

# NX Group Sustainability Report 2025



We Find the Way





# NX Group Corporate Philosophy



**Our Mission**

**Our Challenge**

**Our Pride**

**Be a Driving Force for Social Development**

**Create New Ideas and Value that Expand the Field of Logistics**

**Inspire Trust Every Step of the Way**



Since its founding, NX 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 advance continuously 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.



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

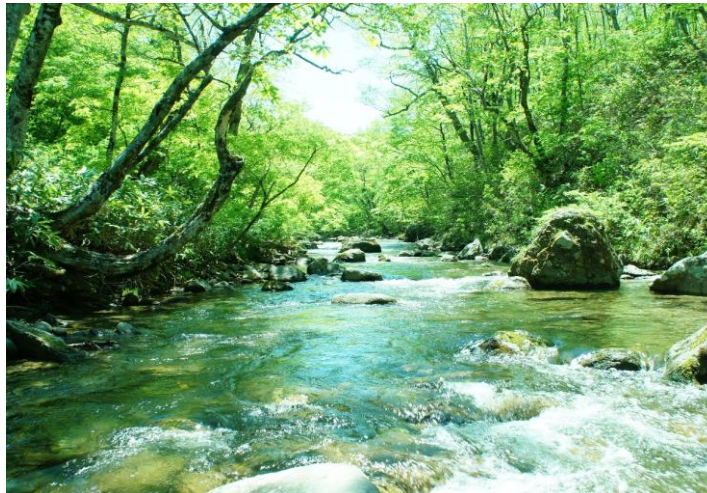
### Social Value

Providing security and stability &  
The happiness of workers



### Environmental Value

Preservation of the global environment



### Economic Value

Our sustainable growth



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## Editorial Policy

Through this report, we aim to comprehensively disclose NX Group's sustainability activities to stakeholders, primarily ESG rating agencies.

### ● Scope of This Report

Covers NX Group.

Some of the material reported is of a limited scope.

### ● Reporting Period

FY2024 (January 1, 2024 – December 31, 2024)

Certain sections may include information in FY2023 or before and in FY2025.

### ● Issue Date

June 2025

Note: Available on our website (previous publication: June 2024)

### ● Reference Guidelines

- GRI Standards for Sustainability Reporting (reference)
- Ministry of the Environment's Environmental Reporting Guidelines (2018 Edition)

### ● Contact

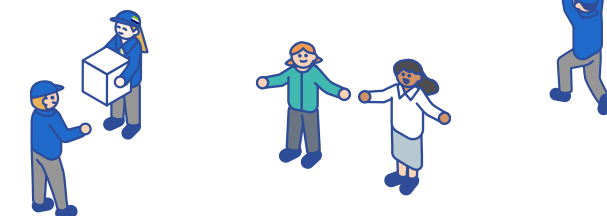
NIPPON EXPRESS HOLDINGS, INC.

Sustainability Promotion Division

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## Message from Officer in Charge of Sustainability



By promoting the integration of business and sustainability, we are enhancing our non-financial capital as one of our strengths and speeding up the time it takes to provide solutions that address issues faced by our customers and society

Hiroko Kishida

Executive Officer in  
charge of Sustainability  
Promotion Division

### Looking Back on the First Year of NX Group Business Plan 2028

### Necessity to Enhance “Earning Power” through the Further Integration of Business and Sustainability

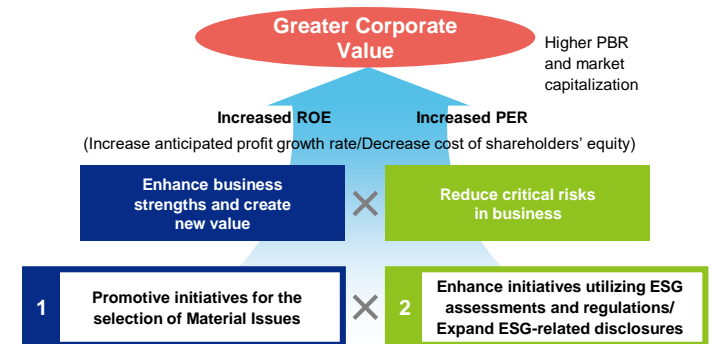
NX Group Business Plan 2028, which commenced in FY2024, marks the first of its kind to position sustainability as one of the core pillars supporting NX Group's management policies. Through the Group's sustainability management, we aim to improve corporate value while simultaneously realizing our Sustainability Vision. In terms of value creation, our efforts focus on two strategic dimensions: (1) Enhancing our strengths and generating new value by advancing initiatives that address Material Issues, and (2) Reducing risk through enhanced initiatives utilizing ESG assessments and regulations, alongside expanded disclosures. These initiatives collectively contribute to the improvement of our ROE and PER by driving expected profit growth and lowering the cost of shareholders' equity (as illustrated in the diagram at upper right).

In FY2024, we are steadily executing initiatives tied to each of the Material Issues. Notable progress has been made in enhancing both human and intellectual capital, evidenced by the deployment of decarbonized logistics solutions such as our NX-GREEN Calculator and Sea&Rail service, enhancement of DX human resources, reductions

in working hours through DX promotion, and improved engagement scores. At the same time, we need to strengthen our “earning power” by providing solutions from a sustainability perspective through the integration of business and sustainability, such as by identifying non-financial capital that should be enhanced as one of our strengths or by developing and enhancing solutions to Material Issues that solve challenges faced by customers and society.

### Taking on the Challenge of Creating End to End Solutions Designed to Help Address Customers’ Sustainability Issues

In particular, we recognize that further progress is needed in regard to enhancing solutions to Material Issues, which are designed to help address customers' sustainability issues and support their business growth. This was discussed at a Sustainability Promotion Committee meeting held in March 2025. During the meeting, expectations were shared regarding solutions for sustainability-related challenges faced by global companies, including a comment from one Global Account Management (GAM) client who stated “As our top expectation for NX is advances in sustainability, we want you to provide solutions in that area.” We discussed issues such as enhancing sustainable solutions and incorporating them into End to End solutions through the collaboration



of GBHQ (Global Business Headquarters) and the Sustainability Promotion Division, and the need for cooperation and agreement by both customers and NX at the top management level in the development of such solutions.

### Promoting Initiatives to Familiarize the Group's 76,000 Employees with Sustainability Management and to Create Value by Having All Employees Work Together as One

We also recognize that NX Group's sustainability management still needs time to be fully adopted by the entire Group. While the term “sustainability management,” designated as a key strategy in our current business plan, may be perceived as a new initiative, the corresponding measures addressing material issues also encompass efforts to further reinforce the areas in which all employees of NX Group has long excelled, which are safety, compliance, and quality. In order for all Group employees to understand that the work we perform in supporting social infrastructure is itself an embodiment of sustainability and to empower them to take ownership of this mission, we will continue to enhance the visibility of the connection between our business operations and sustainability.

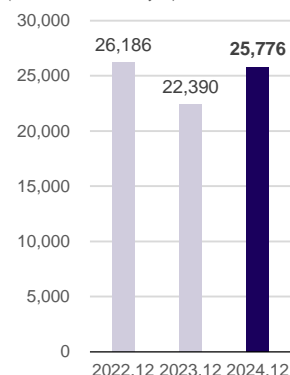


# Company Information

## Financial Information (consolidated)

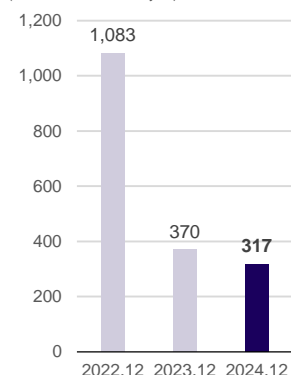
Revenues\*1

(Unit: hundred million yen)



Net income

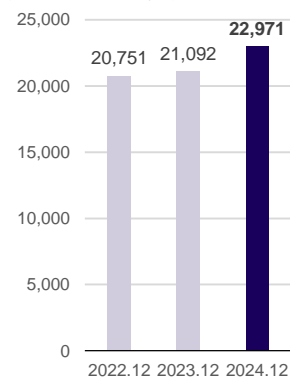
(Unit: hundred million yen)



\*1 Overseas sales revenue is figures after consolidated adjustments

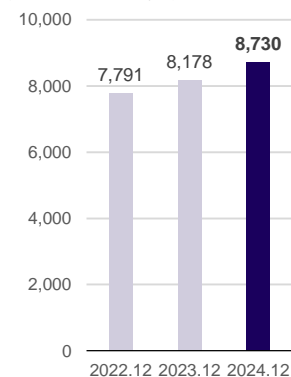
Assets

(Unit: hundred million yen)



Capital

(Unit: hundred million yen)



## Global Network\*2

Number of countries

56 countries/regions

Employees

76,389 ( Japan 49,951 Overseas 26,438 )

### Logistics 294 companies

**Japan: 118 companies**

Nippon Express Co., Ltd.,  
NX NP Logistics Co., Ltd.,  
Nittsu NEC Logistics,  
NX Wanbishi Archives,  
NX Shipping Co., Ltd.,  
HOKUOH TRANSPORTATION INC.,  
NX SENDAISHIOGAMA KOUN CO.,  
LTD., NX Bintsu Co., Ltd.,  
NX Sakaminato Kairiku Co., Ltd.,  
and NX TOKUTSU CO., LTD  
Consolidated subsidiaries:  
84 companies  
Affiliates accounted for under the  
equity method: 34 companies

**Americas: 14 companies**

NX America  
Consolidated subsidiaries:  
13 companies  
Affiliates accounted for under  
the equity method:  
1 company

**Europe: 109 companies**

Nippon Express Europe GmbH,  
NIPPON EXPRESS (U.K.) LTD.,  
NIPPON EXPRESS (NETHERLAND) B.V.,  
NIPPON EXPRESS FRANCE S.A.S.,  
NIPPON EXPRESS (ITALIA) S.p.A. and  
Cargo-Partner Holdings GmbH  
Consolidated subsidiaries: 109  
companies

**East Asia: 25 companies**

NIPPON EXPRESS (CHINA) CO., LTD.,  
NIPPON EXPRESS (H.K.) CO., LTD.,  
APC ASIA PACIFIC CARGO (H.K.),  
Nippon Express Korea Co., Ltd., and  
NIPPON EXPRESS (Taiwan) CO., LTD.  
Consolidated subsidiaries: 23 companies  
Affiliates accounted for under the equity  
method: 2 companies

**South Asia and Oceania: 28 companies**

NIPPON EXPRESS (SOUTH ASIA &  
OCEANIA) PTE. LTD., NIPPON  
EXPRESS (SINGAPORE) PTE. LTD.,  
NIPPON EXPRESS (AUSTRALIA) PTY.,  
LTD., NIPPON EXPRESS (MALAYSIA)  
SDN. BHD., Nippon Express Logistics  
(Thailand) Co., Ltd. and PT.NX  
LOGISTICS INDONESIA  
Consolidated subsidiaries: 25 companies  
Affiliates accounted for under the equity  
method: 3 companies

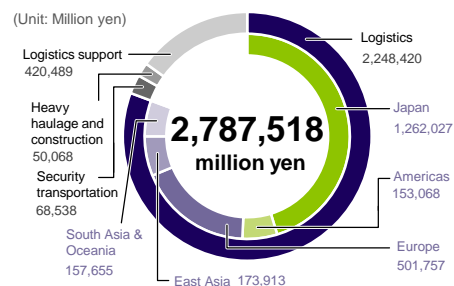
Logistics support: 41 companies (Japan: 30 companies, Overseas: 11 companies)  
NX Shoji Co. Ltd., Osaka Warehouse, NX Capital Co., Ltd., and NX Careerroad Co., Ltd.  
Consolidated subsidiaries: 31 companies  
Affiliates accounted for under the equity method: 7 companies  
Other affiliates: 3 companies

Security transportation: 1 company (Japan)  
NX Cash Logistics Co., Ltd.  
Consolidated subsidiaries: 1 company

Heavy Haulage and Construction: 1 company (Japan)  
TOMOE RISING CO., LTD.  
Affiliates accounted for under the equity method:  
1 company

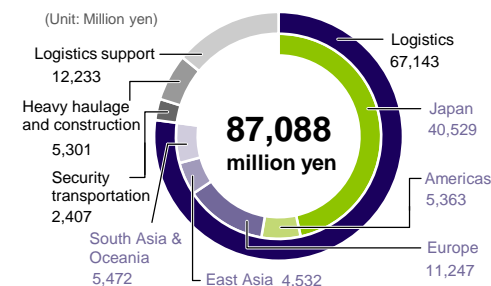
### Sales by segment (consolidated)\*3

(Unit: Million yen)



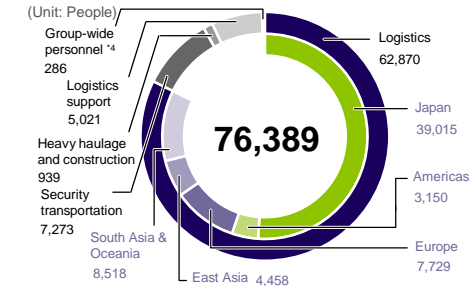
### Income by segment (consolidated)\*3

(Unit: Million yen)



### Employees by segment (consolidated)

(Unit: People)



\*2 As of December 31, 2024 \*3 Figures in the graph do not include adjustments \*4 Personnel not belonging to any segment

# Involvement in Initiatives/External Evaluations

## Involvement in Initiatives

NIPPON EXPRESS HOLDINGS, INC. involves itself proactively in many different outside organizations and forums in the logistics industry relating to the environment and society. We are committed to contributing to a sustainable society.

### ● Participation in External Activities

#### Ministry of Land, Infrastructure, Transport and Tourism

- Environmental Division, Transport System Subcommittee, Council of Transport Policy
- Study group focused on achieving sustainable logistics

#### Japan Business Federation

- Committee on Environment
- Committee on Energy and Resources
- Committee on Responsible Business Conduct & SDGs Promotion
- Committee on Consumer Affairs
- Committee on Crisis Management & National Resilience
- Committee on Employment Policy
- Committee on Labor Legislation

#### Keidanren Committee on Nature Conservation

Planning Subcommittee, Keidanren Committee on Nature Conservation

#### Japan Association for Logistics and Transport

Logistics Environmental Action Committee

#### Japan Trucking Association

- Environmental Action Committee
- Environmental Action Subcommittee

### ● Support of Initiatives

#### TCFD



TCFD, or Task Force on Climate-Related Financial Disclosures, was established by the Financial Stability Board (FSB) at the request of the G20 to examine how climate-related information should be disclosed and how financial institutions should respond. We have declared our support of the TCFD recommendations as an organization.

