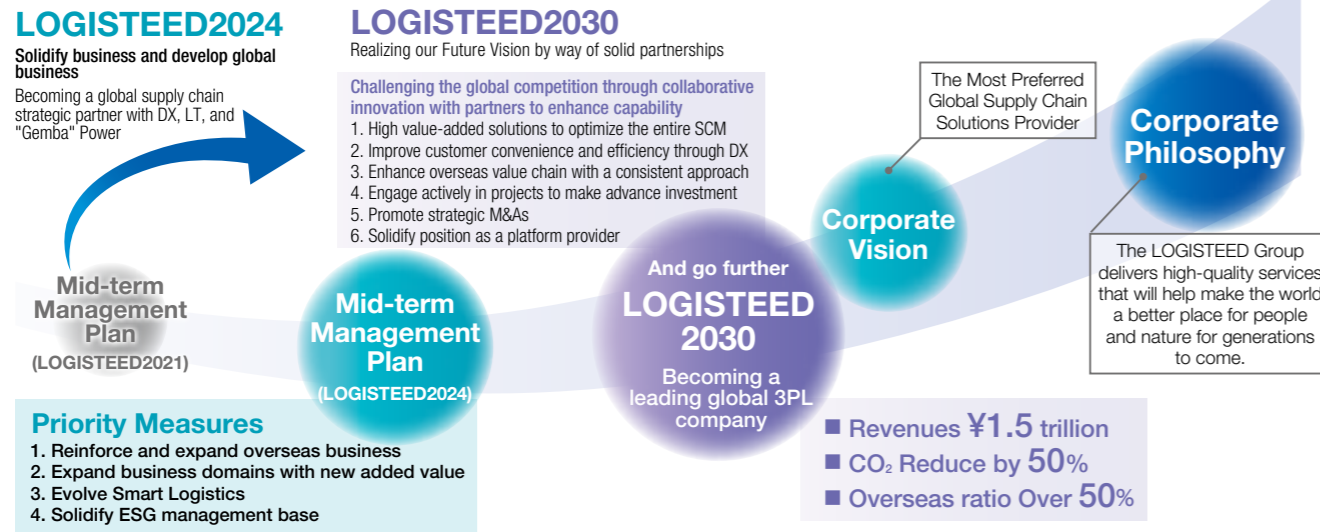


Mid-term Management Plan –LOGISTEED2024–

Outline of the Mid-term Management Plan

With an aim to become the most preferred global supply chain solutions provider, the LOGISTEED Group promotes the Mid-term Management Plan "LOGISTEED2024" which started in FY2022 and strives to achieve sustainable growth by solving issues and creating "values" through various "collaborative innovations."

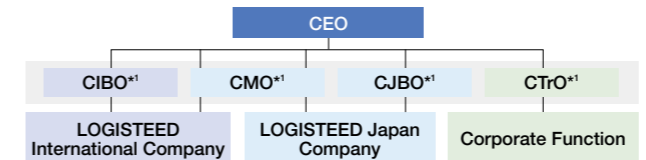


Initiatives to Achieve Medium-to-Long-term Vision

To realize the vision of becoming a leading global 3PL company as outlined in LOGISTEED2030, our group is committed to enhancing management agility in each region and fostering synergies across the entire group globally through the following initiatives.

Establish a New Structure

To expand seamless value delivery to customers across borders through close collaboration between our domestic and overseas business divisions, we have restructured our organization effective April 2024. This new structure consists of the LOGISTEED International Company, which has been driving the strengthening and expansion of our global business; the LOGISTEED Japan Company, which has been leading the sustainable growth of our domestic business; and the Corporate Function which has been building a robust foundation common to both domestic and global business. By ensuring close collaboration among the CxOs overseeing each organization, we aim to enhance group-wide coordination and leverage the strengths of individual companies to create further synergies on a global scale.



*1 For details on the officer abbreviations, please refer to page 49.



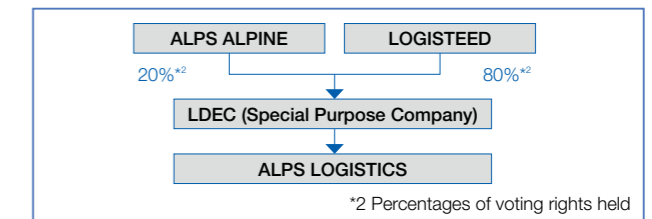
Promote Asset-Light Strategy

In light of the rapidly changing and highly uncertain social environment of recent years, we have been promoting an asset-light business operation to enhance our management agility. This approach aims to generate cash and improve asset efficiency, enabling timely and appropriate investments in growth areas. In March 2024, we advanced the establishment of a high asset efficiency

business model expected in the global market by divesting 34 domestic logistics centers. Moving forward, we will continue to improve management agility and asset efficiency across the entire group through the promotion of our asset-light strategy.

Enhance Customer Value through Expansion of Contracted Services

We are advancing initiatives globally to revolutionize customer convenience and efficiency by comprehensively undertaking and streamlining all logistics-related operations. This encompasses the construction of customer factories, installation of equipment, procurement, manufacturing, sales, and reverse logistics, and relocation of offices and factories. The "to Commence Tender Offer for ALPS LOGISTICS CO., LTD.," announced in August 2024, bolsters this initiative. By integrating their expertise in electronic components logistics and procurement logistics with our global network and distribution know-how, we aim to deliver efficient and high-value-added logistics services that span the entire supply chain from procurement to distribution, thereby maximizing customers' benefit. Additionally, we foresee various synergies, such as discontinuous exploring and penetrating new fields through leveraging their expertise and customer base in electronic components logistics. In alignment with our overall strategy, we will continue to proactively pursue investments that promise high ROIC, further solidifying the value we provide to our customers and fueling our growth.



- ALPS LOGISTICS CO., LTD. will become a subsidiary of LDEC, Ltd. and is expected to become a consolidated subsidiary of our company.
- After this transaction, LDEC, Ltd. will be funded 80% by our company and 20% by ALPS ALPINE CO., LTD.*2.

*3 As of May 9, 2024, ALPS LOGISTICS CO., LTD. is an equity-method affiliate of ALPS ALPINE CO., LTD.

Priority Measures

To realize our vision and to become a partner who supports customers' global supply chain strategy with DX, LT, and "Gemba" Power, we are promoting four priority measures.

Priority measures	Outline of priority measures	Expected effects	Progress in FY2023
1 Reinforce and expand overseas business	<ul style="list-style-type: none"> Execute M&As in all areas Expand investments and businesses in priority areas 	Grow top line	<ul style="list-style-type: none"> Reinforce and expand overseas business through proactive M&A and the creation of synergies ▶P23 Expand investments and businesses toward the realization of decarbonized society ▶P23
2 Expand business domains with new added value	<ul style="list-style-type: none"> Solve supply chain issues, propose visualization and optimization through DX Expand new services in boundary domain between manufacturing and logistics, commence VAS (▶P9) 	Grow top line	<ul style="list-style-type: none"> Enhance SCDOS (▶P9) functions ▶P24 Promote DX to build a platform across the entire supply chain ▶P24
3 Evolve Smart Logistics	<ul style="list-style-type: none"> Achieve automation and labor-saving through linkage of systems and machines, improve working environment through DX Enhance and expand functions of three-temperature zone warehouses, hazardous substances warehouses, etc. Enhance the transport business and address the 2024 issue as well as decarbonization through SSCV (▶P8) 	Improve ROIC	<ul style="list-style-type: none"> Enhance warehouse business by promoting automation, laborsaving, DX, and standardization ▶P25 Enhance transport business with both physical measures (e.g. increase in large capacity transport) and digital measures (e.g. system development) ▶P25
4 Solidify ESG management base	<ul style="list-style-type: none"> Implement disaster prevention measures and risk management Implement sophisticated and consecutive safety and quality control activities Accelerate decarbonization activities Continue and expand VC (▶P10) activities Strengthen human resources for DX, LT, and global development 	Solidify management base	<ul style="list-style-type: none"> Enhance human resources for DX, LT, and global development to grow into a leading global 3PL company ▶P26 Continue and expand VC activities (▶P9) ▶P26 Accelerate decarbonization activities ▶P26

Investment Performance

The LOGISTEED Group aims to create economic value as well as social and environmental values by making business investments to expand sites and strategic investments to realize its medium-to-long-term vision using mainly operating cash flows and cash and cash equivalents.

