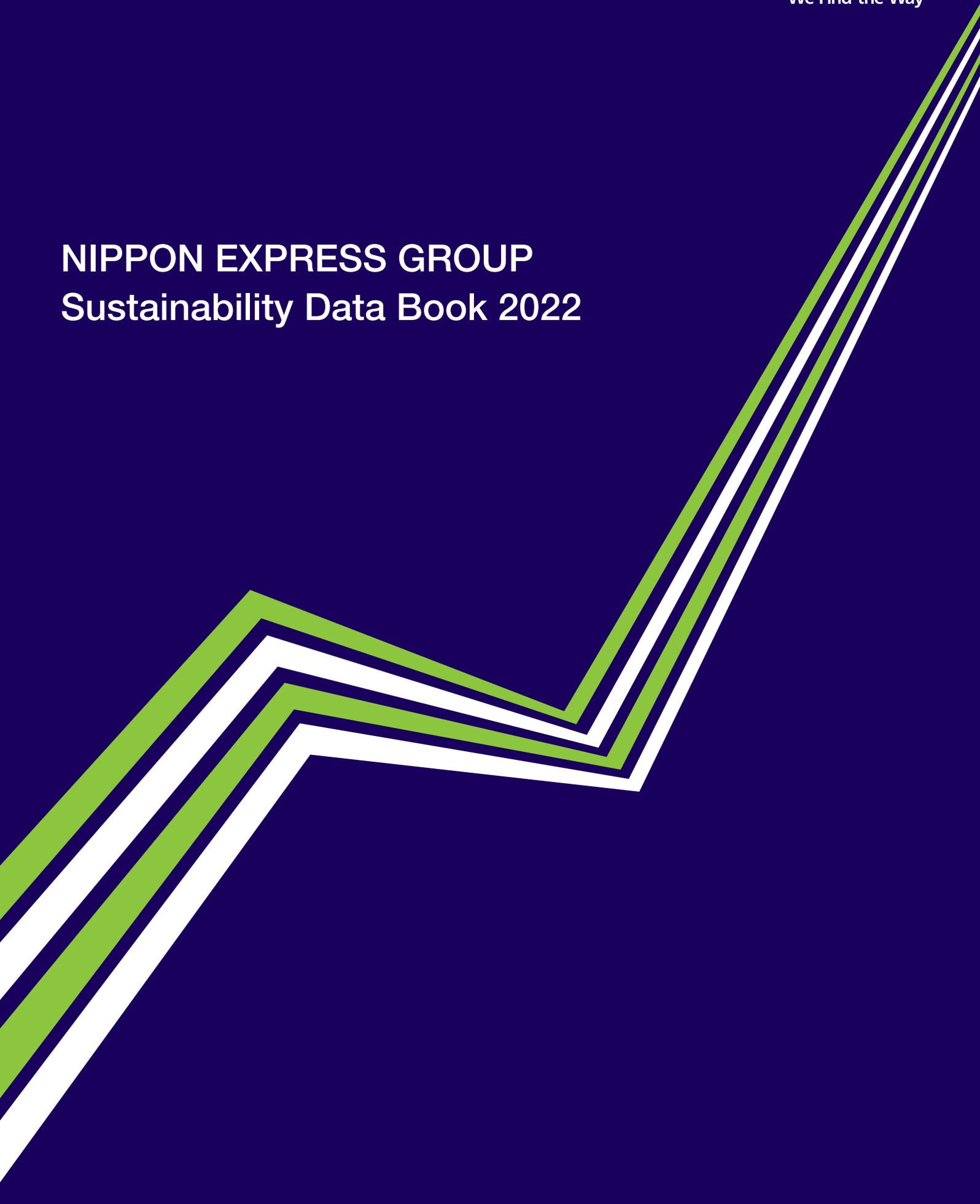


NIPPON EXPRESS GROUP

Sustainability Data Book 2022





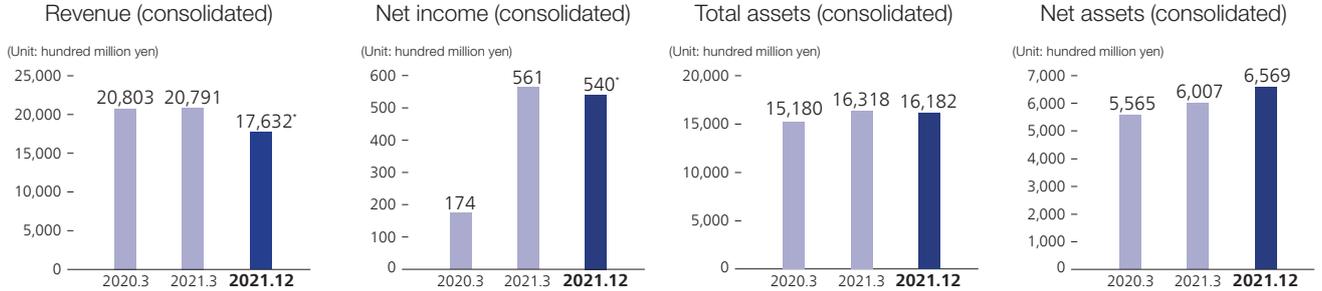
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Editorial Policy	In compiling this report, we have published it as a data book, a concise and concrete summary of the NIPPON EXPRESS GROUP's activities related to sustainability and ESG, that complements the NIPPON EXPRESS GROUP Integrated Report published around the same time.
Scope of This Report	Covers the NIPPON EXPRESS GROUP. Some of the material reported applies only to Nippon Express Co., Ltd.
Reporting Period	FY2021 (April 1, 2021–December 31, 2021) (certain sections may include information prior to fiscal 2020 and up to 2022) Due to the transition to a holding structure on January 4, 2022, the fiscal year has been changed from April to March of the following year to January to December.
Issue Date	June 2022 (the previous report: July 2021, published as the CSR Data Book)
Reference Guidelines	<ul style="list-style-type: none">• GRI Standards for Sustainability Reporting (Core option)• Ministry of the Environment's Environmental Reporting Guidelines (2018 Edition)
Contact	NIPPON EXPRESS HOLDINGS, INC. Sustainability Promotion Division Kanda-Izumicho 2, Chiyoda-ku, Tokyo, 101-0024 Japan Phone: +81-3-5801-1285 Fax: +81-3-5801-1947 URL https://www.nipponexpress-holdings.com/en/

Company Information

Financial Information



* End of the fiscal year has been changed from March 31 to December 31 as of FY2021. As such, consolidated results for FY2021 reflect values for the nine-month period from April 1, 2021 to December 31, 2021.

Global Network

Number of countries: **49** Number of cities: **310** Number of locations: **730** Number of employees overseas: **21,327** Total number of locally hired presidents: **9**

(This means the total number of locally hired presidents or chairmen of companies in the NIPPON EXPRESS GROUP. For acquired companies, only those at the top of their corporate group are included in the count.)

Europe

- NIPPON EXPRESS EUROPE GMBH
- NIPPON EXPRESS (DEUTSCHLAND) GMBH
- NIPPON EXPRESS (NEDERLAND) B.V.
- NIPPON EXPRESS (U.K.) LTD.
- NIPPON EXPRESS FRANCE, S.A.S.
- NIPPON EXPRESS (ITALIA) S.p.A. etc.

East Asia

- NIPPON EXPRESS (CHINA) CO., LTD.
- NIPPON EXPRESS (H.K.) CO., LTD.
- NIPPON EXPRESS AUTOMOTIVE LOGISTICS (CHINA) CO., LTD.
- NIPPON EXPRESS (TAIWAN) CO., LTD.
- NIPPON EXPRESS KOREA CO., LTD. etc.

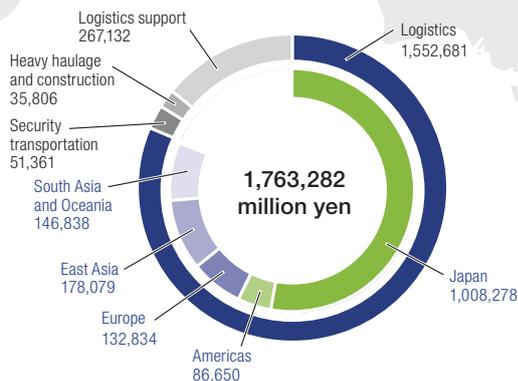
South Asia and Oceania

- NIPPON EXPRESS (SOUTH ASIA & OCEANIA) PTE., LTD.
- NIPPON EXPRESS (SINGAPORE) PTE., LTD.
- NIPPON EXPRESS (MALAYSIA) SDN. BHD.
- NIPPON EXPRESS LOGISTICS (THAILAND) CO., LTD.
- NIPPON EXPRESS (VIETNAM) CO., LTD. etc.

Americas

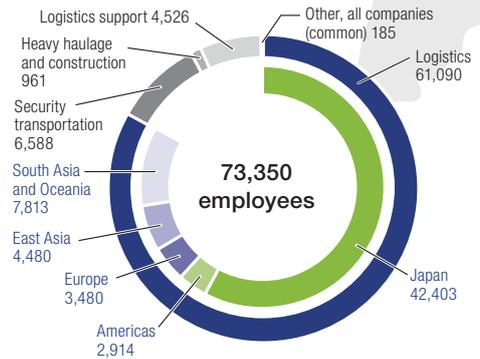
- NIPPON EXPRESS USA, INC.
- NIPPON EXPRESS CANADA, LTD.
- NIPPON EXPRESS DE MEXICO, S.A. DE C.V.
- NIPPON EXPRESS DO BRASIL LTDA. etc.

Sales by segment (consolidated) (Unit: million yen)



* Figures in the graph includes adjustments

Employees by segment (consolidated)



* Adjustment: Employees engaged in the administration of the Company and group companies.

* The above figures are as of December 31, 2021 (excluding the company names which are as of January 4, 2022).

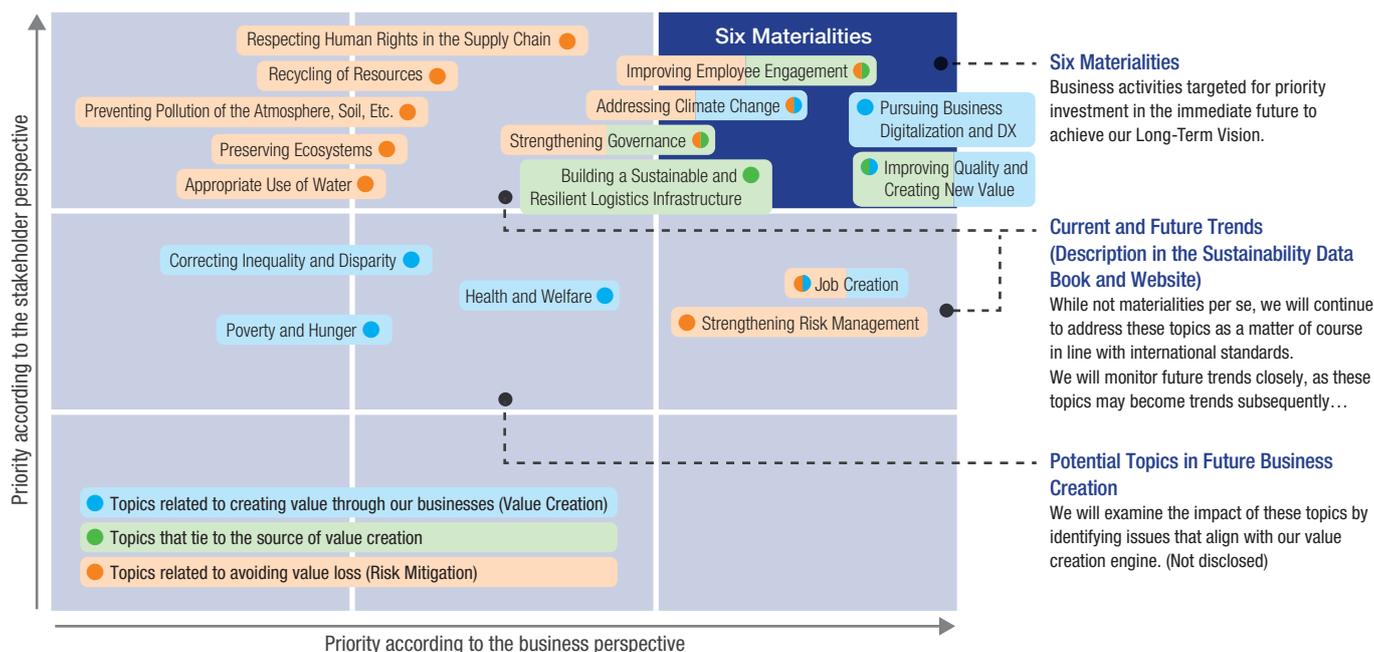
Sustainability Management

Reconfirming of Materiality Assessment

In order to achieve the NIPPON EXPRESS GROUP's long-term vision of becoming a logistics company with a strong presence in the global market, we have reviewed our materiality initiatives for 2021. In addition to the perspective of providing value to stakeholders, which is the same as the perspective of key

issues that we have previously communicated, we have evaluated the issues from the perspective of priority in business terms to make them consistent with the management plan.

* Please see the Integrated Report for detailed information on the materiality initiatives identification process.



Main Sustainability Issues

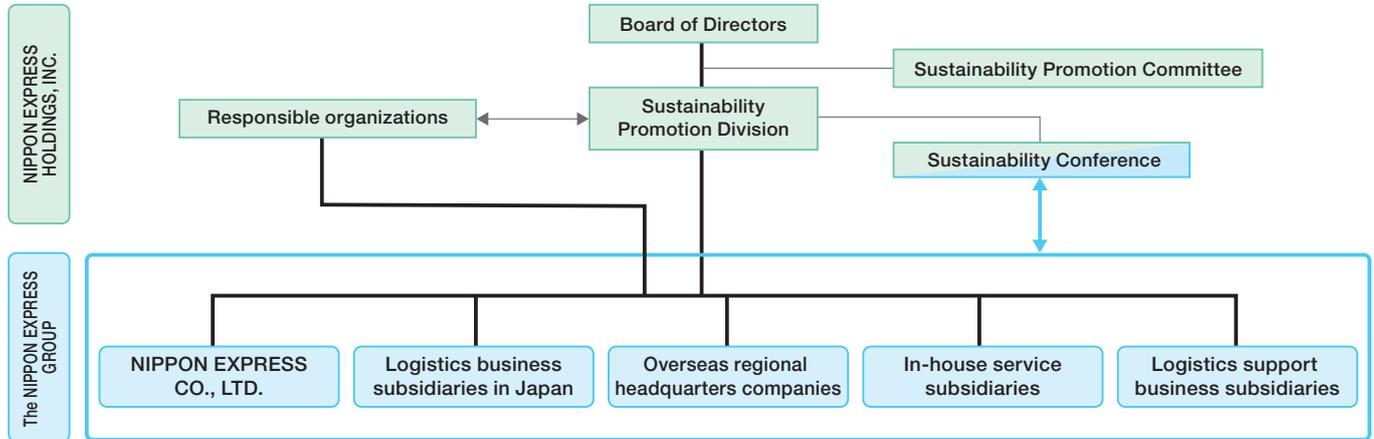
In this Sustainability Data Book, the NIPPON EXPRESS GROUP's initiatives, including the main sustainability issues identified in the above materiality assessment, are described separately for each element of ESG.