Please see our website for details.

 Disclosure based on TCFD Recommendations

#### GX League



GX League is a group of companies that boldly take on the challenge of transitioning to carbon neutrality and are successful in international business that are leading GX (green transformation). We support GX League activities and are working toward the realization of GX.

#### SBTi

SBTi is a joint initiative of the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) to evaluate corporate greenhouse gas emission reduction targets. In June 2025, NX Group's greenhouse gas (GHG) emission reduction targets for FY2030 were certified by the Science Based Targets initiative (SBTi) as near-term science-based targets.

 News Release

## External Evaluations

The principal ESG investment indices for which NIPPON EXPRESS HOLDINGS, INC. has been selected are as follows. (As of March 2025).

#### MSCI Japan ESG Select Leaders Index

2025 CONSTITUENT MSCI NIHONKABU  
ESG SELECT LEADERS INDEX

#### MSCI Japan Empowering Women Select Index

2025 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

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#### S&P/JPX Carbon Efficient Index



#### FTSE Blossom Japan Sector Relative Index



FTSE Blossom  
Japan Sector  
Relative Index

#### Morningstar Japan Co., Ltd. ex-Reit Gender Diversity Tilt Index

Please see the Integrated Report for detailed information on ESG investment indices.

 Integrated Report 2025

#### CDP Climate Change

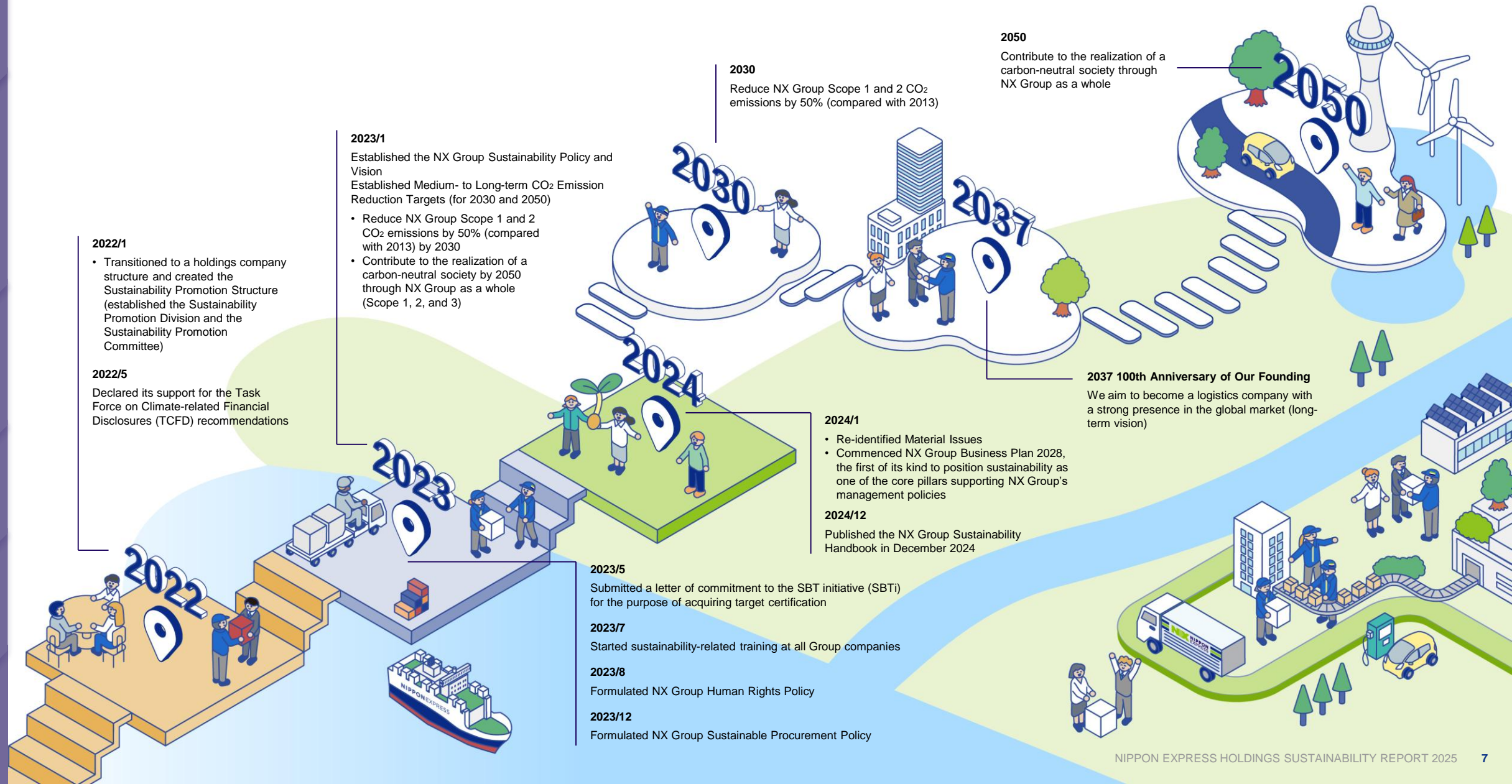


We received a B rating in the Climate Change Program conducted by CDP, an international non-profit in environmental disclosure, in 2024.

#### EcoVadis

In the EcoVadis sustainability assessment, which promotes the sustainability of supply chains around the world, we were given a total score of 51 points for 2024.

# NX Group's History of Sustainability Management





# Sustainability Management Sustainability Policy and Vision/Sustainability Promotion Process

## ● Sustainability Policy and Vision

NX Group will further deepen the sustainability management it has been pursuing to date and work as a group to carry out highly effective measures. To achieve this, the Group has established a sustainability policy and vision that makes clear the Group's stance toward sustainability and the values to be created. Based on this policy and vision, by embodying "being a driving force for social development, creating new ideas and value from logistics, and being a presence that inspires trust" while achieving sustainable growth and improving corporate value, and further encouraging the creation of value, we are pushing forward with initiatives where possible as a Group that will have a presence in the global market in the area of sustainability activities as well.

### Sustainability Policy

- NX Group fosters sustainable societies by co-creating a fruitful future with our stakeholders, including employees, business partners, customers, and local communities.
- NX 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.
- NX 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

Corporate Philosophy	Our Mission Our Challenge Our Pride	Be a Driving Force for Social Development Create New Ideas and Value that Expand the Field of Logistics Inspire Trust Every Step of the Way		
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)
Material Issues	Creating New Ideas and Value Through Innovation			
	Business	Develop and Strengthen Sustainable Solutions	Solidify Global Supply Chain	Strengthen Response to Climate Change
	Business Foundation	Enhancement of Human Capital to Foster Innovation	Respect for Human Rights and Realization of Responsible Corporate Activities	
	Safety, Compliance, Quality			

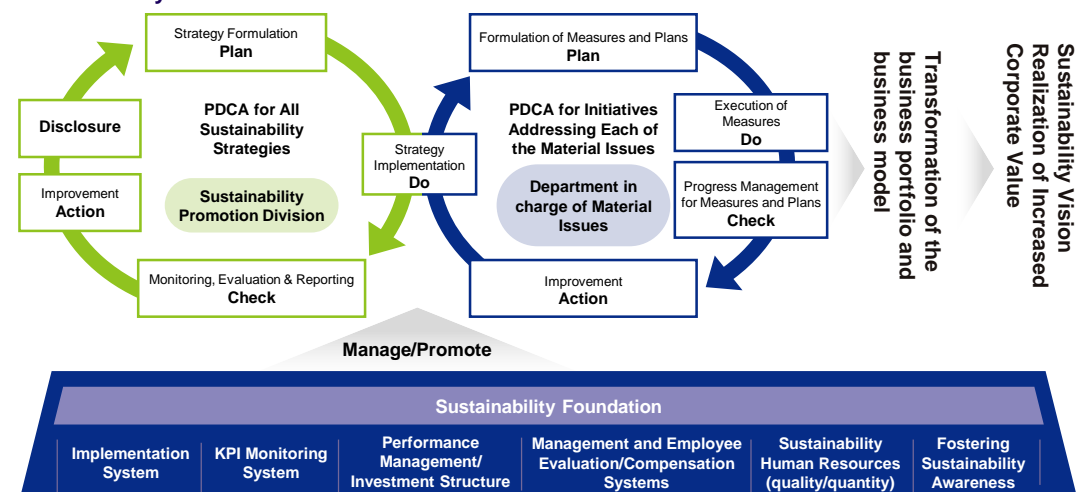
## ● Sustainability Promotion Process

At NX Group, the Sustainability Promotion Division formulates sustainability strategies, conducts monitoring, evaluation, reporting, and improvement, while considering the progress of initiatives for each key issue (materiality) and social conditions, and updates the sustainability strategies accordingly.

Sustainability initiatives are implemented by the department in charge of each Material Issue, which promotes the transformation of the business portfolio and business model while incorporating sustainability strategies into the business of each Group company.

With the goal of strengthening the sustainability infrastructure that provides the foundation for the above-mentioned process, our Group monitors key performance indicators (KPIs) that use Sustainability Promotion Committee meetings and Sustainability Conference gatherings as milestones. Also, in order to hasten the promotion of our sustainability management, we will include in our director compensation plan such performance indicators as consolidated sales revenues along with such indicators as non-financial information related to ESGs. Our plan is to put these into operation first at NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. following the results from fiscal 2024, and then put them into operation for the entire Group following the results from fiscal 2025. Furthermore, in terms of efforts toward dissemination throughout the company, we have set dissemination targets for fiscal 2024 broken down by position and are conducting training and the like.

### Sustainability Promotion Process



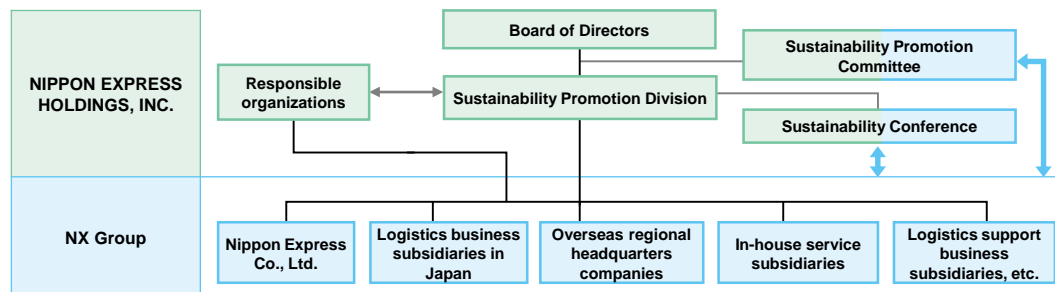
# Sustainability Management Sustainability Promotion Structure/Initiatives for Promoting Sustainability In-House

## ● Sustainability Promotion Structure

NX Group is engaged in sustainability management mainly via the Sustainability Promotion Division of NIPPON EXPRESS HOLDINGS, INC.

Furthermore, the Sustainability Promotion Committee, which is charged with promoting sustainability in the Group, has expanded participation from just the executive officers of NIPPON EXPRESS HOLDINGS, INC. to now include sustainability promotion officers at all Group companies. The Group is working to further accelerate and improve the efficiency of initiatives for sustainability overall, including the issue of climate change.

### Sustainability Promotion Structure



### Sustainability Promotion Committee

1. The Committee's Functions and Purpose	<ul style="list-style-type: none"> <li>Planning, drafting, and proposal of basic management policies, business activities and other policies and strategies related to sustainability management</li> <li>Reporting to the Board of Directors and the Board of Officers on information and progress related to sustainability management</li> </ul>
2. Committee Members	<ul style="list-style-type: none"> <li>Chairperson: President of NIPPON EXPRESS HOLDINGS, INC.</li> <li>Deputy Chairperson: Chief Managing Officer in charge of the Sustainability Promotion Division, NIPPON EXPRESS HOLDINGS, INC.</li> <li>Members: Operating Officers of NIPPON EXPRESS HOLDINGS, INC. and Officers in charge of Sustainability at Group companies</li> <li>Secretariat: Sustainability Promotion Division, NIPPON EXPRESS HOLDINGS, INC.</li> </ul>
3. Meeting frequency	Two sessions per year, in principle Note: Ad hoc meetings are to be held when there are important matters to be discussed.

### Sustainability Conference

1. The Conference's Functions and Purpose	<ul style="list-style-type: none"> <li>Sharing of progress on sustainability management strategies based on discussions from the Sustainability Promotion Committee and confirmation of instructions</li> <li>Discussion of challenges in advancing the sustainability management strategy as well as organization and review of related reports and proposed recommendations in preparation for the next the Sustainability Promotion Committee meeting</li> </ul>
2. Participants	<ul style="list-style-type: none"> <li>Secretariat: Sustainability Promotion Division, NIPPON EXPRESS HOLDINGS, INC.</li> <li>Participants: Persons in charge of sustainability promotion in each department of NIPPON EXPRESS HOLDINGS, INC. and at NX Group companies</li> </ul>
3. Meeting frequency	Two sessions per year, in principle Note: Ad hoc meetings are to be held when there are important matters to be discussed.

### Sustainability Promotion Committee Meeting Data

Meeting	Month held	Main issues addressed
5th	March 2024	<ul style="list-style-type: none"> <li>Promotion of sustainability management</li> <li>Initiatives to respect human rights</li> <li>Response to non-financial disclosure (CSRD)</li> </ul>
6th	September 2024	<ul style="list-style-type: none"> <li>Promotion of sustainability management</li> <li>Promotion of Material Issues</li> <li>Initiatives to respect human rights</li> <li>Response to climate change</li> <li>Response to non-financial disclosure (CSRD)</li> </ul>

## ● Initiatives for Promoting Sustainability In-House

In promoting sustainability activities, NX Group is implementing education and penetration programs to promote understanding and behavioral changes related to sustainability in general, with the aim of having each and every employee of NX Group practice sustainability autonomously in their daily business activities and to make sustainability an integral part of the organizational culture.

### Sustainability Promotion Training

Recognizing that the knowledge and roles required differ by organizational level, sustainability promotion training was conducted for employees at different levels during FY2024. Following the training sessions, tests and surveys were conducted, and a cycle of continuous improvement has been implemented based on the results.