In FY2023, we made strategic investments such as the acquisition of Van den Bos & van Daalen Materieel B.V. into our group (¥7 billion)*4 and business investments, including the acquisition of land for the construction of a multifunctional logistics center in Bangkok, Thailand (¥41.7 billion).

*4 Excluding the acquisition of shares in the former LOGISTEED, Ltd. (currently L-management, Ltd.) by the former LOGISTEED Group, Ltd. and dividends

Mid-term Management Plan -LOGISTEED2024-

Priority Measures 1 Reinforce and Expand Overseas Business

Overview of Priority Measures

- Execute M&As in all areas
- Expand investments and businesses in priority areas

Progress of Priority Measures

● Reinforce and expand overseas business through proactive M&A and synergy creation

The LOGISTEED Group, aiming to achieve revenues of ¥1.5 trillion and an overseas ratio of over 50%, as outlined in LOGISTEED2030, is actively pursuing M&As to expand into new business areas. The LOGISTEED Group is also working on leveraging acquired know-how across the entire company and creating synergies through global collaboration. In August 2023, the LOGISTEED Group acquired Van den Bos & van Daalen Materieel B.V., a Dutch company providing low-temperature consolidated transportation services within Europe, thereby entering the European low-temperature consolidated transportation market and expanding its business domain. *1



*1 We acquired all shares of Dutch trucking company Van den Bos & van Daalen Materieel B.V. For more details, please refer to our company release here.

pharmaceutical industry and confirmed the further strengthening of cooperative relationships among the regions.

Furthermore, regarding Flyjac Logistics Pvt. Ltd. (hereafter, Flyjac), an Indian subsidiary we acquired in 2010, we are advancing plans to construct large-scale logistics centers in four major cities. In FY2023, we opened our second location in Mumbai, following Chennai. The new Mumbai facility was designed to enhance productivity by utilizing The LOGISTEED Group's know-how and incorporating automation technology. As a result of such group collaboration, Flyjac's revenues for FY2023 reached ¥18.5 billion, a 2.5-fold increase from ¥7.4 billion in FY2009, continuing its growth alongside the expansion into the comprehensive logistics business.



Headquarters, Warehouse (appearance), and Double-trailer Truck of Van den Bos & van Daalen Materieel B.V.



Participants of the Pharma Kickoff Meeting



Inside the Mumbai Warehouse (During Operation of Auto Battery Operated Pallet Truck)

In September 2023, we held the kickoff of the Pharma Meeting at the headquarters of Cyber Freight International Holding B.V., a company we acquired in 2022 that has strengths in the healthcare domain. This meeting is part of a framework to promote the sharing of knowledge and strengthening of collaboration within the LOGISTEED Group regarding the pharmaceutical industry. The kickoff was attended by 11 pharmaceutical industry representatives from Japan, the U.S., Europe, China, and Asia. They discussed future approaches to the

● Expand investments and businesses toward the realization of decarbonized society

Our group is actively promoting initiatives to realize a decarbonized society through transportation with low environmental load. This includes further expanding the intermodal (P8) transportation network, which is a strength of Turkey's Mars Logistics Group Inc. (hereafter, Mars), and expanding shared milkrun services*2 that J.P. Holding Company, Inc. operates in North America. At Mars, in relation to the Zero Emission Challenge initiatives

of automotive manufacturer customers, they have achieved over a 70% reduction in CO₂ emissions by shifting a significant portion of land transportation from trucks to rail. By further expanding such zero-emission routes, we aim to contribute to the realization of a decarbonized society.

*2 A transportation service where a single vehicle makes rounds to multiple pickup locations and delivers the collected goods to the delivery destination in a consolidated manner.

Priority Measures 2 Expand Business Domains with New Added Value

Overview of Priority Measures

- Solve supply chain issues, propose visualization and optimization through DX
- Expand new services in boundary domain between manufacturing and logistics, commence VAS

Progress of Priority Measures

As the modern supply chains are becoming more complicated and sophisticated, we are working together with our customers to increase their business values as a strategic supply chain partner through the visualization and total optimization by DX.

● Enhance SCDOS functions

Our supply chain optimization service, SCDOS offers services that go beyond the logistics domain to support customers to design and upgrade their entire supply chains and to sophisticate visualization and analysis of CO₂ emissions, etc.

We are expanding SCDOS functions on a continuing basis to contribute to further reinforcement and overall optimization of customers' supply chains and the enhancement of environmental value such as decarbonization. In FY2023, we launched new services aimed at supporting inventory optimization in logistics centers. These services enable the automation of data analysis in inventory management and advanced analysis and visualization through AI and simulations. Our customers are utilizing these services to improve operational efficiency and reduce inventory. Additionally, EcoLogiPortal, a service within the SCDOS menu that provides supply chain CO₂ emissions visualization and analysis, has primarily been offered to domestic customers. However, in response to requests from global customers, we have started offering CO₂ emissions visualization and analysis services in the international transportation domain through integration with external solutions.

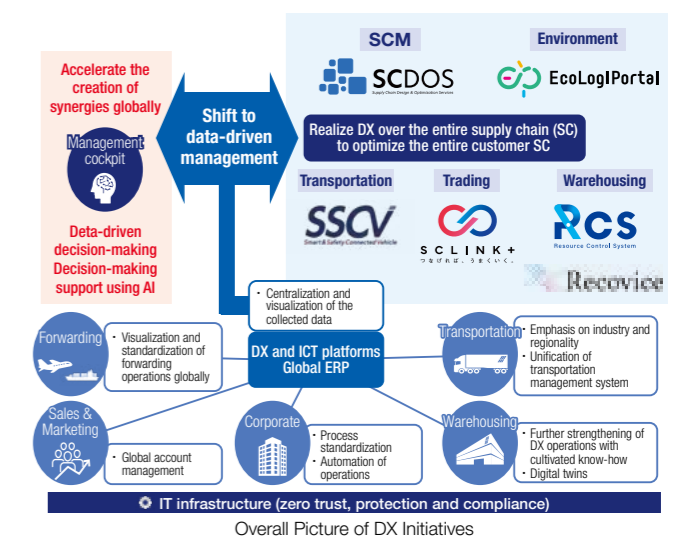
This service has already been implemented in Malaysia, Indonesia, and Australia, and we aim to further contribute to the realization of a decarbonized society through its continued expansion. Our flexible response to customer feedback has been recognized, and EcoLogiPortal received a special award at the 24th Logistics Environment Awards hosted by the General Incorporated Association Japan Association for Logistics and Transport.