	ENVIRONMENT	SOCIAL	GOVERNANCE
Main Sustainability Issues	<ul style="list-style-type: none"> Addressing Climate Change Recycling of Resources Preventing Pollution of the Atmosphere, Soil, Etc. Appropriate Use of Water Preserving Ecosystems 	<ul style="list-style-type: none"> Building a Sustainable and Resilient Logistics Infrastructure Respecting Human Rights in the Supply Chain Job Creation Improving Employee Engagement Pursuing Business Digitalization and DX 	<ul style="list-style-type: none"> Strengthening Governance Strengthening Risk Management Improving Quality and Creating New Value
Description in the Sustainability Data Book	<ul style="list-style-type: none"> Environmental management Reduce CO₂ emissions by reinforcing controls on climate change Provide logistics technologies and services with low environmental impact Strengthen adaptive capacity and resilience in the face of climate change Recycling of resources Protect terrestrial and marine ecosystems 	<ul style="list-style-type: none"> Ensure robust respect for human rights in the supply chains Secure occupational health Create job satisfaction in the workplace Train human resources who can work globally Promote diversity and inclusion Promote workstyle innovation Strengthen global partnerships Contribute to sustainable and tough infrastructure development Contribute to society through our business operations 	<ul style="list-style-type: none"> Promote fair business practices Implement robust anticorruption measures Ensure occupational and social safety Maintain social safety involving logistics Encourage global quality to meet expectations from customers and society Enhance corporate governance Personal data protection Risk management

Sustainability Promotion Structure

The NIPPON EXPRESS GROUP is pursuing sustainability management with the aim of continuously developing the Group and creating value by building structures for the entire Group to independently address various sustainability issues.

NIPPON EXPRESS GROUP's Sustainability Promotion Structure



Involvement in Initiatives

In this Sustainability Data Book, the NIPPON EXPRESS GROUP's initiatives, including the main sustainability issues identified in the above materiality assessment, are described separately for each element of ESG.

Outside organizations and positions

Ministry of Land, Infrastructure, Transport and Tourism	Ad Hoc Committee Member, Environmental Division, Transport System Subcommittee, Council of Transport Policy
Keidanren (Japan Business Federation)	Member of Committee on Corporate Behavior, & SDGs Committee, Environmental Safety Committee, Special Committee for Post-Earthquake Re-construction (Industrial and Regional Reconstruction Subcommittee)
Keidanren Committee on Nature Conservation	Vice chairman and member of Planning Division
Japan Association for Logistics and Transport	Member of Logistics Environmental Action Committee
Japan Trucking Association	Member of Environmental Action Committee and Environmental Action Subcommittee
Tokyo Employers' Association	Member of Environmental Committee
The Tokyo Chamber of Commerce and Industry	Committee member of Certification Test for Environmental Specialists

Measures to Deal with COVID-19

Facilitating Logistics as a Social Infrastructure Company

In order to respond in a timely manner to changes promoted by the COVID-19 pandemic, Nippon Express Co., Ltd. established a general task force at the head office led by the president in February 2020 and also set up task forces at its major branches in Japan and in overseas areas. The task forces cooperate on gathering information and taking action. To ensure the safety of our staff members and their families, the NIPPON EXPRESS GROUP had its expatriate employees and their families to temporarily return to Japan in accordance with the level of pandemic risk announced by the Japanese Ministry of Foreign Affairs.

In addition, in order to place the highest priority on the safety and health of our customers, employees and their families, and to fulfill our mission as a social infrastructure company and designated public institution, we implemented thorough infection prevention measures and measures to prevent the spread of infection, and transported medical supplies such as masks and protective clothing to medical facilities.

In response to the declaration of a state of emergency in April 2020, the head office limited the number of employees coming to the office by authorizing remote

work when possible, resulting in more than 70% of the staff working remotely. When a state of emergency was redeclared in January, April and July 2021, the number of employees coming to the office was reduced as much as possible, and more than 70% of the head office employees worked remotely. Our branches have encouraged telework and staggered work shifts to the extent that their business operations would not be hampered, because they could not stop operating completely.

The Company is also a designated public corporation according to the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response that went into force in April 2013. Top priority is given to the transportation of supplies requested by the national government or local public organizations.

In addition, we do everything we can to meet the requests of many customers to support social infrastructure through logistics. We have been designated a designated public corporation, and we believe that our responsibility is not only to comply with the requests of the national government or local public organizations, but also to fulfill the extremely important mission entrusted to us by society.

ENVIRONMENT

Management Approach

Make positive contributions to climate change, resource recycling, and biodiversity as a logistics company



We are pursuing the mitigation of climate change through the reduction of greenhouse gas emissions from our business activities, and are committed to emergency transport in the event of a disaster or other contingencies, regarding it as the responsibility of a designated public institution. Through our business activities, we are also proactive in recycling resources and protecting biodiversity.

Main Sustainability Issues

- Addressing Climate Change
- Recycling of Resources
- Preventing Pollution of the Atmosphere, Soil, Etc.
- Appropriate Use of Water
- Preserving Ecosystems

Description in the Sustainability Data Book

- Environmental management
- Reduce CO₂ emissions by reinforcing controls on climate change
- Provide logistics technologies and services with low environmental impact
- Strengthen adaptive capacity and resilience in the face of climate change
- Recycling of Resources
- Protect terrestrial and marine ecosystems

The NIPPON EXPRESS GROUP's Approach

- Reduce greenhouse gas emissions by facilitating the shift to LED, introducing eco-friendly vehicles and encouraging modal shifts and eco-driving
- Save resources by promoting the 3Rs and increasing the number of eco-friendly products and services
- Thoroughly prevent the cross-border movement of non-native species in compliance with relevant ordinances and treaties

	Target	Reduce annual CO ₂ emissions by FY 2023 to	350,000 t-CO ₂
	Result	FY2021:	403,971 t-CO ₂
	Target	Ensure that all facilities are lit by LED	100%
	Result	FY2021:	63.6% <small>(on a business location basis)</small>

* Above figures are indices of Nippon Express Co., Ltd. non-consolidated
 * Results are for the period January-December 2021.

Environmental Management

NIPPON EXPRESS GROUP Environmental Charter

Policies and Targets

The NIPPON EXPRESS GROUP focuses particularly on the NIPPON EXPRESS GROUP Charter of Conduct. We have the NIPPON EXPRESS GROUP Environmental Charter in place for the whole Group to fulfill our responsibilities to the Earth's

Please see our website for details of the NIPPON EXPRESS GROUP Environmental Charter.
<https://www.nipponexpress-holdings.com/en/sustainability/env-charter.html>

Environmental Management System

Organizations and Systems

To further advance activities for environmental conservation, the NIPPON EXPRESS GROUP's offices are working to obtain ISO 14001 certification, the international standard for environmental management systems, and Green Management Certification, a certification system for transportation companies that have implemented initiatives for environmental conservation.

● Obtaining Green Management Certifications

Numerous offices throughout the NIPPON EXPRESS GROUP have been obtaining Green Management Certification, which is granted to companies that engage in business with a minimal environmental impact. As of the end of February 2022,

26 Nippon Express Co., Ltd. trucking offices and three warehousing offices have received this certification. Among Group companies, 17 trucking offices have been granted Green Management Certification.

● Increasing ISO 14001-certified Business Locations

Starting with the Air Freight Business Branch receiving ISO 14001 certification for its operations in the Baraki area (Ichikawa, Chiba Prefecture) in June 1998, Nippon Express Co., Ltd. has been promoting the acquisition of ISO 14001 certification and is working to expand and enhance ISO acquisition in the future.

Environmental Targets

Policies and Targets

The FY2030 target for CO₂ emissions at Nippon Express Co., Ltd., was moved forward to FY2023 in 2021. With the transition to a holding company structure in January 2022, the NIPPON EXPRESS GROUP is considering setting a new long-term target based on the Japanese government's 2050 Carbon Neutral Declaration and 46% emission reduction target for FY2030 (compared to FY2013) and recent international trends and regulations on climate change.

● Reduce annual carbon dioxide emissions to 350,000t-CO₂ by FY2023

* The target up until now was a 30% reduction from FY2013 levels by FY2030.

● Reduce industrial waste generation vis-à-vis sales each year by 1% from the previous year (until FY2030)

FY2016 standard value: 21.96 kg/million yen
 FY2030 target value: 19.08 kg/million yen

* Non-consolidated target set by Nippon Express Co., Ltd.

Reduce CO₂ Emissions by Reinforcing Controls on Climate Change

Our View on Climate Change

Policies and Targets

The NIPPON EXPRESS GROUP recognizes climate change as a social issue of global scale.

Abnormal weather resulting from climate change may pose obstacles to logistics infrastructure by causing the suspension of flight, shipping and railway services and the closure of highways. Worse, it may lead to an increase in our operating costs. Abnormal weather may also bring about decreases in production and shipment quantities for our clients, possibly leading to decreases in the amount of

cargo we handle and our profits.

By securing two or more modes of transport, the NIPPON EXPRESS GROUP will enhance the resilience of its operations against climate change. We are also working proactively in cooperation with clients to make modal shifts from joint distribution and truck-centered transport to ships, railroads and other modes of transport with a low impact on the environment.

Accurately Controlling Fluorocarbons

Organizations and Systems

Fluorocarbons not only harm the ozone layer but also have an extremely high greenhouse effect. Nippon Express Co., Ltd. strives to preserve the ozone layer and prevent global warming by reducing CO₂ emissions and accurately controlling fluorocarbons. There were no major leaks in 2021.

● ECO-FREONTIA® Fluorocarbon Management System

The Act on Rational Use and Proper Management of Fluorocarbons ("Fluorocarbons Management Act") came into force in April 2015. We comply with the Act by

operating ECO-FREONTIA®, our proprietary system for controlling fluorocarbons, in an effort to prevent the leakage of fluorocarbons. This system prevents the omission of inspections and calculates the volumes of leaked fluorocarbons from the inspection data by creating a database of information about the professional-use freezers, refrigerators and air conditioners (Class I Specified Products) that are regulated under the Fluorocarbons Management Act and by sending out e-mail alerts whenever the relevant equipment undergoes a simple or periodic inspection.

Environmentally Friendly (Low-emission) Vehicles

Activities and Achievements

The NIPPON EXPRESS GROUP actively introduces environmentally friendly vehicles that mainly include low-emission diesel trucks such as those complying with the post-new long-term regulations, as well as CNG, hybrid and LPG trucks.

As of December 31, 2021, the NIPPON EXPRESS GROUP has a domestic fleet of 12,426 such vehicles in total.

Increasing the Number of Environmentally Friendly Facilities

Activities and Achievements

The NIPPON EXPRESS GROUP is increasing its number of environmentally friendly facilities. In FY2021, we generated 6,883,824.88 kWh from recyclable energy (6,849,954.88 kWh from solar power and 33,870.00 kWh from wind power). In addition, the NIPPON EXPRESS GROUP has developed standards for the installation of equipment that are applicable to the construction of logistics facilities and offices. The standards require our equipment to be more effective in utilizing recyclable energy and reducing greenhouse gases by promoting LED use, reflect our consideration for biodiversity, enhance the safety and health of staff members and people in the neighboring communities and contribute to the continuation of our business operations.

● Environmental Considerations in the NIPPON EXPRESS GROUP Building

The NIPPON EXPRESS GROUP Building was completed in August 2021, based on the concepts of an earthquake-proof structure to ensure the safety of the building, and a functional and comfortable environment for offices featuring excellent energy-saving performance. The NIPPON EXPRESS GROUP Building has acquired BELS (Building Energy-efficiency Labeling System) certification and achieved S-rank, the highest possible evaluation, in the CASBEE (Comprehensive Assessment System for Built Environment Efficiency) smart wellness office certification. In terms of energy conservation fixtures, we introduced multiple new energy-saving controls for the building that carry out high-efficiency air-conditioner operation and automatic shutdown and ensured compatibility between lighting equipment reduction and office visual en-



NIPPON EXPRESS GROUP Building

vironment by means of optimally distributing new LED lighting. The design takes into consideration the comfort of the residential environment by reducing waiting time by means of security-gate inter-operational elevators and by adopting people-friendly light- and color-modulating lighting equipment that changes the intensity of light and warmth of color according to the time of day. Also, as a regional contribution, portable toilets and emergency supply stores for use during disasters have been established.

● Environmental Considerations in the NX SHOJI Head Office Building

At the NX Shoji Co., Ltd. Head Office Building, internal power generation is used to supplement some power usage by means of the solar power generation panels installed on the roof. Since July 2021, environmental value has been acquired for other kinds of power generation in order to eliminate CO₂ emissions. The reduction amount of CO₂ emissions from the head office building per year is approximately 300t.

● Matsumoto/Nirayama Solar Power Generation Plant Environmental Considerations

NX Real Estate Co., Ltd. owns two solar power generation plants, namely, the Matsumoto Solar Power Generation Plant (November 2013) and the Nirayama Solar Power Generation Plant (March 2014). The results for annual electricity generation in FY2021 were 1,442,687 kWh at the Matsumoto plant and 1,115,529 kWh at the Nirayama plant. While CO₂ emissions from thermal power generation using fossil fuels is approx. 660 g per kWh, CO₂ emissions from solar power generation is approx. 40 g. Assuming that the amount of electricity generated from solar power reduces the amount generated from thermal power, a decrease of approx. 620 g-CO₂/kWh can be achieved.

