



We Find the Way

NIPPON EXPRESS GROUP Sustainability Data Book 2023





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

Since its founding, the NIPPON EXPRESS GROUP has employed its logistical strengths to connect people, businesses and regions throughout the world. In so doing, we have continuously supported social development.

While our mission never changes, we continuously advance to meet the world's changing needs.

Making no compromise in safety and maintaining a deep focus on environmental issues, we continuously strive to deliver innovative solutions at the next frontier of logistics.

We will forever take pride in our ability to inspire trust and answer the call of society.

Every move we make is aimed at advancing society and bringing an enriched life to future generations.



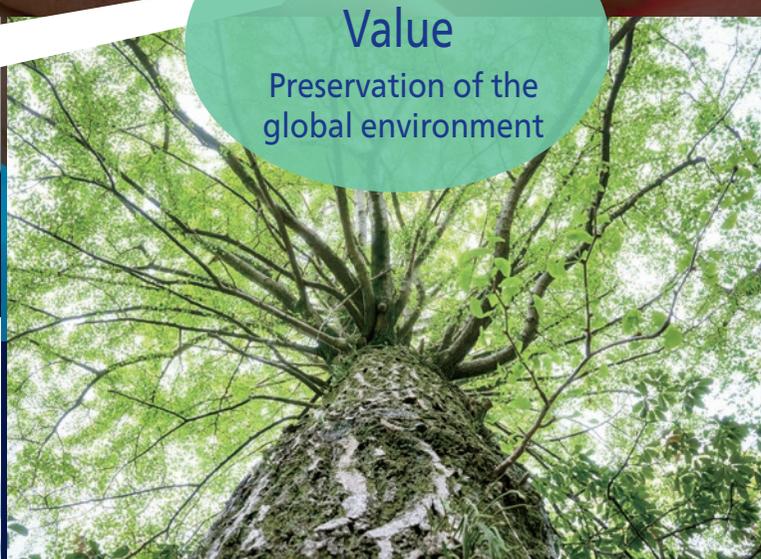
Sustainability Vision

Supporting a Better Life for People Around the World and
the Development of Sustainable Society Through Our Business



Social Value

Providing security
and stability &
The happiness of
workers



Environmental Value

Preservation of the
global environment



Economic Value

Our sustainable growth



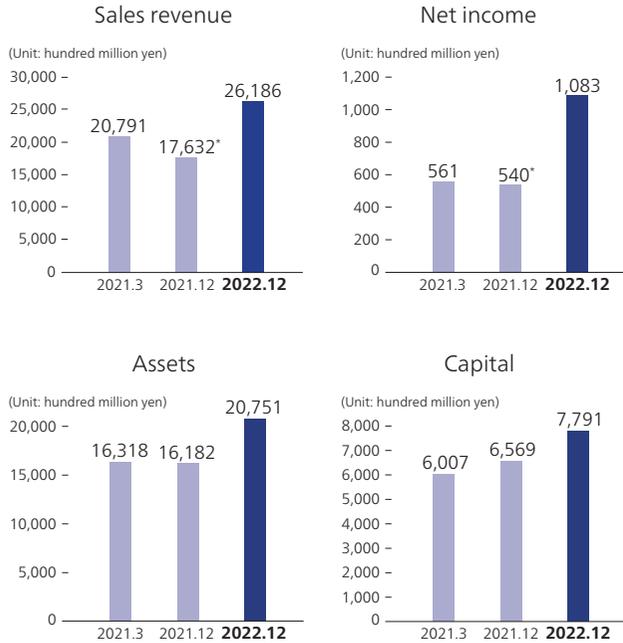
Contents

- 1** — Corporate Philosophy
- 2** — Sustainability Vision
- 3** — Contents
- 4** — Company Information
- 5** — Sustainability Management
- 7** — Environmental Value
- 16** — Social Value
- 17** — Respect for Human Rights
- 22** — A Workplace That Supports Sustainable Growth
- 28** — New Value for Industry
- 30** — Stable Social Systems (Uninterrupted Supply Chains)
- 35** — Economic Value
- 36** — Innovation Based on Collaboration and Co-creation
- 37** — Contributing to the Development of Local Communities
- 40** — Governance
- 41** — Sound Company Conduct
- 43** — Corporate Governance

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, 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 is of a limited scope.
Reporting Period	FY2022 (January 1, 2022–December 31, 2022) Reporting Period Certain sections may include information in FY2021 or before and in FY2023.
Issue Date	June 2023 Note: Available on our website (previous publication: June 2022)
Reference Guidelines	<ul style="list-style-type: none"> • GRI Standards for Sustainability Reporting (reference) • Ministry of the Environment's Environmental Reporting Guidelines (2018 Edition)
Contact:	<p>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/</p>

Company Information

Financial Information (consolidated)

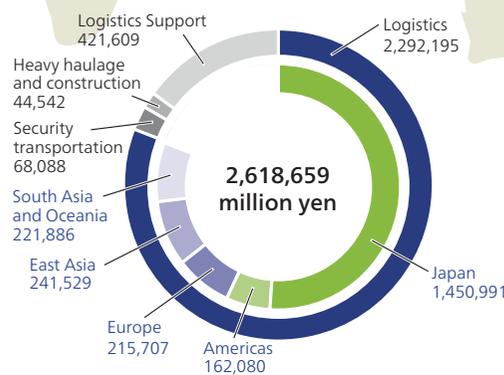


*End of the fiscal year has been changed from March 31 to December 31 from FY2021. As such, consolidated results for the FY2021 reflects values of nine month from April 1, 2021 to December 31, 2021. Figures for FY2021 and earlier are based on Japanese GAAP, while figures for FY2022 are based on IFRS standards.

Global Network

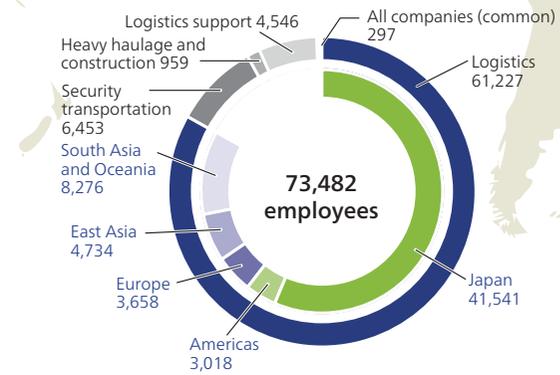


Sales by segment (consolidated) (Unit: Million yen)



*Figures in the graph includes adjustments

Employees by segment (consolidated)



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

*Above figures are as of December 31, 2022.

Sustainability Management

Sustainability Policy and Vision

Based on its Sustainability Policy and Vision, the NIPPON EXPRESS GROUP is further deepening its sustainability management and implementing highly effective measures toward achieving a sustainable society while at the same time aiming for sustainable growth and enhancement of corporate value.

Sustainability Policy

- The NIPPON EXPRESS GROUP fosters sustainable societies by co-creating a fruitful future with our stakeholders, including employees, business partners, customers, and local communities.
- The NIPPON EXPRESS GROUP contributes to carbon-neutral societies and the preservation of the global environment through businesses that reduce the environmental impact of the group and our customers.
- The NIPPON EXPRESS GROUP pursues sustainable growth as an entity needed by society, connecting people to people and business to business globally, and providing solutions that solve social issues.

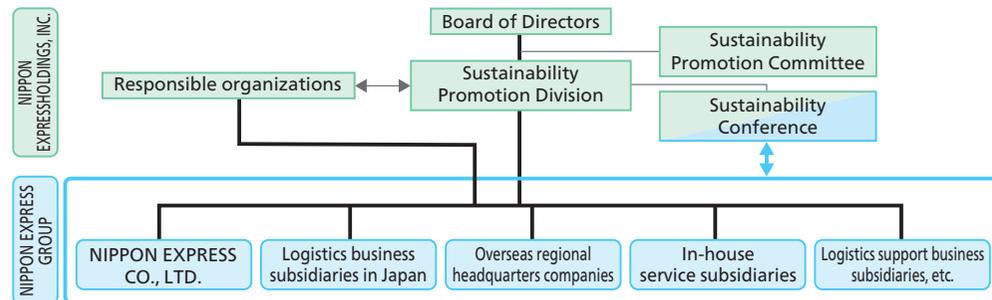
Sustainability Vision



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.

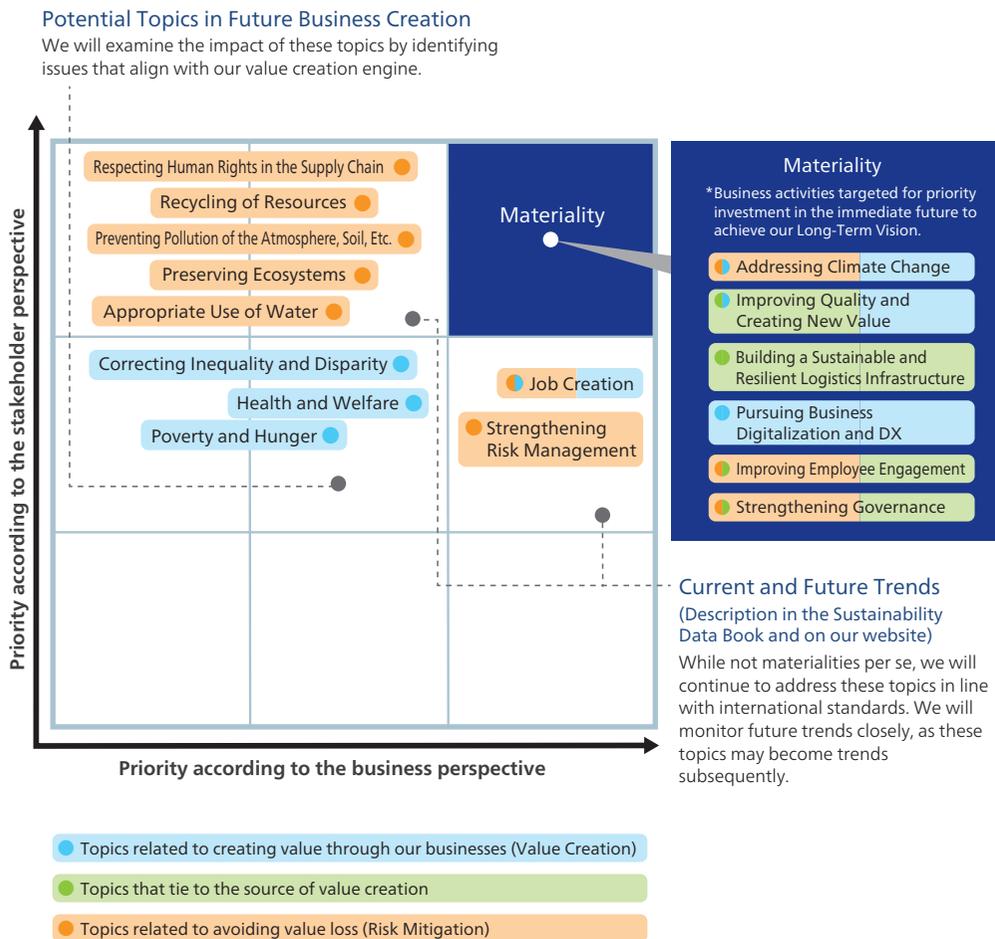
Outside organizations and positions

- 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

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 in 2021. The evaluation is based on the two axes of "Priority according to the stakeholder perspective" and "Priority according to the business perspective," and is organized into six materialities that are 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 materiality assessment, are described in terms of three values (environmental value, social value, and economic value).