EcoLogiPortal CO₂ Emissions Reduction Simulation Screen

● Promoting DX to build a platform across the entire supply chain

As a market leader in the domestic 3PL market, our group has leveraged its extensive knowledge accumulated over the years to provide various services that contribute to solving social issues by visualizing, analyzing, and improving on-site operations through digital transformation (DX). In a rapidly changing and highly uncertain business environment, we are promoting the standardization of internal systems globally and implementing a management cockpit to enable swift, data-driven decision-making, thereby further strengthening our business foundation. Continuously advancing external DX to enhance the value we provide to our customers, we are working toward building a platform that covers all areas of the supply chain. Simultaneously, we are advancing internal DX to establish a data-driven management system globally within our group, aiming to create further synergies as a group.



Mid-term Management Plan -LOGISTEED2024-

Priority Measures 3 Evolve Smart Logistics

Overview of Priority Measures

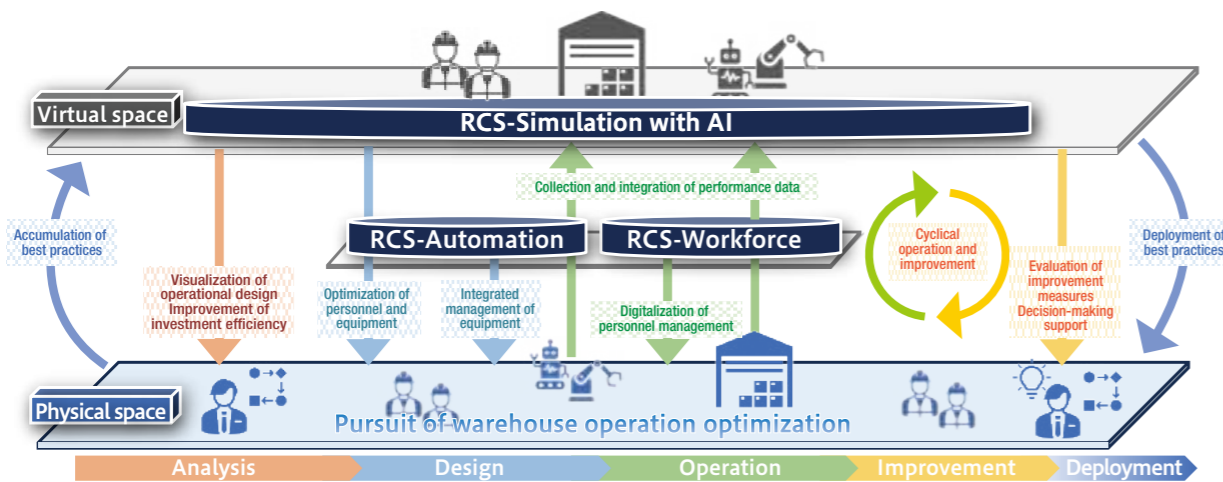
- Achieve automation and labor-saving through linkage of systems and machines, improve working environment through DX
- Enhance and expand functions of three-temperature zone warehouses, hazardous substances warehouses, etc.
- Enhance the transport business and address the 2024 issue as well as decarbonization through SSCV

Progress of Priority Measures

● Enhance warehouse business (Automation, labor-saving, and DX)

At the LOGISTEED Group, in order to maintain and expand stable business operations even under the environment where the working-age population has been declining, we are working to optimize the key resources of warehouse operations, "human resources" and "equipment," to improve overall warehouse productivity. As part of this effort, RCS offers optimization solutions for both equipment management (RCS-Automation) and human resource management (RCS-Workforce). Additionally, we are developing and

deploying a function (RCS-Simulation) that constructs a virtual space of the warehouse using physical space data from warehouse operation plans and actual performance obtained from these two solutions to conduct resource optimization simulations. By doing so, we aim to establish an improvement cycle that accumulates and utilizes best practices in the virtual space and deploys higher-level best practices in the physical space, leading to the constant overall optimization of warehouse operations.



● Enhance transportation business (Address the 2024 issue in logistics and decarbonization)

Regarding the transportation business, we are accelerating efforts from both physical and digital perspectives to improve transportation efficiency and appropriately address the 2024 Issue in logistics while also striving to reduce CO₂ emissions further. As part of our digital initiatives to solve this issue, we are continuously expanding the functions of our in-house developed and provided SSCV and truck loading dock booking management system (→P8), including the addition of digital labor-management functions to SSCV. These efforts aim to achieve further visualization and efficiency, enhance user convenience, and support legal compliance. By implementing various measures, including the above, we achieved zero labor standard violations for truck drivers in our group in FY2023. We are also continuously promoting the elimination of risk of exceeding maximum working hours and the reduction of

waiting and loading/unloading times for our group and our transportation partner companies. Moving forward, we will continue to expand the functions of various systems to strengthen compliance and improve the efficiency of operation management tasks in response to further legal revisions. Additionally, among these efforts, SSCV-Safety received the "GOOD DESIGN AWARD 2023" from public interest incorporated foundation Japan Institute of Design Promotion.



Priority Measures 4 Solidify ESG Management Base

Overview of Priority Measures

- Implement disaster prevention measures and risk management
- Implement sophisticated and consecutive safety and quality control activities
- Accelerate decarbonization activities
- Continue and expand VC activities
- Strengthen human resources for DX, LT, and global development

Progress of Priority Measures

● Develop and strengthen DX, LT, and global human resources

At the LOGISTEED Group, we are formulating and executing a human resources strategy that aligns with our management and business strategies to grow into a leading global 3PL company. In terms of Group Human Resources Development and Skill Development, we regularly conduct skill surveys targeting our employees to visualize our human resources and skills. We also enhance group training and on-demand internal training, focusing on developing site management, DX, LT and global personnel. As part of our DX personnel development efforts in FY2023, we provided education for logistics data scientists to 39 volunteer employees, introduced the SCM MicroMasters and dispatched our employee to the Master of Applied Science in Supply Chain Management program from the Massachusetts Institute of Technology in the U.S. These initiatives aim to enhance our DX expertise for creating new services utilizing DX. Furthermore, we conducted various educational programs to improve digital literacy for all employees, including basic DX education for 2,770 employees to foster problem-solving thinking, intensive training for human resources to promote DX business, intensive training for DX technical skills, and DX mindset cultivation programs. Additionally, in March 2024, LOGISTEED Solutions, Ltd., which engages in IT solution development and consulting, opened the Akita R&D Center. The Akita R&D Center will develop logistics systems using advanced DX technologies and build cybersecurity environments. It will also contribute to regional revitalization by securing digital talent and collaborating with local universities and companies in the prefecture.

As part of our global talent development efforts in FY2023, we dedicated a total of 11,308 hours to education aimed at developing talent expected to lead global business. Additionally, to instill the LOGISTEED WAY across the entire group, including national staff at overseas subsidiaries, we implemented a direct dialogue-based education program involving one-on-one discussions between management executives and each participant. This program was conducted for over 500 individuals, both domestically and internationally.



LOGISTEED WAY Education Program at Our Indonesian Subsidiary

● Continue and expand VC activities

Our group engages in VC activities as part of our daily improvement efforts to practice the LOGISTEED WAY. These activities' aim is "Company continues to grow, and employees find their work rewarding." They are improvement activities deployed across the entire company, including overseas subsidiaries, and serve as the foundation supporting our group's business model and the source of value creation. At the annual "VC Awards" event, which showcases and recognizes the results of these activities, more than 1,000 participants from domestic and international locations attended or viewed in FY2023. These VC activities are globally implemented, and our Indian subsidiary, Flyjac Logistics, received external recognition by winning the Platinum Award (Grand Prize) and the Silver Award (3rd place) at the 6th KAIZEN Competition organized by the Confederation of Indian Industry (hereafter, CII).



