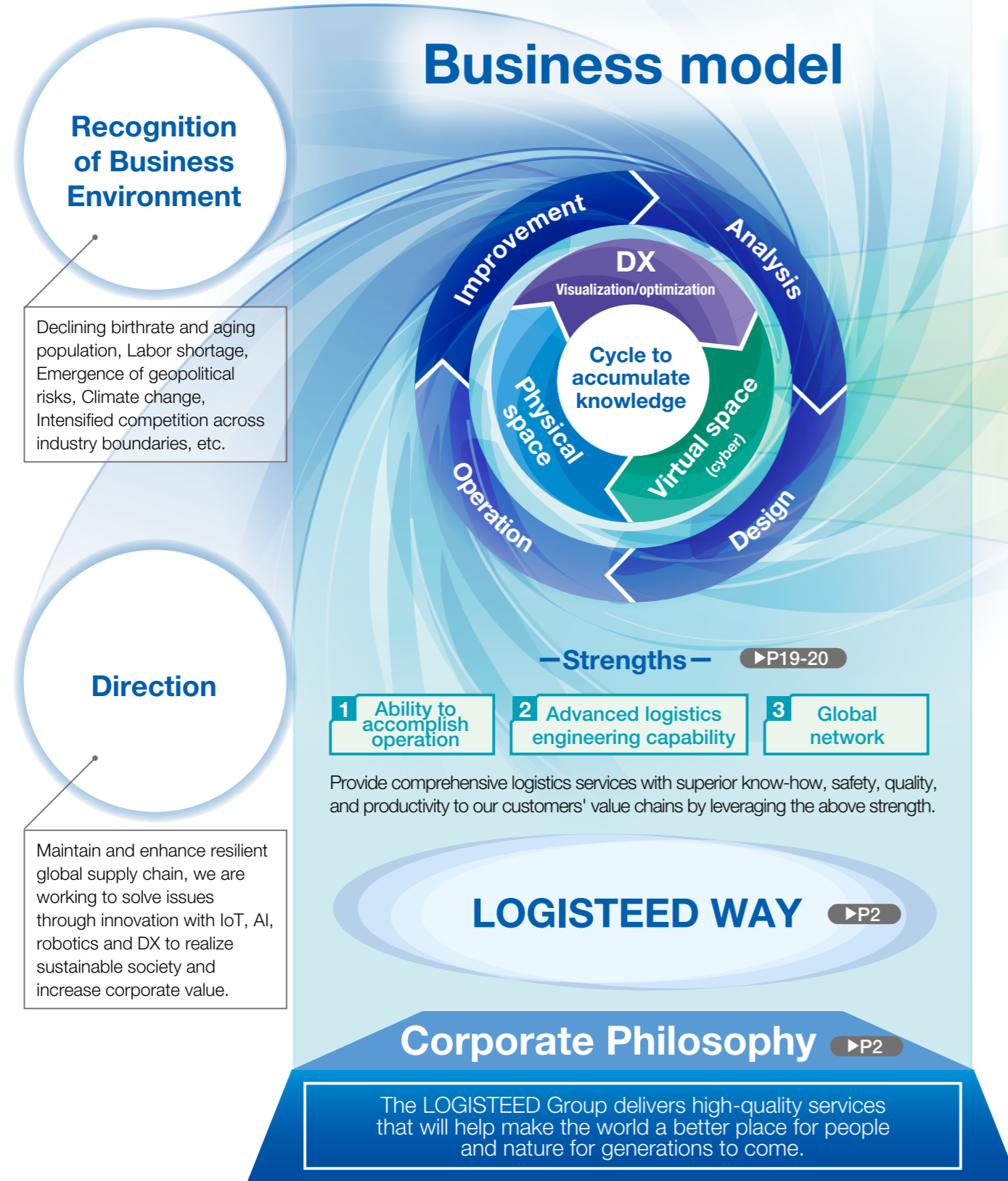


# Value Creation Story of the LOGISTEED Group

Based on the LOGISTEED WAY indicating how the LOGISTEED Group should be and the path to take, we have been promoting VC activities and daily operational improvement activities by making use of our strengths cultivated over the years. To embody the corporate philosophy, we have identified material issues that need to be addressed to realize that goal and are promoting the specific strategy set forth in the Mid-term Management Plan "LOGISTEED2024" through our unique business model and flexibly responding to changes in a business environment.



## Mid-term Management Plan LOGISTEED2024

Becoming a global supply chain strategic partner with DX, LT\*, and "Gemba" Power

\*LT: Logistics Technology

▶P21-26

We are working on the Mid-term Management Plan "LOGISTEED2024" as specific measures to address material issues.