Level	Month held	Training Format	Description of Training	Number of Participants
NXHD officers and managers of major Group companies	July 2024	Seminar provided by an outside expert	<ul style="list-style-type: none"> <li>Corporate value improvement through sustainability management</li> </ul>	71
For all NX Group section managers and higher	December 2024	E-learning	<ul style="list-style-type: none"> <li>Understanding and putting into practice the significance of current trends and initiatives related to promoting sustainability management within one's own organization</li> </ul>	Japan: 6,644 Overseas: 1,652
All NX Group employees	June 2024	E-learning	<ul style="list-style-type: none"> <li>Understanding and putting into practice the significance of significance of advancing sustainability management</li> </ul>	Japan: 31,202 Overseas: 8,688
New NX Group employees (Japan)	April 2024	In-person lecture	<ul style="list-style-type: none"> <li>Understanding sustainability initiatives of NX Group and the relevance of the initiatives to their own work</li> </ul>	940
	April 2024	E-learning	<ul style="list-style-type: none"> <li>Understanding the sustainability initiatives of NX Group and specific actions for their implementation</li> </ul>	940

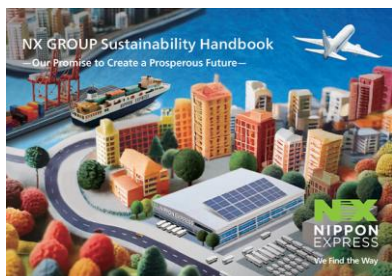


# Sustainability Management

## Initiatives for Promoting Sustainability In-House/A Talk with a Human Rights Specialist from the ILO (International Labour Organization)

### Publication of NX Group Sustainability Handbook—Our Promise to Create a Prosperous Future—

In December 2024, NX Group published its Sustainability Handbook for the first time which concisely summarizes the Group's vision and key initiatives. Designed for a wide range of stakeholders, the handbook's illustrations make it accessible and easy to understand. The aim of the publication is to deepen employee engagement and support sales activities with business partners by enhancing understanding of the Group's sustainability efforts.



#### Content (16 pages)

- Introduction: NX Group Promise
- Society and NX Group: Our History
- Philosophy and Vision: Our Vision for the Future
- Material Issues: Challenges We Promise to Take on Together

#### Highlights

Includes comments from business partner representatives and frontline employees

For further details, please refer to the NX Group Sustainability Handbook.

[NX Group Sustainability Handbook](#)

### ● Sustainability Handbook Launch Event

Recognizing that publication alone is not the goal, it is vital that the handbook is actively read and utilized. To promote awareness and engagement, a launch event was held at the NX Group Head Office building with approximately 200 employees in attendance. To deepen understanding and encourage personal engagement, quizzes based on the handbook's content and simple workshops on Material Issues were conducted.



### Redesign of the NX Group Sustainability Topics Section of Our Website

We have also redesigned the sustainability topics section on our website's Sustainability page, By categorizing the sustainability initiatives promoted by each NX Group company under four categories (Environmental Value, Social Value, Economic Value, and Contribution to Regional Development), we aim to

clarify the connections between these initiatives and our overall Sustainability Vision. The topics are updated once every quarter as needed and are utilized to promote sustainability management across the entire Group. Please see our website for details.

[Sustainability](#)

### ● A Talk with a Human Rights Specialist from the ILO (International Labour Organization)

#### Overview of the Talk

- Mr. Ryusuke Tanaka, Programme Officer from the ILO (International Labour Organization) Office for Japan, was invited to provide an overview of NX's initiatives for respecting human rights. He also offered guidance on how to further promote these initiatives in line with international standards, industry practices, and trends at other companies.
- Recognizing that the promotion of respect for human rights requires the understanding and commitment of executive leadership, a seminar was held for executives of NX Group companies to deepen their understanding of international trends related to human rights and the responsibilities of corporations. (125 people from 21 companies participated)

#### Learning through Talks and Future Initiatives

- Based on the results of the human rights risk assessment survey conducted in 2024 at 101 NX Group companies located in Japan and overseas, we have reaffirmed the need to reduce human rights risks throughout the logistics industry, including occupational health and safety and gender discrimination.
- Moving forward, we will not only continue to reduce internal human rights risks but have also deepened our understanding of the importance of addressing risks within the supply chain through active discussions. To that end, we will work to build cooperative relationships with business partners and promote efforts to respect human rights across the entire supply chain.
- Given the nature of human rights initiatives, we recognize the importance of ongoing dialogue with external experts to enhance our efforts, and we will continue to engage in such dialogue moving forward.



# Sustainability Management Stakeholder Engagement

## ● Stakeholder Engagement

NX Group considers it important to have two-way communication with a wide range of stakeholders in order to create a prosperous future and enhance corporate value by solving social issues through sustainability management.

Stakeholder	Description of Policy/Initiative	Main communication methods (frequency and performance)	
<b>Shareholders and Investors</b>	NX Group recognizes that constructive dialogue with investors is important for the company's sustainable growth and the improvement of its corporate value over the mid- to long-term, and is working to develop measures and systems to promote that constructive dialogue. Through IR activities overseen by the executive in charge of the Corporate Planning Division, we strive to clearly communicate and gain understanding of our Group's management strategies and policies. Opinions from shareholders and investors are reported to the Board of Directors once every six months and, following discussions with outside directors, we endeavor to reflect them in management.	<b>[For domestic institutional investors]</b> <ul style="list-style-type: none"> <li>Individual meetings with institutional investors               <ul style="list-style-type: none"> <li>Meetings with the representative director: 4</li> <li>Meetings with the officer in charge of IR: 7</li> <li>Meetings with IR representative: 88</li> </ul> </li> <li>Small meetings with the president participating as a speaker: 1</li> <li>IR Day with the President and the officers in charge of each theme as serving as speakers: Held once</li> <li>Small meetings with an outside director participating as the main speaker: 1</li> <li>Securities analyst interviews addressed by the IR representative: 24</li> </ul>	<b>[For overseas institutional investors]</b> <ul style="list-style-type: none"> <li>Meetings with overseas investors               <ul style="list-style-type: none"> <li>Meetings with the representative director: 13</li> <li>Meetings with the officer in charge of IR: 36</li> <li>Meetings with IR representative: 56</li> </ul> </li> <li>Participation by the Company in conferences hosted by securities companies: Once</li> </ul> <b>[For individual investors]</b> <ul style="list-style-type: none"> <li>Briefings: 1</li> </ul>
<b>Customers</b>	In addition to complying with laws and regulations, we understand the needs of our customers and provide high-quality services that are environmentally and socially conscious. Furthermore, we will strive to improve and enhance our services by collecting requests through mutual communication such as the provision of necessary information and consultation.	<ul style="list-style-type: none"> <li>Exhibitions, briefings, and seminars (as necessary)               <ul style="list-style-type: none"> <li>Nippon Express Co., Ltd. participated in Asia Seamless Logistics Forum 2024 and Logis-Tech Tokyo 2024</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Telephone and internet consultations (daily)               <ul style="list-style-type: none"> <li>Questionnaires for customers (as necessary), etc.</li> </ul> </li> </ul>
<b>Employees</b>	Believing that the happiness and motivation of our employees will lead to the creation of value for our customers, shareholders, and society, we will strive to create an environment where diverse human resources can demonstrate their abilities and play an active role, including the promotion of equity and inclusion and the development of human resources, and to implement measures.	<ul style="list-style-type: none"> <li>Town Hall Meetings               <ul style="list-style-type: none"> <li>In order to accurately convey the direction, vision, and top management approach of NX Group to each and every employee, we hold town hall meetings where top management and employees can talk directly</li> <li>The President, Vice President, and other senior management members visit each workplace to meet face-to-face with employees to discuss the direction that the Company is headed and listen to their thoughts</li> <li>In fiscal 2024, the Company held 45 town hall meetings with 518 employees participating</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Whistleblowing System               <ul style="list-style-type: none"> <li>NX Speak Up and NX Global Speak Up</li> </ul> </li> <li>Individual interviews (as necessary)</li> <li>In-house surveys (as necessary)</li> <li>Compliance Awareness Survey (conducted regularly)</li> <li>Internal bulletin (published once a month), etc.</li> <li>NX Engagement Survey (conducted annually)</li> <li>Utilization of internal posting system (more than 120 posts a year)</li> </ul>
<b>Affiliates and subcontractors</b>	We will engage in fair and impartial transactions with affiliates and partner companies, comply with laws and regulations, and deal with safety, human rights, environmental and other issues throughout the supply chain.	<ul style="list-style-type: none"> <li>Meetings, briefings (as necessary), etc.               <ul style="list-style-type: none"> <li>Participation in various exhibitions and collection of information from vendors with the aim of automation, labor saving, and efficiency at logistics sites. Information and knowledge obtained are shared within the Company, leading to improved efficiency at logistics sites</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Partnership safety council meetings (held annually)</li> </ul>
<b>Communities</b>	By understanding the impact of NX Group on local communities, we contribute to the sustainable development and promotion of local communities through our business and social contribution activities.	<ul style="list-style-type: none"> <li>Dispatch of lecturers to give lectures and provide educational opportunities (as needed)</li> <li>Social contribution activities (as needed)               <ul style="list-style-type: none"> <li>Reforestation activities (twice a year), etc.</li> </ul> </li> </ul>	
<b>Administrative institutions, etc.</b>	In addition to complying with the various laws and regulations of administrative agencies and local governments in each country, we will contribute to industrial promotion by examining and promoting projects in collaboration with administrative agencies and local governments.	<ul style="list-style-type: none"> <li>Committees, conferences, and meetings (as necessary), etc.               <ul style="list-style-type: none"> <li>Participation in the GX League organized by the Ministry of Economy, Trade and Industry (a framework in which a group of companies boldly taking on the challenge of transitioning to carbon neutrality and capable of competing in international business leads the advancement of GX).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>A Talk with a Human Rights Specialist from the International Labour Organization (ILO)*1               <ul style="list-style-type: none"> <li>Opinion exchange on the overall human rights initiatives within NX Group</li> <li>Seminar held for executive leadership to enhance understanding of international trends related to human rights and corporate responsibility</li> </ul> </li> </ul>

\*1 An overview of the talk is provided on [P.10](#) under "A Talk with a Human Rights Specialist from the ILO (International Labour Organization)."



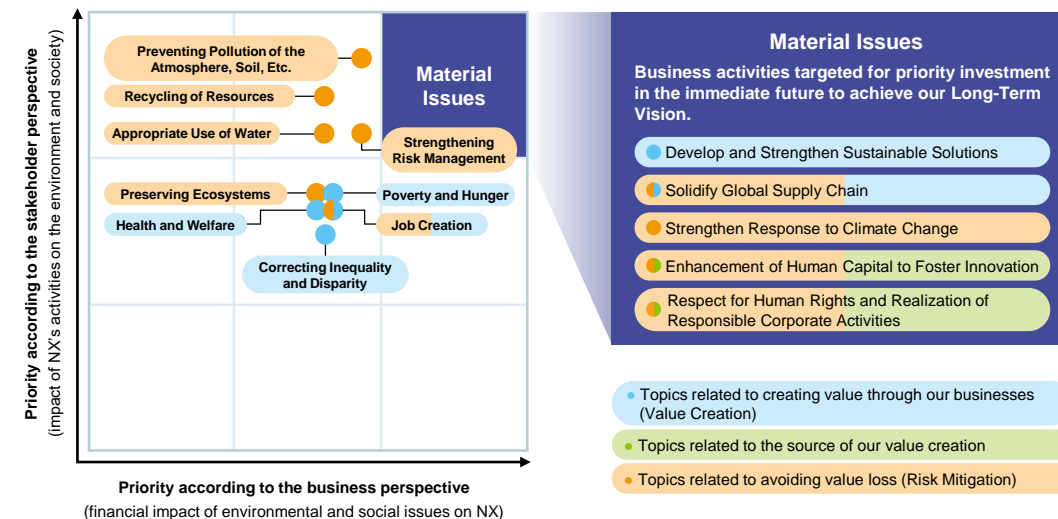
# Sustainability Management Process for Identifying and Reviewing Material Issues/Material Issues

## ● Process of Identifying and Reviewing Material Issues

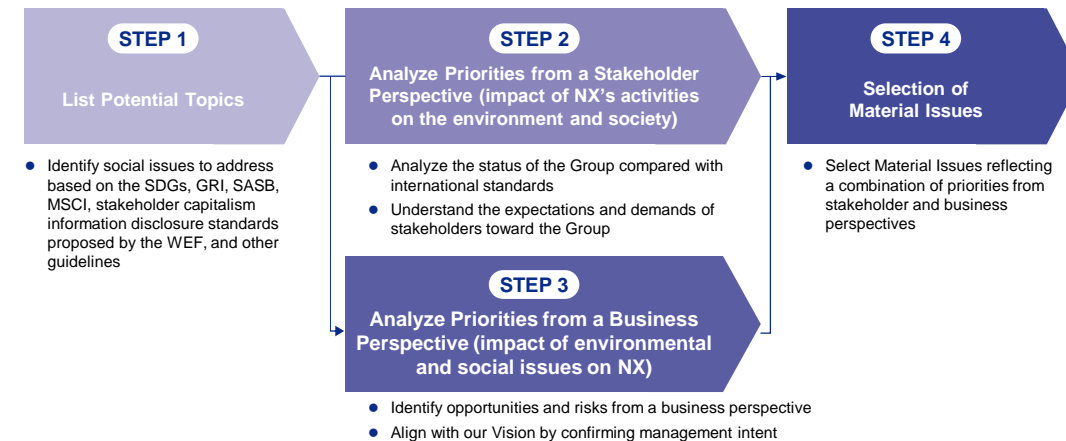
In response to European disclosure regulations, NX Group has identified material issues based on the concept of double materiality, taking into account both the financial impact of environmental and social issues on NX and the impact of NX's activities on the environment and society. Specifically, Material Issues for NX Group are identified using a four-steps shown in the diagram on the right. In STEP 1, a list of candidate topics is compiled from major sustainability frameworks. In STEPS 2 and 3, we identify international standards, regulatory trends, receive feedback from our key stakeholders, and conduct interviews with outside experts and internal stakeholders to define issues critical for the Group to address. The identified Material Issues are periodically reevaluated in line with the business planning cycle and in response to changes in regulations or the business environment. Going forward, the Group will continue to reevaluate them regularly based on international trends, and review the issues that the Group should address.

## ● Material Issues

### Material Issues Matrix



### Steps for the Selection of Material Issues\*1



\*1 Please refer to our latest Annual Securities Report for more on business-related risks. For an analysis of the business environment, please refer to P.14 of the Integrated Report.