Flyjac Members Who Won the Platinum Award at the 6th KAIZEN Competition Organized by CII

● Accelerate decarbonization activities

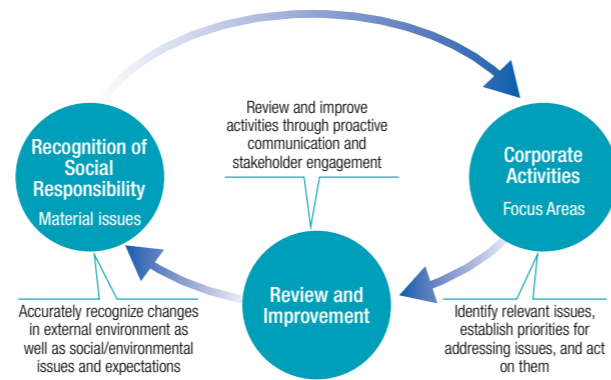
Our Group has set the medium-to-long-term environmental target of reducing CO₂ emissions by 50% compared to FY2013 levels by FY2030. To achieve this target, we have established a decarbonization project and are advancing initiatives such as energy saving, energy creation, electrification, and the procurement of renewable energy, etc. In FY2023, we achieved a reduction of 7,000 tons of CO₂ compared to FY2022 through efforts such as promoting modal shift, installing solar panels, introducing fuel cell trucks (FCVs), and expanding the use of renewable energy. These measures are being implemented systematically to achieve our FY2024 target of 96,000 tons of CO₂ reduction. Additionally, we have achieved approximately 24.8% reduction compared to FY2013 levels. We will continue to steadily advance our efforts toward the 50% reduction target by FY2030.

LOGISTEED Group Sustainability

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.

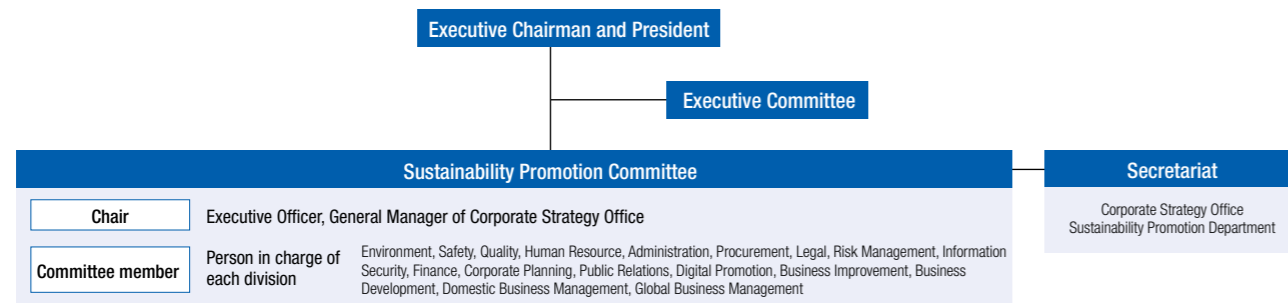
Basic CSR Policy

Under the corporate philosophy, the LOGISTEED Group promotes activities in line with the Basic CSR policy with an aim to realize a sustainable society through communication with our various stakeholders and integrate sustainability into management. As part of this cycle, we will also promote active disclosure of Environment, Social and Governance (ESG) information and contribute to achievement of SDGs in cooperation with our various stakeholders.



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.



FY2023 Sustainability Promotion Committee

Number of the committee held	2 times (September, March)
Major agenda items	<ul style="list-style-type: none"> Discuss and approve the method to disclose information on the progress of material issues and ESG 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

▶P28-34



For details, please visit our website. [LOGISTEED Group Sustainability](https://www.logisteed.com/en/profile/csr/sustainability/)

Check the adequacy of material issues by external experts https://www.logisteed.com/en/profile/csr/pdf/dialogue_2022001.pdf

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 doing so, we identified material issues not only from ESG perspective but also in consideration of their relevance to solutions for social issues in the logistics industry and the business strategy. As a result, we identified a total of 12 material issues including those with strong focus on business and those unique to logistics industry, which is a social infrastructure, such as "Prevent accidents during operation" and "Enhance disaster prevention/mitigation." 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
 - 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)
 - Created a list of material issues
- Step 2 Prioritized issues**
 - Assessed the importance for stakeholders
 - Assessment weight of each industry by ESG rating agencies
 - Issues considered important by institutional investors
 - Investor survey
 - Assessed the importance for the LOGISTEED Group
 - LOGISTEED WAY
 - Our business measures and ESG initiatives
 - Medium-to-long-term environmental targets, etc.
- Step 3 Checked the adequacy**
 - Assessment by the management
 - (1) Assessment of material issues by the management
 - (2) Discussion at the management workshop based on the assessment result in (1)
 - Check of the adequacy by external experts
 - Interview by external experts about the assessment process and adequacy of material issues
 - Check of adequacy and approval by the Board of Directors
- Identified**
 - Identified material issues
 - 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.



▶P29-34

Material Issues and KPIs of the LOGISTEED Group

For details, please visit our website. [CSR/ESG https://www.logisteed.com/en/profile/csr/](https://www.logisteed.com/en/profile/csr/)

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

Focus Area 1 Contribute to Decarbonized/Recycling-oriented Society

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

Focus Area 2 Build and Evolve Resilient, Sustainable Logistics Services





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

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

Material Issues and KPIs of the LOGISTEED Group

For details, please visit our website. [CSR/ESG](https://www.logisteed.com/en/profile/csr/) <https://www.logisteed.com/en/profile/csr/>

Focus Area ③ Create New Values through Collaborative Innovation

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

*1 One Stop Logistics IT Solution: A group of logistics management systems provided by LOGISTEED Solutions, Ltd., our subsidiary

*2 Due to the change of some training components in the program to the e-learning course "VC Basic Course" for all employees, these values have been excluded from this aggregate figure

Material Issues and KPIs of the LOGISTEED Group

For details, please visit our website. [CSR/ESG https://www.logisteed.com/en/profile/csr/](https://www.logisteed.com/en/profile/csr/)

Supportive Foundation for the Focus Areas

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

*1 Rate of sick leave days = (Number of sick leave days/Total prescribed working days for employees) × 100

*4 Education themes for FY2023 were document management, severance of ties with anti-social forces, human rights, competition law, bribery, health and safety, intellectual property, and whistleblowing

*5 Percentage of female executive officers and operating officers *6 Workplace accidents, vehicle accidents, and product accidents

*10 Activities to build and improve risk management systems in overseas locations by sending instructors from Japan

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

Employee Roundtable Discussion

LOGISTEED Group's Perspective on Supply Chain Management

The Corporate Vision of LOGISTEED Group is to become "The Most Preferred Global Supply Chain Solutions Provider." Taking a major construction machinery manufacturer as the example, a roundtable was held with four front-line staff members to discuss how we are solving supply chain issues and creating value together with our customers.



Akira Fukasawa
General Manager
Tsuchiura Division
LOGISTEED East Japan, Ltd.



Kazuya Matsui
Managing Director
LOGISTEED Asia-Pacific Pte. Ltd.



Kenji Hasegawa
Project Senior General Manager
LOGISTEED America, Inc.