## Material Issue

Key Issues to Address for Enhancing Corporate Value

▶P29-34,62-68

## Focus Areas

- Contribute to decarbonized/recycling-oriented society
- Build and evolve resilient, sustainable logistics services
- Create new values through collaborative innovation

**Supportive foundation for the focus areas**

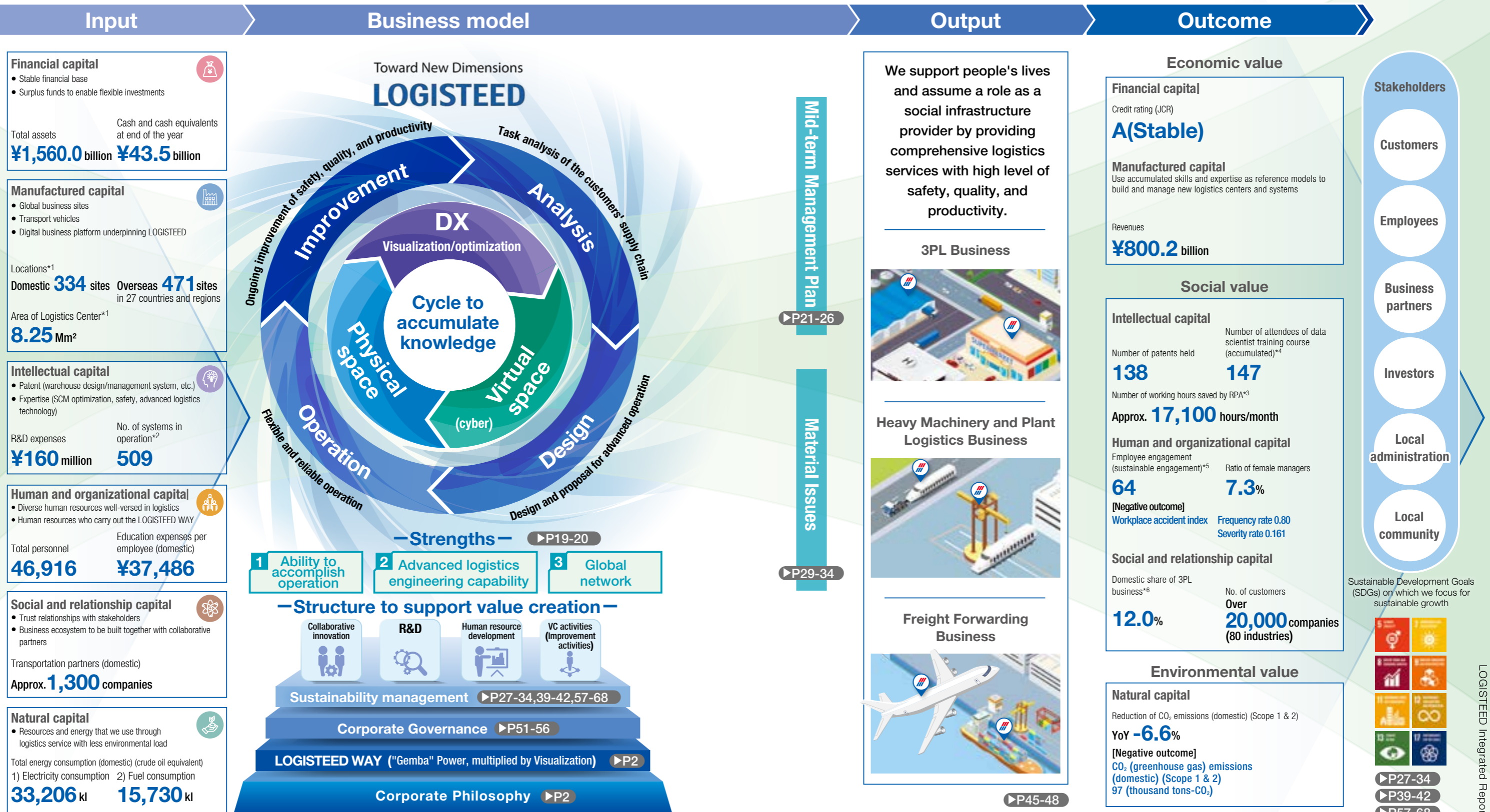
# Corporate Vision ▶P2

The Most Preferred Global Supply Chain Solutions Provider

# Value Creation Process of the LOGISTEED Group

A business model to realize value creation of the LOGISTEED Group consists of a value chain comprising of task analysis, design for operation, operation and improvement of the customers' supply chain and structure to support it such as collaborative innovation, R&D, human resource development, and VC activities, with the LOGISTEED WAY indicating how the LOGISTEED Group should be and a path to take as the source of all values.

Using our strengths of Ability to accomplish operation, Advanced logistics engineering capability, and Global network as key drivers, we strive to reinforce our value chain to sustainably create economic, social, and environmental values to our stakeholders. We will contribute to SDGs through sustainable increase of corporate value.