Securities Report for FY2024 (the 3rd term) (Japanese only)

Integrated Report

### Relevant sections in this Sustainability Report

	Main Sustainability Issues		Relevant sections in this Sustainability Report
Environmental Value	<ul style="list-style-type: none"> <li>Strengthen Response to Climate Change</li> <li>Develop and Strengthen Sustainable Solutions</li> <li>Recycling of Resources</li> </ul>	<ul style="list-style-type: none"> <li>Preventing Pollution of the Atmosphere, Soil, Etc.</li> <li>Preserving Ecosystems</li> <li>Appropriate Use of Water</li> </ul>	<a href="#">P.20-P.30</a>
Social Value	<ul style="list-style-type: none"> <li>Respect for Human Rights and Realization of Responsible Corporate Activities</li> <li>Correcting Inequality and Disparity</li> <li>Enhancement of Human Capital to Foster Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Health and Welfare</li> <li>Solidify Global Supply Chain</li> </ul>	<a href="#">P.31-P.51</a>
Economic Value	<ul style="list-style-type: none"> <li>Develop and Strengthen Sustainable Solutions</li> </ul>	<ul style="list-style-type: none"> <li>Solidify Global Supply Chain</li> </ul>	<a href="#">P.52-P.53</a>
Governance	<ul style="list-style-type: none"> <li>Respect for Human Rights and Realization of Responsible Corporate Activities</li> <li>Strengthening Risk Management</li> </ul>		<a href="#">P.54-P.64</a>

# Material Issues

## Material Issues Based on Our Understanding of Medium- to Long-term Changes in the Business Environment

### ● Material Issues Based on Our Understanding of Medium- to Long-term Changes in the Business Environment

Material Issues	Reasons for Selection	Internal Outcomes		Environmental/Social Outcomes*1	Value Creation through Our Business Operations	Source of Value Creation	Mitigation of Value Impairment
		Risk	Opportunities				
<b>Develop and Strengthen Sustainable Solutions</b>	To provide services to maintain and optimize society and industry as a whole, as sustainability of the natural environment, society, and industry on which every company's operations are based is becoming more important	<ul style="list-style-type: none"> <li>Loss of existing customers to competitors that provide solutions to social issues</li> </ul>	<ul style="list-style-type: none"> <li>Increased sales from responding to customer needs</li> </ul>	<b>Social Value</b> <ul style="list-style-type: none"> <li>Realization of a safe society free of accidents and disasters</li> </ul> <b>Environmental Value</b> <ul style="list-style-type: none"> <li>Contribute to the Realization of a Carbon-Neutral Society</li> <li>Contribute to a Sound Material-Cycle Society</li> </ul> <b>Economic Value</b> <ul style="list-style-type: none"> <li>Realize an Innovative Society</li> </ul>	○		
<b>Solidify Global Supply Chain</b>	To contribute to social stability as a company that supports social infrastructure by maintaining logistics even in emergencies such as natural disasters, pandemics, and declining working population	<ul style="list-style-type: none"> <li>Damage to customer trust due to operational disruptions</li> <li>Impedance of business growth due to human resource shortages</li> </ul>	<ul style="list-style-type: none"> <li>Increased sales from improving trust for stable provision of services</li> </ul>	<b>Social Value</b> <ul style="list-style-type: none"> <li>Realize a Stable Supply Chain</li> </ul>	○		○
<b>Strengthen Response to Climate Change</b>	To fulfill our responsibilities as a corporate citizen in response to the government's declaration of carbon neutrality by 2050 and the demands of the international community to address climate change	<ul style="list-style-type: none"> <li>Risk of suspension of business by customers and suppliers</li> <li>Loss of existing customers to competitors who pursue environmental measures</li> </ul>	<ul style="list-style-type: none"> <li>Increased sales from responding to customer needs</li> </ul>	<b>Environmental Value</b> <ul style="list-style-type: none"> <li>Contribute to the Realization of a Carbon-Neutral Society</li> </ul>			○
<b>Enhancement of Human Capital to Foster Innovation</b>	To strengthen the foundation for value creation by encouraging employees to pursue well-being, improve engagement, and demonstrate the capabilities of diverse human resources through investing in employees who serve as the source of the value of our business	<ul style="list-style-type: none"> <li>Risks associated with retaining and acquiring human resources with a high level of expertise</li> <li>Decline in competitiveness due to labor shortages in the field</li> </ul>	<ul style="list-style-type: none"> <li>Improved productivity and quality through human resource development</li> <li>Accelerating innovation</li> </ul>	<b>Social Value</b> <ul style="list-style-type: none"> <li>The happiness of employees</li> <li>Provision of fair and stable opportunities for employment</li> </ul> <b>Economic Value</b> <ul style="list-style-type: none"> <li>Continue to be a logistics company of choice</li> </ul>		○	○
<b>Respect for Human Rights and Realization of Responsible Corporate Activities</b>	To respond to social demands for corporate governance, anti-corruption, and respect for human rights, foster a strong business foundation, and continue to be a Group trusted by employees and society	<ul style="list-style-type: none"> <li>Litigation risk</li> <li>Risk of suspension of business by customers and suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Improved efficiency in acquiring human resources and developing customers and business partners by improving reputation</li> </ul>	<b>Social Value</b> <ul style="list-style-type: none"> <li>Realization of a safe society free of accidents and disasters</li> <li>The happiness of employees</li> <li>Provision of fair and stable opportunities for employment</li> </ul> <b>Economic Value</b> <ul style="list-style-type: none"> <li>Continue to be a logistics company of choice</li> <li>Fair and stable business opportunities</li> </ul>		○	○

\*1 The description of environmental and social outcomes is presented in line with our Sustainability Vision, which defines the aspirational goals of sustainability management in terms of social value, environmental value, and economic value. For details on our Sustainability Vision, please refer to [P.2](#).

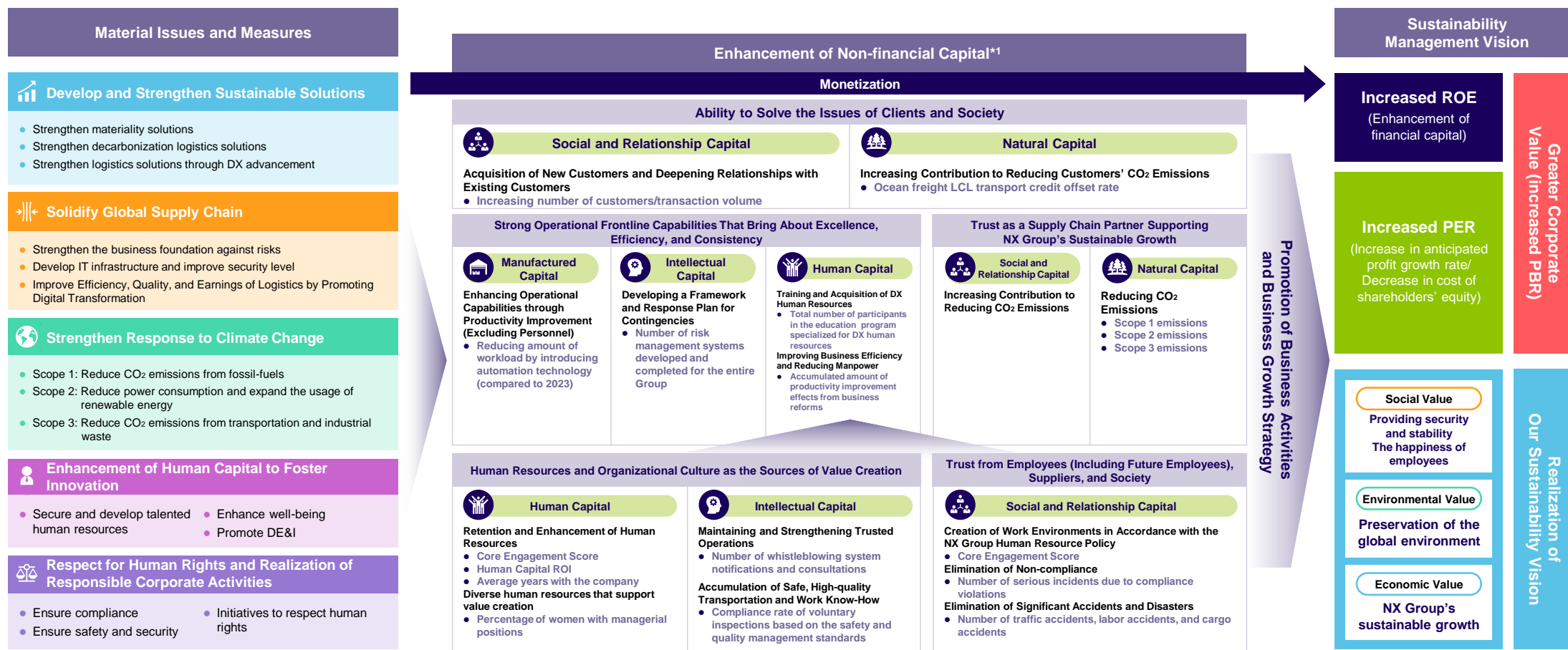


# Material Issues

## Enhancing Non-financial Capital through Initiatives Addressing Material Issues and the Realization of Our Sustainability Vision

### ● Enhancing Non-financial Capital through Initiatives Addressing Material Issues and the Realization of Our Sustainability Vision

By promoting initiatives that address material issues in sustainability management, we aim to enhance our non-financial capital. Leveraging this enhanced non-financial capital in our business activities will not only drive the enhancement of corporate value but also support the realization of our Sustainability Vision.






\*<sup>1</sup> Please refer to [P.48 of the Integrated Report](#) for progress on enhancing non-financial capital

# Material Issues Develop and Strengthen Sustainable Solutions

## ● Develop and Strengthen Sustainable Solutions

### Details on Initiatives for Material Issues and Their Relationship with Corporate Value

Activity			2023 year Result	2024 Performance (Achievement rate)	2024 year Target	2028 year Target	Items for Setting Targets	Sustainability Management Vision
Strengthen materiality solutions	● Grasping key issues for customers and investigating solutions	Develop and strengthen solutions for customers' materiality					Creating Solutions to Resolve Customer Materialities	Increasing number of customers/transaction volume 
		Develop and strengthen energy conservation/energy creation/renewable energy/3R business						
Strengthen decarbonization logistics solutions	● Expansion of Modal Shifts ● Develop and Provide Low-Carbon Transport ● Visualization of Customer CO <sub>2</sub> Emissions	Rail transportation: 3.9% year-on-year increase (total sales volume, thousand tons) <sup>*3</sup>	6,277	6,181 (95%)	6,521	7,595	Realizing the Visualization and Reduction of CO <sub>2</sub> Emissions in Distribution	Increasing number of customers/transac tion volume 
		Domestic ocean transport: 1.8% year-on-year increase (total sales volume, thousand tons) <sup>*3</sup>	2,018	2,048 (97%)	2,110	2,270		
		Sea&Rail: 5% year-on-year increase (total sales volume, thousand tons) <sup>*3</sup>	9.8	13.5 (119%)	11.3	13.8		
		Expanded sales of Protect BOX: 5% year-on-year increase (total units sold, 1,000 units) <sup>*3</sup>	37.7	47.2 (112%)	42.0	51.1		
		Development of environmental value-added transport Ocean freight LCL transport credit offset rate (%) 	100	100 (100%)	100	100		
		Promote the use and functional enhancement of the transportation emissions visualization tool (NX-GREEN Calculator)	39,403	91,242	Deepen relationships with existing customers and acquire new customers			
Strengthen logistics solutions through DX advancement	● Excavating the Seeds for and Creating Co-Creator Partners and New Businesses ● Foster and Strengthen DX Human Resources	Amount of profit contribution from business creation (billion yen)	-	1.1 (275%)	0.4	4	Achieve more flexible and optimal logistics, capable of responding to changes in customer and industry supply chains	● Cumulative Value of Contribution to Profit from Business Creation 2028 target: ¥8.7 billion
		Total number of participants in the education program specialized for DX human resources (persons)	20 <sup>*1,3</sup>	80 (100%) <sup>*1,2,4</sup>	80 <sup>*5</sup>	400		
Promotion of Business Activities and Business Growth Strategy								
Greater Corporate Value								
Realization of Our Sustainability Vision								
● ROE ● PER ● Increase in anticipated growth rate ● Decrease in cost of shareholders' equity								
Social Value								
● Realization of a safe society free of accidents and disasters								
Environmental Value								
● Contribute to the Realization of a Carbon-Neutral Society ● Contribute to a Sound Material-Cycle Society								
Economic Value								
● Realize an Innovative Society								

<sup>\*1</sup> NIPPON EXPRESS HOLDINGS, INC. <sup>\*2</sup> Group companies in Japan (including Nippon Express Co., Ltd.) <sup>\*3</sup> Nippon Express Co., Ltd. <sup>\*4</sup> 60 Nippon Express employees, 20 domestic NX Group employees <sup>\*5</sup> NIPPON EXPRESS HOLDINGS, INC. and domestic Group companies (including Nippon Express) Co., Ltd.