	Main Sustainability Issues	Description in the Sustainability Data Book
Environmental Value Preservation of the global environment	<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"> 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
Social Value Providing security and stability & the happiness of workers	<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"> Ensure robust respect for human rights in the supply chains Secure occupational health Ensure occupational and social safety Human resources principles Train human resources who can work globally Promote diversity and inclusion Promote workstyle innovation Encourage global quality to meet expectations from customers and society Contribute to sustainable and tough infrastructure development
Economic Value Our sustainable growth	<ul style="list-style-type: none"> Improving Quality and Creating New Value 	<ul style="list-style-type: none"> Strengthen global partnerships Contribute to society through our business operations
Governance	<ul style="list-style-type: none"> Strengthening Governance Strengthening Risk Management 	<ul style="list-style-type: none"> Promote Fair Business Practices Implement robust anticorruption measures Enhance corporate governance Risk management Personal data protection

Environmental Value

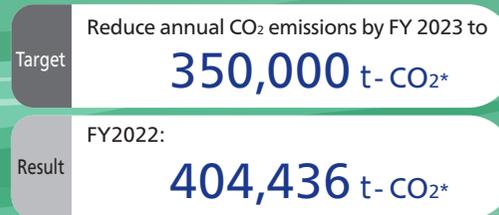
Management Approach



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.

Management Indicators



* Above figures are indices of Nippon Express Co., Ltd. non-consolidated

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
- Environmental data (climate change)
- Recycling of resources
- Protect terrestrial and marine ecosystems
- Environmental data (resource recycling)

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

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 environment.

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

Sustainability Promotion Structure

Organizations and Systems

The Group is working to implement environmental management in accordance with the NIPPON EXPRESS GROUP Environmental Charter. Within our sustainability promotion structure, we promote cross-sectional environmental management throughout the Group and engage in risk management.

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 2023, 17 Nippon Express Co., Ltd. trucking offices and three warehousing offices have received this certification. Among Group companies, 16 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

In January 2023, the NIPPON EXPRESS GROUP set new medium- and long-term targets for reducing CO₂ emissions with the aim of contributing to a carbon-neutral society and preserving the global environment.

2030 Target

Reduce NIPPON EXPRESS GROUP Scope 1 and 2 CO₂ emissions by 50% (compared with 2013)

2050 Target

Contribute to the creation of Scope 1, 2, and 3 carbon-neutral societies as a corporate group

Locations that Have Acquired Green Management Certification

Nippon Express Co., Ltd.

17 trucking offices and 3 warehousing offices

Group companies (Japan)

16 trucking offices

ISO 14001-certified Business Locations (as of the end of December 2022)

Business Planning Unit Management Division	Hiroshima Air Service Branch (Shikoku Area in Charge)	NX Automotive Logistics USA, INC	APC Logistics AB (Sweden)
Forwarding Business Unit Baraki International Logistics Town No.1, No.2	Takamatsu Air Service Branch: Takamatsu Air Cargo Center	NIPPON EXPRESS (DEUTSCHLAND) GMBH	NX LOGISTICS PHILIPPINES, INC
Forwarding Business Unit Narita Airport Logistics Center	Fukuoka Air Service Branch	NX Logistics Europe GmbH	NIPPON EXPRESS ENGINEERING (VIETNAM) CO., LTD.
Nagoya Forwarding Branch	Fukuoka Air Service Branch Fukuoka Cargo Center	NIPPON EXPRESS (NEDERLAND) B.V.	Nippon Express (India) Private Limited
Nagoya Forwarding Branch Nagoya Distribution Center	Sendai Branch Corporate Solutions Division (General Affairs)	NIPPON EXPRESS (BELGIUM) N.V./S.A.	NIPPON EXPRESS EURO CARGO B.V.
Osaka Air Service Branch	Sendai Branch Sendai Airport Logistics Center	NIPPON EXPRESS (ITALIA) S.p.A	
Osaka Air Service Branch Nanko Air Cargo Center	Mobility Business Sales Division (Automotive)	NIPPON EXPRESS LOGISTICS (CHINA) CO.,LTD.	
Hiroshima Air Service Branch	Kantou-Kosinetsu Region Forwarding Business Unit	Nippon Express Automotive Logistics (China) Co.,Ltd.	
Hiroshima Air Service Branch Hiroshima Domestic Air Cargo Center	International Ocean Cargo Division Mercedes-Benz Logistics Center		

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 FY2022.

● 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, 2022, the NIPPON EXPRESS GROUP has a domestic fleet of 12,726 such vehicles in total.

Topics

Introduction of BEV/FCV

Nippon Express Co., Ltd. has applied to the Japan Automobile Transport Technology Association (JATA) for a subsidy for 2023-24. We are in the process of introducing ten EV trucks for business use and four trucks have already been introduced. The remaining six EV trucks are scheduled to be introduced in the first half of FY2023. Currently, although the number of EV trucks being introduced is limited due to factors such as vehicle driving range and the availability of charging facilities, we will continue to work toward the introduction of EV trucks while monitoring future improvements in the conditions surrounding the introduction of EV trucks, including improvement of vehicle performance and the availability of charging facilities.



Increasing the Number of Environmentally Friendly Facilities Activities and Achievements

The NIPPON EXPRESS GROUP is increasing its number of environmentally friendly facilities. 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 the amount of GHG emissions 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.

Power generated from renewable energy resources in Japan in FY2022

Domestic renewable energy resource-based power generation	6,720,076.95 kWh
Solar power generation	6,719,020.95 kWh
Wind power generation	1,056.00 kWh

● Promotion of Environmentally Friendly Facilities at Nippon Express Co., Ltd. Bases

In 2013, Nippon Express Co., Ltd. established the Standards for Installation of Environmentally Friendly Equipment with the aim of reducing GHG emissions at its facilities as part of its efforts to reduce CO₂ emissions.

In addition to setting specific installation standards for CO₂ reduction, heat load reduction, energy saving, rainwater reuse, effective use of resources, water saving, and waste reduction, we have also selected specific equipment for biodiversity, BCP, and working environment improvement.

Based on this standard, as one of the concrete measures to achieve the goal of reducing CO₂ emissions to 350,000 t-CO₂ by 2023, Nippon Express Co., Ltd. is promoting initiatives based on the premise of installing solar power generation facilities in construction ordered from the Head Office (installation of new equipment at company-owned facilities involving costs of 500 million yen or higher) to be implemented from FY2022.



NIPPON EXPRESS GROUP Building

Reduce CO₂ Emissions by Reinforcing Controls on Climate Change

● 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 (launched into operation in November 2013) and the Nirayama Solar Power Generation Plant (launched into operation in March 2014). The Matsumoto Solar Power Generation Plant generates approximately 1.43 million kWh annually, while the Nirayama Solar Power Generation Plant generates approximately 1.09 million kWh annually. Together, the two plants generate approximately 2.5 million kWh annually. Assuming that the amount of electricity generated from solar power reduces the amount generated from thermal power, a decrease of approx. 620g-CO₂/kWh can be achieved. The total annual CO₂ emissions reduced at the two plants was approx. 1,585t. This corresponds to a reduction in CO₂ emissions equivalent to about 400 general households.



Matsumoto Solar Power Generation Plant Nirayama Solar Power Generation Plant

Annual Power Generation at Power Generation Plants Unit: kWh

	2020	2021	2022	Total
Matsumoto Solar Power Generation Plant	1,427,588	1,442,687	1,416,972	4,287,247
Nirayama Solar Power Generation Plant	1,052,521	1,125,529	1,090,650	3,268,700
Total	2,480,109	2,568,216	2,507,622	7,555,947

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 social challenges such as the reduction of environmental impact. We also putting efforts into the visualization of environmental figures, allowing customers to check CO₂ emissions and energy consumption via the Company's proprietary railroad container information service, Rail Container NAVI. CO₂ reduction effects can be simulated on Nippon Express Co., Ltd. website simply by entering where cargo will be picked up and its destination.

As a response to the social issue that long-distance truck transportation will become more difficult to provide due to the overtime cap for truck drivers that will be applied from 2024 and

the future decrease in the working population, we launched the NX Train service in March to charter sections of trains running between the Kanto and Kansai regions for stable transportation of railroad cargo in the future. In addition, the Company is promoting Sea & Rail, a combined railway and domestic marine transportation service using its unique hybrid container, and intermodal transportation that proposes optimal rail and domestic marine transportation.

● 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

Provide Logistics Technologies and Services with Low Environmental Impact

Encouraging Eco-driving Activities and Achievements

Aiming to reduce the environmental impact of truck transport, the NIPPON EXPRESS GROUP encourages eco-driving to curb CO₂ emissions and fuel consumption, and is 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 manage vehicle operations, cargo handling, and other operations as well as work time and attendance. In addition, the reports compiled and output after the daily vehicle operation are used to evaluate not only safe driving using the functions of the digital tachograph but also eco-driving evaluation. 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%
NX Cash Logistics Co., Ltd.	100%

● Expanding Sales of Products that Contribute to Countering Soaring Electricity Prices and Reducing CO₂ emissions

Through the sale of system equipment that controls the output of outdoor unit of the air conditioner, NX Shoji Co.,Ltd. has started initiatives to reduce the amount of CO₂ emissions by reducing electricity consumption and curb soaring electricity bill expenditures while maintaining customer working environments.

In the projects that have already been completed, electricity consumption has been reduced by approximately 15% and electricity costs have been reduced by approximately 10%. We will continue to provide solutions that reduce energy consumption.

Topics

In August 2022, NIPPON EXPRESS (ITALIA) S.p.A Launched an Eco-Friendly Delivery Service in Venice, Italy Using Boats with Hydrogen-Powered Engines

NIPPON EXPRESS (ITALIA) S.p.A (hereinafter "NX Italia") has launched an eco-friendly delivery service in Venice, Italy using boats with hydrogen-powered engines.

Since the European Union (EU) has set a target of reducing GHG emissions by more than 55% from 1990 levels by 2030, companies are increasingly moving toward decarbonization.

In order to realize its long-term vision of becoming a logistics company with a strong presence in the global market, the NIPPON EXPRESS GROUP has positioned climate change initiatives as one of its materialities and is working to reduce CO₂ emissions in its own business and to create products and services that contribute to the reduction of CO₂ emissions by customers.

In addition to reducing truck transport CO₂ emissions, NX Italia has launched a last-mile delivery service using boats with hydrogen-powered engines for deliveries to eco-friendly stores. The services are primarily used by customers in the luxury fashion business. Each hydrogen-powered boat is equipped with a detachable hydrogen generator which significantly reduces CO₂ emissions compared to gasoline and diesel engines.



Please see our website for details.

Provide Logistics Technologies and Services with Low Environmental Impact

Topics

Launch of Carbon-Neutral LPG Handling (October 2022)

NX Shoji Co., Ltd. (hereinafter "NX Shoji") has signed a memorandum of understanding with ENEOS GLOBE Corporation on the sale and purchase of carbon-neutral LPG (hereinafter "CNLPG"), which it has started handling.

In regard to the CNLPG handled by NX Shoji, carbon credits certified by an international NGO in the U.S. are purchased to offset the CO₂ emitted from the mining and combustion of LPG, thereby reducing CO₂ emissions from LPG use to virtually zero.

The NIPPON EXPRESS GROUP is working to reduce CO₂ emissions to realize a sustainable society and is working to utilize CNLPG as the LPG used at NX Shoji and other Group sites.

In order to promote CNLPG among a wide range of customers, NX Shoji has created an original logo to be used on supply certificates and stickers.



Sticker with NX Shoji original logo



Please see NX Shoji's website for details.
* Japanese version

Strengthen Adaptive Capacity and Resilience in the Face of Climate Change

Social Responsibility as a Designated Public Institution Organizations and Systems

The NIPPON EXPRESS GROUP contributes to society by fulfilling its mission as an entity that helps to keep society functioning, playing a role in the supply chain even in emergency situations caused by natural disasters, pandemics, etc.

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.