The total annual CO₂ emissions reduced at the two plants in FY2021 was 1585t (approx. 895t from the Matsumoto Solar Power Generation Plant, and approx. 690t from the Nirayama Solar Power Generation Plant). This corresponds to a reduction in CO₂ emissions equivalent to that of about 400 general households.

Provide Logistics Technologies and Services with Low Environmental Impact

Promotion of Modal Shift Activities and Achievements

The NIPPON EXPRESS GROUP facilitates cooperation between customers and logistics companies to make numerous modal shifts, switching from truck-centered transport to transport using railways and ships. Modal shifts to organically link different modes of transport such as trucks, trains, ships and aircraft reduce the environmental impact and make transport more efficient, and they also provide alternatives within business continuity plans (BCP).

● Modal Shift to Rail Transport

The larger the cargo volume and the longer the distance it is hauled, the more efficient and reliable railway transport is found to be in comparison to truck transport. Being eco-friendly and highly energy-efficient, rail transport is effective in reducing CO₂ emissions. By working with customers to make modal shifts to secure and reliable railway transport across a wide range of cargo from bulk to small lots, Nippon Express Co., Ltd. addresses driver shortages and social challenges such as the reduction of environmental impact.

As part of our commitment to the reduction of our environmental impact, we also focus on visualization. Rail Container NAVI, our proprietary service for rail container information, allows CO₂ emissions and energy consumption to be checked during rail transport use. CO₂ reduction effects can be simulated on our website simply by

entering where cargo will be picked up and where it is headed.

We have also developed 12-foot hybrid containers that can be loaded onto both trains and coastal vessels, and we offer a transport service using railroads and ships to reduce the impact on the environment.

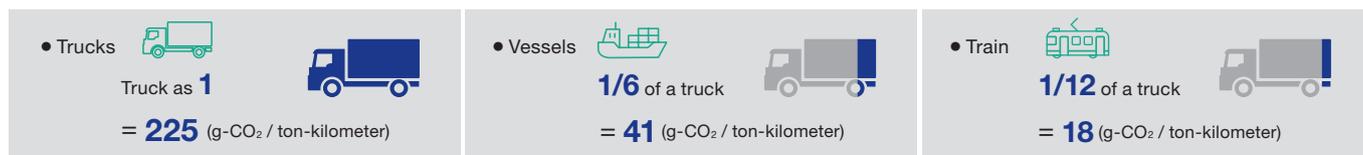
● Modal Shift to Domestic Marine Transport

Maritime transport is a mode of low-cost, long-haul transport for large cargo volumes, and it has a low impact on the environment.

In 1964, the NIPPON EXPRESS GROUP put Japan's first container vessel, Dai-ichi Tennichi Maru, into service between Tokyo and Muroran, followed by Dai-ni Tennichi Maru between Osaka and Muroran, thereby launching integrated land and sea transport services. The Group currently operates five large state-of-the-art vessels, including Himawari 8 and Himawari 9, which were launched in September and December 2017 respectively, along two scheduled routes that serve eight ports around Japan.

Cargo departing from and arriving at locations far inland from the port can be transported using dual-use containers in conjunction with rail transport in an effort to reduce CO₂ emissions from fuel consumption.

CO₂ emissions intensity by transport mode



Source: "CO₂ emissions in the transportation sector" from the Ministry of Land, Infrastructure, Transport and Tourism website https://www.mlit.go.jp/sogoseisaku/environment/sosei_environment_tk_000007.html

Encouraging Eco-driving Activities and Achievements

Aiming to reduce the environmental impact of truck transport, we encourage eco-driving to curb CO₂ emissions and fuel consumption, and we are committed to improvements in safety.

● Safe Eco-driving Education

Nippon Express Co., Ltd. has incorporated safe eco-driving, which is characterized by the constant practice of safety, ecology and economy, into the curricula for all types of driver training. By continuing these training programs, we strive to ensure that all drivers engage in safe eco-driving. The eco-driving training uses fuel consumption gauges and, to heighten employee awareness of safety, the environment and cost, Nippon Express Co., Ltd. has been certified as an eco-driving training organization by the Foundation for Promoting Personal Mobility and Ecological Transportation.

● Digital Tachographs

Nippon Express Co., Ltd. uses the Operation Support System that links digital tachographs with work terminals (smartphones) to perform vehicle operation management, operational activities such as loading and attendance management. We are also pairing IoT technology with our unique education and training to eliminate traffic accidents and cut CO₂ emissions through greater fuel efficiency.

Rate of introduction of digital tachographs	
Nippon Express Co., Ltd.,	100%

Topics

NIPPON EXPRESS EUROPE GmbH ECO2 Project Initiatives

Nippon Express Europe GmbH has started the ECO2 Project that corresponds to the EU's "Fit for 55 policy package to achieve a 55% reduction in GHG gases." Fit for 55, announced in July 2021, establishes the aims of reducing CO2 emissions by 55% by 2030 in comparison to 1990, and achieving carbon neutrality by 2050.

People from companies across the EU have been selected to participate in the company's ECO2 Project. The situation in each country is checked to get an understanding of the current status. Examples of countries where measures are moving forward are shared throughout the region with the aim of achieving the targets stated in the policy.

In the EU, it is normal to require the presentation of CO2 emissions in estimates from clients.

Start of Wood Fuel (PKS/pellets) Import and Sales at Biomass Thermal Power Generation Plants

From 2021, NX Shoji Co., Ltd. began wood fuel import and sales to biomass thermal power generation plants. A one-stop service for biomass fuel is being constructed as business expands at the company (Petroleum Division, Maintenance & Manufacturing Division, Physical Distribution Merchandise & Machinery Division, Insurance Division) and at Nippon Express Co., Ltd. Only third party certified wood fuel is procured and used, which contributes to a substantial reduction in CO2. From now on, the amount of wood fuel supplied will be increased, which will contribute to a further reduction in CO2 emissions.



Onboard wood fuel trimming operations



Draining operations at the harbor

Strengthen Adaptive Capacity and Resilience in the Face of Climate Change

Social Responsibility as a Designated Public Institution

Organizations and Systems

Nippon Express Co., Ltd. is a designated public institution in the transport industry under the Disaster Countermeasures Basic Act, the Citizens Protection Act (Act Concerning Measures to Protect the Public in Cases of Armed Attack), and the Act on Special Measures for Pandemic Influenza.

At the time of the torrential rain disaster that occurred in July 2020, we transported emergency supplies such as food, beverages, temporary toilets, and air-conditioning equipment to Kumamoto Prefecture, which suffered extensive

damage, based on a request from the government.

Nippon Express Co., Ltd. has developed its crisis management and various other systems so that it is capable of continuing its business operations while safeguarding the lives and safety of employees and their families even during an emergency. Nippon Express Co., Ltd. fulfills its social responsibility as a designated public institution by transporting emergency supplies amongst other responses at the request of the national or prefectural governments.

Strengthened Resilience at Logistics Hubs

Activities and Achievements

Tokyo C-NX, Nippon Express Co., Ltd.'s largest logistics hub located in Koto-ku, Tokyo, has an earthquake-proof structure and a large emergency power generator to ensure that, in the event of a blackout, electric power can be used for eight hours per day for three days. This will facilitate the early restoration of logistics functions

after a large-scale disaster. Currently, measures are being implemented at Tokyo C-NX toward the installation of rooftop solar power generation equipment.

Recycling of Resources

Perspective on Resource Recycling

Policies and Targets

The NIPPON EXPRESS GROUP has been reducing the waste generated through its business activities and advancing the 3Rs (reduce, reuse, and recycle) with the objective of realizing a recycling-based society. In particular, the NIPPON EXPRESS

GROUP focuses its efforts on reducing the waste from its business locations as well as thoroughly sorting paper and other waste for easy recycling.

Resource Recycling

Activities and Achievements

Nippon Express Co., Ltd. undertakes the transport of waste, which plays a role in resource recycling. Using rail and marine containers, we engage in the wide-area transport of mercury waste from municipalities and companies around the country to disposal contractors. In addition, PCB (polychlorinated biphenyl) waste entails significant hazards and its transport to disposal facilities must be carried out by trained personnel.

Using rail containers which have a low environmental impact, we performed wide-area transport of enormous amounts of waste resulting from the Great East Japan Earthquake, the Kumamoto Earthquake, the Reiwa 1 East Japan Typhoon and other recent disasters.

Reducing and Properly Managing Waste Organizations and Systems

● Waste Management System

To properly manage waste, Nippon Express Co., Ltd. shares information regarding waste with the Board of Officers and disseminates instructions. In addition to providing in-house training and conducting work site inspections, the Company uses a system of managing waste manifests to confirm that the waste generated by the Company is being disposed of properly.

In October 2002, because of a violation of the Waste Disposal Act, Nippon Express Co., Ltd. received a penalty, with its designation as a wide-area recycling industrial waste processor revoked by the Ministry of the Environment. Accordingly, Nippon Express Co., Ltd. suffered significant repercussions, such as being required to withdraw from those operations and being suspended from entering competitive government bidding processes. To prevent such errors from recurring in the future, Nippon Express Co., Ltd. has strengthened its structures and is committed to properly managing the waste generated by the Company through means such as establishing a system and conducting training for all employees. There were no major leaks in FY2021.

Reducing and Properly Managing Waste



● Release Amounts Subject to Notification Under the PRTR Act

Although none of Nippon Express' business locations are required to submit notifications under the Act on Confirmation, etc., of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (the "PRTR Act"), business sites that handle chemical substances subject to the Act are listed on the environment data page.

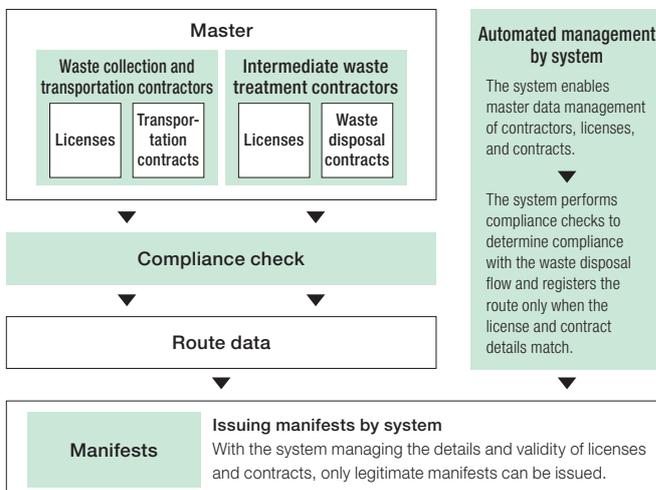
● ECO-TOWMAS® Waste Management Manifest System (Registered trademark)

Since October 2014, Nippon Express Co., Ltd. has been employing the ECO-TOWMAS® Waste Management Manifest System to properly manage industrial waste generated by the Company.

When the Company's business locations dispose of industrial waste, ECO-TOWMAS® automatically performs compliance checks to determine whether the disposal is being properly outsourced by comparing the information entered at the locations with the license and contract details of the company to whom disposal is to be entrusted. If ECO-TOWMAS® determines that there is a lack of compliance, the system will not issue manifests.

ECO-TOWMAS® also supports electronic manifests. After the Company transitioned to electronic manifests, the use rate of electronic manifest routes reached 99.1% and the issue rate of electronic manifests was 94.4% as of December 2021.

Waste Management Manifest System



Environmentally Friendly Products Activities and Achievements

The NIPPON EXPRESS GROUP makes active use of reusable materials (packing materials that can be used repeatedly) in its moving services, thereby achieving environmentally friendly removals operations. Using its own original reusable tableware trunks, Nippon Express Co., Ltd. can transport tableware by simply placing it inside the cushioned trunks. This results in no newspaper or cardboard boxes being used, reducing waste when moving. Furthermore, the reusable tableware trunks enable rapid moving and have a good reputation among customers.



Reusable protection material for moving operations (tableware trunk)

NX Shoji Co., Ltd. is actively engaged in the proposal and delivery to all Group companies of environmentally-conscious returnable materials and environmental goods using raw materials such as biomass composites and biodegradable plastic. In FY2022, there has been a significant increase of 128% year-on-year in the total amount of reusable protection materials delivered for moving operations.



Reusable protection materials for moving operations with updated logo (pad)

Protect Terrestrial and Marine Ecosystems

Preventing Alien Species from Crossing Habitat Boundaries

Organizations and Systems

Nippon Express Co., Ltd. makes the utmost efforts to prevent the unexpected transportation of alien species that threaten ecosystems, human lives, agriculture, forestry and fisheries.

Each business location of Nippon Express Co., Ltd. takes extra care to keep out invasive alien species such as fire ants based on information provided by the Ministry of the Environment, the Ministry of Land, Infrastructure, Transport and Tourism, and local governments. However, if alien species are detected, Nippon Express Co.,

Ltd. cooperates with the relevant locations and shipping customers in immediately exterminating the alien species and handles the fumigation of the containers.

In case an invasive alien species poses a hazard, Nippon Express Co., Ltd. establishes packing-unpacking procedures specific to the shippers and regions concerned. Whenever such an alien species has been found, work processes will be immediately stopped and appropriate measures, such as extermination, will be taken.

Conservation of Marine Ecosystems

Organizations and Systems

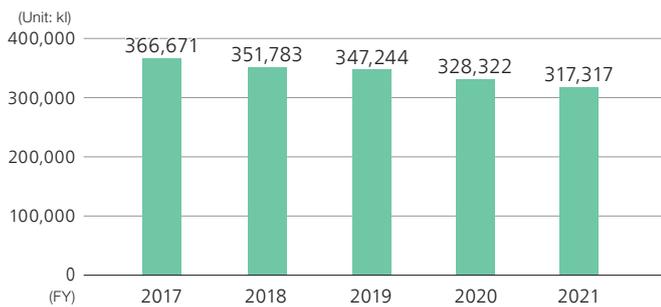
For the conservation of marine ecosystems, Nippon Express Co., Ltd. tries to reduce emissions of contaminated water, waste, ballast water and other pollutants from its ships into the sea. Himawari 8, one of our ships, is equipped with a marine instrument from an incorporated nonprofit organization, VOS Nippon, to provide

salinity, temperature and pH measurements of the water along the coasts of Japan. The data is used to make forecasts of meteorological, hydrographic and fishing conditions and for research on ocean currents, biological environments and other phenomena in coastal waters.