### Action Plan

Target	Issues	Progress Status (Full Year)/Future Plans
Strengthen decarbonization logistics solutions	<ul style="list-style-type: none"> <li>Development and utilization of emissions visualization tools</li> <li>Development and deployment of solutions</li> <li>Research of businesses related to new technologies</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of Modal Shifts</li> <li>Nippon Express Co., Ltd. has established five new Sea &amp; Rail routes as part of its expanded logistics network. It created a transportation scheme utilizing Shinkansen with sales launched in February 2025.</li> <li>Develop and Provide Low-Carbon Transport</li> <li>Launched NX-GREEN SAF Program services in Japan</li> <li>Participated in a project promoting the use of SAF (Sustainable Aviation Fuel) based at Narita International Airport</li> <li>Nippon Express Co., Ltd. has been selected by the Tokyo Metropolitan Government as a freight forwarder for its SAF (Sustainable Aviation Fuel) promotion initiative</li> <li>Launched NVOCC (Non-Vessel Operating Common Carrier) services with added environmental value under the NX-GREEN Ocean Program</li> </ul>
Strengthen logistics solutions through DX advancement	<ul style="list-style-type: none"> <li>Identifying challenges related to data utilization, addressing those challenges, and creating SaaS-based use cases</li> <li>Establishing a business model to solve supply chain issues</li> </ul>	<ul style="list-style-type: none"> <li>NX Group's "Ambidextrous" DX Strategy</li> <li>Created results through the digital transformation of the new Hamamatsu warehouse, DCX (Digital Commerce Sales Department), WAN-Scan-Sonomama Digitalization Plan (NX Wanbishi), etc.</li> <li>Implementing "DX Project Leader Training" for domestic Group companies since 2023</li> <li>Plan to provide "DX Project Leader Training" for domestic and overseas Group companies in 2025</li> <li>Progress is being made on the automation of tailoring for air freight consolidation and on quantity forecasting for the retail industry, with business implementation planned for 2025</li> </ul>



# Material Issues    Solidify Global Supply Chain

## ● Solidify Global Supply Chain

### Details on Initiatives for Material Issues and Their Relationship with Corporate Value

Activity		2023 Performance	2024 Performance (Achievement rate)	2024 Target	2028 Target	Items for Setting Targets	Sustainability Management Vision	
Strengthen the business foundation against risks	<ul style="list-style-type: none"><li>Risk Management for Stable Business Continuity</li><li>Crisis Management for Business Continuity in Times of Crisis</li></ul>	<div>Development of a risk management system for the entire group</div> <div>Identify key risks</div> <div>Providing support for the formulation of BCP for each Group company</div> <div>Implementation and support for crisis management training for each Group company</div>				<div>Reducing critical risks</div>	<div>Greater Corporate Value</div> <ul style="list-style-type: none"><li>ROE</li><li>PER</li><li>Increase in anticipated growth rate</li><li>Decrease in cost of shareholders' equity</li></ul>	
	<ul style="list-style-type: none"><li>Strengthening Measures for Handling Emergencies in IT Infrastructure</li><li>Cyber Security</li></ul>	<div>RTO*1 achievement rate (%)**7 for BCP training</div> <div>Employee participation rate in security training (%)</div> <div>Reporting rate of simulated phishing emails (%)*2,3</div> <div>Open rate of simulated phishing emails (%)*2,3,4</div>	<div>100</div> <div>94</div> <div>31.36–72.31 +5,7,8</div> <div>3.39–8.71 +5,7,8</div>	<div>100 (111%)</div> <div>97 (108%) +5,7,8</div> <div>32.2–74.5 +5,7,8,9</div> <div>0–26.4% +5,7,8,9</div>	<div>90 or above</div> <div>90 or above</div> <div>80 or above</div> <div>Less than 10</div>	<div>90 or above</div> <div>90 or above</div> <div>80 or above</div> <div>Less than 5</div>		<div>Eliminating critical security incidents</div> <div>Number of critical security incidents</div> <div>2023 Record: 0</div> <div>2024 Target: 0</div> <div>2024 Record: 0</div> <div>2028 Target: 0</div>
Improve Efficiency, Quality, and Earnings of Logistics by Promoting Digital Transformation	<ul style="list-style-type: none"><li>Improved business efficiency</li><li>Use Data for Optimal Distribution of Resources</li><li>Foster and Strengthen DX Human Resources</li></ul>	<div>Amount of productivity improvement effects from business reforms (billions of yen)</div> <div>Reduction of work time by introducing automation technology (compared to 2023, unit: 10,000 hours)</div> <div>Total number of participants in the education program specialized for DX human resources (persons)</div>	<div>—</div> <div>—</div> <div>20 *7</div>	<div>6.3 (70%)</div> <div>(58.44) (270%)</div> <div>80 (100%) *6</div>	<div>9</div> <div>(22)</div> <div>80 +5,6</div>	<div>23</div> <div>(218)</div> <div>400</div>	<div>Improved Resilience of Logistics Due to Harmonization of Human and Digital Resources</div> <div>Cumulative Value of Productivity Improvement Contributions Made by Business Reforms</div> <div>2028 target: ¥73.0 billion</div>	<div>Social Value</div> <ul style="list-style-type: none"><li>Realize a Stable Supply Chain</li></ul> <div>Realization of Our Sustainability Vision</div>

<sup>\*1</sup> RTO: Recovery Time Objective <sup>\*2</sup> FY2023 results are the actual figures for each company for two annual drills. Also, it should be noted that fiscal 2023 was the first in which attack mail drills were developed and used <sup>\*3</sup> FY2024 results are the actual figures for each company for four annual drills. <sup>\*4</sup> It should be noted that the opening rate depended on the content of the email from each drill <sup>\*5</sup> NIPPON EXPRESS HOLDINGS, INC. <sup>\*6</sup> Group companies in Japan (including Nippon Express Co., Ltd.) <sup>\*7</sup> Nippon Express Co., Ltd. <sup>\*8</sup> NX Cash Logistics Co., Ltd. <sup>\*9</sup> NX INFORMATION SYSTEMS



### Action Plan

Target	Issues	Progress Status (Full Year)/Future Plans	
Strengthen the business foundation against risks	<ul style="list-style-type: none"> <li>Risk Management for Stable Business Continuity</li> <li>Crisis Management for Business Continuity in Times of Crisis</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management               <ul style="list-style-type: none"> <li>Advancing the establishment of a risk management system for the entire Group</li> <li>Conducted risk inventory and assessments and identified key risks (annually)</li> <li>Conducting risk management training for the entire Group</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Crisis Management               <ul style="list-style-type: none"> <li>Promoting the establishment of a BCP for each Group company</li> <li>Annual disaster response headquarters training for the management of NIPPON EXPRESS HOLDINGS and Nippon Express, and implementation/support of crisis management training at each Group company</li> </ul> </li> </ul>
Develop IT infrastructure and improve security level	<ul style="list-style-type: none"> <li>Response to the aging of existing data centers</li> <li>Improvement of security literacy</li> <li>Strengthening of network security</li> <li>Strengthening the security of communication infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Conducted BCP training for data centers</li> <li>Completed the relocation of a Nippon Express data center</li> <li>Conducted security training</li> <li>Conducted suspicious email response training</li> </ul>	<ul style="list-style-type: none"> <li>Formulated a network security enhancement plan</li> <li>Strengthened authentication for access to communication platforms</li> </ul>
Improve Efficiency, Quality, and Earnings of Logistics by Promoting Digital Transformation	<ul style="list-style-type: none"> <li>Digitalization (primary productivity improvement) → Development and utilization of groupware → Inter-group data utilization (secondary productivity improvement)</li> <li>Examination of data generation and accumulation, and implementation of data generation and accumulation</li> </ul>	<ul style="list-style-type: none"> <li>Improved business efficiency               <ul style="list-style-type: none"> <li>Created results through RPA (entire Group), RFID picking carts (NX China), digital whiteboards (Digital Commerce Sales Division), etc. Promoted initiatives for productivity improvement</li> <li>Progress is being made on the automation of tailoring for air freight consolidation and on quantity forecasting for the retail industry, with business implementation planned for 2025</li> </ul> </li> </ul>	

# Material Issues    Strengthen Response to Climate Change

## ● Strengthen Response to Climate Change

### Details on Initiatives for Material Issues and Their Relationship with Corporate Value

Activity		Items for Setting Targets	Sustainability Management Vision	
Reduce Scope 1 Emissions	<ul style="list-style-type: none"> <li>Introduced eco-friendly vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1 and 2 emissions reductions (1,000 t-CO<sub>2</sub>)</li> </ul> <div> 2023 Result: 748    2026 Target: 641  2024 Result: 719    2028 Target: 537 </div> 	Promotion of Business Activities and Business Growth Strategy	<ul style="list-style-type: none"> <li>ROE</li> <li>PER</li> <li>Increase in anticipated growth rate</li> <li>Decrease in cost of shareholders' equity</li> </ul> <div>Greater Corporate Value</div>
Reduce Scope 2 Emissions	<ul style="list-style-type: none"> <li>Energy conservation: Switchover to LED lighting, etc.</li> <li>Energy creation: Promotion of the introduction of renewable energy power generation facilities</li> <li>Renewable energy: Use of electricity derived from renewable energy through the use of environmental value</li> </ul>			
Reduce Scope 3 Emissions	<ul style="list-style-type: none"> <li>Modal shift</li> <li>Supplier engagement initiatives</li> </ul> <div>Understanding of emissions in forwarding (by transportation mode and ton-kilometer method) FY2024 Target: Introduction of visualization tools</div>	<ul style="list-style-type: none"> <li>Scope 3 emissions reductions*1 (year-on-year decrease)</li> </ul> <div> 2023 Result: —    2026 Target: (2.5)  2024 Result: —    2028 Target: (2.5) </div> 		<div>Environmental Value</div> <ul style="list-style-type: none"> <li>Contribute to the Realization of a Carbon-Neutral Society</li> </ul> <div>Realization of Our Sustainability Vision</div>

\*1 Covers Scope 3 Category 1 (purchased products and services) including forwarding



### Action Plan

Target	Issues	Progress Status (Full Year)/Future Plans
Reduce Scope 1 Emissions	<ul style="list-style-type: none"> <li>Reducing CO<sub>2</sub> emissions from fossil-fuels</li> <li>Introduced eco-friendly vehicles</li> <li>Adoption of biomass fuels</li> </ul>	<ul style="list-style-type: none"> <li>Introduced eco-friendly vehicles mainly at domestic Group companies</li> <li>At NX Shoji Co., Ltd., the bunker vessel Aikomaru, which supplies fuel at sea, is using biodiesel fuel B24</li> </ul>
Reduce Scope 2 Emissions	<ul style="list-style-type: none"> <li>Reducing power consumption</li> <li>Energy conservation: Switchover to LED lighting, etc.</li> <li>Energy creation: Promotion of the introduction of renewable energy power generation facilities</li> <li>Renewable energy: Use of electricity derived from renewable energy through the use of environmental value</li> </ul>	<ul style="list-style-type: none"> <li>Switched to LED lighting at each Group company</li> <li>Introduced energy-saving air conditioning systems and anti-static mats at NX Wanbishi Archives Co., Ltd., Nittsu NEC Logistics, Ltd., and other Group companies</li> <li>Promoted solar power generation across Nippon Express Holdings using a PPA (Power Purchase Agreement) scheme</li> <li>Utilization of non-fossil certificates at NX Wanbishi Archives Co., Ltd., OSAKA WAREHOUSE CO., LTD., and NX Shoji Co., Ltd.</li> <li>Promotion of renewable energy adoption throughout NX HD (all electricity used in NX Group buildings switched to 100% renewable energy)</li> </ul>
Reduce Scope 3 Emissions	<ul style="list-style-type: none"> <li>Reducing CO<sub>2</sub> emissions from transport</li> <li>Utilization of SAF (Sustainable Aviation Fuel) and SMF (Sustainable Marine Fuel) through the development of low-carbon transportation products</li> <li>Promotion of Modal Shift initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Launched NX-GREEN SAF Program services in Japan, air transport services utilizing SAF</li> <li>Expanded the modal combination transport service "Sea&amp;Rail" which integrates maritime and rail transportation</li> </ul>

# Material Issues Enhancement of Human Capital to Foster Innovation

## ● Enhancement of Human Capital to Foster Innovation

### Details on Initiatives for Material Issues and Their Relationship with Corporate Value

Activity						Items for Setting Targets		Sustainability Management Vision	
Secure and develop talented human resources	<ul style="list-style-type: none"> <li>Training of Group Business Management Human Resources</li> <li>Secure and Train Global Human Resources</li> </ul>	Utilizing succession planning				<b>Enrich our diverse and talented workforce</b> <ul style="list-style-type: none"> <li>Survey score for assessing self-discipline, willingness to take on challenges, spirit for innovation, and integrity (points)</li> </ul> FY2023 Result: 68 FY2024 Target: 69+ FY2024 Result: 68 FY2028 Target: 73+	 <b>Increased comprehensive strength<sup>*3</sup></b>	<b>Promotion of Business Activities and Business Growth Strategy</b>	<ul style="list-style-type: none"> <li>ROE</li> <li>PER</li> <li>Increase in anticipated growth rate</li> <li>Decrease in cost of shareholders' equity</li> </ul> <b>Greater Corporate Value</b>
		Number of placement posts through post-career system	35	135 (113%)	120 or above				
		Creation and utilization of human capital portfolio							
Enhance well-being	<ul style="list-style-type: none"> <li>Improve engagement</li> <li>Employee career support</li> <li>Enhance careers with re-skilling</li> </ul>	Number of participants in global human resource development related training	883	1,033 (103%)	1,000 or above	<b>Improving the performance of each individual</b> <ul style="list-style-type: none"> <li>Work engagement score (points)</li> </ul> FY2023 Result: 71 FY2024 Target: 72+ FY2024 Result: 71 FY2028 Target: 76+	NX core engagement score (points)  FY2023 Result: 71 FY2024 Result: 72 FY2024 Target: 72+ FY2028 Target: 76+		<ul style="list-style-type: none"> <li>The happiness of employees</li> <li>Provision of fair and stable opportunities for employment</li> </ul> <b>Realization of Our Sustainability Vision</b>
		Absenteeism (days) <sup>*1</sup>	1.71	1.73 (97%)	1.67 or below				
		Percentage of men taking childcare leave (%) <sup>*1</sup>	34.6	46.8% (94%)	50 or above				
Promote DE&I	<ul style="list-style-type: none"> <li>Promotion of women's participation in the workplace the elderly</li> <li>Promote the hiring of foreign nationals</li> <li>Promotion of the employment of persons with disabilities</li> <li>Creation of inclusive workplace climates</li> </ul>	Enhancement of career support				<b>Creation of inclusive workplace climates</b> <ul style="list-style-type: none"> <li>DE&amp;I survey score (points)</li> </ul> FY2023 Result: 63 FY2024 Target: 64+ FY2024 Result: 66 FY2028 Target: 68+		<ul style="list-style-type: none"> <li>Continue to be a logistics company of choice</li> </ul> <b>Economic Value</b>	
		Planned personnel relocation through reskilling							
		Ratio of female managers (%) <sup>*1</sup>	3.05	3.76 (94%)	4 or above				
		Improving the environment for foreign talents in the region of Japan							
		Employment rate of persons with disabilities (%) <sup>*2</sup>	2.34	2.47 (99%)	2.5 or above				
		Psychological safety survey score (points)	64	65 (100%)	65 or above				

<sup>\*1</sup> Six main companies in Japan <sup>\*2</sup> Total for NIPPON EXPRESS HOLDINGS, INC. and Group companies with applicable certifications (calculated based on the Act on Employment Promotion etc. of Persons with Disabilities)

<sup>\*3</sup> "Overall Abilities" = "Enhancement of diverse and valuable human resources" + "Improvement of each and every person's performance" + "Creating an inclusive workplace culture"

