singapore to support the Smart Logistics technology with intellectual property (IP), and are promoting initiatives to support our customers' global development in a rapidly changing environment.



Example of initiative 2 SSCV IP mix strategy



Smart & Safety Connected Vehicle (SSCV) is a digital platform that evolves transport business through technologies and open collaborative innovation. We will solve various issues with services based on the idea originated from "Gemba" that only a logistics company can provide and pass transport business and society onto a better future.

SSCV is based on three concepts of Smart, Safety, and Vehicle, and we filed its patent applications in each field and are working to develop its services by accelerating innovation and collaboration. We assigned a concept color and created a logo for each service for the purpose of consistent brand development, and we are developing the business with an aim to increase the overall brand value of the SSCV.

Patent No. 7144602 "Transport Planning System, Method and Program in Compliance with Laws and Regulations"
This is a driver labor management system to ensure compliance with laws and regulations in order to address the 2024 issue in the logistics industry. It automatically generates vehicle allocation plans, which used to rely on individual skills, while complying with statutory working hours.

Patent No. 6714036 "Management Support System"
The system analyzes drivers' fatigue state based on their vital information and vehicle driving information (sudden braking, sudden starting, etc.) and sends a short video recorded by a dashboard camera to the manager in the event of an incident. We have obtained the patent for the system in Japan, the U.S., and China.

Patent No. 7189332 "Maintenance Support Augmented Reality Output System, Computer, Terminal, Maintenance Support Augmented Reality Output Method and Program"
This patent focuses on a social issue of a shortage of automobile maintenance workers. When the maintenance area of a car is displayed on a tablet device, etc., the system outputs the maintenance items, order, etc. in augmented reality to assist the worker.

Toward the Group's Vision "LOGISTEED2030"

Under the Mid-term Management Plan, we are promoting patent application and acquisition of rights that will improve business resilience. In the warehousing business, we filed an application for patents related to Smart Logistics, such as the digital twin technology that simulates the work progress and optimizes the work in the physical world in real time. In the transport business, we are enhancing our patent portfolio in accordance with service expansion including the core patents of the SSCV-Safety's fatigue analysis technologies. To become a "leading global 3PL company" set forth in "LOGISTEED2030," we will enhance protection of intellectual property through global patent applications as well as install a value creation process for the entire Group.