Environmental Data

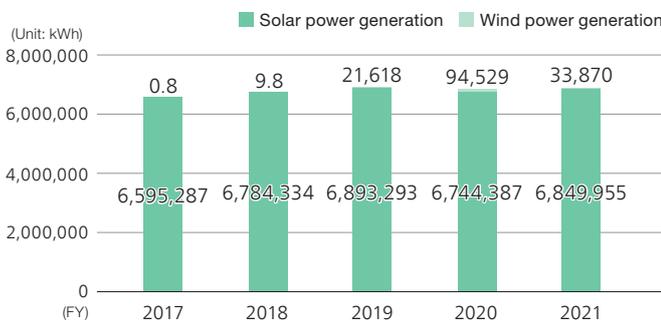
Unless otherwise stated, environmental data results are listed for April to March (of the following year) until FY2020 and for January to December for FY2021.

Energy consumption in NIPPON EXPRESS GROUP (crude oil equivalent)



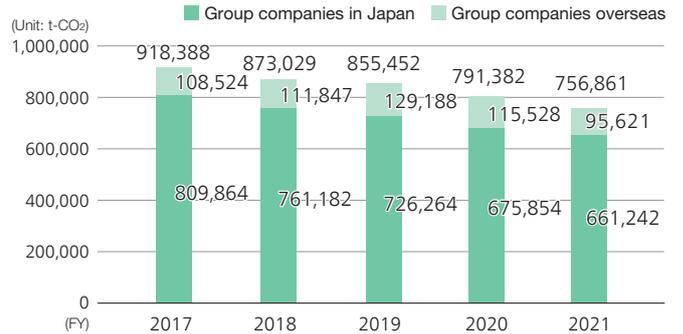
*1 The data shown here aggregate the energy consumption by Nippon Express Co., Ltd. and its consolidated companies in Japan and overseas (equivalent to Scope 1 and 2).
*2 For natural gas, 13A city gas (heat value of 45 GJ/thousand cubic meters) applies.

Power generated from renewable energy resources (FY2020: Group companies in Japan)

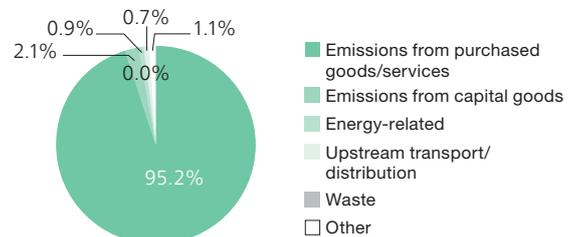


*3 Renewable power generation, electricity used in-house and electricity sold are not included in the NIPPON EXPRESS GROUP energy use.

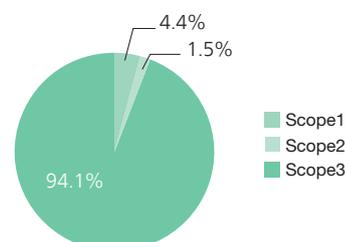
CO₂ emissions (Scope 1 and 2)



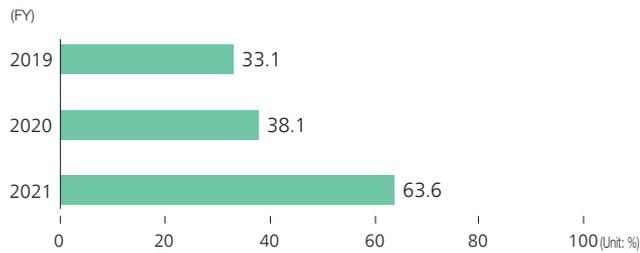
Component ratio for Scope 3 (NIPPON EXPRESS GROUP)



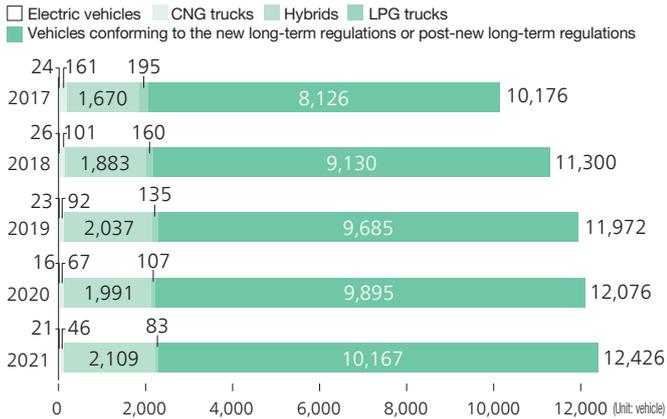
GHG emissions across all supply chains (NIPPON EXPRESS GROUP)



LED lighting for facilities (Nippon Express Co., Ltd. bases)

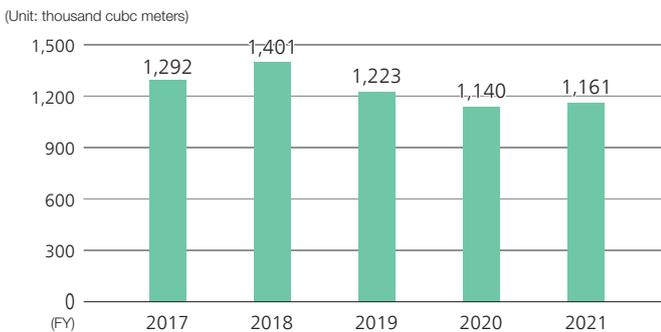


Number of eco-friendly vehicles owned (Group companies in Japan)



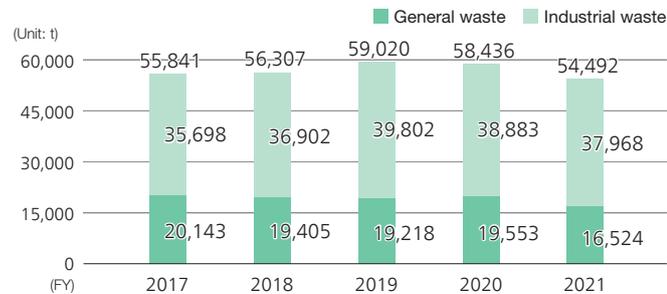
* Figures represent the number of vehicles owned as of March 31 of each year through FY2020. Figures for FY2021 are as of December 31, 2021.
 * Calculated based on number of vehicles registered on the Operation Support System.

Water usage



*5 Data for Nippon Express Co., Ltd. on a non-consolidated basis until FY 2017, and for the domestic Group total from FY 2018 onward

Waste volume (Group companies in Japan)



PRTR-related emissions of reportable substances

(April 2021 to March 2022: Nippon Express Co., Ltd.)

Business segment	Number of offices	Total amount of substances handled (kg/year)	Main substance name	Main use
Targeted business category but amount handled is below the threshold subject to notification	7	193	Fenitrothion	Insecticide and insect control in warehouses
Not reportable business category but office uses reportable substance	16	7,703	Methyl bromide	Fumigation work in operations incidental to import customs clearance

Fluorocarbon Management Act (April 2021 to March 2022: Nippon Express Co., Ltd.) (Act on Rational Use and Appropriate Management of Fluorocarbons)

Class	Applicable equipment (number of systems)
Class I specified products	9,698

Types of fluorocarbon	Actual leakage amount (kg)	Calculated leakage amount (t-CO ₂)
R410A	9	19
R22	100	181
Total	-	200

● Third-party Verification of CO₂ Emissions Data

Nippon Express Co., Ltd. commissioned SGS Japan Inc. to conduct third-party verification of CO₂ emissions data (CO₂ emissions from fossil fuel use in Japan) for FY2020 based on ISO 14064-3:2006.

We are planning to obtain third-party verification also on CO₂ emissions data for FY2021.

We will ensure accuracy and reliability by receiving verification from a third party and will continue to work on further reducing CO₂ emissions.

Please see our website for details of the Third Party Verification Report.
https://www.nipponexpress.com/pdf/about/sustainability/environment/co2_emission.pdf

SOCIAL

Management Approach

Respect the human rights of all stakeholders in our corporate activities and fill our workplaces with smiles

We respect human rights and occupational health throughout our supply chains and remain aware of our social and public missions in an effort to make society safe and secure for everyone.



Main Sustainability Issues

- Building a Sustainable and Resilient Logistics Infrastructure
- Respecting Human Rights in the Supply Chain
- Job Creation
- Improving Employee Engagement
- Pursuing Business Digitalization and DX

Description in the Sustainability Data Book

- Ensure robust respect for human rights in our supply chains
- Secure occupational health
- Create job satisfaction in the workplace
- Train human resources who can work globally
- Promote diversity and inclusion
- Promote work style innovation
- Strengthen global partnerships
- Contribute to sustainable and tough infrastructure development
- Contribute to society through our business operations

The NIPPON EXPRESS GROUP's Approach

- Use the Nittsu Safety & Health Management System (NSM) to thoroughly inform all staff members of the importance of health and safety
- Provide guidance and education on health
- Encourage respect for human rights in our procurement practices
- Promote human resources management to achieve employee success and growth
- Promote value creation for customers and society and solutions to social issues through innovation
- Resolve community-based issues and contribute to social development

Management Indicators

	Target	Percentage of staff members scheduled to assume managerial-level roles who undergo training on human rights	100%
	Result	Percentage of staff members scheduled to assume managerial-level roles who underwent the training in FY 2021	100%
	Target	Annual paid leave utilization rate by 2023	60% or more
	Result	FY2021: Annual paid leave utilization rate	51.5%

* Nippon Express Co., Ltd., non-consolidated target. The initial target of doubling the FY2017 annual paid leave utilization rate has been upwardly adjusted.

Respect for Human Rights

Ensure Robust Respect for Human Rights in the Supply Chains

Our View on Respect for Human Rights in Our Supply Chains

Policies and Targets

In the NIPPON EXPRESS GROUP Charter of Conduct, which stipulates the ideals for daily activities and presents specific directions for conduct, the NIPPON EXPRESS GROUP explicitly declares that it will respect human rights in its business activities; will not engage in discriminatory treatment or other conduct that violates human rights; and will reject child labor and forced labor. The NIPPON EXPRESS GROUP Compliance Regulations also include respect for human rights and dignity.

We are committed to the achievement of supply chains that respects the human rights of all stakeholders.

We take the perspective of social responsibility in selecting business partners and procuring materials and services in pursuit of business activities to contribute to the international community and the global environment.

Compliance Promotion Across Our Supply Chains

Organizations and Systems

With the transition to a holding company structure in January 2022, we enacted the NIPPON EXPRESS GROUP Compliance Regulations and, based on guidelines and training materials, we are working to strengthen our compliance training and education system, including respect for human rights, and to create workplaces that mutually understand and respect the diversity of races, nationalities, cultures, and genders in the NIPPON EXPRESS GROUP.

With regard to child labor, Nippon Express Co., Ltd. uses part-timer management systems to prevent the registration of 15-year-old or younger workers. In terms of forced labor (long working hours), we use our attendance management system to control overtime work. By doing so, we keep up-to-date on risk. In addition to risk management to prevent child labor and forced labor, we select our suppliers based

on our own criteria when starting business with new companies.

Before signing a contract, we conduct a check based on the External Work Capability Evaluation Standards to check the systems related to the Labor Standards Act (working hours, holidays, etc.) and operation management (prevention of overwork of crew members, safety assurance, etc.), and conclude a basic contract after determining that there is no risk to the Company by using the subcontractor. The contract includes provisions on environmental laws and regulations (Article 2.5), education (Article 4), and the exclusion of antisocial forces (Article 21) to ensure that we do not place orders that would violate the Subcontract Act.

After the start of transactions, we work with our suppliers to ensure security in our supply chains.

Education on Human Rights Activities and Achievements

Activities and Achievements

We distribute copies of the Compliance Handbook (in Japanese, English and Chinese) to staff members of NIPPON EXPRESS GROUP companies in Japan and overseas. The Handbook makes clear that we prohibit the use of child labor and forced labor, prohibit transactions with companies that use such labor, and prohibit

acts that violate the human rights of others and cause mental anguish through discrimination and harassment based on race, nationality, culture, or gender. The abovementioned prohibitions are thoroughly emphasized in our staff training.

There were no cases of human rights violations in FY2021.

Compliance education via e-learning (harassment prevention course)

Number of participants	18,223
Based on business locations	About 9,112 hours

For Nippon Express Co., Ltd. salespersons and administrative staff members

Antidiscrimination education

	Nippon Express Co., Ltd., non-consolidated
Method of implementation	Video viewing
Duration of training workshops	24 minutes per person
Number of participants	781 (781 non-managerial level attendees)

Compliance education using our "Compliance Handbook" and other materials

Number of participants	63,976
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For all NIPPON EXPRESS GROUP employees in Japan

Participation in other antidiscrimination workshops and lectures organized by public offices

	Nippon Express Co., Ltd., non-consolidated
Number of training sessions	22 sessions
Total length of time spent by our staff members in attending the workshops	43 hours and 5 minutes
Number of attendees	48 (16 managerial-level attendees 32 non-managerial level attendee)

Secure Occupational Health

Every fiscal year, Nippon Express Co., Ltd. formulates a Safety & Health Management Policy applicable to all companies in the Group based on the previous fiscal year's safety and health record and the results of Group efforts.

FY2022 Safety & Health Management Policy

The NIPPON EXPRESS GROUP Health Philosophy

"Create healthy workplaces full of smiles"

● Health Management Policy

Target [Company-wide Target]

10% or greater improvement year-on-year in obesity prevalence rate and smoking rate

Overall health risk score: 100 or less*

* Score of workplace (group) analysis by stress check

[Individual Target]

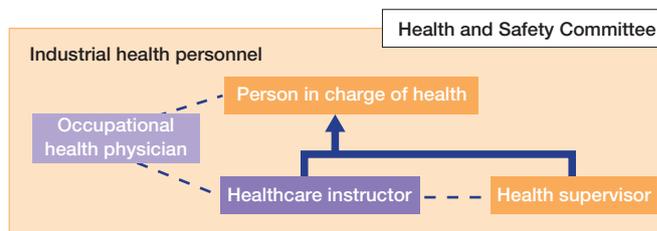
Zero occurrence of long-term absences due to illness

Health Management System

Organizations and Systems

Nippon Express Co., Ltd. is striving to protect the health of employees in conjunction with industrial health staff by deploying comprehensive health and safety managers at each branch.

Branch general manager (comprehensive health and safety manager)



Mental Health Care

Organizations and Systems

The early detection of mental health problems in the workplace and the prevention of absences from work require each staff member to have appropriate knowledge of mental health care and to suitably cooperate with medical specialists. Based on this, Nippon Express Co., Ltd. encourages the four types of care listed below.