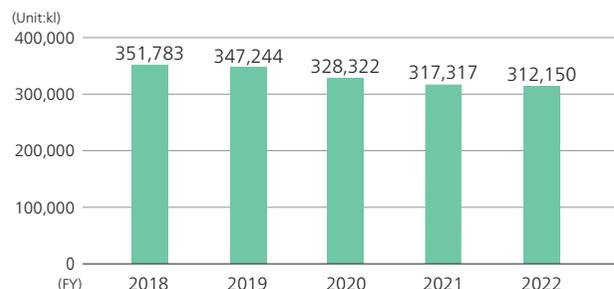


Tokyo C-NX exterior view

Environmental Data (Climate Change)

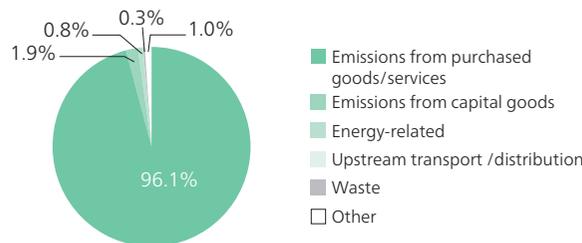
Unless otherwise stated, environmental data results are listed for April to March (of the following year) until FY2020 and for January to December for FY2021 and beyond.

Energy consumption in the NIPPON EXPRESS GROUP (crude oil equivalent)

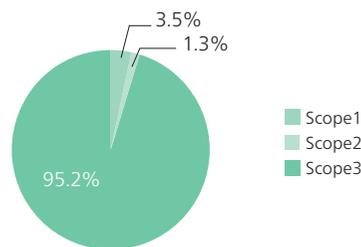


*1 The data shown here aggregate the energy consumption by Nippon Express Co., Ltd. and its consolidated companies in Japan and overseas (equivalent to Scope 1 and 2).
*2 For natural gas, 13A city gas (heat value of 45 GJ/thousand cubic meters) applies.

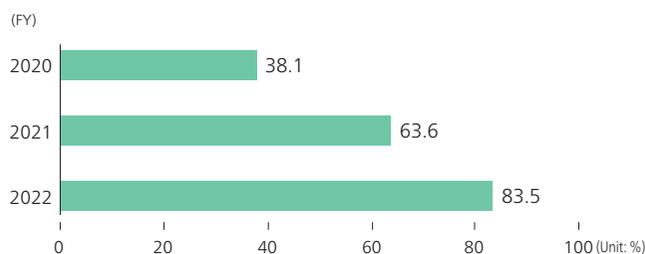
Component ratio for Scope 3 (NIPPON EXPRESS GROUP)



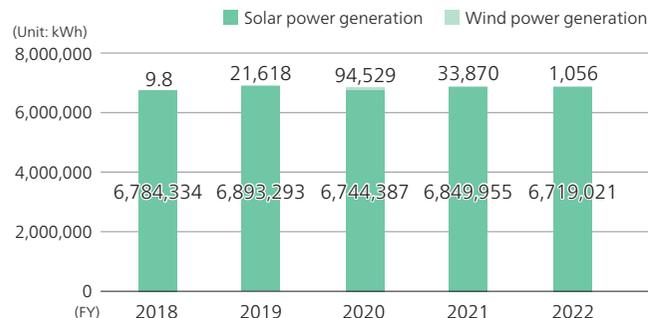
GHG emissions across all supply chains (NIPPON EXPRESS GROUP)



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

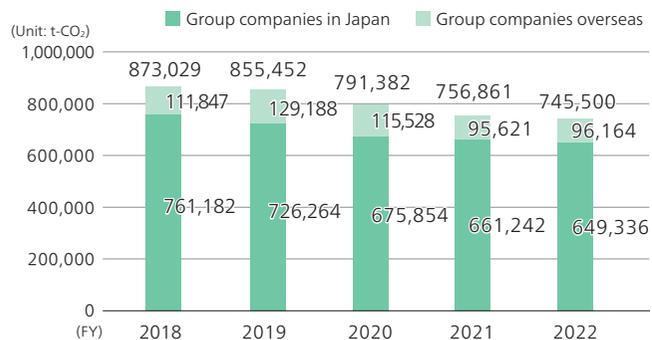


Power generated from renewable energy resources (Group companies in Japan)

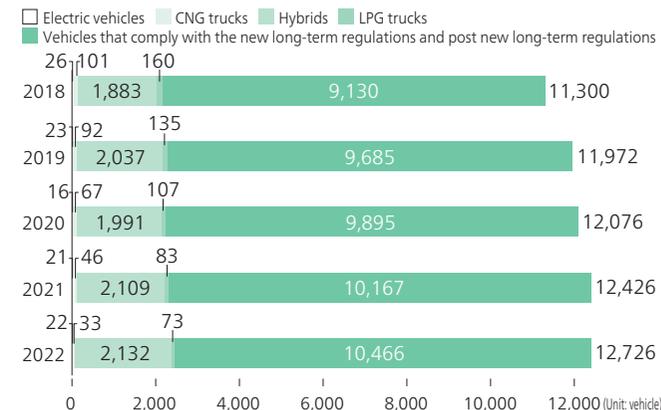


*3 Renewable power generation, electricity used in-house and electricity sold are not included in the NIPPON EXPRESS GROUP's energy use.

CO₂ Emissions (Scope 1 and 2)



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



* Calculated at the end of each fiscal year based on number of vehicles registered on the Operation Support System.

Fluorocarbon Management Act

(April 2022 to March 2023: Nippon Express Co., Ltd.)

(Act on Rational Use and Appropriate Management of Fluorocarbons)

Applicable equipment (number of systems)	
Class I specified products	9,610

Types of fluorocarbon	Actual leakage amount (kg)	Calculated leakage amount (tons CO ₂)
R401A	70	82
R404A	35	137
R410A	42	89
Total	—	309

● 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 FY2021 based on ISO 14064-3: 2019.

We are planning to obtain third-party verification also on CO₂ emissions data for FY2022.

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-holdings.com/en/pdf/sustainability/environment/co2_emission.pdf?20221226

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.

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 accidents in FY2022.

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.

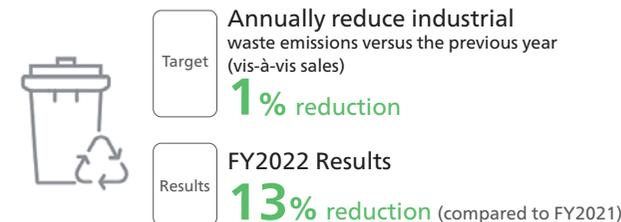
● ECO-TOWMAS® Waste Management Manifest System (Registered trademark)

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 Company' 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 99.3% and the issue rate of electronic manifests was 96.3% as of December 2022.

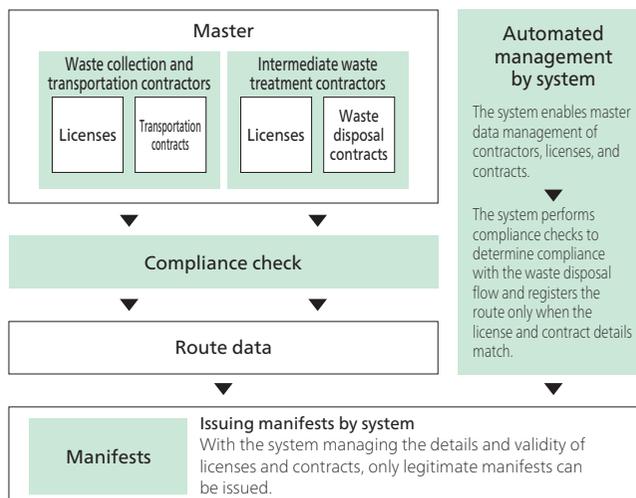
Industrial Waste Reduction Targets (Nippon Express Co., Ltd.)



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 and deliver the waste to disposal facilities. 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.

Waste management manifest system



Recycling of Resources

Environmentally Friendly Products

Activities and Achievements

● Reusable Protection Materials for Moving Operations

The NIPPON EXPRESS GROUP makes active use of reusable protection materials (packing materials that can be used repeatedly) in its moving services, thereby achieving environmentally-friendly removals operations. For example, our self-developed reusable protection materials protect customers' precious household items and allow for items to be packed quickly. In addition, since the protection materials can be used repeatedly, their use reduces garbage associated with moving, a factor that has been well received by customers.



● Proposal and Delivery of Environmental Products

NX Shoji Co., Ltd. is moving forward with proposals to switch materials used in logistics to commercial materials with lower environmental impact. As an example, we support our customers' efforts to reduce their environmental impact by proposing that shipping bags used in the EC market be switched to products with the Biomass Mark certified by the Japan Organics Recycling Association.

Since its release in the summer of 2022, we have delivered 6.4 million material sheets, and together with the cost benefits of switching, we have achieved a 25% reduction in oil consumption (25% biomass content) compared to conventional products, contributing to a reduction in CO₂ emissions of approximately 78.5 tons in six months.

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 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

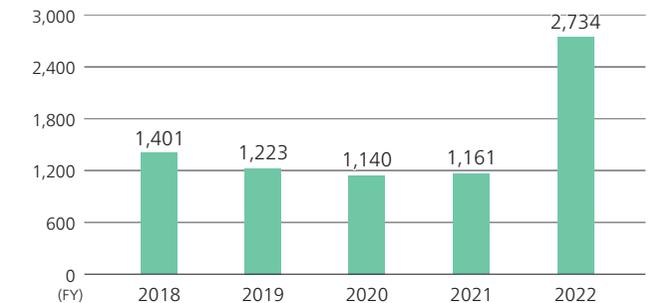
Organizations and Systems

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 (Recycling of Resources)

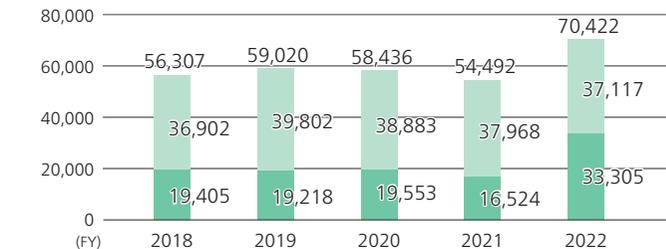
Water usage (in Japan)

(Unit: thousand cubic meters)



Waste volume (in Japan)

(Unit: tons)



PRTR-related emissions of substances reportable

(April 2022 to March 2023: 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 (1t/year) subject to notification	6	184	Fenitrothion	Insecticide and insect control in warehouses
Not reportable business category but office uses reportable substance	16	10,317	Methyl bromide	Fumigation work in operations incidental to import customs clearance

Social Value

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.

Management Indicators



Target	Percentage of staff members scheduled to assume managerial-level roles who undergo training on human rights	100%	Target	Annual paid leave utilization rate by 2023	60% or more
Result	Percentage of staff members scheduled to assume managerial-level roles who underwent the training in FY 2022	100%	Result	FY2022: Annual paid leave utilization rate	57.8%

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

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
- Ensure occupational and social safety
- Human resources principles
- Train human resources who can work globally
- Promote diversity and inclusion
- Workstyle innovation
- Employee data
- Encourage global quality to meet expectations from customers and society
- Contribute to sustainable and tough infrastructure development

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
- Provide affiliates and subcontractors with guidance and education on safety
- Encourage respect for human rights in our procurement practices
- Promote human resources management to achieve employee success and growth

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

The NIPPON EXPRESS GROUP advocates respect for human rights in the NIPPON EXPRESS GROUP Charter of Conduct and explicitly declares that it will respect human rights in its activities; will not engage in conduct that violates human rights, such as discriminatory treatment; 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

We revised the NIPPON EXPRESS GROUP Compliance Regulations and 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.

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.

When concluding a contract, Nippon Express Co., Ltd. will confirm the approval required for the business to be entrusted by it, purchase of transportation liability insurance and voluntary automobile insurance, and whether there have been any accidents or administrative actions within the past three years, based on the Business Confirmation Statement. Nippon Express Co., Ltd. will conclude a basic agreement with the partner company based on the judgment that it will not be subject to risk by utilizing the partner company. 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 16 languages) to staff members of the 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 NIPPON EXPRESS GROUP thoroughly emphasizes the above-mentioned prohibitions in our staff training.

There were no cases of human rights violations in FY2022.