### Action Plan

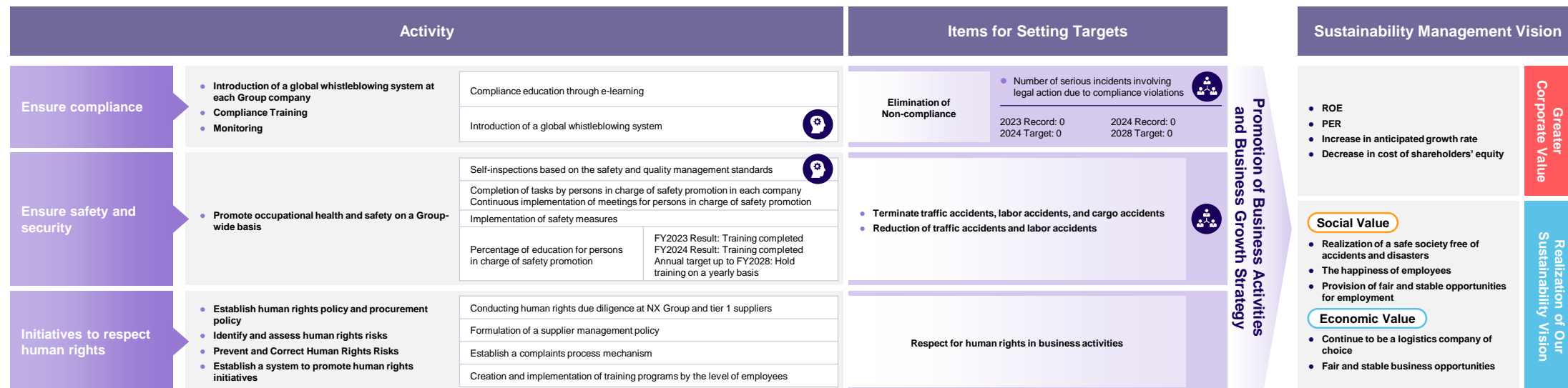
Target	Issues	Progress Status (Full Year)/Future Plans	
Secure and develop talented human resources	<ul style="list-style-type: none"> <li>Expand and promote post-career G</li> <li>Creation and utilization of human capital portfolio</li> <li>Secure and Train Global Human Resources</li> </ul>	<ul style="list-style-type: none"> <li>In the post-career g system, 307 people applied, of whom 78 successfully acquired their new positions/were transferred</li> <li>In FY2024, Nippon Express Holdings examined key talent areas and categories to focus on, and established five categories of talent to be strengthened or further reviewed.</li> </ul>	<ul style="list-style-type: none"> <li>Starting in FY2025, Nippon Express Co., Ltd. plans to work jointly with business departments to identify specific talent-related issues and begin considering HR measures to address them.</li> <li>For other major domestic Group companies, Nippon Express Holdings will provide a shared outline detailing the basic processes for addressing these issues, thereby establishing a framework for creating and utilizing talent portfolios tailored to each company's challenges.</li> </ul>
Enhance well-being	<ul style="list-style-type: none"> <li>Improving NX Core Engagement</li> <li>Employee career support</li> <li>Enhance careers with re-skilling</li> </ul>	<ul style="list-style-type: none"> <li>Supportive management training focusing on building an inclusive workplace is currently being conducted for all managers at Nippon Express Co., Ltd., with completion for all participants scheduled by December 2025. Plans are in place to expand the training to all employees across the NX Group.</li> </ul>	<ul style="list-style-type: none"> <li>We established the NX Group Career Support Policy and have launched career counseling services in coordination with training programs</li> <li>A dedicated career support portal will be introduced to disseminate information along with a consultation desk where employees can receive counseling at any time</li> <li>A common Group-wide learning platform called "ManaVIVA!" has been developed, expanding learning opportunities, such as IT literacy training</li> <li>The domestic assignment trainee program is being expanded as a system to support challenges in new job roles and functional areas</li> </ul>
Promote DE&I	<ul style="list-style-type: none"> <li>Promotion of women's participation in the workplace the elderly</li> <li>Promotion of the employment of persons with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>In FY2024, training sessions and career development workshops were conducted for female leaders within domestic group companies, aiming to foster career motivation and build professional networks (a total of two sessions with 60 participants). In FY2025, the program will continue with enhanced content supporting women's career advancement.</li> </ul>	<ul style="list-style-type: none"> <li>A new administrative center has been established at NX Heartful Co., Ltd., a special subsidiary company</li> <li>NX Heartful Co., Ltd. takes on tasks outsourced from Group companies, expanding employment opportunities for persons with disabilities, and plans expand this type of work in the future. Employment support is also being provided to Group companies that have not yet met the required employment ratio for persons with disabilities.</li> </ul>



# Material Issues    Respect for Human Rights and Realization of Responsible Corporate Activities

## ● Respect for Human Rights and Realization of Responsible Corporate Activities

### Details on Initiatives for Material Issues and Their Relationship with Corporate Value



### Action Plan

Target	Issues	Progress Status (Full Year)/Future Plans			
Ensure compliance	<ul style="list-style-type: none"> <li>Make employees deeply aware of the existence of the global whistleblowing system</li> <li>Compliance Training</li> <li>Monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Implemented a Group-wide compliance program</li> <li>Developed and distributed various training materials on shared compliance and the whistleblowing system (handbooks, posters, calendars, booklets, etc.)</li> <li>Compliance training sessions, including anti-bribery compliance training (conducted annually)</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring by the Nippon Express Holdings Compliance Committee based on consolidated compliance activity reports from each Group company (conducted quarterly)</li> <li>Group Compliance Promoters Meeting held in the Japan Region (held annually)</li> </ul>		
Ensure safety and security	<ul style="list-style-type: none"> <li>Fostering a safety culture Group-wide</li> <li>Promoting Group global safety and quality management</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of top management safety reviews at each Group company (conducted annually)</li> <li>Group-wide meetings for safety promotion officers (conducted twice a year)</li> <li>Group-wide training for persons in charge of safety promotion (conducted annually)</li> </ul>	<ul style="list-style-type: none"> <li>Safety skills training sessions in the East Asia and South Asia/Oceania regions (multiple times per year)</li> <li>Self-inspections conducted at each Group company based on the safety and quality management standards (conducted annually)</li> </ul>		
Initiatives to respect human rights	<ul style="list-style-type: none"> <li>Developed human rights due diligence framework</li> <li>Developed and created supplier management system</li> <li>Established grievance desk</li> </ul>	<ul style="list-style-type: none"> <li>NX Group human rights due diligence</li> <li>Established a system for analyzing and understanding human rights risks, and for implementing preventive and corrective measures across 101 domestic and international Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Extending Initiatives to Include Suppliers</li> <li>Established a policy for creating supplier management systems that consider the characteristics of each region</li> <li>Developed systems in some Group companies to initiate human rights due diligence with selected transport subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>Established grievance desk</li> <li>Considering the establishment of a grievance desk specifically for suppliers</li> </ul>	

# Environmental Value

## Environmental Policies and Management

### Environmental Policies and Management

#### Environmental Policy and Scope of Application

#### NX Group Environmental Charter

NX Group recognizes its corporate social and public mission and has established the NX Group Environmental Charter to actively contribute to global environmental preservation. The Group voluntarily and proactively engages in initiatives such as preventing global warming, conserving biodiversity, and building a circular society, while striving to use resources and energy efficiently.

In fulfilling its environmental responsibilities across the Group, it aims to reduce various environmental risks surrounding its operations. We actively promote environmental protection and contribute to the realization of a sustainable society.

 [NX Group Environmental Charter](#)

#### NX Group Supplier Code of Conduct

As part of our supply chain initiatives, NX Group has formulated the NX Group Supplier Code of Conduct, requesting that suppliers comply with environmental laws and regulations in each country and region, and takes measures to preserve the global environment, reduce greenhouse gas emissions, and protect biodiversity.

 [NX Group Supplier Code of Conduct](#)

### Environmental Management System Certification

To further advance activities for environmental conservation, NX 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 NX 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 2025, 9 Nippon Express Co., Ltd. trucking offices and one warehousing office have received this certification. Among Group companies, 12 trucking offices have been granted Green Management Certification.

#### Increasing ISO 14001-certified Business Locations

NX Group promotes the acquisition of ISO 14001 certification on a global level under "7. We will continually improve upon our environmental management system" of the NX Group Environmental Charter as a useful means for performance enhancement. As of the end of December 2024, 16 Nippon Express Co., Ltd. business sites in Japan and 27 overseas Group companies have obtained ISO 14001 certification. Please see our website for details.

 [ISO 14001-certified business locations](#)

### Environmental Investment

#### Investments in Environmental Conservation\*1,2

(Unit: Million yen/year)

Classification	Investment category	Major examples	Amount (FY2024)
Capital investment	Investment in modal shift	Rail transport containers	204
		Ship containers (R&S containers, etc.)	72
		Tractors and trailers for freight containers	1,593
	Investment in reusable packing materials for moving	Netted blankets, pads, etc.	8
	Vehicle-related investments (eco-friendly vehicles, etc.)	CNG, hybrid and LPG vehicles, heavy-duty vehicles that meet fuel efficiency standards, etc.	2,358
	Investment in planting greenery	Forest cultivation projects, landscaping work at branches	31
	Others: Investment in facility energy saving	Others: Switchovers of lighting equipment, inverters, etc.	135
Operating expenses	Costs for appropriate waste disposal and management	Costs related to Manifest Management Center	30
		PCB equipment disposal costs	31
	Costs for Environmental Management System registration	ISO 14001 and Green Management certification	3
Total			4,465

\*1 For Nippon Express Co., Ltd.

\*2 Rounded down less than ¥100,000 of each item

# Environmental Value Climate Change Strategy

## Climate Change Strategy

### Our View on Climate Change

"Strengthen Response to Climate Change" is one of the five Material Issues identified by NX Group based on the NX Group Sustainability Policy and Vision.

The Material Issues are positioned as the strategic framework of the sustainability management strategy in NX Group Business Plan 2028. We are actively working toward addressing these Material Issues through our business activities.

As part of monitoring progress on these Material Issues, efforts related to climate change are reported to the Sustainability Promotion Committee, which convenes semiannually, which are then reported to the Board of Directors as appropriate.

### Initiatives on TCFD Recommendations

In May 2022, NX Group declared its support for the Task Force on Climate-related Financial Disclosures (TCFD<sup>\*1</sup>) recommendations, and since June 2022, the Group has been disclosing information in accordance with the TCFD disclosure framework based on the recommendations.

<sup>\*1</sup> The Task Force on Climate-related Financial Disclosures is an international initiative established by the Financial Stability Board in 2015 to encourage companies to disclose information about the financial implications of the risks and opportunities that climate change presents to their businesses

### Governance

NIPPON EXPRESS HOLDINGS, INC. has established the Sustainability Promotion Division as the division responsible for advancing specific measures related to key sustainability policies and Material Issues, including climate change response. An executive officer has been appointed to oversee the department and its activities.

The Sustainability Promotion Committee discusses policies and strategies related to the promotion of the Group's overall sustainability initiatives, including the Group's response to climate change, and reports the results of these discussions to the Board of Directors at least once every six months depending on report content.

The Committee is chaired by the President & CEO of NIPPON EXPRESS HOLDINGS, INC. with the Chief Managing Officer in charge of the Sustainability Promotion Division serving as Deputy Chairperson. In addition to the executive officers of NIPPON EXPRESS HOLDINGS, INC., the committee is comprised of officers in charge of sustainability promotion at major Group companies.

### Risk Management

NX Group has established the Risk Management Committee, chaired by the President & CEO of NIPPON EXPRESS HOLDINGS, INC. to promote risk management and crisis management throughout the Group. This includes addressing the issue of climate change.

In addition to climate change, the Sustainability Promotion Committee also addresses key ESG-related issues such as governance. The Risk Management Committee works in coordination with the Sustainability Promotion Committee to advance comprehensive risk management across the Group in various fields.

### Identification of Risks and Opportunities through Scenario Analysis and Financial Impact Assessment

To assess and enhance the resilience of its businesses and strategies in the face of climate change, NX Group conducts scenario analysis to identify and evaluate the diverse risks and opportunities that may arise from climate change.

As part of the scenario analysis, NX Group examined both the 1.5°C scenario, which the Group aims to achieve, and a 4°C scenario in which decarbonization efforts do not progress beyond current levels. The risks and opportunities identified through this analysis were assessed for their potential qualitative and quantitative impacts on the

Group's business, and corresponding countermeasures are being considered.

We analyzed the financial impact on NX Group caused by risks and opportunities, identified through scenario analysis, evaluated as having significant business impact. It should be noted that this analysis was a simulation-based analysis that used external scenarios and does not guarantee the achievement of any specific scenario.

Please see our website for details.

 [Identification of Risks and Opportunities Posed by Climate Change](#)

### Emissions Reduction Targets

In January 2023, NX Group set new medium- and long-term targets for reducing CO<sub>2</sub> emissions, stepping away from the reduction targets of non-consolidated Nippon Express, with the aim of contributing to a carbon-neutral society and preserving the global environment.

#### Medium- to Long-term CO<sub>2</sub> Emission Reduction Targets

2030 Targets	Scope 1 and 2	Reduce NX Group Scope 1 and 2 CO <sub>2</sub> emissions by 50% <sup>*2</sup> (compared with 2013)
	Scope 3	Reduce NX Group Scope 3 (Category 4) emissions by 25% (compared with 2022) Reduce NX Group Scope 3 (Category 11) emissions, which are derived from sold fossil fuel products, by 42% (compared with 2022)
2050 Target	Scope 1, 2 and 3	Contribute to the realization of a carbon-neutral society through NX Group as a whole

<sup>\*2</sup> Equivalent to a 42% reduction in Scope 1 and 2 emissions by 2030 compared to 2020 levels



# Environmental Value

## Climate Change Strategy

Under NX Group Business Plan 2028, we have announced our Scope 1 and 2 CO<sub>2</sub> emissions reduction targets for 2026 and 2028 as key performance indicators (KPIs) of our sustainability management strategy.

### CO<sub>2</sub> Emissions Reduction Targets (Scope 1 and 2)

2026 year	641,000 t-CO <sub>2</sub>	2028 year	537,000 t-CO <sub>2</sub>
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### Incentive Structures for Climate Risk Management

To promote and strengthen sustainability management, NX Group has introduced a performance-linked stock compensation system utilizing a trust, aimed at further enhancing executives' awareness of contributing to the company's long-term corporate value and shareholder value. In addition to financial indicators, the system incorporates non-financial indicators related to ESG, including climate change, as evaluation metrics.