● Self-care

We promote self-care measures by providing staff members with information about maintaining their mental health six times a year. In collaboration with the Nippon Express Worker's Union and the NIPPON EXPRESS GROUP Health Insurance Association, we create and issue "Just Between You and Me," a pamphlet for distribution to all staff members, in an effort to ensure that any mental health problems among staff members, their family members and their colleagues are addressed at an early stage.

● Management Awareness Training

We organize line care training sessions such as level-based training for newly promoted managers. We also endeavor to improve our workplaces based on the results of group analyses of stress checks and organizational diagnoses.

● Care by In-house Health Care Staff

We have posted around 170 Healthcare Instructors nationwide, consisting of qualified public health nurses and other nurses, and established a mental health consulting system. Healthcare Instructors undergo specialist training in psychological counseling to improve their interview and counseling skills as they provide staff members with mental health care. We also invite instructors from outside the Company to give lectures.

● Care from Outside Experts and Institutions

We have established Home Doctor 24, an outside consultation service, and assigned specialized staff to support our employees and their family members so that they can feel at ease sharing their physical and/or mental concerns.

● A Company-wide Program for Supporting Absent Staff Members' Rehabilitation and Return to Work

Nippon Express Co., Ltd. has established a program that is designed to support employees who are on a leave of absence to undergo treatment for mental health problems. Health care instructors appointed at the branch level, primary physicians, physicians under Company contract and workplaces make concerted efforts to support staff members with mental health problems at each stage of their absence so that their return to work can be facilitated.

Visualizing Health Management

Activities and Achievements

As part of the health collaboration with the NIPPON EXPRESS GROUP Health Insurance Association, Nippon Express Co., Ltd. tries to keep its staff members healthy through WellsPort Navi, a health support service accessible via a smartphone or a computer.

WellsPort Navi allows the user to view changes in checkup data as charts and

graphs to easily manage health in accordance with vital records on meals, blood pressure, weight, abdominal girth and step count. We also send health-related e-mail newsletters that aim to improve the recipient's lifestyle. We have been providing multifaceted support for staff members' efforts to stay healthy, as part of which we organized group walking events using WellsPort Navi in June and October 2021.

Measures Against Lifestyle-related Diseases Activities and Achievements

In order to prevent lifestyle-related diseases among employees, we conducted a no-smoking campaign in May and October 2021 as a collaborative health program with the NIPPON EXPRESS GROUP Health Insurance Association. We encourage

our employees to become healthier by proactively informing them that they can receive subsidies for the cost of smoking cessation visits to hospitals and smoking cessation applications.

2022 Health and Productivity Management Brand (Large Enterprises) Activities and Achievements

Nippon Express Co., Ltd. was selected for 2022 Health and Productivity Management Brand (Large Enterprises) certification by the Nippon Kenko Kaigi after the Company's results in FY2020 to FY2021 were highly regarded in an inspection by a certification board.



A Workplace That Supports Sustainable Growth

Create Job Satisfaction in the Workplace

Human Resources Principles Policies and Targets

The three principles at right define the basic philosophy of human resources system of Nippon Express Co., Ltd.

Respect for the individual	Treat each employee as an individual with emotions and intentions, not simply as part of the workforce.
Performance-based culture	Our personnel affairs shall place importance on skills and be based on verifiable results.
Importance of on-site operations	Ensure that skilled human resources are assigned to on-site operational departments.

Human Resources Management Organizations and Systems

In October 2018, Nippon Express Co., Ltd. introduced a talent management system for accumulating and utilizing information about staff members. By supporting proposals on issues such as the placement of human resources and education

opportunities, the company pursues human resources management to enable all staff members to pursue their careers to higher levels and continue to improve.

Improving Employee Engagement Activities and Achievements

Nippon Express Co., Ltd. has implemented an internal awareness survey* toward improving employee satisfaction as a first step to improving engagement with the aim of being a "company where the employees have a sense of happiness" as stated in the Business Plan. As a result, internal feedback was provided on the material issues presented, working groups were set up, and action is being taken

to resolve the issues. This will be implemented continuously from now on, and after the Company undergoes change over time and comparisons and analyses against other companies are made, there will be a PDCA cycle that leads to improved employee satisfaction and improved engagement.

* Survey target: All employees (42,040); Response rate: 72.9%

Train Human Resources Who Can Work Globally

View on Human Resources Development

Policies and Targets

In accordance with our Education & Training Policy, the NIPPON EXPRESS GROUP is committed to the education and training of staff members in many different forms with the aim of enabling them to contribute to the achievement of our Corporate Strategy. The biggest goal set forth in the policy is to produce “autonomous human resources” who are capable of thinking and acting on their own.

In order to develop global human resources, we are dispatching more than 30 employees each year as overseas business trainees to acquire local knowledge of international freight operations and improve their ability to deal with different cultures.

Education Policy (2019-2023)

1. Promote proactive growth of employees and foster human resources through learning
2. Diversify learning and create an environment where employees can learn when they want to learn
3. Communicate with NIPPON EXPRESS GROUP companies and strengthen “collaboration” in learning

NIPPON EXPRESS GROUP University

Organizations and Systems

In 2010, the NIPPON EXPRESS GROUP established Nittsu Group University (now NIPPON EXPRESS GROUP University (an internal organization)) to train human resources to be capable of leading the logistics industry. The Nittsu Group University unifies the Company's educational programs and reviews its educational activities annually on the basis of our Education Policy in an effort to facilitate staff members' acquisition and improvement of knowledge and skills.

The main training facilities are NX-TEC Shibaura (Shibaura Campus), a facility for classroom and discussion-based management training and online training, and

NX-TEC Izu (Izu Campus), where truck drivers, forklift operators, and others receive technical skills training.

To foster attitudes and workplace climates for independent learning and growth, we also provide staff members with a distance learning program titled “NIPPON EXPRESS GROUP Door to Self-development.” Combining the NIPPON EXPRESS GROUP's knowledge and skills in linguistics, leadership, general knowledge and many other different areas will help the Group to develop the human resources needed to take on the challenge of creating new value.

Leader Development Training

Organizations and Systems

Based on the FY2021 education plan, NIPPON EXPRESS GROUP University conducted Leader Development Training using online tools for 20 employees selected from among employees around the age of 30. Nine meetings and three seminars were held from June 2021 to December 2021, with the main goal of developing management professionals for 2037 who have acquired fundamental prob-

lem-solving skills that enable them to more deeply rethink the nature of problems and find solutions for root causes.

In FY2022, we will conduct leader development training at the general, administrative, and management levels, aiming to create a system with continuity for the development of the next generation of leaders.

Overseas Business Trainee System

Organizations and Systems

In 1958, Nippon Express Co., Ltd. dispatched employees overseas for the first time. In 1964, we launched an overseas business training system for developing

our future overseas representatives. More than 2,000 trainees have been sent overseas to date.

Education & Training Performance

Activities and Achievements

Carrying on from the previous fiscal year, Nippon Express Co., Ltd. conducted training in FY2021 primarily through remote training using online tools. A total of 126 classes were held by NIPPON EXPRESS GROUP University, with 3,641 participants. Of these classes, training linked to the personnel system was held 74 times, with a total of 2,443 participants.

As an initiative of our human resources development organizations to strengthen the profitability of the logistics business and enhance the functions of logistics solutions, a number of training programs were also conducted with the goal of

giving participants the ability to design operations and build systems for improving logistics.

For Career Training designed to support staff members' career goals, we added more training opportunities for staff members in career-track positions and those with area-based roles. The aim is to provide training programs to many staff members by dividing opportunities into different age groups irrespective of positions and job ranks.

Promote Diversity and Inclusion

Our View on Diversity and Inclusion Policies and Targets

Policies and Targets

The NIPPON EXPRESS GROUP is striving to have employees and the Company grow together by creating an environment in which all employees based on their own values and thoughts can demonstrate their ability to the fullest with a sense of value and pride in their work while feeling happy and being actively engaged.

To this end, the NIPPON EXPRESS GROUP Diversity Promotion Plan has been newly formulated and, building on the pillars of diversity, improved working styles, and workstyle innovations, we are implementing a cycle of four reforms - mindset reform, corporate climate reform, workstyle reform and behavioral reform - while working toward the realization of the Business Plan.

NIPPON EXPRESS GROUP Basic Policy on Diversity Promotion

By promoting diversity, and creating an environment where all employees respect each other's diversity and maximize the power of each employee, we will realize "self-growth and self-fulfillment for employees" and the "sustainable growth and improvement of corporate value of the NIPPON EXPRESS GROUP."

◆ Respect for Diversity

There shall be mutual respect regardless of age, gender, sexual orientation, gender identity, nationality or disability.

Diversity Promotion Cycle



Implementation System

Organizations and Systems

To promote diversity management, Nippon Express Co., Ltd. has established a system for cooperation between the Human Resources Strategy Division's Diversity Promotion Group in the Head Office and diversity officers in each region and business office.

Diversity is to be promoted not only through Company-wide initiatives but also through pro-active and timely initiatives undertaken by individual employees acting with a sense of ownership.

The Company's main initiatives are as follows.

● e-learning

We have been implementing e-learning continuously to promote diversity and flexible work styles throughout the Company. In FY2021, we conducted basic awareness training on LGBTQ issues and on remote work to help participants learn to understand and accept a diversity of employees and to utilize specific methods of communication tailored to remote work.

● Managerial-level Personnel Training

Diversity management training for managerial-level personnel was implemented with the objectives of giving participants the required knowledge and skills in connection to diversity management, including diversity management approaches that encourage diverse members to acknowledge their respective differences and turn this diversity into an organizational strength as well as recognition of the impact of unconscious bias on people and organizations. (Held 5 times in FY2021 with 630 attendees)

● Improve Female Staff Members' Career Ambitions and Strengthen Their Networking

Training was implemented in each region and business office for area-based female staff (assistant manager-level) in core roles in their workplaces, aimed at resolving issues in team management, forming career visions and providing network construction support. The training featured group work with the theme of team building and a lively exchange of opinions regarding Company strengths and leadership from a female perspective through dialogues with a female outside director.

We are also supporting the improvement of their career ambitions and the creation of networking opportunities through various systems and diversity-related managerial plans as well as mutual communication among members. (Held 5 times in FY2021 with 130 attendees)

● Encouragement for Male Employees to Take Childcare Leave

The promotion of childcare leave programs among male employees is positioned as an important initiative for the Company as it helps realize a working environment where anyone can work comfortably and further promotes female employment, and it is also being strengthened from an institutional perspective, for example, with the new establishment of a new childcare support fund.

For two years, 2020 and 2021, childcare leave among male employees was recommended as an initiative during the Diversity Promotion Period, leading to a steady increase in the rate of male employees taking childcare leave.

Results of promoting taking childcare leave among male employees

FY	Rate of male employees taking childcare leave
2019	3.3%
2020	12.0%
2021	19.2%

* FY2021 results are for the period of January to December 2021



Awareness-Raising Activities Activities and Achievements

To strongly encourage diversity on an organization-wide basis, Nippon Express Co., Ltd. compiles and provides diversity declarations from all branch managers to staff members via the Diversity Promotion Group portal site and other media. Branch managers exercise their individuality and clarify their visions and attitudes on encouraging diversity to boost the momentum toward greater diversity and urge staff members to reform their mindset and behavior.



Diversity Promotion Group portal site

Employing Foreign Students Full-time Activities and Achievements

For a Japanese company to achieve growth in global business operations, it cannot scrimp on training human resources that can function as a bridge between Japan and the rest of the world.

In parallel with its efforts to train local staff, Nippon Express Co., Ltd. hires foreign

students under an employment system designed to maximize their aptitudes and broaden the scope of their activities. We have high hopes that these foreign employees will serve as a driving force in fusing diverse values to create new business domains, in addition to augmenting the operations of our overseas business locations.

Employment of Persons with Disabilities Activities and Achievements

To encourage the employment of persons with disabilities, the NIPPON EXPRESS GROUP is increasing its job categories throughout its network in Japan. NX Heartful Co., Ltd., a special subsidiary company* that employs persons with disabilities, makes business cards and other printed materials and provides internal mail services within the NIPPON EXPRESS GROUP Building. The subsidiary is also actively

engaged in business support services that involve dispatching persons with disabilities to Nippon Express Co., Ltd. offices in the Tokyo area according to their aptitudes.

* Special subsidiary company: a company whose operators give special consideration to employing persons with disabilities with the aim of encouraging and stabilizing employment of the disabled

Promote Workstyle Innovation

Our View on Workstyle Innovation Policies and Targets

Allowing a staff member to proudly and energetically assume a leading role requires enhancing his/her lifestyle as well as work. Achieving workstyle innovation is indispensable for the growth of the NIPPON EXPRESS GROUP's operations, and enhancing both the private lives and work of our staff members will also generate a multiplier effect and ensure that our staff members lead wholesome lives.

Nippon Express Co., Ltd. is working to expand the deployment and penetration of open offices and remote work that is suited to the new normal in order to accelerate diverse and flexible work style reforms.

Initiatives for behavioral change are also being implemented throughout the Company, including allowing employees to wear whatever they want (NX-BIZ) and referring to employees as "san," with the aims of welcoming challenges and making a shift toward an organizational climate that creates opportunities for communication and that facilitates the expression of individuality.

MINDS, a Workstyle Reform Community Policies and Targets

Since February 2020, Nippon Express Co., Ltd. has participated in a community promoting workstyle reform consisting of millennials working in 10 companies from different industries, such as manufacturing, finance, transportation, food and IT. The NIPPON EXPRESS GROUP concurs with MINDS' mission of "creating a society where all individuals can be themselves at work," and its vision of "going beyond

industrial and corporate borders to spread diverse workstyles throughout Japanese society starting with millennials." We are also involved in verifying and recommending the creation of human resources and job types capable of adapting to an accelerating AI age. In this way, we will contribute to spreading diverse workstyles throughout Japanese society.

Helping Employees Balance Child/Nursing Care and Work Policies and Targets

Nippon Express Co., Ltd. helps employees balance child/nursing care and work with the aim of assisting human resources from a variety of backgrounds to pursue their careers and keep them from having to quit their job against their will to take care of a child or an ailing family member.

To enable employees to fulfill their work responsibilities even when they find it difficult to commute to work due to child/nursing care or other such obligations, we are enhancing remote work systems while also helping individuals to continue their careers.