Kentaro Takita
Manager, Global Major Account Department 1
LOGISTEED, Ltd.

— Could you explain the circumstances that led to you being entrusted with the management of the customer's logistics center?

Fukasawa: Before we were entrusted with the management, the customer operated their own logistics center for after-service parts. However, due to aging equipment and space constraints from business expansion, along with significant damage to the building from the Great East Japan Earthquake,

the need for a new logistics center became more urgent. In this context, the customer approached us about outsourcing the entire logistics center, and the LOGISTEED Group proposed solutions to address these issues. Specifically, we suggested reducing lead times by incorporating new equipment and adding product processing operations (such as painting and packaging) within the logistics center in addition to the normal operations present at the logistics center. Additionally, we proposed the introduction of a



Domestic base

Warehouse Management System (WMS) to visualize work processes, reduce man-hours and manage these operations within a custom-built logistics center. As a result, we secured the contract. The Tsukuba Logistics Center began operations in 2014 as the customer's mother center, holding inventory for countries around the world. In the initial stages, we faced numerous issues across various processes. Particularly, the simultaneous transfer of parts from the old logistics center and the routine inbound and outbound operations led to significant issues with the smooth flow of the receiving process, requiring ongoing trial and error to resolve each problem. Solving these issues was truly demanding, but the breakthrough came with "visualizing processes." By processing and analyzing data extracted from the WMS, we identified bottlenecks and their causes, and by repeatedly feeding this information back to the field, we gradually achieved streamlining.

Takita: We understand the customer's supply chain, and through the processes of analysis, design, operation, and improvement, we realize value creation, leveraging the strengths of the LOGISTEED Group ▶P19 as a driving force. The Tsukuba Logistics Center consolidates our strengths in solving supply chain issues. While typical logistics companies focus on service provision in shipping and logistics processes, even we used to do this in the past, but now we have significantly expanded our scope of services we provide. For instance, in the manufacturing process, we include tasks such as painting and packaging of construction machinery parts. By performing these tasks within the logistics center, we create benefits for the customer in terms of reduced lead times. We manage information about each process as performance data, and by providing feedback on these performance figures, we work together with our customers to improve accuracy of delivery date. The necessary information is concentrated in the supply chain processes, and it is crucial to accumulate performance data and use it as a basis for further improvements.

The issue is that the provision of such services is still limited to a few specific customers. To offer these kinds of services, strong trust relationships with customers and a deep understanding of their supply

chains are essential. Recently, contributing to the reduction of customers' environmental impact has also become necessary. It is crucial to first accumulate know-how by addressing the issue of specific industries and customers. Once we master this, it may open up opportunities for further expansion.

— How do you view the turning point that allowed you to connect with the customer's global needs?

Fukasawa: The customer ships parts manufactured and stored domestically to locations around the world. Additionally, providing parts for after-service following the delivery of the main product is also a major pillar of their business. The Tsukuba Logistics Center plays a vital role as a starting point to ensure these operations run smoothly. While the customer manages their entire supply chain from a holistic perspective, if our business structure remains siloed, we cannot meet their expectations. Therefore, it's essential not only to focus on the Tsukuba Logistics Center but also to broaden our perspective and consider the overall optimization of the entire process, including both upstream and downstream activities of the customer. The key to connecting with the global expansion was having the operational site closest to the customer, who manages after-service parts for the entire world, taking the lead. By maintaining close communication and involving Takita-san's Sales Department, we successfully balanced the three-party relationship between the customer, the operational site, and the sales team, which facilitated the global rollout.

Matsui: I am currently stationed in Singapore. The logistics center in Singapore is responsible for storing construction machinery parts shipped from the Tsukuba Logistics Center in Japan, and based on instructions from the customer, shipping these parts as after-service parts to the ASEAN region. Before we took on this role in 2019, the customer managed this operation themselves. However, they had a limitation in responding to fluctuations in volume due to market conditions with fixed personnel, leading to their decision to outsource the operation to us. It is crucial to offer the customer the benefit of variable labor costs while continuously ensuring the uninterrupted



Singapore base

Employee Roundtable Discussion

supply of parts as an after-service parts center. Balancing high labor costs and ensuring the human resource while prioritizing cost reduction is a daily challenge. Maintaining a system that prevents interruptions in parts supply while controlling logistics costs is essential. Additionally, we stay informed about volume fluctuations by maintaining close communication with the customer.

Takita: The logistics center in Singapore began operations in 2019 when we took over the business from the customer, including the warehouse management system (WMS) they were using. As we implemented our own WMS in 2023, it is easier for us to access data and monitor the warehouse conditions more effectively. The system we introduced in Singapore was adapted from the one we implemented in our North American logistics center in 2022.

Hasegawa: I would like to talk about the North American logistics center that began operations in March 2022. Located in Atlanta, Georgia, the logistics center is responsible for storing and packaging items received from the Tsukuba Logistics Center and North American suppliers, and then shipping them throughout North America. Due to the customer's circumstances, the warehouse needed to be operational within about three months after receiving the order, instead of the usual six months to a year for preparation. This forced us to respond at a rapid pace. We faced significant issues, especially during the COVID-19 pandemic, but we managed to get it up and running by leveraging the expertise we gained from establishing the Tsukuba Logistics Center, as well as the support from our local partners in the U.S.

Takita: Regarding the system, we had to be creative due to the tight timeline. We divided the process into two phases. In Phase 1, we implemented a minimal system capable of handling the essential tasks required to process shipping instructions from the customer. Phase 2 involved addressing detailed specifications and adjustments. Additionally, to get the warehouse operational within three months, we needed to concentrate our resources. Since the local team alone was not sufficient, we mobilized all available support from the LOGISTEED Group to ensure the successful launch.



the U.S. base

— From your involvement in building the global supply chain, have you gained any insights for future activities?

Fukasawa: The operations at the North American logistics center were relatively simple compared to the Tsukuba Logistics Center's scheme, as a contract logistics. However, the issues included the very short lead time from order to startup, as well as the wide range of construction machinery parts, from small and light to large and heavy. Particularly for the latter issues, I believe we were able to contribute to the development of operational processes by leveraging the know-how and experience of the team members working in Japan. Additionally, the experience of receiving items personally in North America that were shipped from Japan was invaluable. By providing feedback to the Tsukuba Logistics Center employees on what aspects to consider for downstream processes, we have been able to further enhance customer satisfaction (CS). Our customer entrusts us, the LOGISTEED Group, with after-service to deliver parts quickly when construction machinery breaks down on-site. The most important issue for the customer is the reduction of lead time. As I mentioned earlier, it is crucial for us to always keep this in mind and to expand our perspective beyond our logistics center to consider the optimization of the customer's entire supply chain together.

— Could you tell us about the use of DX for visualizing the supply chain?

Takita: One of the primary concerns for our customers is when the construction machinery parts, they ordered will reach the end user. This is crucial because the customer's maintenance staff need to plan the installation of parts on the end user's construction machinery according to the parts' delivery schedules. With hundreds of thousands of items to manage, setting accurate lead times for each order is extremely challenging. To address this, we proposed the implementation of the cloud-based platform "SCDOS (Supply Chain Design & Optimization Services)" (➡P9) as a solution for centralized management of necessary information. SCDOS serves as the core tool of our group's logistics DX efforts.

We have gathered all the necessary information for calculating delivery dates in SCDOS. This includes work performance and time requirements from the WMS to each process, as well as data on maritime and air transport performance from our international shipping database. This comprehensive approach supports the improvement of accuracy of delivery date.