### Initiatives to reduce CO<sub>2</sub> emissions

#### Short-Term Science Based Target (SBT) Certification

In June 2025, NX Group's 2030 CO<sub>2</sub> emissions reduction target was certified as a short-term Science Based Target (SBT), confirming that the target is grounded in scientific evidence consistent with the goals of the Paris Agreement.

 [News Release](#)

### Introduced Eco-friendly Vehicles

NX Group actively introduces eco-friendly vehicles. This mainly includes 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, 2024, NX Group has a domestic (Japan) fleet of 12,671 such vehicles in total.

### Encouraging Eco-driving

To reduce the environmental impact of automotive transport, NX Group is promoting eco-driving practices aimed at curbing CO<sub>2</sub> emissions and fuel consumption, while also enhancing safety.

#### ● Safe Eco-driving Education

At Nippon Express Co., Ltd., eco-driving is integrated into the annual safe driving training conducted for skilled employees, with a dedicated curriculum that encourages professional drivers to practice environmentally conscious and safe driving behavior. In FY2024, 556 employees participated in the training.

#### ● Digital Tachographs

Since FY2013, Nippon Express Co., Ltd. has operated an "Operation Support System" that integrates digital tachographs with mobile work devices (smartphones) to manage vehicle operations, cargo handling, and attendance.

Digital tachograph system updates began in October 2021 for Nippon Express (including the current NX Cash Logistics Co., Ltd.) and in November 2023 for other NX Group companies in Japan. The current system generates daily summary reports after each shift, enabling safety and eco-driving evaluations using the features of the digital tachograph.

Through this utilization of IoT technologies and proprietary training programs, we work toward eliminating traffic accidents and reducing CO<sub>2</sub> emissions by improving fuel efficiency.

### Rate of introduction of digital tachographs

Nippon Express Co., Ltd.	100%
NX Cash Logistics Co., Ltd.	100%

### Remote-based Moving Estimates

Additionally, approximately 60% of moving estimates at Nippon Express Co., Ltd. are conducted remotely, helping reduce CO<sub>2</sub> emissions related to employee travel.

 [Remote Estimates](#)

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

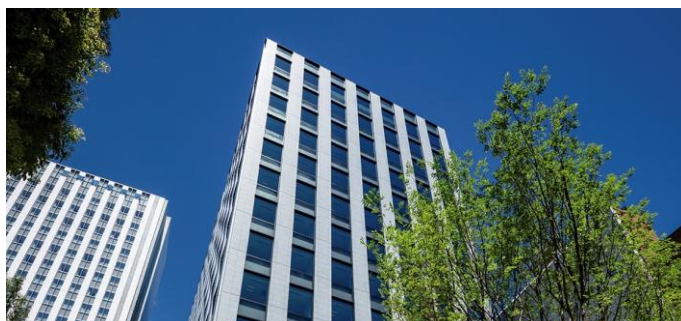
In 2013, Nippon Express Co., Ltd. established the Standards for Installation of Environmentally Friendly Equipment with the aim of reducing GHG emissions at its facilities as part of its efforts to reduce CO<sub>2</sub> emissions.

In addition to setting specific installation standards for CO<sub>2</sub> 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.

# Environmental Value Climate Change Strategy

Based on these standards, we promoted 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 or higher) since FY2022. We are working to reduce environmental impact by operating newly established warehouse facilities using renewable energy.

Additionally, the NX Group Building has been using electricity derived from renewable energy since January 2024.



▲ NX Group Building

## Construction of Environmentally Friendly Facilities

In September 2024, Nippon Express Co., Ltd. completed construction of NX Budokan in Itabashi City, Tokyo.

The facility features a reinforced concrete and steel structure with partial wooden construction. It is a two-story building housing a sumo and judo hall on the first floor and spectator seating on the second floor, which accommodates martial arts such as judo and kendo.

As part of its SDGs initiatives, the facility incorporates extensive use of wood. For example, domestically-sourced hinoki cypress was used to support the expansive ceiling of the second-floor arena while wood was also used for wall louvers, lockers, benches, and shoe racks.

In addition, solar power generation systems have been installed to reduce CO<sub>2</sub> emissions through the use of renewable energy. Through such efforts aimed at achieving carbon neutrality, the facility has earned the highest rating in sustainable building assessment.



▲ NX Budokan

## Initiatives for Accurately Controlling Fluorocarbons

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 CO<sub>2</sub> emissions and accurately controlling fluorocarbons. There were no major leaks in FY2024.

## 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.

## Initiatives to Reduce CO<sub>2</sub> Emissions in the Supply Chain

### Promotion of Modal Shift

NX 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions and energy consumption via the Company's proprietary railroad container information service, Rail Container NAVI. CO<sub>2</sub> reduction effects can be simulated on Nippon Express Co., Ltd. website simply by entering where cargo will be picked up and its destination.

# Environmental Value Climate Change Strategy

To address the 2024 logistics problem, which is a social issue, NX Group is promoting the NX Train service to charter sections of trains running between the Kanto and Kansai regions for stable transportation of railroad cargo in the future, and the Sea & Rail service, which combines rail and coastal services using proprietary hybrid containers. We are promoting modal combinations that propose optimal transportation by taking advantage of the characteristics of each transport mode.

## ● Modal Shift to Domestic Ocean 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.

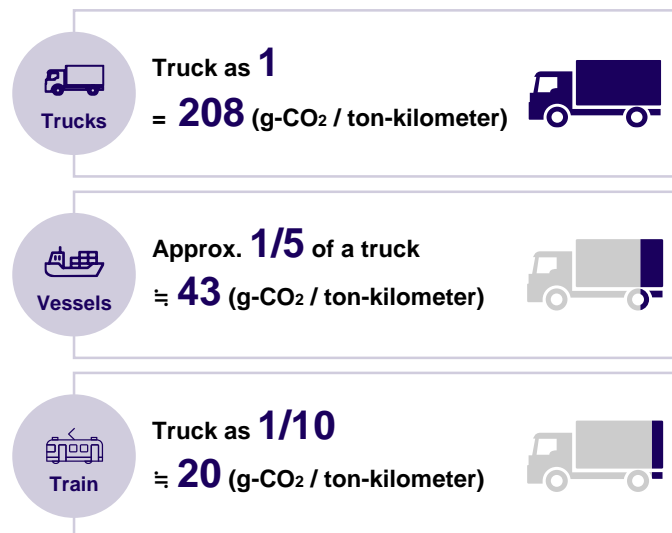
In 1964, NX Group put Japan's first container vessel, Dai-ichi Tennichi Maru, into service between Tokyo and Muroran, followed by Dai-ni Tennichi Maru between Osaka and Muroran, thereby launching integrated land and sea transport services. The Group currently operates five large state-of-the-art vessels, 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 CO<sub>2</sub> emissions from fuel consumption.



▲ Himawari 8

## CO<sub>2</sub> Emissions Intensity by Transport Mode



 Source: "CO<sub>2</sub> emissions in the transportation sector" from the Ministry of Land, Infrastructure, Transport and Tourism website

## Use of Sustainable Aviation Fuel (SAF)

NX Group has begun offering the NX-GREEN SAF Program in Japan, which enables our valued customers to purchase the environmental attributes derived from sustainable aviation fuel (SAF<sup>\*1</sup>) to reduce CO<sub>2</sub> emissions in customers' supply chain.

The NX-GREEN SAF Program, which began service in NX Europe in July 2023, is a carbon-insetting program<sup>\*2</sup> that can be used to reduce CO<sub>2</sub> emissions from all air transport services provided by NX Group. Air transport utilizing SAF can reduce CO<sub>2</sub> emissions by about 80% compared to conventional fossil fuels. This program is available for transport services arranged by NX Group, and is the first Japanese affiliated forwarder to offer such a service without restrictions on the choice of airline<sup>\*3</sup>. Customers participating in the program will be issued

with a CO<sub>2</sub> reduction verification statement verified by SGS, one of the world's largest certification bodies, that can be used in the information disclosure required by the TCFD<sup>\*4</sup> and CDP<sup>\*5</sup>.

Nippon Express has been selected as a freight forwarding agent for the Tokyo Metropolitan Government's initiative to promote the use of SAF (Sustainable Aviation Fuel) in air cargo transportation as part of Scope 3 emissions reduction efforts by companies. NX Group has positioned expanded SAF use as one of its initiatives to "Develop and Strengthen Sustainable Solutions," a Material Issue for the Group to promote more widespread SAF use.

<sup>\*1</sup> Sustainable Aviation Fuel: fuel made from waste cooking oil, plants, waste wood, etc., and mixed with jet fuel to reduce CO<sub>2</sub> emissions

<sup>\*2</sup> Carbon insetting program: a mechanism for companies to reduce their CO<sub>2</sub> emissions by working with stakeholders in their own supply chains

<sup>\*3</sup> According to NX Group research

<sup>\*4</sup> TCFD (Task Force on Climate-related Financial Disclosures): an international initiative established by the Financial Stability Board in 2015 to encourage companies to disclose information on the financial implications of the risks and opportunities that climate change presents to their businesses

<sup>\*5</sup> CDP: an international non-profit organization dedicated to research on, and disclosure of, corporate and urban environmental information



# Environmental Value Climate Change Strategy/Energy

## Transport and Services Contributing to Decarbonization

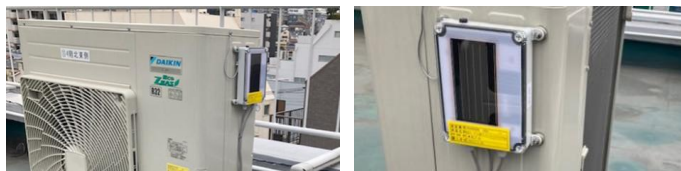
NX Group offers low-carbon transportation and services for customers facing challenges related to social issues such as the 2024 logistics problem and decarbonization.

### Results Related to the Sale of Transportation and Other Service That Contribute to Decarbonization

		FY2023 Results (Jan. to Dec.)	FY2024 Results (Jan. to Dec.)
Total sales	Rail Transportation	6,277,000 tons	6,181,000 tons
	Ocean	2,018,000 tons	2,048,000 tons
	Sea&Rail	9,800 tons	13,500 tons
Total unit sales	Expanded Sales of Protect BOX	37,700 units	47,200 units
Transport credit offset rate	Ocean LCL	100%	100%

### ● Expanding Sales of Products that Contribute to Countering Soaring Electricity Prices and Reducing CO<sub>2</sub> emissions

NX Shoji Co., Ltd. is working to reduce CO<sub>2</sub> emissions and curb rising electricity costs by selling system equipment that controls the output of air conditioning outdoor units while maintaining customers' operational environments. Locations where this equipment has been installed achieved approximately a 15% reduction in CO<sub>2</sub> emissions and a 10% decrease in electricity costs. NX Shoji Co., Ltd. will continue to offer solutions that help lower energy consumption.



▲ The device shown on the side of the outdoor air conditioning unit is an output control system

## Strengthen Adaptive Capacity and Resilience in the Face of Climate Change

In recent years, the frequency and severity of natural disasters occurring around the world have increased, exacerbated by the effects of climate change. Large-scale earthquakes and resulting tsunamis, volcanic eruptions, and extreme weather-related disasters pose significant risks to the business activities of NX Group and our customers.

To address these risks, the Group is committed to maintaining its role as a critical part of the supply chain and a provider of essential social infrastructure, even in times of emergency caused by natural disasters or widespread infectious diseases. In addition to fulfilling this mission, and in line with the NX Group Basic Policy on Business Continuity, each Group company is working to establish Business Continuity Plans (BCPs) and strengthen overall organizational resilience.

## Social Responsibility as a Designated Public Institution

Furthermore, Nippon Express Co., Ltd has also been designated as a public institution engaged in the transportation business prescribed by the Basic Act on Disaster Management, Civil Protection Act (Act on the Protection of the People in the Event of Armed Attacks), and the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response.

In response to the Noto earthquake that occurred in January 2024, Nippon Express delivered emergency supplies, including food, beverages, and blankets, to Ishikawa Prefecture, which suffered severe damage, in accordance with a government request.

Nippon Express has established a crisis management system and other types of systems to ensure the safety of its employees and their families, while continuing operations during emergencies. As a designated public institution, it fulfills its social responsibility by responding to national and local government requests for transporting emergency supplies and maintaining essential services.

## Energy

### Energy Policy

NX Group formulated the following three courses of action in the NX Group Environmental Charter for the efficient use of energy.

- We will work to construct a recycling-based society by promoting the 3Rs and the conservation of energy and resources.
- We will expand our use of renewable energies.
- We will support our customers' efforts toward building a recycling-based society.

 NX Group Environmental Charter

### Initiatives for Renewable Energy Use

NX Group is increasing its number of environmentally friendly facilities. Among standards for the installation of equipment that are applicable to the construction of logistics facilities and offices, NX Group has established standards that 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 FY2024

Amount of solar power generated	8,142,603 kWh
---------------------------------	---------------

# Environmental Value

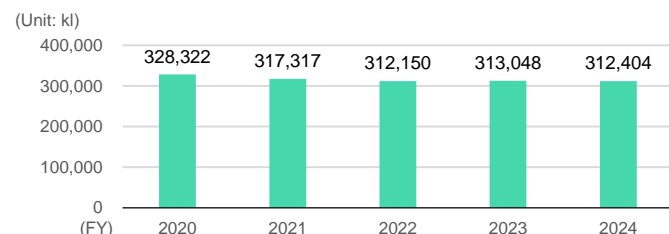
## Environmental Data Related to Climate Change and Energy Use

### Environmental Data Related to Climate Change and Energy Use

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.

Calculations are primarily based on data such as transport weight, transport distance, and freight charges, using methods such as the ton-kilometer method or rate-based method. Some figures are estimated.