Given that the number of employees facing nursing care responsibilities is expected to increase sharply in future, we use educational programs and materials

to convey accurate information about nursing care and the importance of work-life balance, endeavoring to create a workplace climate where colleagues can recognize and respect each other's circumstances.



Nippon Express Co., Ltd. was certified as a child care support company in the fourth General Employer Action Plan formulated in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, and has maintained this level of certification.

Supporting Childcare Leave Takers Activities and Achievements

Nippon Express Co., Ltd. holds seminars for employees who are on childcare leave. The purpose of the program is to ease anxiety about achieving a balance between work and childcare, and to learn concrete measures to build an environment

that enables autonomous action and a balance between work and childcare, thereby achieving a smooth return to work and improving attitudes toward work after returning to regular employment.

Support Career Development with a View Toward Life Events Activities and Achievements

Nippon Express Co., Ltd. holds work-life design seminars for young employees regardless of gender who will face life events in the future so that they can balance life events and work and develop a long-term career vision with peace of mind. This helps them to learn the best approach to work and to acquire know-how

on maintaining a work-life balance through instruction from outside lecturers and roundtable discussions with senior colleagues (male and female) who are raising children and who serve as role models.

Work Style Reform Efforts Activities and Achievements

● Efforts to Eliminate Long Working Hours

The NIPPON EXPRESS GROUP is working to reduce overtime work because long working hours must not be allowed to damage the health of employees.

In order to reduce overtime work, it is important to increase productivity. To that end, Nippon Express Co., Ltd. is implementing flexible working styles, such as flexible working hours and remote work, while also promoting efficiency and labor-saving through the use of RPA and mechanization. In managing working hours, the use of a Company-wide work management system enables the Company to accurately ascertain the working hours of employees, including managerial-level employees.

● Promoting Use of Annual Paid Leave

The Company is promoting the use of paid leave throughout the Company toward achieving the target of the KPI stated in the NIPPON EXPRESS GROUP Business Plan 2023 ~"Dynamic Growth"~, namely, "for the use of annual paid leave in 2023 to be double that of FY2017." Specifically, initiatives have been promoted across the entire organization, including raising awareness that "taking leave is part of work" and "leave is for everyone" throughout the "Diversity Promotion Period," as have bottom-up activities in each branch. As a result, the ratio of use of paid leave reached 51.5%* and an upward revision of the target was made with the aim of further promoting the use of paid leave.

* Change to final values from the numbers used in the financial briefing session

● Promotion of Remote Work

With the aim of realizing a more flexible work style and improving productivity per hour, the Company changed its telecommuting system to a remote work system from November 2020, and all employees engaged in tasks that can be performed via remote work were allowed to work at home or at satellite offices to make effective use of commuting and travel time.

Efforts were also made to facilitate remote work by issuing "Remote Navigation!" guidelines and conducting remote work basic training via e-Learning.

● Ensuring Fair Working Conditions

From April 2019, the Company introduced an employee system and wage system oriented around the degree of contribution to work based on roles and duties. The working conditions of fixed-term employees who are engaged in the same duties as other full-time employees have been made equivalent, and fair working conditions have been established regardless of the form of employment to enable all employees to work in a more positive and proactive manner.

● Relationship with the Worker's Union Activities and Achievements

The Nippon Express Worker's Union boasts 29,179 members as of March 31, 2022. Leveraging the relationship of mutual trust they have built up over the years, Nippon Express Co., Ltd. and the Nippon Express Worker's Union are committed to working together toward their shared goals of growing the Company and improving its work environment, all the while respecting each other's positions and maintaining proper labor-management order.

In addition, based on the principles of "Safety takes precedence over everything else" and "Create healthy workplaces full of smiles", the Company has set up health and safety and other issue-based technical committees comprising experts representing labor and management toward the realization of a rewarding and disciplined workplace environment, and is cooperating and investigating current conditions and future initiatives.



Remote Navigation! Guidelines

Employee Data

		FY2019	FY2020	FY2021 ⁶	
Employees ^{*1}	Men	28,500	28,647	28,752	
	Women	5,949	6,119	6,501	
Employees by age ^{*1}	Under age 30	-	4,786	4,843	
	Age 30 to age 50	-	16,383	17,032	
	Above age 50	-	13,597	13,378	
Employees by employment status ^{*2}	Full-time employees	31,943	32,795	33,664	
	Non-full-time employees	2,506	1,971	1,589	
Employees hired New graduates ^{*3}	Men	3,452	1,043	920	
	Women	1,745	666	671	
Employees hired Experienced employees hired ^{*3}	Men	10	13	6	
	Women	5	4	2	
Percentage of women among hires (new graduates and experienced hires)	-	33.6%	38.8%	42.1%	
Turnover ^{*1}	Men	704	1,180	882	
	Women	239	387	293	
Turnover rate ^{*4}	Within three years of joining the company	9.0%	8.1%	7.50%	
Average age ^{*3}	-	44.0	43.7	44.3	
Average years with the company ^{*3}	-	16.2	16.0	16.4	
Average days of paid leave taken ^{*3}	-	11.3	12.2	11.4	
Persons taking maternity leave	-	179	179	176	
Persons taking childcare leave	Men	22	65	103	
	Women	128	149	132	
Persons taking family care leave	-	10	8	8	
Employment rate of persons with disabilities ^{*5}	-	2.29%	2.28%	2.30%	
Number of persons with disabilities hired ^{*5}	-	8,859.5	8,936.0	9,295.5	
Total number of employees eligible to take childcare leave	Men	666	541	460	
	Women	125	143	149	
Percentage of employees who return to work after childcare leave	Men	100%	95%	100%	
	Women	96%	97%	97%	
Retention rate of employees who return to work after childcare leave	Men	100%	94%	88%	
	Women	88%	91%	91%	
Percentage of women with managerial positions	-	1.3%	1.5%	1.7%	
Percentage of female assistant managers	-	9.4%	11.3%	13.5%	
Performance and career development targets	General staff	Men	-	9,541	9,604
		Women	-	1,311	1,385
	Area-based staff	Men	-	16,626	17,323
		Women	-	3,728	4,492
	Temporary employees	Men	-	519	1,034
		Women	-	182	555

(Remarks) Nippon Express Co., Ltd. only

*1 Employees (general staff), employees (global), employees (area-based staff), employees (elderly), and temporary employees under direct contract

*2 "Non-full-time employees" are temporary employees under direct contract

*3 Employees (general staff), employees (global), employees (area-based staff), employees (elderly), and temporary employees under direct contract

*4 Employees (general staff)

*5 Figures based on the calculation method in the Levy and Grant System for Employing Persons with Disabilities

*6 FY2021 results are for the period of April to December

Innovation Based on Collaboration and Co-creation

Strengthen Global Partnerships

Our View on the Creation of Innovations Through Collaboration and Co-creation Policies and Targets

By taking measures such as proactive involvement in national policies for the formation of a safe society, the NIPPON EXPRESS GROUP uses advanced technologies in facilitating the automation, energy saving and streamlining of its logistics sites.

We pursue improvements in our productivity without compromising the advantages of sites optimized to suit our client companies. In addition, we pursue co-operation beyond organizational borders and strengthen cooperation among R&D

functions within the Group to facilitate trial use of advanced technologies with a view toward overall optimization.

Our mission is not only to accumulate and share knowledge obtained from the trial use of advanced technologies, but also to communicate the needs of the logistics industry to manufacturers and vendors and stimulate the development of new technologies.

Promote Open Innovation Activities and Achievements

Along with related departments/offices, we promote open innovation to create new business value by participating in various committees, subcommittees and matching programs and by exchanging opinions on the possibility of collaboration, with the aim of creating innovative services and business models through collaboration and information sharing with start-up companies.

We are investing in venture capital funds in three companies with the objectives of creating new businesses and strengthening existing businesses using expertise from outside the Company, including start-up enterprises. We are participating through investment in start-up eco-systems with the aim of co-creating start-ups that will contribute to the NIPPON EXPRESS GROUP's business.



Contribute to Sustainable and Tough Infrastructure Development

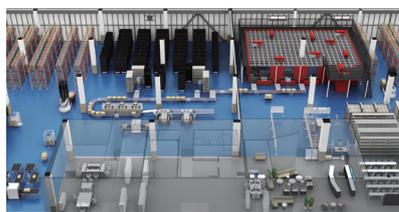
Creation of business models based on the latest technology Activities

We are committed to the creation of new logistics services to support future society through many different governmental working groups, including a business

model committee in a national project for automated truck operation.

Developing Cutting-Edge Logistics Technologies Activities and Achievements

At Nippon Express Co., Ltd., we are proactively engaged in the innovation of logistics sites based on advanced technologies using NX-Auto Logistics Facility (NX-ALFA), the Company's most advanced logistics facility, and we are considering the use of material handling equipment and cargo-handling robots to streamline operations and save manpower at our warehouses and distribution centers.



● Proof-of-Concept Testing of Drone Use

The Company is engaged in the drone business in order to use drones during emergencies and disasters and as a new mode of transport and, in the December 2021 proof-of-concept testing, we carried out the first nighttime operation in the domestic distribution industry based on the idea of transport during an actual disaster as well as take-offs and landings from operational trucks and from inclined surfaces.



Departure from a truck loading bay in operation



Nighttime operation

In order to establish integrated transportation among aircraft, trucks and drones with the idea of transporting medical supplies from remote areas, status management tests were implemented, including temperature control (cold/hot) using proprietary packing materials and positional tracking, which confirmed certain issues for verification and practical use.

● Efforts to Digitize Receiving and Shipment Inspections

We will promote digitization and improve the accuracy, labor saving, and efficiency of tasks by using smartphones equipped with image confirmation apps, ICT and cloud servers to perform receiving and shipment inspection tasks previously carried out in analog form.



● Supporting the Development of a Crawler-Type AGV

We support the development of a remote-controlled, crawler-type automatic guided vehicle (AGV), aiming to reduce driver workloads and ensure greater safety at work sites such as terminals where workers use different routes depending on the time of day.

A proof-of-concept test was conducted at the Company's NX-ALFA site in August 2021 in order to carry out a feasibility study on operability and effectiveness in actual work sites.

Providing Special Transport Services Activities and Achievements

Fine arts transport and heavy haulage and construction are among some of the NIPPON EXPRESS GROUP's transport services requiring specialized skills and a wealth of experience as well as special facilities and equipment.

We regard it as an important social responsibility to maintain and improve the quality of specialized transport services that the Group is uniquely qualified to provide, and we remain committed to this principle.

● Transporting Works of Art

The Fine Arts Business Division of Nippon Express Co., Ltd. transports articles for display at exhibitions held in Japan and overseas as well as transports and stores entire collections when art galleries and museums relocate. The numerous exhibits that come from overseas as well as treasures and Buddhist statuary from temples and shrines around Japan are all culturally/historically important, and many have been designated National Treasures or Important Cultural Properties. We work closely with relevant parties when transporting goods, paying particular attention to ensure that the value of goods being handled is not diminished in any way during transport.



● Transport of Heavy Equipment and Construction of Plant Facilities

The Heavy Haulage & Construction Business Division of Nippon Express Co., Ltd. is engaged in the transport of heavy equipment, installation operations and the construction of plant facilities. It plays a role in the construction and maintenance of major social infrastructure in Japan and overseas, including facilities relating to renewable energy such as wind power generation. These business operations are essential to society, ensuring a high level of compatibility between transporting and building, and adding real value to goods.

● Pharmaceutical Logistics

The Company offers pharmaceutical logistics based on GDP (Good Distribution Practices) for pharmaceuticals. In addition to strict quality control, we are developing a distribution platform dedicated to pharmaceuticals, including BCP (business continuity plan) compliance, joint logistics and round-trip use of vehicles. By promoting the acquisition of GDP certification at major forwarding sites and constructing a safe and reliable supply network globally, we are helping improve the value of pharmaceuticals and people's health through transport.

● New high-tech Pallets Using Expanded Polystyrene

Together with Toho Industries Co., Ltd., the NIPPON EXPRESS GROUP has developed the e-light pallet and e-light pallet PLUS, transport pallets using expanded polystyrene (EPS).

As these pallets have the lightness that is characteristic of EPS, they reduce the total weight of cargo and can be moved by hand, which means that a reduction in workload can be expected. In comparison to general plastic pallets that use petroleum-derived materials, EPS pallets can lower the use of petroleum derivatives by approximately 98% (manufacturer comparison), which enables a reduction in the gross amount of plastic used.

By employing distribution materials using these new materials, we are expanding the options available to resolve customer issues and offering distribution technologies and services that have a lower environmental impact.



Community Involvement

Contribute to Society Through Our Business Operations

Our View on Community Involvement Policies and Targets

The NIPPON EXPRESS GROUP's business activities rely on local social infrastructure such as roadways, railways, ports, and airports and are closely tied to the relevant communities and societies. Recognizing its social and public missions as a logistics

company, the NIPPON EXPRESS GROUP will communicate actively with local communities and engage in social action programs rooted in these communities.

Dispatching Personnel to Universities to Give Lectures for Endowed Courses Activities and Achievements

The Group has been dispatching personnel to give lectures to university students in courses organized by the Japan Association for Logistics and Transport for the purpose of developing human resources for the logistics and transport industry. Lectures on topics relating to logistics and environmental issues were given to share information on the logistics-related activities that the Group has been undertaking to address environmental issues such as global warming. Attended by 60

students from Yokohama National University, 170 from Tokyo Metropolitan University and 200 from Aoyama Gakuin University, the lectures helped the students to deepen their interest in and understanding of logistics, and offered opportunities for the Company to solicit frank opinions from young people.

The consensus of the attendees was that "we were able to again learn about the close connection between distribution and environmental issues."

Reforestation Activities in “NIPPON EXPRESS GROUP Forests”

Activities and Achievements

As a part of our environmental and social contribution activities and based on the concepts of enhancing the multifaceted functions of forests, contributing to local communities, and fostering environmental human resources, we systematically plant trees and clear undergrowth twice a year with the cooperation and guidance of local government offices and forestry cooperatives. To date, approximately 2,000 people have participated in these reforestation activities, planting more than 10,000 seedlings.

In FY2021, employee participation in activities was canceled due to measures to combat COVID-19. Nonetheless, the local management committee in Iide Town

was asked to conduct a survey on the growth of the trees planted and, in Nichinan Town, the Forest Union continued to look after the trees, all of which grew satisfactorily. We will continue our efforts to preserve the natural environment for future generations.