Additionally, the implementation of SCDOS has advanced the visualization of on-site metrics. Simply installing the system alone does not achieve visualization. It required extensive discussions between the customer, our on-site team members, and our DX team to set KPIs. Now, using KPI reports generated by SCDOS, we can share issues with the customer and develop improvement measures effectively.

Hasegawa: In North America, we have modified the WMS to capture KPIs specific to the North American operations. These KPIs are crucial not only as indicators of whether we are providing the service levels promised to the customer but also for understanding the performance level of the services we provide. Previously, when we proposed a tracing system for tracking the location of cargo in international transport, the customer suggested that the system might be useful for other purposes as well. This feedback from the customer highlighted potential uses we had not considered. Moving forward, I hope

we can gather such customer insights to develop more useful systems and improve data utilization.

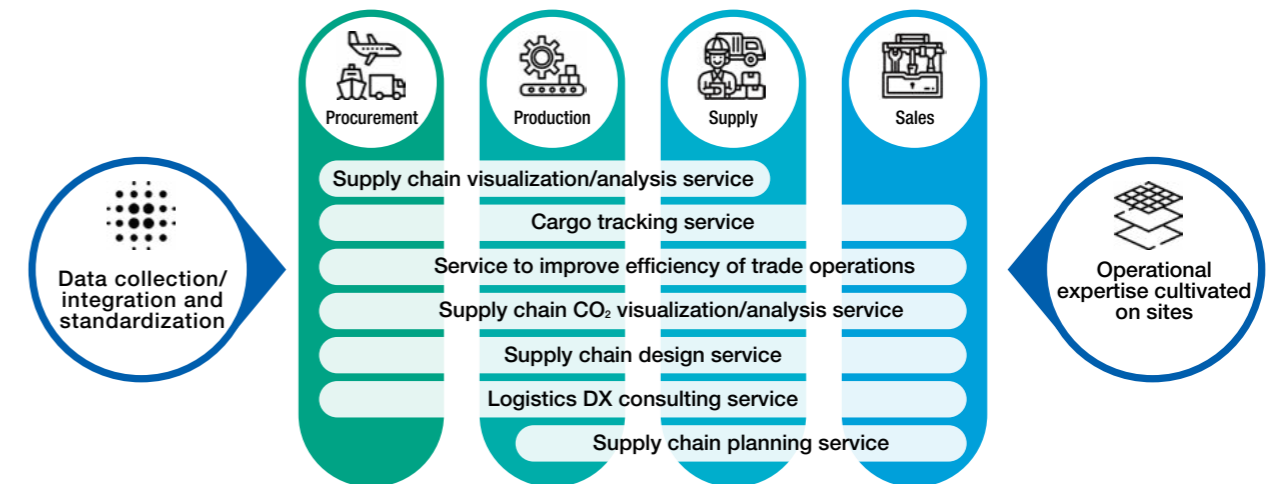
Matsui: For the logistics center in Singapore, the critical KPI is the on-time delivery rate. If a construction machine fails at the end user's site, the machine cannot be used until the necessary parts arrive, resulting in time losses. Therefore, our KPI focuses on delivering items quickly and accurately based on the urgency of the situation.

In Singapore, the LOGISTEED Group's WMS has been implemented, providing a robust environment for accurate data collection and analysis. Moving forward, we aim to explore how to effectively utilize SCDOS in Singapore as well.

— Finally, could you share your aspirations for expanding services from a sales perspective, Takita-san?

Takita: I believe it's crucial for us to communicate with each site and engage directly with our customers to realize the services they require. As we expand into regions with less experience, we will encounter new challenges. However, as discussed, our group has the capability to operate logistics centers with unique functions in various countries. We will continue working together to achieve our customers' global supply chain management.

SCDOS Service Lineup



Message from the officer in charge



Kazushige Natori

Operating Officer General Manager, Global Business Development Headquarters

We will visualize the entire supply chain, identify issues, and proactively support our customers' supply chain strategies. Additionally, by leveraging our group's global network, we will promote the "Reinforce and expand overseas business" as outlined in our mid-term management plan, with the goal of becoming the most preferred global solution provider for our customers.

Initiatives for Human Capital -Enhancement of Resource Capability-

We are providing an educational environment to cultivate human resources that practices and leads the "LOGISTEED WAY." In addition, as part of developing change leaders to achieve "LOGISTEED2030," we are focusing on key initiatives such as "developing foundational human resources" and "cultivating diverse human resources to support growth."



Securing/Retaining Human Resources

Toward "LOGISTEED2030," we strive to actively secure diverse human resources, including those with skills for global business and DX, and promote initiatives to support their early participation.

Human Resources Development/Skill Development

Domestically, we organize the skills required for human resources to practice and lead the "LOGISTEED WAY" by different levels and job types, and conduct an annual skills survey to identify gaps between the current status of individual employees and the required skills. Based on the survey results, we formulate and implement company-wide educational initiatives and promote personalized development plans through dialogue between supervisors and subordinates.

Renewal of Personnel System Framework

To ensure the entire company works together to expand business domains and create new added value, we are introducing a Group-wide "a job-based personnel system" and building a "personnel management system." By fostering each employee's awareness to autonomously carry out their roles, encouraging them to challenge the unknown and grow, and better reflecting their actions, processes, and results in evaluation and compensation, we aim to enhance employees' sense of satisfaction and accomplishment. We aim to create greater value for the Company and all domestic group companies, which are the targets of this initiative.

1. Securing/Retaining Human Resources

Secure diverse human resources to support growth

Secure human resources with global skills

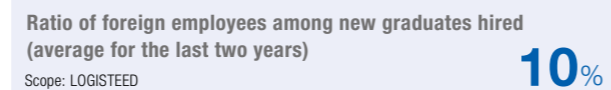
We are focusing on securing human resources with practical language skills and an understanding of different cultures, capable of strengthening and expanding our overseas businesses. We are also actively hiring employees of foreign nationalities.

Secure human resources with DX skills

We are working to enhance our appeal to new graduates by providing opportunities for them to interact with employees from the IT and technology departments. This helps to concretize and highlight the attractiveness of logistics DX.

Secure human resources with expertise

We are actively recruiting human resources with diverse skills and experiences that contribute to business operations and corporate strategies, including legal, accounting, and auditing expertise.



Support for employee retention and early participation

Implement on-boarding program

We provide trainings on the "LOGISTEED WAY," safety, and legal compliance to young employees and mid-career employees.

Surveys and career development interviews

We conduct surveys targeting young employees to measure their work awareness, and based on the results, we provide advice to their supervisors. Additionally, to improve employee retention rates, we implement initiatives such as a mentoring program and regular career development interviews.

For details, please visit our website. [With Our Employees](https://www.logisteed.com/en/profile/csr/social/employee/) [Promoting Diversity](https://www.logisteed.com/en/profile/csr/social/employee/diversity.html)

2. Human Resources Development/Skill Development

Overall education system

Domestically, we have established an educational framework to support the acquisition of knowledge and skills required for fulfilling the expected roles of various positions and specialized professions, and we regularly

update this framework. Additionally, we provide an environment that supports autonomous growth by offering career training and external courses that employees can voluntarily attend.

Develop human resources who will serve as a foundation

As key initiatives starting from FY2023, we are focusing on two main programs: the "LOGISTEED WAY Course" (Mindset Cultivation) and the "Management Skills

Enhancement Training" targeted at managers, who play a crucial role in driving transformation and improvement in their respective workplaces.