Compliance education via e-learning (harassment prevention course)

Number of participants	18,439
Based on offices	9,220 hours

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

Compliance education (using our "Compliance Handbook" and other materials)

Number of participants	71,560
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For all NIPPON EXPRESS GROUP employees in Japan

Antidiscrimination education

	Nippon Express Co., Ltd., non-consolidated
Method of implementation	Video viewing
Duration of training workshops	24 minutes per person
Number of participants	513 (513 non-managerial level attendees)

Participation in other antidiscrimination workshops and lectures organized by public offices

	Nippon Express Co., Ltd., non-consolidated
Number of training sessions	47
Total length of time spent by our staff members in attending the workshops	23 hours and 55 minutes
Number of attendees	43 (22 managerial-level attendees 21 non-managerial level attendees)

Secure Occupational Health

Health Management Promotion Structure

Organizations and Systems

The NIPPON EXPRESS GROUP is committed to implementing health management that promotes employee health from a management perspective. In September 2022, we formulated the NIPPON EXPRESS GROUP Health Declaration and established a health management promotion structure with the aim of demonstrating this stance both internally and externally, as well as raising and fostering health awareness among employees.

NIPPON EXPRESS GROUP Health Declaration

The NIPPON EXPRESS GROUP supports the physical and mental health of its employees and aims to be a company where all its employees can achieve their maximum performance and continue to grow by creating workplaces full of smiles. In keeping with its belief that "health is one of our greatest assets", the NIPPON EXPRESS GROUP

- will proactively support its employees in their efforts to improve their health,
- will strive to create workplace environments in which employees can work with smiles and enthusiasm, and
- will aim to be a company where all employees can exercise their abilities and work with a sense of fulfillment.

Based on this, Nippon Express Co., Ltd. has formulated the Health Management Policy to resolve health issues within the Company. In FY2023, we set targets for improving lifestyle habits as well as preventing mental health problems, and are implementing health measures based on these targets.

FY2023 Health Management Policy

Targets

- Improve KPIs related to lifestyle habits (diet, exercise habits, and sleeping habits) by 5% or more year-on-year at each designated branch, etc.
 - Diet: Percentage of questionnaire respondents who skip breakfast less than three times a week
 - Exercise: Percentage of questionnaire respondents who exercise twice a week for at least 30 minutes at a time
 - Sleep: Percentage of questionnaire respondents who claim to be getting enough sleep
- 10% or greater improvement year-on-year in smoking rate at each designated branch, etc.
- Overall health risk score at each workplace: 100 or less (Group-wide target: 93 or less)
 - The probability of a person taking a leave of absence from work in the department being studied is scored using the national average as 100 in the group analysis of the stress check.

Measures to Prevent Mental Health Problems

By making the stress check flow uniform throughout the company, we direct the reliable implementation of self-checks. We are also taking concrete measures for improvement by utilizing the results of group analysis. We have posted around 170 Healthcare Instructors nationwide, consisting of qualified public health nurses and other nurses, and established a mental health consulting system. In addition, we provide training for young employees to improve their communication skills.

In order to facilitate smooth return to work for employees who have taken leave due to mental health problems, we have developed a program to support them.

Improving Health Literacy

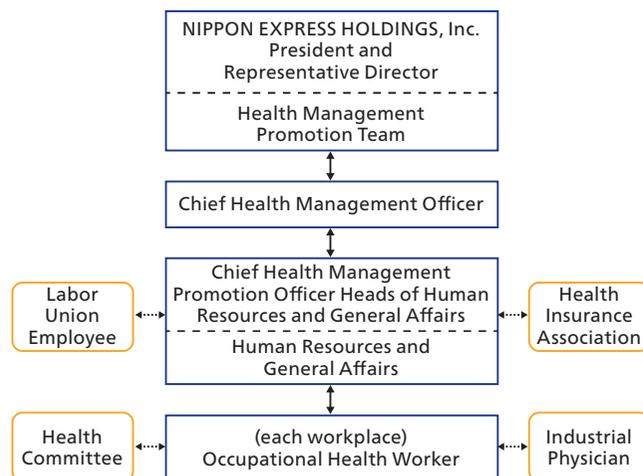
To ensure that all employees have access to accurate knowledge and information on health and medical care, we conduct e-learning programs and disseminate information through health applications and videos.

2023 Health and Productivity Management Brand (Large Enterprises) Activities and Achievements

Nippon Express Co., Ltd. was selected for 2023 Health and Productivity Management Brand (Large Enterprises) certification by the Ministry of Economy, Trade and Industry after the Company's results from FY2021 to FY2022 were highly regarded in an inspection by a certification board. The Company has earned a reputation in society as a corporation that considers employee health management from a managerial perspective and engages in strategic initiatives.



NX Group Health Management promotion System



The specific measures set forth in the Safety & Health Management Policy are as follows.

Measures for Improving Lifestyle Habits

Education and participatory events are held for all employees on improving diet, exercise habits, and sleeping habits. In addition, we are working to prevent lifestyle-related diseases through seminars for smokers and individual guidance for those dealing with obesity.

Ensure Occupational and Social Safety

Safety Policies Policies and Targets

The NIPPON EXPRESS GROUP formulates annual safety policies and safety initiatives at each Group company, based on the Group-wide safety philosophy, annual safety targets, and safety initiatives.

NIPPON EXPRESS GROUP Safety Philosophy: "Safety takes precedence over everything else."

FY2023 NIPPON EXPRESS GROUP Safety Goals

Zero significant accidents and disasters

FY2023 NIPPON EXPRESS GROUP Safety Initiatives

1. **Building and Strengthening a Culture of Safety**
Build a safety culture that places safety first and continue safety awareness activities
2. **PDCA for safety activities**
Promote safety improvement activities based on PDCA cycle
3. **Workplace revitalization through top-down and bottom-up approaches**
Workplace revitalization through top-down and bottom-up approaches based on good communication

● Commitment to Safety

The NIPPON EXPRESS GROUP 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 daily practice.

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

Although subcontractors are independent corporations that differ from the NIPPON EXPRESS GROUP, they need to implement safety measures that are on par with those implemented by the NIPPON EXPRESS GROUP. At Nippon Express Co., Ltd., the relevant officers at managing branches provide branch operating companies with safety education and guidance under the supervision of the Head Office and in line with Nippon Express Co., Ltd.' practices. 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.

Ensure Occupational and Social Safety

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.

Training for supervisors/team leaders, who are the on-site managers, is provided. In FY2023, training for supervisors to improve management is being conducted in a face-to-face format at NX-TEC Izu. Training is provided for team leaders to improve their communication skills through an e-learning format. In addition, we distribute mobile devices to supervisors and team leaders, and provide safety and compliance instructions through these devices. In the future, we plan to use the terminals for educational content in the form of comics and videos.

In addition, 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.

Training programs for drivers and forklift operators



Specialist Training Activities and Achievements

● Specialist Training in Heavy Haulage and Construction 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, NX Cash Logistics Co., Ltd. is responsible for transportation 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 ATM funds.

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. Central Japan Branch 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, NX Cash Logistics Co., Ltd. transports its customers' valuables safely and unfailingly by assigning highly-skilled security guards and using transport vehicles equipped with GPS and other sophisticated security devices. Each November, as the crime-prone year-end and New Year holidays approach, NX Cash Logistics 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 transportation 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 group-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 and Operation Quality 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. For example, complete checkups and medical treatment may be required and driving restrictions may be imposed 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.

Ensure Occupational and Social Safety

Initiatives to Promote Occupational Health and Safety on a Group-wide Global Basis Activities and Achievements

● Progress of Initiatives in 2022 (planned plans, details about initiatives implemented, effects of initiatives, etc.)

Each business subsidiary has appointed a person responsible for safety promotion and a person in charge of safety promotion to unify safety awareness throughout the Group, and has established a safety promotion system centered on each business subsidiary. In June 2022, we established the NIPPON EXPRESS GROUP Safety and Quality Control Standard. Using a checklist based on this standard, we have decided to continuously conduct self-inspections by each company on a biannual basis.

After the inspection, a meeting of safety promotion managers is held by region to review the results of the inspection and exchange opinions on various safety-related initiatives.

● Issues Identified Through Initiatives in 2022

Each business subsidiary provides various safety initiatives and technical guidance. However, outside of Japan, it is necessary to focus on measures tailored to the characteristics of local accidents and measures to prevent accidents from occurring by subcontractors.

Work is being conducted at each business subsidiary to prevent accidents and disasters by identifying trends in accidents and disasters that occurred in the previous fiscal year and formulating safety policies and safety initiatives for FY2023.

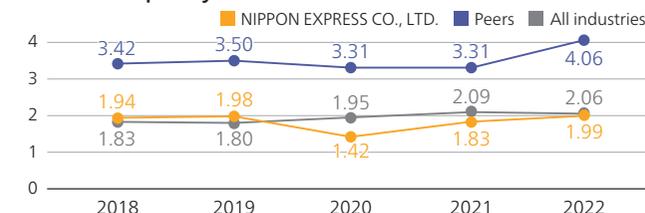
● Plans for Future Initiatives (major milestones, achievement targets, plans, etc. for initiatives in 2023 and beyond)

In order to further strengthen the Group's Global Safety and Quality Management System, the Safety and Quality Promotion Group will support the roles of safety promotion staff at each business subsidiary, support the introduction of safety technology through latest equipment, formulate safety training policies, and strengthen management during high-risk events.

Safety-Related Data

Index of labor accidents

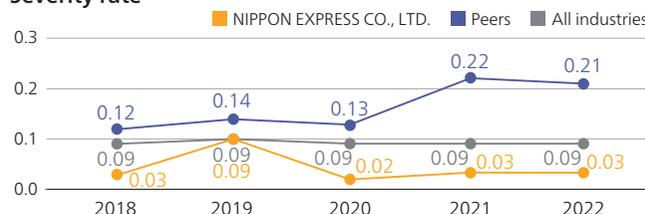
Accident frequency rate*1



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

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

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 (January 2022 to December 2022)

Item	(Unit: number of accidents)
Vehicle malfunction	13
Collision	1
Fire	1
Health-caused	1
Total	16

Acquisition of certification as safety excellence offices (G-Mark*4) (as of January 2023)

	Number of authorized offices	G-Mark Number of certified offices	Rate of certification
Total number of certified offices in Nippon Express Co., Ltd.	405	394	97.3%
Number of certified offices in the NIPPON EXPRESS GROUP	298	291	97.7%

(Reference) Industry certification status (as of December 2022)

	Number of offices	Number of certified offices	Rate of certification
Nationwide	87,033	28,696	33.0%

*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.

A Workplace that Supports Sustainable Growth

Human Resources Principles

NIPPON EXPRESS GROUP Human Resource Policy Policies and Targets

We have established the NIPPON EXPRESS GROUP Human Resource Policy, a basic policy for the sustainable growth of employees and Group companies, positioning employees as assets, based on the premise that employees and the company that they work for have an equal and respectful relationship with each other.

NIPPON EXPRESS GROUP Human Resource Policy

I People

Self-discipline

We seek people who can find and solve problems on their own, and who can work autonomously and continuously improve their skills.

Challenge and Change

We seek people who see change as an opportunity and continuously take on challenges.

Integrity and Empathy

We seek people who can always put themselves in the other person's shoes and act with sincerity and Honesty.

II Promises

Diversity and Inclusion

We provide the workplace where diverse human resources can work together with a sense of unity and mutual respect, to create new value.

Support for self-actualization

We provide opportunities for employees to grow and fulfill their talent.

Psychological Safety

We promote the establishment of a workplace where everyone can feel comfortable sharing their opinions and can demonstrate best of their abilities.

III Values

Linkage with management

We work on human resource strategies that is closely aligned to management and business strategies.

Career Support

We support each employee's career so that they can feel valued, fulfilled and rewarded in their work.

Communication with employees

We aim to be a good partner to our employees through honest and open communication.

The NIPPON EXPRESS GROUP aims to become a logistics company with a strong presence in the global market by implementing human resource strategies and measures based on the NIPPON EXPRESS GROUP Human Resource Policy and developing human resources who will lead the next generation.