\* As of March 31, 2024  
 \*1 Number of locations and area of logistics centers exclude those of AIT Group and HTB-BCD Travel Group. \*2 Self-developed systems

\*3 Robotic Process Automation \*4 Number of attendees of in-house training to foster data scientist with advanced data analyst skills  
 \*5 Total score of favorable responses in employee engagement survey \*6 Calculated by the Company using data in "Monthly Magazine LOGI-BIZ"

# The LOGISTEED Group's Strengths

The LOGISTEED Group has three strengths: The ability to accomplish operations, Advanced logistics engineering capability, and a Global network. Drawing on our expertise and network accumulated over 70 years since our foundation as a logistics operator, we provide comprehensive logistics services with a high level of safety, quality, and productivity.

## 1 Ability to Accomplish Operation

**Diverse human resources well-versed in logistics**

**Transportation assets to support society and people's lives**

**Digital business platform underpinning LOGISTEED**

Total personnel **46,916**

No. of vehicles **20,408** (including leased vehicles)

No. of self-developed systems in operation **509**

## 2 Advanced Logistics Engineering Capability

**Human resources specialized in logistics engineering**

Analysis, operation management design, package design, and advanced technologies

Approx. **310** Including cumulative 147 attendees of data scientist training course

**SSCV development and introduction**

Improve operational efficiency, Safety, Secure safety, Efficiency, Smart, Vehicle, Legal compliance

No. of SSCV installed within the LOGISTEED Group **Approx. 2,300**

**Introduction of automated facilities including AGV\* and automated forklift**

No. of AGV installed within the LOGISTEED Group **Approx. 480** AGV: Automated Guided Vehicle

## 3 Global Network

**Business sites supporting global supply chain**

Locations **805 sites in 28 countries and regions**

Logistics centers **Total 8.25 Mm<sup>2</sup>**

(The figures are as of March 31, 2024)

### Value chain

#### Analysis

#### Design

#### Operation

#### Improvement

#### Task analysis of the customers' supply chain

Analyze supply chain issues based on data and interviews by communicating with customers

**The LOGISTEED Group's Strengths**

- Conduct realistic analysis and identify issues, leveraging abundant experience in logistics operations as a leading 3PL company
- Close collaboration between sales representatives and logistics engineers familiar with the relevant industries
- Understand customer needs accurately through communication with customers
- Support customers' supply chain reforms by using "SCDOS" which enable central management of customers' supply chain information, visualization, analysis, and simulation
- Unique training program to develop data analysis experts

**Related solutions, tools, etc.**

- SCDOS (Supply Chain & Optimization Services) **P24**
- Develop data analysis experts
- SSCV (transport digital platform)

#### Advanced operation design and proposals

Design and propose optimal site placement, delivery routes, transportation methods, and warehouse operations to customers based on analysis results

**The LOGISTEED Group's Strengths**

- Expertise and internal system to optimize site placement, plan distribution centers, design warehouse layouts, and establish warehouse workflows
- Design and develop high-performance warehouse management system (WMS) applicable to various sectors
- Design sustainable logistics by introducing advanced technologies and strategically working on sophistication and automation/labor-saving of logistics
- Design and provide smart warehouse combining automation/labor-saving expertise and digital technologies
- Use latest technologies and design one-stop service including carrying out, transportation, installation, and setting up of heavy machineries such as plant cargoes and machineries relating to social infrastructure

**Related solutions, tools, etc.**

- EC platform (smart warehouse)
- SLC\* (warehouse design support tool)

\*SLC: Smart Logistics Configurator

#### Flexible and reliable operation

Accomplish operation based on well-designed workflows, and strictly manage safety, quality, and productivity

**The LOGISTEED Group's Strengths**

- 805 domestic and overseas business sites supporting global supply chain
- Operating structure capable of responding to changes in customers' sales channels and environment flexibly and promptly
- Favorable and solid relationships with customers and partner companies
- Implement KPI-based strict control and improvement measures for profitability, safety, quality, and productivity
- Implement measures using technology for packaging and transportation jigs to improve transportation quality and reduce environmental load
- Secure safety, comply with laws and regulations and improve operational efficiency with "SSCV" using IoT technology

**Related solutions, tools, etc.**

- SSCV (transport digital platform)
- RCS (resource control system) **P25**

#### Ongoing improvement of safety, quality and productivity

Improve the productivity and quality of the entire organization through improvement activities reflecting customers' feedback and employees' opinions

**The LOGISTEED Group's Strengths**

- Visualize the progress and good examples of improvement activities and spread improvement culture through group-wide "VC activities"
- Use logistics engineering capability and digital business platform to continuously improve transportation routes, warehouse layouts, and warehouse operation processes
- Provide various improvement educations and practice at workplaces
- Implement cross-departmental productivity reform by making full use of digital tools such as RPA and AI-OCR\*
- Provide guidance to improve driving skills by using "SSCV-Safety" which makes full use of IoT technology

**Related solutions, tools, etc.**

- Operation analysis support tool
- RPA, AI-OCR
- SSCV-Safety (safety operation management solution)

\*AI-OCR: Optical Character Reader with AI