Fostering diverse human resources to support growth

Similarly, based on a shared understanding of the "LOGISTEED WAY" and strong management capabilities, we have set the development of global human resources, 3PL on-site human resources, and DX human resources

as key themes to realize "LOGISTEED2030." Through our original training programs, we provide education tailored to the expected roles of each position.

Develop human resources with global skills

We are promoting the visualization and development of human resources on a global scale, including the formulation of succession plans for key positions, including human resources with business management capabilities. For domestic human resources, we are working to develop individuals who can lead global business by providing overseas work training programs tailored to employees' career stages, training for overseas assignments, and learning opportunities aimed at improving practical

language skills. For overseas human resources, in addition to continuing the global common mandatory programs such as the LOGISTEED WAY and human rights, we will enhance development programs for human resources with business management capabilities and expand specialized skill education in areas such as 3PL and DX.



3. Renewal of Personnel System Framework

Introduce job-based personnel system

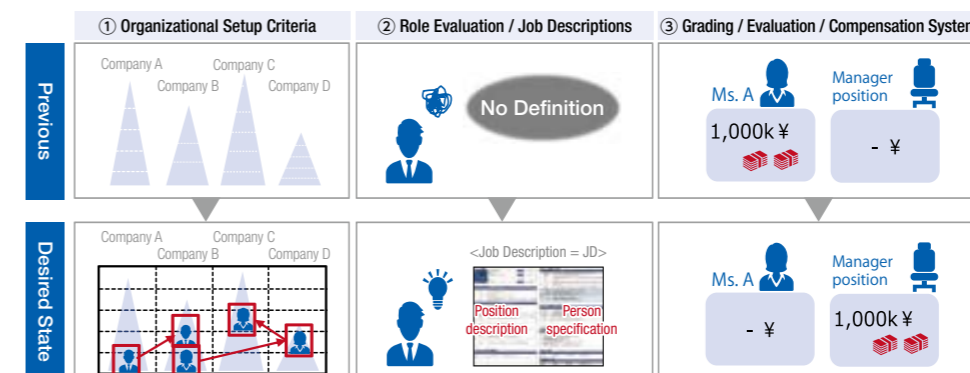
To enable flexible human resources rotation within the LOGISTEED Group based on the principle of "the right person in the right place," we are standardizing organizational setup criteria and creating job descriptions that clearly define the roles and necessary skills for each

position. We are introducing a "job-based personnel system" that reflects fair evaluation and treatment based on these roles. Moving forward, we will expand the scope of this system and promote it across the entire Group.

Establish the personnel management system for group companies in domestic and overseas

We are aiming to build a common "HR Visualization Platform" for both domestic and overseas groups, which will enable us to strategically develop and place human resources required for each "position" in a planned

manner. This platform will support both employees and their supervisors in identifying gaps, thereby enhancing human resources capabilities through proactive career planning and supervisor support.



- (i) Establish standards for organizational size (e.g., revenue/management span) that varied across companies to achieve optimal human resources placement and rotation.
- (ii) Clarify and document the roles for each position, establishing standards for the scope of roles.
- (iii) Shift from a grading/evaluation/compensation system tied to individuals to one tied to positions (roles).

Initiatives for Human Capital

-Invigoration of Organization-

To realize "LOGISTEED2030," we are working to enhance each employee's sense of contribution to the company and foster a culture and human resources that proactively engages in transformation and improvement.

Increase in Employee Engagement

As part of our efforts to enhance organizational engagement centered on fostering the mindset of the "LOGISTEED WAY," we are implementing a cycle of organizational culture transformation based on an annual engagement survey.

Diversity and Inclusion

The LOGISTEED Group considers the active participation of diverse human resources to be a crucial initiative in contributing to society through our logistics business. In addition to establishing systems and mechanisms that enable diverse working styles, we are promoting a culture of diversity and inclusion through education and other initiatives.

Working-style Reform/Health and Productivity Management

The LOGISTEED Group aims to foster diverse human resources and create a workplace where each employee can work healthily and securely. Through high-quality logistics services, we strive to contribute to building a prosperous society.



4. Working-style Reform/Health and Productivity Management

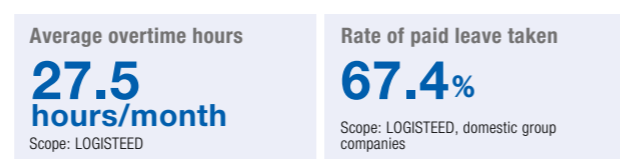
● Global VC Activities Supporting Work Style Reform

VC activities are initiatives aimed at improving the organizational culture itself. Sharing improvement cases globally and promoting active communication serve as driving forces to support and implement work style reform.

We aim to enhance the overall productivity of the organization by creating an environment where diverse human resources can work healthily, securely, and with a sense of fulfillment.

● Optimization of working hours (reduction of long working hours)

In Japan, we ensure proper working hour management by using objective records such as PC logs and ID cards. Additionally, through the promotion of work style reform, we are working to reduce overtime hours and encourage the use of annual paid leave.



● Health and Productivity Management (support for employees' health enhancement)

Aiming to create a workplace where each employee can continue to work healthily and safely, we issued the Health and Productivity Management Declaration in 2022. We are promoting employee health through initiatives such as advancing mental health measures and expanding health

guidance in collaboration with industrial physicians. These efforts have been recognized, and since 2023, we have been certified as a "Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category)."

5. Diversity and Inclusion

● Initiatives to respect human rights as a global company

As a global company committed to respecting human rights, in FY2023, we established the "LOGISTEED Group Human Rights Policy," conducted education for employees, management executives included, and carried

out human rights due diligence, including desktop research, across 81 domestic and overseas group companies. Moving forward, we will promote human rights due diligence that includes our supply chain.

● Promotion of women's participation in the workplace

To create a workplace where women can thrive, we are working on creating a supportive environment that includes the planned development of female employees and the establishment of work-life balance support systems. For our domestic group companies, we conduct "leadership

trainings" and "career development trainings" aimed at raising awareness for the promotion of women to managerial positions, as well as training for supervisors to enhance their understanding.



● Support for balancing work and childrearing/nursing care

We believe that raising awareness about work-life balance and childcare support systems and increasing workplace understanding of paternity leave contribute to the promotion of diversity and inclusion. Therefore, we are promoting the understanding of these systems and creating an environment where they are easy to use. In

FY2023, we made the "work-life balance support handbook" accessible from personal devices and implemented an e-learning course titled "Work-Life Balance Course for Career Design," which is available to all employees, to foster understanding.



● LGBTQ+ initiatives

To prevent harassment related to sexuality and promote the active participation of diverse human resources, we are working to promote understanding of LGBTQ+ people. We have established an external LGBTQ+ consultation desk

that can be used by all employees of LOGISTEED and its domestic group companies, providing an environment where anyone can consult at any time.

6. Increase in Employee Engagement

● Spread of the LOGISTEED WAY

As part of our initiatives to promote the "LOGISTEED WAY," which serves as the starting point for decision-making within the LOGISTEED Group, we provide opportunities for

interactive communication between management and employees and deploy e-learning programs to instill behavioral guidelines both domestically and internationally.

● Sharing employee engagement improvement initiatives

In Japan, we conduct an engagement survey for all employees once a year, which is connected to our organizational culture transformation activities.

From FY2023, we have begun sharing successful examples of improved engagement scores company-wide.

● Global expansion of employee engagement surveys

Regarding overseas operations, we conducted a trial in selected areas starting in FY2023. In FY2024, we plan to

expand the survey to major group companies abroad.