Promoting Human Resources Management Organizations and Systems

NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. introduced a talent management system for accumulating and utilizing information about the talent of each employee. By using this system effectively to make proposals on issues such as the placement of human resources and education opportunities, those companies will pursue human resources management to enable all employees to further utilize their talent and grow.

Topics

Measures to Improve Engagement - Progress of Initiatives in 2022

In 2021 and 2022, Nippon Express Co., Ltd. conducted an internal awareness survey toward improving employee satisfaction. Analysis of the survey results showed that our strengths include a high degree of empathy for the significance of each individual's work and the organization's work as well as management policies, and praise regarding the provision of education and training that are necessary for work. On the other hand, as issues, items related to job fulfillment, which is an intrinsic factor, and items indicating organizational openness/closedness in the organization were also cited, suggesting one-way communication by the Company. Since 2022, we have implemented various measures aimed at resolving these issues. In order to promote two-way communication through dialog between top management and employees, the Company has held Townhall meetings 31 times, allowing for dialogue between 494 employees in administrative and technical fields and top management at work locations to promote mutual understanding. In addition, the company is working to change mindset and behavior in order to encourage employees to change their own management style and support opportunities for employees to work autonomously and utilize their abilities by implementing a leadership assessment through a leadership assessment through 360-degree evaluation and support-type management training for all managers. The Company is also working to create an environment in which employees can autonomously select their careers and play an active role through the trial of an internal posting system.



Improving Employee Engagement Activities and Achievements

Nippon Express Co., Ltd. has taken steps to shift to supportive management, improve communication, and enhance mechanisms to support employees to resolve issues identified in an internal awareness survey toward improving employee satisfaction, which was conducted in FY2021, with the aim of being a company where the employees have a sense of happiness as stated in the Business Plan. Although a survey was also conducted in FY2022, satisfaction levels, strengths, and issues remained almost unchanged from the previous year, meaning that continued efforts for improvement are required. In FY2023, the NIPPON EXPRESS GROUP will conduct a common engagement survey to analyze the current situation, identify issues for the Group as a whole and for each company, and improve employee engagement using a PDCA cycle (internal awareness survey toward improving employee satisfaction response rate: 72.9% in 2021 and 77.6% in 2022).

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 70 employees annually as overseas business trainees to acquire local knowledge of international freight operations and improve their ability to deal with different cultures.

Education Policy (FY2019-FY2023)

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 NIPPON EXPRESS GROUP University (an internal organization) to train human resources to be capable of leading the logistics industry. NX 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, a facility for classroom and discussion-based management training and online training, and NX-TEC Izu, where truck drivers, forklift operators, and others receive technical skills training.

As an effort to promote independent learning, we also provide staff members with a distance learning program named NIPPON EXPRESS GROUP Door to Self-development. From FY2023, we will provide the subscription-based learning system Manasuku to all NIPPON EXPRESS GROUP employees who wish to use it, with the aim of further transforming our corporate culture to one of self-directed learning. Combining the NIPPON EXPRESS GROUP’s knowledge and skills in languages, leadership, general knowledge, specialized techniques, 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 FY2022 education plan, NIPPON EXPRESS GROUP University conducted Leader Development Training in person and using online tools for 20 employees selected from among employees in their early 30s. Nine meetings and three seminars were held from June to November 2022, with the main goal of developing human resources who will lead the NX Group in the future by acquiring fundamental problem-solving skills, which will enable them to better understand the nature of problems and find solutions from a fundamental perspective.

In FY2023, we will conduct leader training at the general level, supervisory level, administrative level, and management level, aiming to create a system with continuity for the education of 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

At Nippon Express Co., Ltd., in FY2022, carrying on from the previous fiscal year, training was implemented through remote training using online tools and partly in a face-to-face format while adequately following countermeasures to prevent the spread of COVID-19. A total of 101 classes were held by NIPPON EXPRESS GROUP University, with 2,347 participants. Of these 61 classes, training linked to the personnel system was held classes, with a total of 1,469 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, with the NIPPON EXPRESS GROUP Diversity Promotion Plan serving as an axis, for diversity and improved working styles, 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 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

At Nippon Express Co., Ltd., the Head Office's Human Resources Strategy Division and block and business office-level personnel responsible for encouraging diversity cooperate with each other in facilitating our diversity management. Regarding the promotion of diversity, by means of company-wide initiatives and by each and every employee acting with a sense of ownership, initiatives can be realized energetically and quickly.

The Company's main initiatives are as follows.

● e-learning

We have been implementing e-learning continuously to promote diversity and flexible workstyles throughout the Company. In FY2022, we conducted LGBTQ basic awareness training and diversity training for management staff to learn about specific methods for the understanding and acceptance of diverse employees.

● 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 FY2022 with 518 attendees).

● Improving Female Staff Members' Career Ambitions and Strengthening 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.

In addition, we conducted leader development training for managerial candidates to improve their management skills and strengthen their leadership skills, thereby creating mindsets for managerial positions (199 participated in two training courses for area-based female staff held a total of nine times in FY2022).

● 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 everyone can work comfortably and further promotes female empowerment. In FY2021, we introduced a lump-sum payment system to support childcare leave, and in FY2022, we created and utilized a handbook for employees and a guidebook for managers to learn how to balance work and childcare, creating an environment that promotes the use of childcare leave and leading to an 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
2020	12.0%
2021	19.2%
2022	35.7%

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 General Manager to staff members via the Diversity Promotion Group portal site and other media. General Manager 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 declarations by branch managers



Diversity Promotion Group portal site

Promote Diversity and Inclusion

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.

- Number of foreign nationals employed by NIPPON EXPRESS HOLDINGS, INC.: 15 (as of January 2023)
- Data on foreign nationals employed by Nippon Express Co., Ltd.
 - Experienced and professional hires: 6 (2022)
 - Employee (general staff) hires: 3 in 2022 and plans to hire 5 in 2023

Employment of Persons with Disabilities

Activities and Achievements

With Nippon Express Co., Ltd. serving as the parent company, the Group has been certified to promote the employment of people with disabilities. Under this structure, we aim to share information with a focus on NX Heartful Co., Ltd., a special subsidiary company* that employs persons with disabilities. NX Heartful Co., Ltd. makes business cards and other printed materials for the Group and provides internal mail services within the NIPPON EXPRESS GROUP Building. In addition, NX Heartful Co., Ltd. provides support for employment and retention, as well as subcontracting operations within the Group, and provide opportunities for persons with disabilities to play an active role according to their characteristics. As a result of the Group's efforts to promote the employment of persons with disabilities, we achieved the statutory employment rate in FY2022 (employment rate of persons with disabilities as of December 31, 2022 was 2.33%).

* 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 staff members to proudly and energetically assume a leading role requires the enhancement of not only their work but also their lifestyles. Workstyle innovation is indispensable for business growth. By enhancing the private lives and work of our staff members, it will also generate a multiplier effect and ensure that our staff members lead healthy lives. Initiatives for behavioral change are also being implemented throughout the NIPPON EXPRESS GROUP, 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. In addition, Nippon Express Co., Ltd. is working to expand the deployment of open offices and remote work that is suited to the new normal in order to accelerate diverse and flexible work style reforms.

MINDS, a workstyle reform community

Policies and Targets

Since February 2020, the Nippon Express Co. Ltd. has participated in MINDS, a community promoting workstyle reform consisting of millennials working in 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

Organizations and Systems

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.

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. These young staff members receive guidance from outside lecturers and have roundtable discussions with other employees who are on childcare leave and serve as role models (both men and women). By participating in these programs, they will be better equipped to balance work and children, and acquire related expertise.

Promote Workstyle Innovation

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

Nippon Express Co., Ltd. has raised the annual paid leave utilization rate target to 60% in the current Business Plan, and is promoting the use of paid leave throughout the Company to achieve this target. Specifically, initiatives have been promoted in the entire organization, including raising awareness that taking leave is part of work and leave is for everyone throughout the diversity promotion period, as well as bottom-up activities in each branch. As a result, the ratio of use of paid leave reached 57.8%.

● Promotion of Remote Work

At Nippon Express Co., Ltd., with the aim of realizing a more flexible work style and improving productivity per hour, the telecommuting system was changed 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.

● Ensuring Fair Working Conditions

From April 2019, Nippon Express Co., Ltd. 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 employees are the same as those of employees, and the system is designed to enable all employees to work in a more positive and positive manner by providing fair treatment regardless of employment status.

● Relationship with the Worker's Union Activities and Achievements

The Nippon Express Worker's Union boasts 29,164 members as of March 31, 2023. 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.

Topics

Application for Certification Under the Employee-Friendly Workplace Certification System

In 2020, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) established the Employee-Friendly Workplace Certification System (official name: Certification System for Making Favorable Workplaces for Drivers) as part of its comprehensive efforts to address the shortage of drivers in the automobile transportation business (trucks, buses, and taxis). This is an initiative to make the working conditions and working environment of the business operators visible to job seekers and increase their attractiveness, leading to employment. In 2020, although we only applied for an One-star rating, in the same year, Nippon Express Co., Ltd. received an One-star certification where working conditions are evaluated by a third-party certification body.

Since it was decided to introduce a new Two-star system from 2022, the Company is working on obtaining the certification (application has been submitted to a certification body). We will continue to strive to create a comfortable working environment to facilitate recruitment activities.



Employee Data

Number of employees (consolidated) as of December 31, 2022

		Employees	Temporary employees (average number of temporary employees per year)
Logistics	Japan	41,541	9,128
	Americas	3,018	264
	Europe	3,658	695
	East Asia	4,734	39
	South Asia and Oceania	8,276	21
Security Transportation		6,453	1,521
Heavy Haulage and Construction		959	80
Logistics Support		4,546	730
All companies (common)		297	28
Total		73,482	12,506

Employee data (Nippon Express Co., Ltd. only)^{*7}

		FY 2020	FY 2021	FY 2022
Employees by employment status ^{*1}	Employees	32,795	33,664	33,504
	Temporary employees	1,971	1,589	1,193
Employees by gender ^{*1}	Men	28,647	28,752	28,150
	Women	6,119	6,501	6,547
Employees by age ^{*1}	Under age 30	4,786	4,843	4,931
	Age 30 to age 50	16,383	17,032	14,988
	Above age 50	13,597	13,378	14,778
	Average age	43.7	44.3	45.0
Employees hired - New graduates ^{*2, *4}	Men	575	507	354
	Women	403	454	299
Employees hired - Experienced employees ^{*3}	Men	13	6	12
	Women	4	2	2
Turnover ^{*2}	Men	505	545	602
	Women	173	262	285
	Men (within three years of joining the Company)	224	257	196
	Women (within three years of joining the Company)	86	137	94

		FY 2020	FY 2021	FY 2022
Turnover rate ^{*2}	Overall	2.1%	2.5%	2.6%
	Within three years of joining the Company	4.4%	5.3%	6.8%
Average years with the Company ^{*1}	—	16.0	16.4	15.9
Average days of paid leave taken ^{*2}	—	12.2	11.4	15.9
Percentage of women with managerial positions	—	1.5%	1.7%	2.0%
Percentage of female assistant managers	—	11.3%	13.5%	11.3%
Gender wage gap ^{*5}	—	60.5%	62.5%	63.2%
Persons taking maternity leave	—	179	176	208
Number of employees eligible to take childcare leave	Men	541	460	482
	Women	143	149	168
Persons taking childcare leave	Men	65	103	172
	Women	149	132	156
Percentage of employees who return to work after childcare leave	Men	95.0%	100%	100%
	Women	97.0%	97.0%	97.5%
Retention rate of employees who return to work after childcare leave	Men	94.0%	88.0%	90.8%
	Women	91.0%	91.0%	91.9%
Persons taking family care leave	Men	8	8	6
	Women	0	0	2
Number of persons with disabilities hired ^{*1, *6}	—	8,936	9,296	12,577
Employment rate of persons with disabilities ^{*1, *6}	—	2.28%	2.30%	2.33%

*1 Nippon Express Co., Ltd., non-consolidated (Employees (general staff), employees (global), employees (area-based staff), employees (elderly), and temporary employees under direct contract)

*2 Employees (general staff) and employees (area-based staff)

*3 Employees (general staff)

*4 "Employees hired - New graduates" does not include those who have changed their employment category

*5 Wage level of women compared to that of men for employees (general staff), employees (area-based staff), and temporary employees under direct contract

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

*7 Results are from April to March for FY2020, April to December for FY2021, and January to December for FY2022

New Value for Industry

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 the maintenance and improvement of 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 (FY 2022)

Inquiries	12,405
Requests	521

Customer Survey Activities and Achievements

Nippon Express Co., Ltd. has been asking customers who make use of its removals services to respond to a survey about those 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.