Contribute to World Peace Through Our Business Operations

Activities and Achievements

The Forwarding Business Unit of Nippon Express Co., Ltd. cooperates with local logistics companies on export/import customs clearance, deliveries and other logistics operations in the central African country of Cameroon. We handle vehicles, housing equipment, foodstuff and other materials and goods that are indispensable for the local people's everyday lives and their safety. Cameroon comprises a key logistics hub in Central Africa and much of the cargo going to and from Central

Africa will be aggregated there. By continuously offering reliable logistics quality for this key Central African transport hub, we contribute to world peace in terms of, for example, continued security and peace and the prevention of food crises in Central Africa. We have also been strengthening and expanding our global partnerships with local logistics companies.

Supporting Cultural Exchange and Social Contribution Activities

Activities and Achievements

● East Asia Region

Nippon Express (China) Co., Ltd. has started an industry-academia tie-up with the Shanghai Institute of Technology with the objective of training logistics personnel that contribute to society and specialist personnel in the railroad sector in particular. On September 14, 2021, a Transportation Friendship Scholarship signing ceremony and special course for students were conducted.

● South Asia and Oceania Region

On November 27, 2021, PT. NX Logistics Indonesia planted 1000 mangrove saplings with the objective of environmental conservation in conjunction with the Indonesia tree-planting ceremony.

On July 16, 2021, Nippon Express (India) Pvt. Ltd. and Nippon Express (South Asia & Oceania) Pte., Ltd. donated 70 oxygen enrichers to the Indian government, which were used in hospitals in New Delhi and other places suffering from the impact of COVID-19.

Social Contribution Activities Data

Community investment

	FY2021
Forest cultivation activities	390,000 yen
Donations	2,100,000 yen
Co-sponsorship	250,000 yen

* Investment expenses for the CSR Promotion Division (at the time)

Social contribution activities and achievements (FY2021)

	Total number of participants and dispatched personnel
Cleanup activities	8,934
Traffic safety campaign	223
Cooperation and participation in festivals	19
Blood donation	559
Dispatch of instructors to schools	30

* Other activities: donations, collection of PET bottle caps, community safety campaigns, etc.

Acceptance of company visits and work experience programs (FY2021)

	Total number of people
Company visits/Work experience programs	679

Number of students attending logistics-related lectures at schools (FY2021)

	Total number of people
Number of participants	1,488

GOVERNANCE

Management Approach

Build a management platform that supports improvements in sustainable corporate value



We consider establishing and maintaining a fair and efficient management structure while also ensuring the soundness and transparency of management to be one of the key management issues to be addressed in sustainably enhancing our corporate value.

Main Sustainability Issues

- Strengthening Governance
- Strengthening Risk Management
- Improving Quality and Creating New Value

Management Indicators

	Target	Attendance at compliance education courses by the NIPPON EXPRESS GROUP companies in Japan	100%
	Result	FY2021:	98.5%

	Target	Compliance Manager Conferences in all NIPPON EXPRESS GROUP regions in Japan
	Result	FY2021: Held in all regions in Japan (174 participants)

	Target	Achieve annual quantitative targets of the Safety & Health Management Policy
	<small>* See page 27 for details on the Safety & Health Management Policy. * See page 29 for the results from FY2021. * Figures are indices of Nippon Express Co., Ltd. non-consolidated</small>	

Description in the Sustainability Data Book

- Promote fair business practices
- Implement robust anticorruption measures
- Ensure occupational and social safety
- Maintain Social Safety Involving Logistics
- Encourage global quality to meet expectations from customers and society
- Enhance corporate governance
- Personal Data Protection
- Risk management

The NIPPON EXPRESS GROUP's Approach

- Strengthen supervisory functions and implement effective operation by leveraging the Board of Directors, Audit & Supervisory Board and Compliance Committee
- Continue to provide compliance education programs to prevent anti-competitive behavior and bribery
- Spread and promote the use of the NX Speak Up, a whistleblowing system, among employees
- Use the Nittsu Safety & Health Management System (NSM) to thoroughly inform all staff members of the importance of health and safety
- Provide affiliates and subcontractors with guidance and education on safety

Sound Company Conduct

Promote Fair Business Practices

Compliance Management Structure Organizations and Systems

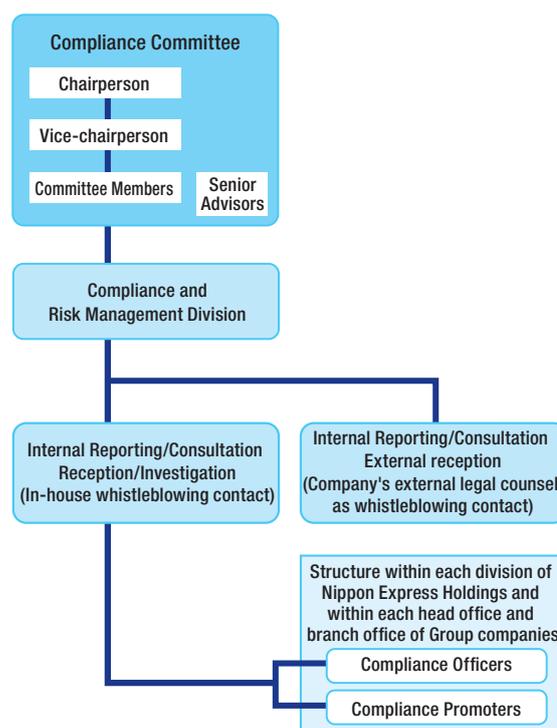
With the transition to a holding company structure in January 2022, Nippon Express Holdings, Inc. established a Compliance Promotion Group in the Compliance & Risk Management Division (formerly the CSR Promotion Division) and NIPPON EXPRESS GROUP Compliance Regulations to define a code of conduct for staff members. An NIPPON EXPRESS GROUP Compliance Committee headed by the President has also been set up. In addition, the NX Speak Up whistleblowing system has been put in place to facilitate self-correction, and to promptly detect and prevent violations of laws.

In pursuit of compliance management, the NIPPON EXPRESS GROUP takes measures to ensure honesty and fairness in its corporate activities.

NIPPON EXPRESS HOLDINGS, INC. Compliance Structure and Roles

	Compliance management system	Roles
Compliance Committee	<p>Chairperson: President</p> <p>Vice-chairperson: Chief Managing Officer of the Risk Management Headquarters</p> <p>Committee Members: Executive Vice President; Chief Managing Officer of the Global Business Headquarters; Chief Managing Officer of the Corporate Management Headquarters; Chief Managing Officer of the Corporate Strategy Headquarters; and other members as prescribed in the Regulations.</p> <p>Senior Advisors: Legal counsels, certified public accountants, tax accountants, and others (Some advisors will be summoned when necessary.)</p> <p>Secretariat: Compliance and Risk Management Division</p>	<p>The Committee consists of the chairperson, vice chairperson, committee members, senior advisors, observers, and secretariat and works to promote compliance for the whole Group.</p> <p>(Attendance by persons other than committee members)</p> <p>The Compliance Committee may, when necessary, ask persons other than committee members to attend the meeting to request their reports and opinions.</p>

NIPPON EXPRESS HOLDINGS, INC. Compliance Structure Chart



Compliance Training Activities and Achievements

The NIPPON EXPRESS GROUP distributes a Compliance Handbook (in Japanese, English, and Chinese) to all Group employees. The handbook summarizes specific examples of compliance and the Code of Conduct in an accessible manner. We use the handbook for employee training as it is an effective tool for promoting compliance management. In FY2021, we used the Compliance Handbook to train 63,976 employees in Japan.

For sales and administrative employees, Nippon Express Co., Ltd. conducts e-learning twice a year to prevent harassment, non-compliance and corruption. In FY2021, 36,092 employees participated in this training. We convene an annual conference for NIPPON EXPRESS GROUP compliance managers in Japan with

the aim of sharing information and exchanging opinions for ensuring and raising awareness of compliance.

Every month, the Compliance Promotion Group in the Compliance & Risk Management Division distributes a Compliance Newsletter and a Compliance Calendar to our workplaces. Besides sharing information about cases of compliance violations, the Compliance Newsletter helps readers to obtain more knowledge and raise their awareness about compliance. The Compliance Calendar presents some compliance slogans collected from staff members and is designed to spread compliance throughout the workforce via employee involvement and friendly content.

Compliance Awareness Survey Activities and Achievements

Every year, the NIPPON EXPRESS GROUP carries out a compliance awareness survey of all employees in Japan.

The survey results are shared with employees via reports and internal bulletins, and initiatives are carried out that lead to a greater awareness of compliance

among employees, workplace issues being raised and improvements being made. Using various meetings/conferences as opportunities, we are working to improve compliance awareness even further and to prevent misconduct, improper activities and harassment.

Implement Robust Anticorruption Measures

Instilling Compliance Awareness Activities and Achievements

The Compliance Handbook, which is distributed to all NIPPON EXPRESS GROUP employees as a training tool for employees, describes business entertainment, exchanges in the form of gifts or money, and the provision of favors to civil servants or persons in similar positions as unacceptable. In addition, the Handbook clearly bans accepting or providing gifts or money, or entertainment that is unacceptable according to normal social practices, or exceeds the boundaries of business practices in relationship with customers and external parties concerned. We are making every effort to reduce the risks by making sure all employees are thoroughly informed.

In February 2021, we established the Anti-bribery Regulations, which also cover overseas NIPPON EXPRESS GROUP companies, and created guidelines and training materials to improve our systems and employee education.

Anti-bribery videos are also posted on the NIPPON EXPRESS GROUP intranet (in Japanese, English and Chinese) for use as training materials.



Compliance Handbook (for April 2022 onward)

Compliance Violations Activities and Achievements

In FY2021, there were no cases of legal action due to anticompetitive conduct, violations of antitrust laws, or violations of the Antimonopoly Act. We were not subject to serious fines or other punitive measures due to violations of environmental

laws and regulations, nor did we receive specific complaints concerning infringements of customer privacy.

Ensure Occupational and Social Safety

Safety & Health Management Policy Policies and Targets

Every fiscal year, Nippon Express Co., Ltd. formulates a Safety & Health Management Policy applicable to all companies in the Group based on the previous fiscal year's safety and health record and the results of Group efforts.

● Commitment to Safety

Nippon Express Co., Ltd. has composed a Commitment to Safety to raise and extend safety awareness at all Group companies. The Commitment to Safety expresses a strong commitment to prevent accidents and disasters, and the NIPPON EXPRESS GROUP undertakes a number of efforts to put this Commitment into regular practice.

FY2022 Safety & Health Management Policy

NIPPON EXPRESS GROUP Safety Philosophy

"Safety takes precedence over everything else."

● Safety Management Policy

Target [Company-wide Target]

Reduce serious accidents and disasters to zero.
30% or more improvement in traffic accidents and occupational accidents compared to the same period of the previous year

[Individual Target]

Reduce day-to-day accidents and disasters to zero in all workplaces.

Commitment to Safety

- We will abide by all applicable laws and rules and prioritize safety above all else.
- We will never forget past accidents and always learn from them.
- We will undertake daily risk prevention activities.
- We will improve our expertise in order to conduct safer operations.
- We will remain conscious of safety and endeavor to prevent accidents.

Nittsu Safety & Health Management System (NSM) Organizations and Systems

In April 2010, after a thorough review of the existing safety and health management program, Nippon Express Co., Ltd. introduced the Nittsu Safety & Health Management System (NSM) built upon three programs in pursuit of a more reliable system for safety and health management.

The first program is "Open Communication in the Workplace" for effectively disseminating corporate policy and strategic direction from the top management to

our front-line colleagues. The second program, "Challenge Circles (CC)," involves small group discussions on addressing problems in workplaces and ensuring safety. The third program is health and safety training/education for supervisors and managers.

NSM makes the three programs continuously function in a PDCA (plan, do, check and act) cycle, thus improving workplace environments.

Safety Measures Taken by Subcontractors

Activities and Achievements

Subcontractor companies are independent corporations but they need to implement safety measures on par with those implemented by the NIPPON EXPRESS GROUP. At Nippon Express Co., Ltd., safety council meetings with affiliates and

subcontractors are held biannually at each branch office to discuss safety and quality only. The meetings are carefully designed to ensure the provision of safe and secure transport services to customers.

Guiding and Educating Site Workers

Organizations and Systems

Nippon Express Co., Ltd. focuses on safety education and training for truck drivers and forklift operators in order to prevent workplace accidents.

Nippon Express Co., Ltd. has established a proficiency examination system to certify staff members' knowledge and skills and determine whether they have learned proper driving etiquette and can operate vehicles safely in the manner expected of every staff member of the NIPPON EXPRESS GROUP. Only after they complete this in-house training and testing can they assume driving duties.

As our frontline worksite management changes, supervisors and team leaders lead by formulating instructional and educational plans to completely eliminate accidents and disasters. They also become involved in educating colleagues about safety, for example, by instilling basic behavior and encouraging skill improvements.

Head Office Mentors train branch-level instructors who play a central role in passing on high-quality skills in an effort to improve and standardize work quality and boost safety awareness and skill improvement.

In addition, we collect information on traffic and labor accidents at our overseas locations, examine preventive measures, and make necessary improvements.

Training programs for drivers and forklift operators



Specialist Training

Activities and Achievements

● Specialist Training in Heavy Haulage Techniques

In order to safely carry out heavy haulage and construction, it is extremely important to have access to the latest information, knowledge and technical capabilities as well as strong communication and negotiation skills for collaborating with customers and subcontractors. The Heavy Haulage & Construction Business Division of Nippon Express Co., Ltd. previously based its human resources development on OJT, and we established an educational system designed to standardize and further improve our service level. Specialist training is systematically carried out through our own unique curriculum, and we plan to provide training by job level, from beginner to instructor training, in heavy haulage and construction operations.

● Create New Approaches to Keep the Economy Going

With regard to cash, which is the bloodstream of the economy, the Security Transport Division of Nippon Express Co., Ltd. is responsible for transport services as well as warehousing services such as the storage and calculation of cash for financial institutions and retail stores and the procurement of funds for financial institutions and ATMs.

Because productivity and digitalization pose major challenges, we are reviewing our existing system of operations and are beginning to mechanize some "human" activities to reduce personnel and costs. The Chubu Security Transport Branch's Business Center has partly introduced robots into the automated transport of goods such as cases containing cash and other business activities and has taken other actions to continue changing its operational system and build a new mechanism to keep the economy going.