● Utilizing engagement survey results

Through the survey results, we clarify the cultural issues at the company-wide and departmental levels. Based on discussions and sharing at the management level, we promote a scheme that includes formulating and executing measures such as "holding dialogue sessions with executives," "conducting communication training for managers with their subordinates," and "holding business

improvement workshops" at various levels including management, HR, and individual workplaces.



*1 Average score of multiple questions highly correlated with corporate growth.
*2 Scoring the percentage of favorable responses among all respondents.

Message from the officer in charge



Tsukasa Kudo
Executive Officer,
CHRO
General Manager,
Human Resources &
Business Support
Office

Logistics Industry is an essential infrastructure supporting the sustainable growth of society and our employees who support the logistics operations are our most valuable management capital. In FY2023, we advanced initiatives aimed at creating an organization where our employees—who are the source of our competitiveness—can work safely and healthily while maintaining high motivation and achieving personal growth. Additionally, in April 2024, we made changes to our company-wide organizational structure with the goal of ensuring the sustainable growth of our domestic business and strengthening and expanding our overseas businesses. Moving forward, we will focus on enhancing our organizational and human resources capabilities to accelerate the business growth on a global scale.

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

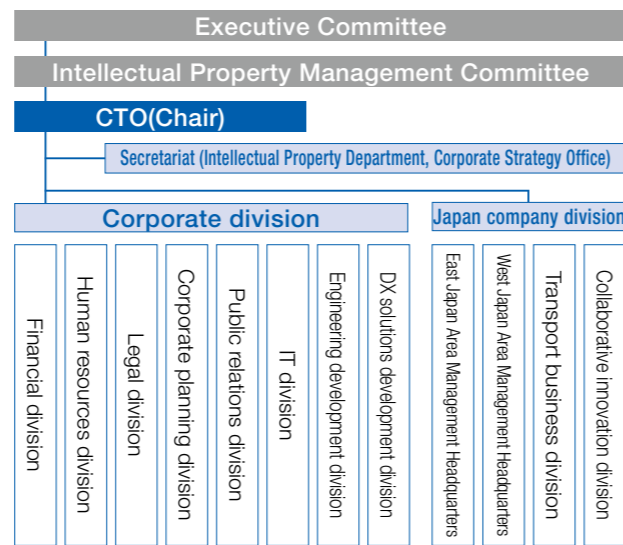
Aim for Sustainable Corporate Growth with One LOGISTEED



Following the change of the corporate name in April 2023, the LOGISTEED Group, including overseas subsidiaries, transitioned to the LOGISTEED brand. Under this new brand, we will accelerate initiatives under the banner of "One LOGISTEED" to enhance global integration, collaboration, and synergy. Our goal is to foster growth into a winning brand in the global market and promote initiatives that contribute to increasing our value.

Intellectual Property Management System

The LOGISTEED Group, recognizing intellectual property as a crucial management resource, has established the Intellectual Property Management Committee as the decision-making body for intellectual property strategy and management. We standardly protect new service solutions and business models through the acquisition of industrial property rights, including patents. Additionally, for data obtained during logistics processes and on-site accumulated expertise, we evaluate their protection and value enhancement, and advance strategies that can lead to game-changing innovations. Regarding third-party intellectual property, in accordance with the LOGISTEED Group Code of Conduct, we adhere to appropriate handling and protection in accordance with laws and agreements, and strive to act with integrity and fairness through regular compliance training for all employees.



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

The source of knowledge for the LOGISTEED Group is none other than the "human resources" that support our logistics sites. Furthermore, the advanced development of IT, engineering, and DX solutions that support on-site operations is a key driver of the LOGISTEED Group's growth. We are committed to innovative operational planning and innovation through a dual focus on Gemba and new technology development.



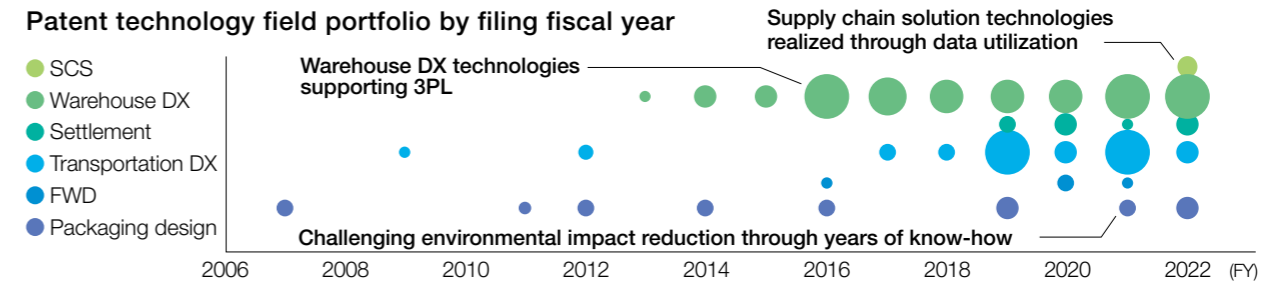
Build value creation story

1. Get an overview of the current situation and share future view with management and business managers
2. Persuasively explain the logic/story of sustainable value creation and cash flow creation through intellectual property and intangible assets that give us an advantage

*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

Toward the LOGISTEED Group's Vision "LOGISTEED2030"

To respond swiftly to customer needs, we are enhancing the global supply chain through DX, LT, and "Gemba" Power, and continuously advancing the development of new service solutions. We aim to expand our innovative services by leveraging technologies such as Digital Twin for real-time progress tracking and task optimization, RCS (Resource Control System), (P9), and SSCV (P8) for transportation resilience and accident reduction. Through our VC Activity focused on site improvement, we share the on-site know-how and knowledge collected to strengthen our core 3PL business and respond meticulously to the rapid environmental changes surrounding our customers. Based on our portfolio of intellectual assets, including patents and know-how developed through DX, LT, and "Gemba" Power, we will promote sustainable logistics strategies together with our customers.



LOGISTEED2024 Priority Measures

Warehouse DX: Digital Twin

Digital Twin technology involves recreating an identical environment in cyberspace based on data collected from the real world. We have been conducting proof-of-concept experiments related to the digital twin of warehouse operations to explore the future of our logistics business. Initiatives that have been pioneered at the Kasukabe EC platform centre will be expanded to multiple locations, with plans for early implementation. We aim to optimize the overall logistics operations by having AI learn warehouse operational know-how, make predictions, and perform simulations, and create daily shipping plans. We are currently applying for patents for various use cases within the warehouse.



Simulation screen of warehouse operation

Transportation DX: Developing solutions to reduce traffic accidents and enhance driver safety

We have developed AI to predict accident risks based on health data and truck driving data (Patent No. 7334057). SSCV-Safety is the world's first implementation of technology that predicts driving risks based on daily health data of drivers.



Packaging solutions: challenges in reducing environmental impact (value-added service + VAS)

The LOGISTEED Group has identified expanding business areas through new value-added services as a key strategy in our medium-term management plan and is working to further enhance business value through area expansion. In our packaging solutions, we continue to leverage the know-how accumulated over many years to drive challenges and innovation. Our patented solution, Patent No. 7382996, (packaging dimensions, packaging methods, and transportation methods (packaging materials for domestic transportation of large equipment) involves a specialized packaging material that sandwiches the product between plywood with cushioning material attached to both sides and secures it with stretch film. This design simplifies the bundling process during truck loading, reducing labor by 30% and improving load efficiency by 70%.