Also, NPS calculated from the survey responses is used as a KPI for moving quality. From 2019 when NPS was first introduced until now, the annual figures have risen, which means an improvement in moving quality has been made. Continuing from 2022, in 2023, we were given the top overall place among moving companies in the Oricon® Satisfaction Survey for two consecutive years.

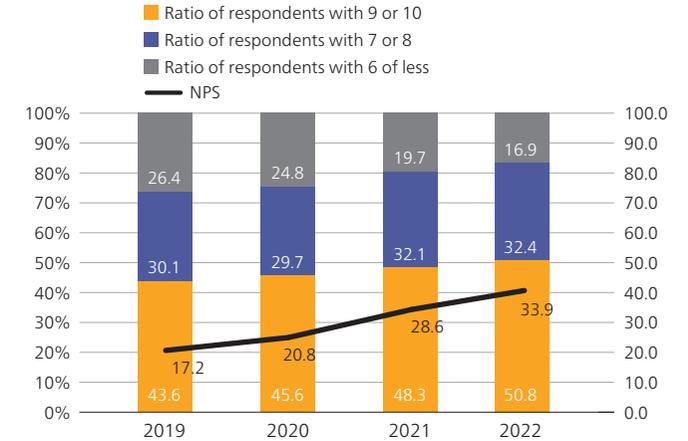
NPS:
Abbreviation for Net Promoter Score. An index to measure customer loyalty, NPS quantifies how much attachment or trust there is toward the Company and its brand and is used as an index for the quality of removals.

Always None

10 9 8 7 6 5 4 3 2 1 0

Ratio of respondents with 10 or 9 (%) — Ratio of respondents with 6 of less (%) = NPS

Survey Results and NPS by Year



Encourage Global Quality to Meet Expectations from Customers and Society Activities and Achievements

● Pharmaceutical Logistics

Nippon Express Co., Ltd. offers pharmaceutical logistics services at Good Distribution Practices (GDP) certified locations. 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. In addition, by promoting the acquisition of GDP certification at major NIPPON EXPRESS GROUP overseas forwarding sites and constructing a global and safe and reliable supply network, we are contributing to the improvement of the value of pharmaceuticals and people's health through transportation.

Encourage Global Quality to Meet Expectations from Customers and Society

Topics

Cell and Sample Storage Service Sales Are Strong. Ultra-Low Temperature Freezers and Other Storage Devices in Operation Exceeds 100 Units - Solving Storage Space and Management Issues in the Pharmaceutical Industry (February 2023)

The storage devices, including ultra-low temperature freezers, that NX WANBISHI ARCHIVES CO., LTD. owns and operates as a cell and sample storage service provider, exceed 100 units.

The cell and sample storage service is a GxP-related data storage service that provides storage and management of biological samples, such as cells and some tissues of living organisms, in liquid nitrogen tanks and ultra-low temperature freezers. The environment meets the standards required by the pharmaceutical, biotechnology, and regenerative medicine industries for safe, reliable, and long-term storage of cells, specimens, samples, and active pharmaceutical ingredients that require constant-temperature storage in frozen or refrigerated conditions.

Since its launch in 2017, the service has been used by many customers, helping to solve issues such as securing storage space for active pharmaceutical ingredients and specimens, increasing incidental management tasks, and backing up important samples and specimens. In April 2022, we began offering the service in the Kansai region modeled after the service provided in the Kanto region.



▶ Official website for cell and sample storage service
* Japanese version



Please see the NX Wanbishi Archives website for details.
* Japanese version



Kanto Region Storage Center storage devices

Stable Social Systems (Uninterrupted Supply Chains)

Contribute to Sustainable and Tough Infrastructure Development

Creation of business models based on the latest technology Activities

Through many different governmental working groups such as a committee that studied business models related to a national project to encourage automated truck platooning*, Nippon Express Co., Ltd. is committed to the creation of new logistics services that support society in the future.

Examples of major Initiatives of Nippon Express Co., Ltd. are as follows.

Developing Cutting-Edge Logistics Technologies Activities and Achievements

At Nippon Express Co., Ltd., while the Company actually operates NX-Auto Logistics Facilities (NX-ALFA), the Company's most advanced logistics facility, as its uniform center, it is considering the use of material handling equipment and cargo-handling robots to streamline operations and save manpower at our warehouses and distribution centers. In addition, many customers have been observing the operation status to help them consider together the construction of new solutions and sustainable distribution centers.

● Proof-of-Concept Regarding Drone Use

Based on the knowledge gained from the internal and external demonstration experiments conducted in FY2022, we plan to conduct a demonstration experiment of the transportation of pharmaceuticals in Kanagawa Prefecture in FY2023.

Through this experiment, we aim to establish an integrated transportation of pharmaceuticals from our bases that handle pharmaceuticals to elderly care facilities, etc.

At the same time, we believe that this scheme can be used as an emergency transportation mode for evacuation shelters and hospitals in the event of a natural disaster.

In addition, with a view to utilizing the system at the 2025 World Exposition (Expo 2025 Osaka, Kansai, Japan), we are also considering proposals centered on the transportation of pharmaceuticals.

● 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.



● Efforts for Digitizing Tasks Related to Receiving and Shipping Marine Containers

The Company conducted research and development of image recognition technology and voice recognition technology to improve efficiency and automation of work and collection of digital data for receiving and shipping tasks, which are normally carried out in analog form in the international marine transportation industry.



● Paperless Forms Used at Work Sites

By utilizing tablet and smartphone apps at work sites to access information recorded on paper, such as check sheets and inspection records, the Company has achieved paperless operation as well as streamlined office work.

Contribute to Sustainable and Tough Infrastructure Development

Topics

NX NP Logistics Co., Ltd. Wins the Best Logistics Improvement Award at the All Japan Logistics Improvement Case Conference 2022 for Two Consecutive Years (June 2022)

NX NP Logistics Co., Ltd. won the Best Logistics Improvement Award, the highest level award given, for the second year in a row at the All Japan Logistics Improvement Case Conference 2022 hosted by the Japan Institute of Logistics Systems and the Japan Logistics Research Society.

In order to further enhance on-site capabilities in the logistics field, this conference is held to mutually present excellent logistics improvement cases and share clues and know-how for problem solving. Among the excellent examples presented, the Best Logistics Improvement Award is awarded for improvement case recognized as being outstanding.



A presentation at the conference



Award ceremony

[Award content] Implementation of overall optimal warehouse management by "ONE TEAM" utilizing IE* - Challenge Shinka of further unit load

In order to reduce the burden on drivers, we have been promoting unit loading using pallets, etc. However, we have not been able to speed up the departure time of truck drivers due to the increased load of transshipment work in the warehouse. Therefore, by analyzing the process from the warehouse work to the departure of the vehicle using IE and working on overall optimization, work was improved throughout the center, accelerating the departure time of drivers, and at the same time improving the efficiency of work in the warehouse.

* IE (Industrial Engineering): A method for scientifically analyzing work content and processes to produce products more accurately, quickly, and efficiently.



Please see our website for details.

* Japanese version

NX Logistics Research Institute and Consulting, Inc. Started Joint Research with Tokyo University of Marine Science and Technology to Automate Measurement of Warehouse Operations and Build a Database of Next-Generation Improvement Cases (October 2022)

NX Logistics Research Institute and Consulting, Inc. (hereinafter "NX Logistics Research Institute and Consulting") and Tokyo University of Marine Science and Technology have started joint research on automation of warehouse work measurement and a next-generation improvement case database by combining Lojitan, a service provided by NX Logistics Research Institute and Consulting that enables easy data conversion and analysis of work hours in warehouses, and Work Probe System (patented), a research result of Associate Professor Toshimasa Aso.

[Background and Objectives of Joint Research]

Lojitan, an existing technology at NX Logistics Research Institute and Consulting, is a service that measures work results by having workers use a smartphone to touch an onscreen button corresponding to the task being performed. Although the system contributes to visualization of work performance, there have been requests from work sites, such as "it is troublesome to enter information each time during work, so we want automatic determination," and "we want to automatically obtain standby time and walking time as a breakdown of work entered."

The Work Probe System, a result of the research and development of Associate Professor Toshimasa Aso at Tokyo University of Marine Science and Technology, enables workers to determine elemental work from the values of various sensors in their smartphones simply by carrying smartphones. By incorporating the Work Probe System into Lojitan, workers can obtain more detailed information than ever before, such as worker waiting time and walking time, which could not be obtained with Lojitan alone, simply by carrying a smartphone (Figure 1).

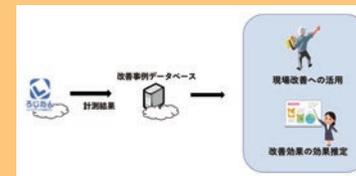
In this joint research, by combining the elemental technologies of both organizations, we will minimize the time and effort required to measure and visualize work results that are easier to use at work sites.

In addition, the two organizations will work on the construction of a next-generation improvement case database based on work performance measurement data. In the future, we aim to develop a next-generation improvement system that can provide advice on improving labor and productivity in warehouse operations based on the accumulated case data (Figure 2).

Figure 1: Lojitan with Work Probe System incorporated



Figure 2: Next-generation improvement case database



Please see the NX Logistics Research Institute and Consulting website for details.

* Japanese version

Contribute to Sustainable and Tough Infrastructure Development

Providing Special Transport Services Activities and Achievements

Fine arts transport and heavy haulage and construction are among some of 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.

● Heavy Haulage and Construction

The Heavy Haulage & Construction Business Division of Nippon Express Co., Ltd. not only transports heavy goods but also installs equipment and performs construction. It plays a role in the construction and maintenance of major social infrastructure in Japan and overseas, including wind power generation and other renewable energy-related projects that have been the focus of attention in recent years, as well as the transportation and installation of plant equipment. These business operations are essential to society, ensuring a high level of compatibility between transporting and building, and adding real value to goods.

● 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. Also, in comparison to general plastic pallets that use petroleum-derived materials, EPS pallets can lower the use of petroleum derivatives by approx. 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.



Topics

NIPPON EXPRESS U.S.A., INC. Launches New Multimodal Transport Service from North America to Asia via Mexico (June 2022) - BCP-compatible Service Designed to Avoid Port Congestion on North America's West Coast -

NIPPON EXPRESS U.S.A., INC. (hereinafter, "NX USA") has launched US EXPORT SERVICE Via MEXICO (U.S.E.ME), a new BCP-compatible multimodal transport service for shipments from the United States and Canada to Asia via Mexico.



U.S.E.ME service route diagram

[Overview of service]

Name of service: US EXPORT SERVICE Via MEXICO (U.S.E.ME)

This BCP-compatible integrated multimodal transport service conveys cargo overland by trailer from various locations in North America (US/Canada) to a Nippon Express warehouse in San Luis Potosí, Mexico, where it is transshipped to containers and transported by sea from Manzanillo Port in Mexico to ports in Japan and other Asian countries.

Features

(1) Stable lead time: This transport service avoids port congestion on the US West Coast and thus offers stable lead time (e.g., about 37 days from Chicago to Yokohama Port)

→The lead time for transporting cargo overland (railway and truck) from North America to Asia via the West Coast of the US is currently about 40 to 60 days*.