● Efforts to Improve Quality

As security transport professionals, the Division transports customers' valuables safely and unfailingly by assigning highly-skilled security guards and using transport vehicles equipped with security systems. Each November, as the crime-prone year-end and New Year holidays approach, Nippon Express Co., Ltd. organizes extensive training at its security transport sites to raise security alertness and skills.

In the future, we will continue to introduce remote training to meet the needs of the times, and to build on our efforts to further improve quality through daily operations and training in the security transport business, where ensuring safety and security is a crucial mission.

Commitment to Safety in Logistics

Activities and Achievements

With "Safety takes precedence over everything else" as its Safety Philosophy, the NIPPON EXPRESS GROUP is committed to completely eliminating accidents and disasters on a Company-wide basis. By disseminating messages from senior management on achieving zero accidents and communicating the safety principles of each branch and section via workplace-wide meetings, we aim to spread safety awareness among all staff members. At workplaces, small group bottom-up activities are held to address challenges in ensuring safety and organize safety patrols by safety teams in an effort to prevent accidents. We also train technical and practical instructors to increase our staff members' skill levels and safety awareness.

● Measures to Ensure Drivers' Safety

The Safety, Quality and Business Promotion Division of Nippon Express Co., Ltd. regularly conducts aptitude tests on drivers, who are the bedrock of our business operations, and provides safe driving guidance in accordance with the drivers' characteristics as determined by the test results. Sleep apnea syndrome (SAS) screening tests are also conducted on a regular basis. We make thorough efforts to ensure workers' safety by, for example, requiring complete checkups and medical treatment or imposing driving restrictions as necessary.

Safety panels are established when accidents or disasters occur to prevent any recurrences through actions such as safety drills, ride-along instruction by supervisors and team leaders and reviews of safe working procedures.

● Use of an Eye Tracking System

The system visualizes the safety checks of drivers and forklift operators, and verifies the points and timing of the checks. In addition, users are able to improve their skills by comparing videos with their instructors.

● Training Equipment for Preventing Accidents When Backing Up

By installing a device that resembles an eave at the rear of the vehicle and viewing the backward movement at the same time as the rear-view camera image from outside the vehicle, we can verify visibility and blind spots. It can be demonstrated that a rear-view camera also has blind spots (patent pending).

● Introduction of Special Vehicle for Accompanied Driving Lessons

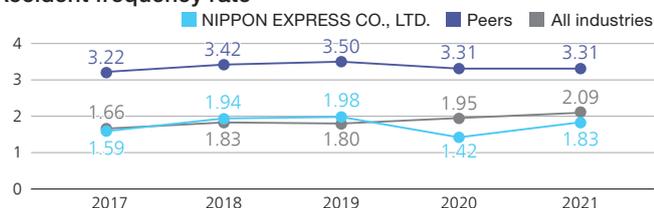
A special vehicle for training (W-cab truck with auxiliary brake on the passenger seat) has been introduced and accompanying instruction is provided. If the instructor senses danger when instructing a new employee, the instructor will step on the brakes to avoid it. Multiple people can be provided instruction at the same time in a 2t vehicle because of the double cab.

Maintain Social Safety Involving Logistics

Safety-Related Data

Index of labor accidents

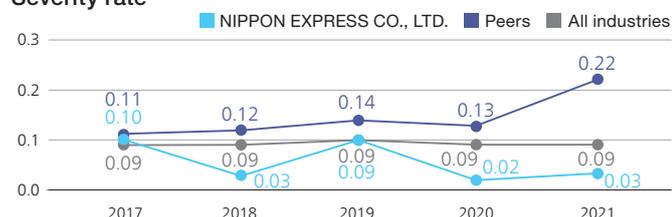
Accident frequency rate *1



*1 The frequency rate is an international indicator that indicates the incidence rate of occupational accidents.

$$\text{Number of casualties per } = \frac{\text{Number of casualties}}{\text{Total number of working hours}} \times 1,000,000$$

Severity rate *2



*2 Severity rate is an international indicator that indicates the degree of injury caused by occupational accidents.

$$\text{Days lost per 1,000} = \frac{\text{Workdays lost}}{\text{Total number of working hours}} \times 1,000$$

*3 All results are for the period of January to December.

Number of accidents relating to Article 2 of the Automobile Accident Reporting Regulations (April 2021 to March 2022)

Item	(Unit: number of accidents)
Vehicle malfunction	8
Collision	2
Fire	1
Fall	1
Rollover	1
Health-caused	1
Total	14

Acquisition of certification as safety excellence enterprise (G-Mark*4) (as of January 2022)

	Number of authorized offices	G-Mark Number of certified offices	Rate of certification
Total number of certified offices in Nippon Express Co., Ltd.	487	481	98.8%
Number of certified offices in the NIPPON EXPRESS GROUP	237	227	95.8%

(Reference) Industry certification status (as of December 2021)

	Number of offices	G-Mark Number of certified offices	Rate of certification
Nationwide	87,219	28,026	32.1%

*4 G-Mark: A certification issued by the Japan Trucking Association to truck transport businesses that satisfy certain criteria in traffic safety efforts, etc. This system makes user selection of safer companies easier, and raises awareness about improving the safety of truck transport companies as a whole.

Encourage Global Quality to Meet Expectations from Customers and Society

Our View on Quality

Policies and Targets

The NIPPON EXPRESS GROUP is committed to achieving sustainable corporate growth and to maintaining and improving its service quality. To support the enhancement of customers' lives through logistics, we will continue to strive to offer

high-quality services that satisfy customers by responding sincerely to customer feedback and always earning their trust.

Customer Consultation System

Organizations and Systems

Nippon Express Co., Ltd. has introduced a customer consultation system (VOCS) that allows the entire company to share customers' inquiries, opinions and requests directed to its website.

The inquiry page on the website is periodically redesigned by the Website Administration Committee so that customers can submit inquiries more easily. These improvements have led to further inquiries from customers. We will compile the opinions and requests received from customers into a database to keep up with

changes in social and economic conditions as we endeavor to develop new products and improve our service quality.

Inquires/Requests Received (2021) (January to December 2021)	
Inquiries	12,203
Requests	686

Customer Survey on Our Removals Services

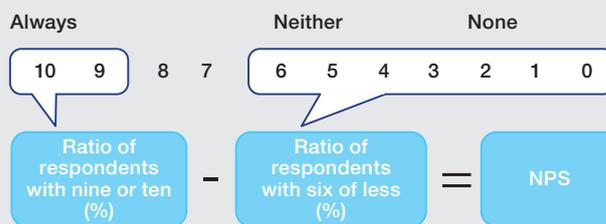
Organizations and Systems

We have been asking customers who make use of our removals services to respond to a questionnaire survey on our removals services. The opinions we receive from this survey will be utilized in making future business improvements and developing products in the hope that these will lead to greater customer satisfaction and improved service quality.

NPS is calculated from the survey responses for KPIs of removals quality. The annual figures have risen since 2019 when NPS was first introduced, meaning that steady improvements in removals quality have been made. In 2022, we were given the top overall place among moving companies in the Oricon® Satisfaction Survey.

NPS:

Abbreviation for Net Promoter Score. An index to measure customer loyalty, NPS quantifies how much attachment or trust there is toward the Company and its brand and is used as an index for the quality of removals.



Our Actions on Halal Certification

Activities and Achievements

In March 2021, Nippon Express Co., Ltd. developed a speedy halal logistics service that can handle small-quantity cargo such as single cardboard boxes by introducing the work procedures for halal logistics system certification to its domestic air transportation product, Express High Speed.

In 2014, the Company became the first Japanese firm to obtain Halal Logistics Certification in Malaysia, and we are working to establish global halal logistics services. In Japan, we obtained halal warehouse certification for the first time in 2016. We will continue to offer halal logistics services that can be used with peace of mind among Muslims.

Corporate Governance

Enhance Corporate Governance

Basic Views on Corporate Governance Policies and Targets

With the transition to a holding company structure, the NIPPON EXPRESS GROUP established the following basic policy for Group governance toward putting the Corporate Philosophy into practice and realizing the Long-term Vision.

NIPPON EXPRESS GROUP Basic Policy on Governance

The NIPPON EXPRESS GROUP established the following basic policies for Group governance toward putting the Corporate Philosophy into practice and realizing the Long-term Vision.

NIPPON EXPRESS GROUP Corporate Philosophy

Our Mission	Be a Driving Force for Social Development
Our Challenge	Create New Ideas and Value that Expand the Field of Logistics
Our Pride	Inspire Trust Every Step of the Way

2037 Vision

Business Growth	: A logistics company with a strong presence in the global market
Customers and Society	: A company that contributes to achieve a sustainable society through logistics
Shareholders	: A company that achieves sustainable growth by establishing corporate governance
Employees	: A company whose employees come from a variety of backgrounds, are proud of their work, support customers and society, and play active roles

Basic Concept Oriented Towards Realizing the Long-term Vision

- The NIPPON EXPRESS GROUP resolves social issues through logistics, and contributes to sustainable development and growth of our clients and society based on our corporate philosophy.
- We will meet stakeholders' expectations and create value together, in an aim to realize the long-term vision that depicts the ideal stance of the NIPPON EXPRESS GROUP in 2037, based on our corporate philosophy.
- To realize these, we will establish corporate governance and optimally build a group governance structure, which will service as the premise for corporate governance.

Basic Concept Oriented Towards Establishing Corporate Governance

To realize increased corporate value and sustainable growth, we will respect the positions of stakeholders, such as our shareholders, and build appropriate governance of offense and defense.

Corporate Governance to Aim for

- Expansion of global business based on "prompt/decisive decision-making and clarification of responsibility"
- Growth of a robust corporate group based on "ensuring thorough compliance and transparency of management"

Approaches Aimed at Establishing Corporate Governance

- Continuous improvement of governance in line with the meaning of each principle in the Corporate Governance Code
- Promotion of compliance management
- Construction of a strong group governance structure

Basic Concept Oriented Towards Evolving Group Governance

To ensure that corporate governance functions appropriately, and to realize maximization of value as a corporate group, the group governance structure will continue to be evolved globally.

Group Governance to Aim for

- Establishment of a group management structure that realizes "maximized value as a corporate group"
- Construction of a global governance structure that realizes "further expansion of overseas business"
- Sophistication of a business management structure that realizes "appropriate business portfolio management" and "customer-oriented optimization of the entire group"

Approaches Aimed at Evolving Group Governance

- Strengthening of group management strategy functions based on a holding company structure, clarification of roles and responsibilities of Group companies, structural and organizational design for realizing an optimized Group as a whole
- Construction of a global risk management system based on linkage between holding companies and presiding companies
- Sophistication of group databases and promotion of data-oriented management

* Please see the Integrated Report for detailed information on our corporate governance.

Evaluation Process for Sustainability Management Performance Organizations and Systems

The NIPPON EXPRESS GROUP has always been aware that initiatives for sustainability management are essential challenges. With this in mind the Board of Directors have always been prepared to discuss them as part of its important risk management efforts. Following the transition to a holding company structure and the establishment of the

Sustainability Promotion Committee and the Compliance Committee, both chaired by the President, we are ready to steadily implement measures to understand and solve issues in related fields. To this end, we regularly conduct internal audits on our labor environment, safety management and other elements of our business operations.

Personal Data Protection

Personal Data Protection Policy Policies and Targets

Nippon Express Co., Ltd. handles a variety of personal information, including customer information, as necessary for business.

Accordingly we have established a Personal Data Protection Policy, and we comply with rules and regulations as well as other norms pertaining to the protection of

personal data, while simultaneously working on the establishment of autonomous rules and appropriate implementation systems that match our Corporate Philosophy and businesses. We are working to acquire and certify personal information protection, including acquisition of the PrivacyMark.

Certifications Received Relating to the Protection of Personal Data Activities and Achievements

As of March 31, 2022.

● Acquisition of the PrivacyMarks

Nippon Express, NX Shoji, NX Careerroad, NX Okinawa E-Technology, Okinawa NX Air Cargo Service, Wanbishi Archives

● ISMS (Information Security Management System) Certifications

Nippon Express, NX Shoji, NX Capital, NX Information Systems, NX NP Logistics, Nittsu NEC Logistics, Wanbishi Archives

Risk Management

Regulations and Policies for Risk Management Policies and Targets

With the objectives of lowering the risk of serious impacts on Company management and establishing a risk management system that can respond quickly and accurately in the unlikely event of a crisis situation, the NIPPON EXPRESS GROUP has established Nippon Express Group Risk Management Regulations and Nippon Express Group Crisis Management Regulations as basic policies in line with the

transition to a holding company structure and, in addition to responding to various risks such as wide-area disasters and other emergency situations in other countries, new strains of influenza and other pandemics, and information system risks, coordination within the Group is being strengthened.

System to Ensure Business Continuity (BCP) Organizations and Systems

Nippon Express Co., Ltd. has developed a Business Continuity Plan (BCP) in order to continue its operations even in an emergency situation such as a major disaster or the spread of a new strain of influenza or other infectious disease. We are ensuring our resilience by systematically preparing advance measures, disaster drills, initial responses and relief activities to implement during an emergency.

The Head Office and other key business locations throughout Japan have stocked up on emergency supplies as well as hygiene products to combat new strains of influenza and other infectious diseases, and have been equipped with satellite telephones and priority mobile phones for use during disasters if telephone lines are cut. A liaison system for quick contact during emergencies has also been established.

Disaster Management System Organizations and Systems

Based on its disaster management rules and disaster reporting guidelines, Nippon Express Co., Ltd. stipulates that, when a disaster subject to reporting occurs in a region in which the Company operates, information must be collected by each

of the relevant locations and the necessary items reported in the Disaster Management System on the Company's intranet in order to promptly confirm the safety of employees, assess the extent of damage to facilities, and expedite relief efforts.

Safety Confirmation System Organizations and Systems

Confirming the safety of employees is one of the most important tasks among the initial responses taken during an emergency. In accordance with its Basic Policy for Business Continuity Management (BCM) formulated within the Business Continuity Plan (BCP), Nippon Express Co., Ltd. has adopted a Safety

Confirmation System that automatically sends safety confirmation emails to employees, in response to earthquakes of a certain severity or warnings issued by the Japan Meteorological Agency, in order to rapidly confirm the safety of employees during disasters.