* Based on transport carried out by Nippon Express Co., Ltd. as of June 2022

(2) High-quality integrated transport by the NIPPON EXPRESS GROUP: NX Mexico provides customers with reliable service by issuing House Waybills and consistently clarifying its transport responsibilities from departure points to arrival points.

(3) Flexible collection: Goods can be collected from major cities across the United States and Canada on dates specified by customers.

* Primary collection areas: Toronto, Minneapolis, Chicago, Indianapolis, Detroit, Columbus, Cincinnati, Nashville, Atlanta, Houston, etc.



Please see our website for details.

Contribute to Sustainable and Tough Infrastructure Development

Topics

NIPPON EXPRESS (CHINA) CO., LTD. Collaborates with SIPGL to Launch International Consolidated Transshipment Service in Shanghai (February 2022)

- Becomes the First Forwarder to Offer an International Consolidated Transshipment Service -

NIPPON EXPRESS (CHINA) CO., LTD. (hereinafter "NX China") has teamed up with SIPG Logistics Co., Ltd. (SIPGL), an affiliate of Shanghai International Port (Group) Co., Ltd. (SIPG), to become the first forwarder to offer an international consolidated transshipment service (transshipping containers and reconsolidating shipments) in Shanghai.

[Background to service development and features]

This Shanghai-based international consolidated transshipment service shortens lead times and reduces costs by utilizing the Port of Shanghai, which serves more than 500 routes to destinations worldwide, to efficiently load transshipment cargo from countries in Southeast Asia and elsewhere as well as export cargo from within China for customers shipping to destinations for which space is difficult to secure.

Transshipment of containers and reconsolidation of cargo in Shanghai previously had to be carried out at a forwarder's bonded warehouse, requiring extra time to relocate the cargo and complete customs procedures.

NX China has collaborated with SIPGL to develop a new transshipment service that uses SIPGL's dedicated warehouse adjacent to the Shanghai CY, eliminating the need to pass cargo through a forwarder's bonded warehouse, to reduce the lead times and costs associated with transshipment.

Collaboration with SIPGL makes it possible to utilize space on North American routes arranged between SIPG and shipping companies as a BCP solution in the face of space shortages on routes to North America from Southeast Asia and other regions.

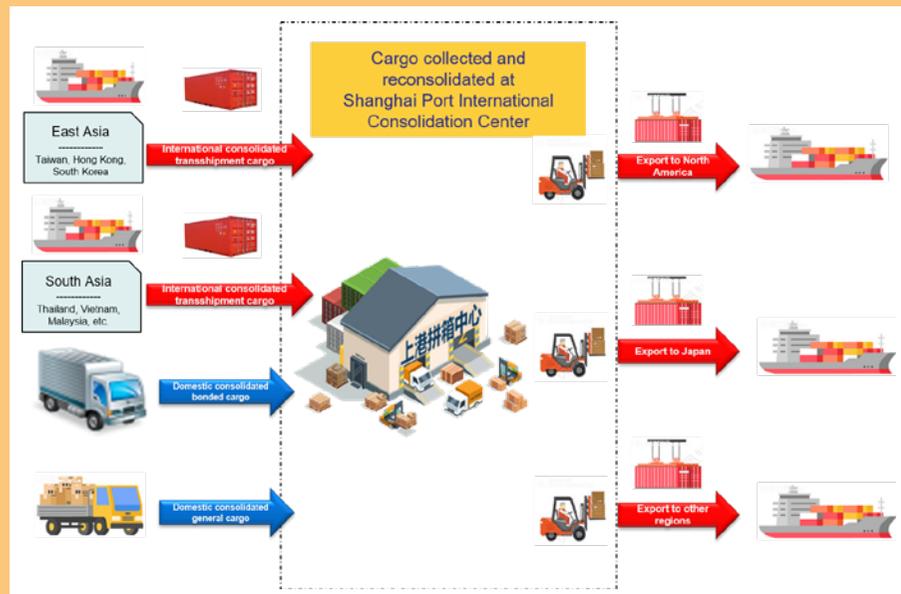
■ Lead time for transshipment

Cargo arrival (N) - D/O changeover (N+1) - Cargo receipt (N+2) - Consolidation with domestic export cargo (N+4) - Vessel departure (N+6)

■ Example routes

Routing 1: Port Klang → Shanghai → Japanese ports

Routing 2: Philippines → Shanghai → North American ports



International Transship Service



Please see our website for details.

Contribute to Sustainable and Tough Infrastructure Development

Topics

NIPPON EXPRESS (CHINA) CO., LTD. Launches Cross-Border Transport Service with Neighboring ASEAN Countries Using China-Laos Railway (April 2022)

In April 2022, NIPPON EXPRESS (CHINA) CO., LTD. (hereinafter "NX China") launched a new multimodal transport service linking up China and neighboring ASEAN countries via truck transport that utilizes an international railway connecting China and Laos.



Route map between Kunming, China and Ayutthaya, Thailand



Trial transport container at Kunming Station

[Service features]

This service is a multimodal service for transporting cargo by rail between Kunming, China and Vientiane, Laos and then by truck from Vientiane to Thailand and other neighboring ASEAN countries across the international border with Thailand's Nong Khai Province.

Using the example of transportation from Kunming, China, to Ayutthaya, Thailand, the lead time can be shortened by 0.5 days compared to conventional truck-only transportation by rail, and CO₂ emissions can also be reduced by modal shift through the use of rail transportation. This service can be used as a BCP transport mode when ocean cargo transport is disrupted.



Please see our website for details.

Economic Value

Management Approach



Realize sustainable growth through collaboration and co-creation

We will achieve sustainable growth for NX by creating new value and being trusted by society through collaboration and co-creation with other companies and by deepening our ties with local communities.

Main Sustainability Issues

- Improving Quality and Creating New Value

Description in the Sustainability Data Book

- Strengthen global partnerships
- Contribute to society through business operations

The NIPPON EXPRESS GROUP's Approach

- Promote value creation for customers and society and solutions to social issues through innovation
- Resolve community-based issues and contribute to social development

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

Since its founding in 1937, the NIPPON EXPRESS GROUP has been proposing a variety of new services and solutions with the mission of contributing to the development of society through logistics. On the other hand, the times and environment are changing at an accelerating pace, so it is necessary to provide new value with a sense of speed while making use of the knowledge and experience accumulated by the NIPPON EXPRESS GROUP.

Against this backdrop, our policy is to transform ourselves and provide new value to our customers through co-creation with startups with new business ideas and technologies.

Promote Open Innovation Activities and Achievements

The NIPPON EXPRESS GROUP is promoting business co-creation with promising startups in Japan and overseas that have strengths in new technologies and business ideas that contribute to the promotion of DX and sustainability, and in areas that contribute to new businesses in the medium to long term. In January 2023, to strengthen its activities, the NX Global Innovation Fund as well as the Corporate Venture Division will be established. Over the next five years, we will invest 5 billion yen in promising startups and strengthen relationships with startups while pursuing open innovation.

Paving the way for new challenges



NX Group's investment fund that invests ¥5 billion over 5 years into promising startups

Topics

Nippon Express Co., Ltd. Releases its Partnership Building Declaration (December 2022)

Nippon Express Co., Ltd. has endorsed the aims of the Promotional Council for Building Partnerships for the Future, whose members include the Chairman of Keidanren (Japan Business Federation), the President of the Japan Chamber of Commerce and Industry, the President of the Japanese Trade Union Confederation, and relevant ministers (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism), resulting in the release of the Company's Partnership Building Declaration. The Partnership Building Declaration is a declaration in the name of a company representative that the company will build new partnerships by promoting cooperation, coexistence, and co-prosperity with supply chain business partners and other value-creating businesses.



We aim to build new partnerships while promoting collaboration and co-existence and co-prosperity with business partners in the supply chain and businesses seeking to create value.



Please see our website for details.
* Japanese version



Contributing to the Development of Local Communities

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 NIPPON EXPRESS 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, 50 from Hosei University, and 200 from Aoyama Gakuin University in FY2022, the lectures helped the students to deepen their interest in and understanding of logistics, and offered opportunities for the Group to solicit frank opinions from young people.



Endowed course

Reforestation Activities in "NIPPON EXPRESS GROUP Forests"

Activities and Achievements

As a part of our environmental and social contribution activities and under 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.

Continuing from FY2021, in FY2022, due to measures to combat COVID-19, employee participation in activities was canceled. Nonetheless, in Iide Town, the local management committee 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 favorably. The NIPPON EXPRESS GROUP will continue our efforts to preserve the natural environment for future generations.



Surveying tree cultivation

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 lo-gistics 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

The NIPPON EXPRESS GROUP engages in a variety of community-based social contribution activities in each region. The main results of the activities are as follows.

Social contribution activities and achievements (FY2022)

	Total number of participants and dispatched personnel
Cleanup activities	9,630
Traffic safety campaign	312
Cooperation and participation in festivals	616
Blood donation	736
Dispatch of instructors to schools, etc.	40

Other social contribution activities: Baseball classes held by the Nippon Express Baseball Club, building schools, donating money and goods, etc.

Topics

NIPPON EXPRESS (CHINA) CO., LTD. Donates 2,000 pieces of Protective Suits to Xi'an International Inland Port Investment & Development Group (January 2022)

A lockdown imposed in Xi'an in December 2021 severely restricted traffic access to the railway terminal in Xi'an, resulting in a shortage of protective suits for railway terminal workers. Under these circumstances, NIPPON EXPRESS (CHINA) CO., LTD. urgently procured 2,000 pieces of protective suits in Shanghai and transported them 1,000 km from Shanghai to Wuhan, Xiangyang, and Xi'an amidst disrupted logistics networks, and, on January 7, 2022, donated them to Xi'an International Inland Port Investment & Development Group, which operates a railroad terminal in Xi'an, a key junction on the China Railway Express.

Contribute to Society Through Our Business Operations

Topics

Nippon Express (india) Private Limited Builds and Donates School Building in Karnataka State (April 2022)

Nippon Express (india) Private Limited has completed construction of a school building, a building that had been under construction for quite some time, on the premises of the Government Kannada Boys Model School that was donated to the school in March 2022.

A "model school" equates to a combined elementary and junior high school in Japan, and approximately 700 students attend this school for eight years from age six. Upon learning that a growing population had created a shortage of classrooms, NX India decided to build and donate a two-story school building featuring six classrooms with tiled floors and ventilation equipment not found in other classrooms.

A completion ceremony and prayer preceded the handover ceremony, where school officials warmly welcomed NX India representatives and expressed their thanks.



Government Kannada Boys Model School



At handover ceremony with Karnataka government officials

 Please see our website for details.

Nippon Express Co., Ltd. and NX Shoji Co., Ltd. Presented with Letters of Appreciation from the Ambassador of the Kingdom of Cambodia (July 2022)

Nippon Express Co., Ltd. (hereinafter "Nippon Express") and NX Shoji Co., Ltd. (hereinafter "NX Shoji") received a letter of appreciation from received letters of appreciation from the Ambassador of the Kingdom of Cambodia to Japan in July 2022.

NX Shoji has been engaged in a project to donate to overseas recipients used office fixtures no longer needed by local governments and companies due to office relocation or layout changes, and this scheme has won the support of many customers for helping establish recycling-oriented societies by promoting reuse as recommended by the Ministry of the Environment and for embodying the presentation of concrete results toward achieving the Sustainable Development Goals (SDGs).

Nippon Express decided to utilize NX Shoji's scheme to donate to Cambodia used office furniture no longer needed following the relocation of its head office from Shiodome at the end of 2021 with the aim of realizing the SDG concepts of international contributions and formation of recycling-oriented societies. Second-hand office fixtures were shipped by sea from Tokyo Port to Cambodia and delivered to the Cambodian Youth Federation in March 2022.

In recognition of Nippon Express' donation to the Cambodian Youth Federation and NX Shoji's donation scheme, the Ambassador of Cambodia to Japan presented letters of appreciation to Nippon Express and NX Shoji.



Presentation Ceremony with Second Secretary Borivath Kem (second from left) and His Excellency Tuy Ry, Ambassador of Cambodia to Japan (center)

 Please see our website for details

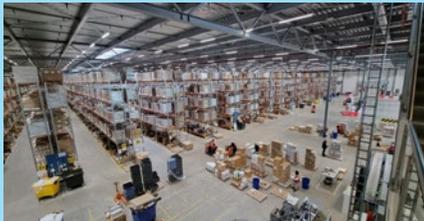
Contribute to Society Through Our Business Operations

Topics

Nippon Express Europe GmbH Conducts Logistics Seminar for Erasmus University Rotterdam in the Netherlands (November 2022)

In November 2022, Nippon Express Europe GmbH, held a seminar on logistics for around 140 students of Erasmus University's Rotterdam School of Management at a warehouse operated by NIPPON EXPRESS (NEDERLAND) B.V. in Maasvlakte, Rotterdam.

Erasmus University Rotterdam is an educational institution with a worldwide reputation in the disciplines of medicine, management, economics, and international public management and policy. This seminar was conducted as part of the master's program for students majoring in supply chain management at the Rotterdam School of Management to familiarize them with logistics operations in the field. A shipper company was invited to give a presentation on their warehouse operations and the NIPPON EXPRESS GROUP's position within the customer's supply chain, after which the students toured the approximately 102,000m² warehouse facility. The students asked many questions and engaged in a lively exchange of opinions to see how the theory they had learned in lectures applied to actual operations.



Interior of warehouse operated by NIPPON EXPRESS (NEDERLAND) B.V.



Seminar in progress



Please see our website for details.

Vietnamese Ambassador Visits NX AgriGrow Co., Ltd. (August 2022)

The NIPPON EXPRESS GROUP established NX AgriGrow Co., Ltd. (formerly Nittsu Farm Co., Ltd.) in Hokuto City, Yamanashi Prefecture in 2016, and the company has since been working with the local community on projects aimed at eliminating abandoned farmland, contributing to local employment and resolving other issues facing the city. In February 2023, NX AgriGrow concluded a comprehensive partnership agreement with Hokuto City to promote the sustained development of agriculture and revitalize the local economy, and it is striving through Hokuto's key industry of agriculture to create a new model for sustainable regional development.

In August 2022, Vietnamese Ambassador to Japan His Excellency Vu Hong Nam recently made a tour of companies in Hokuto City and visited NX AgriGrow, a firm engaged in cutting-edge agriculture.



Third from right: Ambassador His Excellency Vu Hong Nam; second from right: President Moroi



Please see our website for details.

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.

Management Indicators



Target

Attendance at compliance education courses by the NIPPON EXPRESS GROUP companies in Japan

100%

Result

FY2022:

98.5%



Target

Compliance Manager Conferences in all NIPPON EXPRESS GROUP regions in Japan

Result

FY2022: Held in all regions in Japan (338 participants)

Main Sustainability Issues

- Strengthening Governance
- Strengthening Risk Management

Description in the Sustainability Data Book

- Promote fair business practices
- Implement robust anticorruption measures
- Enhance corporate governance
- Risk management
- Personal data protection

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 Nittsu Speak Up, a whistleblowing system, among employees

Sound Company Conduct

Promote Fair Business Practices

Compliance Management Structure

Organizations and Systems

The NIPPON EXPRESS GROUP has established the NIPPON EXPRESS GROUP Charter of Conduct, which stipulates the ideals for daily activities and presents specific directions for conduct, and the NIPPON EXPRESS GROUP Compliance Regulations to conduct business activities in a sound, transparent, and fair manner based on the NIPPON EXPRESS GROUP Charter of Conduct. In addition, we have established the NIPPON EXPRESS GROUP Anti-Bribery Regulations, NIPPON EXPRESS GROUP Competition Law Compliance Regulations, and NIPPON EXPRESS GROUP Personal Data Protection Regulations as Group regulations, and established a code of conduct that staff members should follow. We use the Compliance Handbook provided in various languages to ensure that compliance is instilled among all Group employees.

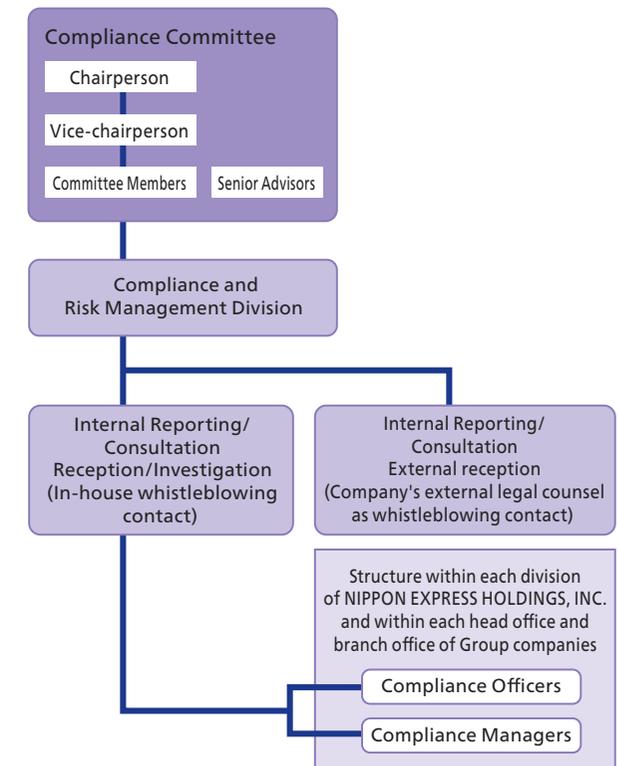
In addition, we have established an internal whistleblowing system called NX Speak Up (in Japan) and NX Global Speak Up for each region other than Japan in order to facilitate self-correction and to promptly detect and prevent violations of laws. As a result, we have established a system to receive internal reports from all employees of the Group.

NIPPON EXPRESS HOLDINGS, INC. has established a Compliance Committee chaired by the President to oversee various compliance-related measures. The committee discusses and promotes initiatives for important policies and materiality issues across departments and the Group. Reports, deliberations, and resolutions made by the Compliance Committee are reported to the Board of Directors, which confirms that appropriate remedial measures have been taken and are functioning effectively in response to compliance violations and issues raised by outside directors and outside Audit & Supervisory Board Members, and reviews any deficiencies to prevent recurrence.

NIPPON EXPRESS HOLDINGS, INC. Compliance System 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) 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



Promote Fair Business Practices

Compliance Training Activities and Achievements

The NIPPON EXPRESS GROUP distributes a Compliance Handbook (available in 16 languages) 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 FY2022, we used the Compliance Handbook to train 71,560 employees in Japan.

For sales and administrative employees, NIPPON EXPRESS HOLDINGS, INC. conducts e-learning twice a year to prevent harassment and non-compliance. In FY2022, 39,196 employees participated in this training. We also convene an annual conference for the compliance managers to share and exchange information and opinions aiming to increase compliance awareness throughout the Group companies in Japan.

The Group 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 Japan. In FY2022, we also conducted a safety and compliance awareness survey designed for all NX overseas Group employees.

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. Also, using various opportunities for conferences, 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.

We established the NIPPON EXPRESS GROUP Anti-Bribery Regulations and are working to improve our systems and employee education. Also, anti-bribery videos are published on the NIPPON EXPRESS GROUP intranet (in Japanese, English and Chinese), which can be used as training materials.



Compliance Handbook
(for April 2022 onward)

Compliance Violations Activities and Achievements

In FY2022, there were no cases of legal action within the NIPPON EXPRESS GROUP 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.

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

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.

Risk Management

Risk Management Basic Policy Policies and Targets

At the NIPPON EXPRESS GROUP, with the objectives of lowering the risk of serious impact on company management, and establishing a risk management system that can respond quickly and accurately in the unlikely event of a crisis situation, NIPPON EXPRESS GROUP Risk Management Principles and NIPPON EXPRESS GROUP Crisis Management Regulations are being established as basic policies, and, in addition to responding to various risks such as emergency situations in other countries, including wide-area disasters, new influenza viruses and other pandemics, and information system risks, coordination within the Group is being strengthened.

Risk Management System Organizations and Systems

The NIPPON EXPRESS GROUP has established the Risk Management Committee, chaired by the President, in an effort to develop a risk management system for the entire Group. Activities related to risk management in the NIPPON EXPRESS GROUP are regularly reported to the Risk Management Committee.

In FY2022, we inventoried, evaluated, and identified the material risks of each Group company, and discussed the results at the Risk Management Committee. In FY2023, we will continue to inventory, evaluate, and identify material risks at each Group company, while also promoting follow-up and feedback on the risk countermeasures of each Group company.

Crisis Management System Organizations and Systems

The NIPPON EXPRESS GROUP has established the Crisis Management Committee, chaired by the President, in an effort to develop a crisis management system for the entire Group. Activities related to crisis management in the NIPPON EXPRESS GROUP are regularly reported to the Crisis Management Committee. In response to various crises, such as wide-area disasters, the spread of infectious diseases such as new influenza strain, information system risks, and emergencies overseas, the Group will work with related companies and departments to minimize damage. We take all possible measures to ensure the life and safety of our employees and to ensure that there is no hindrance to the business continuity of the Group.

From January to February 2023, NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. jointly conducted initial response drills for the disaster-response headquarters in the event of an earthquake directly beneath the Tokyo metropolitan area, and role-playing exercises in the event of a crisis event overseas.

System to Ensure Business Continuity (BCP) Organizations and Systems

We promote the formulation and development of Business Continuity Plans (BCPs) at each Group company.

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 a spread of a new influenza strain or other infectious disease. We are ensuring our resilience by systematically preparing advance measures, disaster drills, initial responses to implement during an emergency and relief activities.

The Head Office and other key business locations have stocked up on emergency supplies as well as hygiene products to combat new strains of influenza and other infectious diseases, and will deploy satellite telephones and priority mobile phones for use during disasters if telephone lines are cut, establishing a system for correspondence during emergencies.

Safety Confirmation System and Disaster Management 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.

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 in order to promptly confirm the safety of employees and assess the extent of damage to facilities.

Topics

NX CAREERROAD Co., Ltd. Formulates Basic Business Continuity Plan

In 2022, NX CAREERROAD Co., Ltd. formulated a Basic Business Continuity Plan. In this plan, specific approaches were established for what operations to prioritize, what level of recovery to aim for, and how to proceed with the necessary advance preparations under conditions that make it difficult to carry out normal operations. The plan includes the establishment of crisis management committees and disaster response committees, the creation of initial response flow diagrams when working or at home, the stockpiling and maintenance of emergency supplies in the event of a wide-area disaster, and the creation of stage-specific risk scenarios in the event of an infectious disease, and the implementation of drills using the safety confirmation system. Through these measures, the company will ensure prompt and accurate action in emergencies.

Personal Information Protection

Personal Information Protection Policy Policies and Targets

NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. handles a variety of personal information, including customer information, as necessary for business.

As such, we have established a Personal Information Protection Policy, and we comply with rules and regulations as well as other norms pertaining to the protection of personal information, while simultaneously working on the establishment of autonomous rules and appropriate implementation systems that match our corporate philosophy and businesses. In particular, Nippon Express Co., Ltd. is working to acquire and certify personal information protection, including the acquisition of the Privacy Mark.

Instilling Awareness of Personal Information Protection Management Activities and Achievements

Serving as an employee training tool, e-learning aimed at training employees about personal data protection is conducted once a year on personal information protection for sales and administrative staff members of NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. In FY2022, 21,738 employees participated in this training. In addition, we shared educational materials with Group companies in Japan to raise awareness of personal information protection management.

In addition, the handling of personal information and measures for the protection and management of personal information are posted in the Compliance Handbook distributed to all employees of the NIPPON EXPRESS GROUP, and the promotion of the protection and management of personal information is made known throughout the entire NIPPON EXPRESS GROUP.

Certifications Received Relating to the Protection of Personal Information by the NIPPON EXPRESS GROUP Activities and Achievements

Please see our website for details.
<https://www.nipponexpress-holdings.com/en/sustainability/data/g.html>