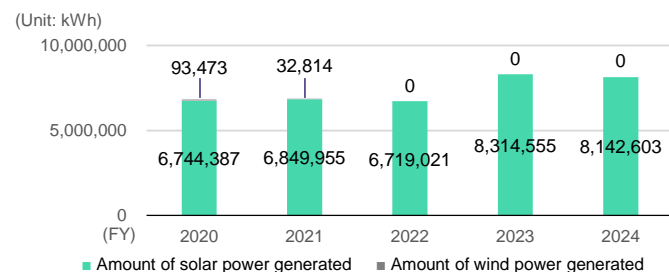
#### Energy consumption in NX Group (crude oil equivalent)\*1,2



\*1 The data shown here aggregate the energy consumption by Nippon Express Co., Ltd. and its consolidated companies in Japan and overseas (equivalent to Scope 1 and 2)

\*2 For natural gas, 13A city gas (heat value of 45 GJ/thousand cubic meters) applies

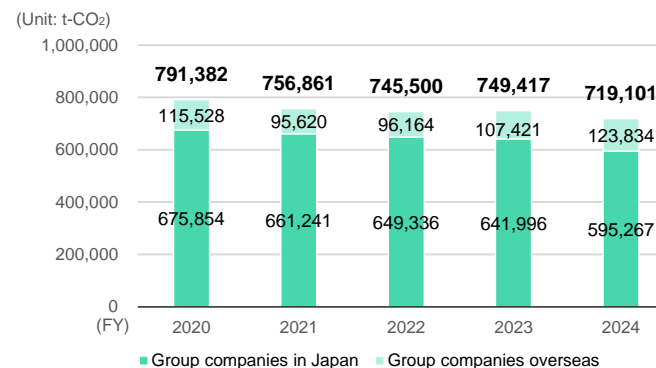
#### Power generated from renewable energy resources (Group companies in Japan)\*3,4



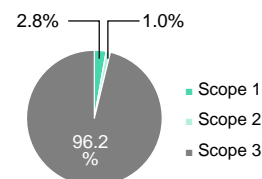
\*3 Renewable power generation, electricity used in-house and electricity sold are not included in the amount of energy consumption in NX Group.

\*4 Errors were identified in the reported solar and wind power generation figures in last year's disclosure. The correct figures have been reflected in this disclosure.

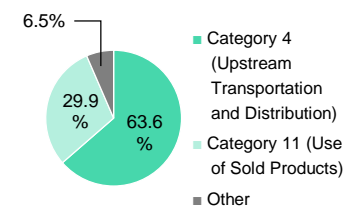
#### CO<sub>2</sub> Emissions (Scope 1 and 2)



#### Percentage of GHG emissions across all supply chains (NX Group)



#### Component Ratio for Scope 3 (NX Group)\*5,6,7



#### CO<sub>2</sub> emissions reduction\*5,6,7 by scope

Scope 1	528,894 t-CO <sub>2</sub> (-17,780 t-CO <sub>2</sub> year-on-year)
Scope 2	190,207 t-CO <sub>2</sub> (-12,535 t-CO <sub>2</sub> year-on-year)
Scope 3	18,052,883 t-CO <sub>2</sub> (+9,342,634 t-CO <sub>2</sub> year-on-year)

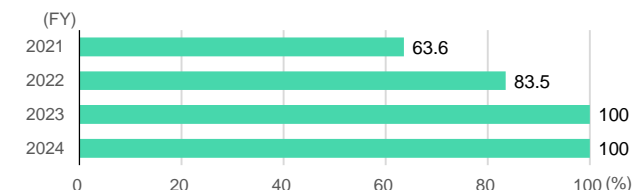
\*5 Scope 3 emissions have been calculated in accordance with the GHG Protocol

\*6 From FY2024, emissions from Category 11 have been included in Scope 3, resulting in a significant increase in reported values

\*7 For Scope 3 emissions broken down by category, please refer to our company website

 Environmental Data

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



#### Number of eco-friendly vehicles owned (Group companies in Japan)\*8

(Unit: vehicles)

	2020	2021	2022	2023	2024
Vehicles that comply with the new long-term regulations and post new long-term regulations	9,895	10,167	10,466	10,445	10,294
LPG vehicles	107	83	73	66	45
Hybrid vehicles	1,991	2,109	2,132	2,221	2,572
CNG vehicles	67	46	33	20	9
Electric vehicles	16	21	22	42	73
FCV vehicles	-	-	-	17	21
Total	12,076	12,426	12,726	12,811	13,014

\*8 Calculated at the end of each fiscal year based on number of vehicles registered on the Operation Support System

#### Fluorocarbons Management Act (number of systems)

	Applicable equipment (number of systems)	
Class I specified products	9,835	
Type of fluorocarbon	Actual fluorocarbon leakage amount (kg)	Calculated fluorocarbon leakage amount (kg)
R410A	317	609

# Environmental Value

## Environmental Data Related to Climate Change and Energy Use/Waste and Pollutants

### Third-party Verification of CO<sub>2</sub> Emissions Data

NIPPON EXPRESS HOLDINGS, INC. commissioned SGS Japan Inc. to conduct third-party verification of CO<sub>2</sub> emissions data (CO<sub>2</sub> emissions from fossil fuel use in Japan) for FY2023 based on ISO 14064-3:2019. We are planning to obtain third-party verification also on CO<sub>2</sub> emissions data for FY2024.

We will ensure accuracy and reliability by receiving verification from a third party and will continue to work on further reducing CO<sub>2</sub> emissions.

Please see our website for details on third-party verification reports.



### Waste and Pollutants

#### Our View on Reducing Waste

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

### Waste and Pollutant Management

#### 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, Nippon Express 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 from here on, 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 FY2024.

#### Reducing and Properly Managing Waste



#### Release Amounts Subject to Notification Under the PRTR Law

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 Law"), business sites that handle chemical substances subject to the Act are listed in the "Environment Data" section ([P.29](#)) of this publication and on our website.



#### 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.



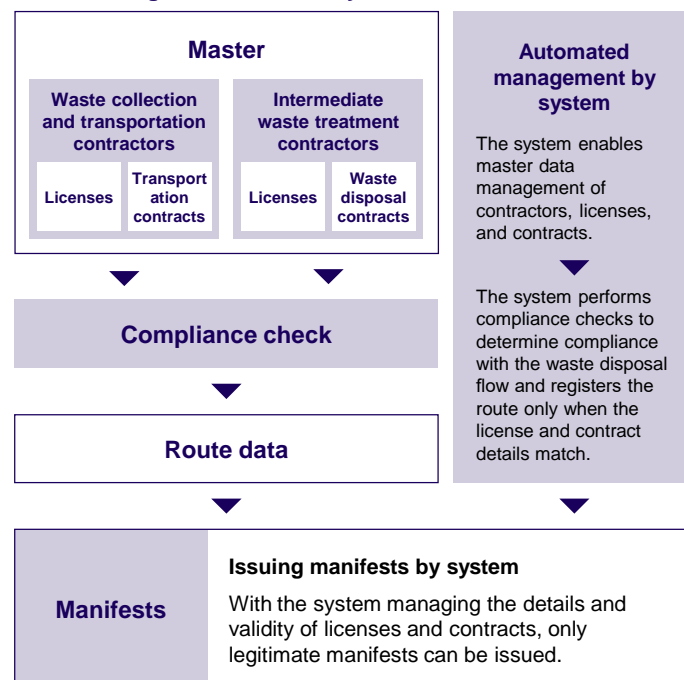
# Environmental Value

## Waste and Pollutants

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

ECO-TOWMAS® also supports electronic manifests. After the Company transitioned to electronic manifests, the use rate of electronic manifest routes reached 99.6% and the issue rate of electronic manifests was 96.6% as of December 2024.

### Waste management manifest system



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



#### Target

Annually reduce industrial waste emissions versus the previous year (vis-à-vis sales)

**1% reduction**

(continue annually until 2030)

#### Result

**FY2024 Results**

**3.9% increase**

(compared to FY2023)

### Training on Reducing Industrial Waste and Proper Waste Management

NX NP Logistics Co., Ltd. is actively pursuing various waste reduction initiatives. In FY2024, the company worked on shifting the disposal of stretch film from industrial waste processing to sale as a valuable resource, successfully converting 5,040 kg per year.

Similar efforts will continue in FY2025 and beyond to further reduce waste.

To ensure proper waste management, the company also promotes systematic participation in “training for newly appointed waste disposal management personnel” organized within the Group (38 employees completed the training in FY2024).

Through these efforts, the company is working to reduce its environmental impact.

### Initiatives for Paperless Operations

NX Wanbishi Archives Co., Ltd. promotes internal paperless operations as part of its sustainability activities. Additionally, it offers an eco-friendly document destruction service called “RECOLO,” which helps expand environmentally conscious practices.

This service involves the dissolution and recycling of boxes of unneeded office documents, achieving a 99% recycling rate to support customers’ sustainable practices. NX WANBISHI ARCHIVES CO., LTD. actively contributes to a sustainable society by delivering services with high environmental value.



▲ RECOLO service offered by NX Wanbishi Archivist Co., Ltd.

### Introduction of a Food Waste Processing Machine

NX AgriGrow Co., Ltd. has introduced a food waste processing machine to manage vegetable waste generated after harvesting and sorting. The machine uses microorganisms to decompose and reduce 100–200 kg of vegetable waste per day, discharging it as water. In the past, this work was outsourced to waste contractors. However, in-house vegetable waste processing has since been adopted, contributing to reductions in CO<sub>2</sub> emissions from collection and transport.

# Environmental Value Waste and Pollutants

## Resource Recycling

Nippon Express Co., Ltd. undertakes the transport of waste, which plays a role in resource recycling.

As an example, using rail and ocean 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 times of disasters such as the Great East Japan Earthquake, the Kumamoto Earthquake, the 2019 East Japan Typhoon, and the 2024 Noto earthquake, large-scale disaster waste was transported over wide areas using environmentally friendly rail containers, providing support to affected regions.



▲ Waste from the Noto earthquake

## Reusable Protection Materials for Moving

NX 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.



▲ Packing materials

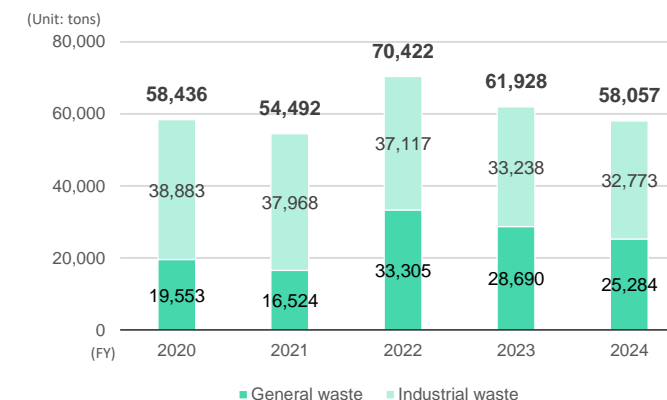
## Building Materials Routine Collection System

The Building Materials Routine Collection System, jointly developed by Nippon Express Co., Ltd. and Taisei Corporation, was awarded the METI Minister's Prize at the FY2024 3Rs (Reuse, Reduce, and Recycle) Promotion Merit. Awards. The award recognizes the system's contributions to expanding the volume of recycled materials, securing consistent transport volumes to enable stable operations, promoting adoption across the construction industry, and achieving reductions in both transportation costs and CO<sub>2</sub> emissions.

 Building Materials Routine Collection System

## Environmental Data Related to Waste and Pollutants

### Waste volume (Group companies in Japan)



### PRTR-related emissions of substances reportable (April 2024 to March 2025: 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	5	60	Fenitrothion	Insecticide and insect control in warehouses
Not reportable business category but office uses reportable substance	11	9,565	Methyl bromide	Fumigation work in operations incidental to import customs clearance

# Environmental Value

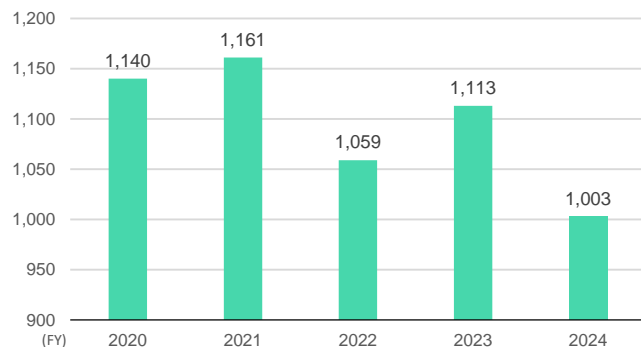
## Other Important Environmental Issues

### Other Important Environmental Issues

#### Water Consumption

##### Water consumption (Group companies in Japan)\*1

(Unit: thousand m<sup>3</sup>)



\*1 An error in water usage reporting was identified in last year's disclosure. The correct figures have been reflected in this disclosure.

#### Biodiversity Policy

NX Group recognizes its corporate social and public mission and has established the NX Group Environmental Charter to actively contribute to global environmental preservation and has established provisions regarding the conservation of biodiversity.

Please see our website for details on the NX Group Environmental Charter.

 [NX Group Environmental Charter](#)

#### Initiatives to Reduce Impacts on Biodiversity

##### Preventing Alien Species from Crossing Habitat Boundaries

Nippon Express Co., Ltd. makes the utmost efforts to prevent the unexpected transportation of invasive alien species that threaten ecosystems, the lives and health of humans, and the agriculture/livestock industries. In particular, with regard "Specified Invasive Alien Species Requiring Urgent Action," including fire ants, each business site pays close attention to the invasion of these creatures based on information from the Ministry of the Environment, Ministry of Land, Infrastructure, Transport and Tourism, and local governments, in accordance with the applicable laws and regulations set forth by the government. If alien species are detected, we will take measures to prevent the spread of the invasive alien species, as well as promptly respond to the situation by disinfecting cargo, killing insects, fumigating containers, etc., in accordance with the response guidelines.

##### Conservation of Marine Ecosystems

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.



◀ Wastewater treatment system

#### Appropriate Treatment of Waste Oil and Sewage from Ships

NX Shipping Co., Ltd. is working to reduce the environmental impact of its vessels on the marine ecosystem. Waste oil generated by company-owned ships is incinerated onboard and then offloaded during the next docking for proper disposal by certified waste management providers. In addition, wastewater (sewage) generated aboard most company vessels (excluding general ships) is treated using onboard wastewater treatment systems before being discharged into the ocean. These efforts are part of our ongoing commitment to minimizing its impact on the marine environment and biodiversity.



# Social Value Human Rights

## Human Rights

### Policy on Respect for Human Rights

NX Group advocates respect for human rights in NX 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. We also formulated NX Group Human Rights Policy in 2023 as a commitment to fulfilling our responsibility to respect human rights.

Based on NX Group Human Rights Policy, we formulated NX Group Sustainable Procurement Policy in December 2023 as a foundation for responsible procurement activities of the Group, working to realize a supply chain in which the human rights of all stakeholders are respected. Together with our business partners, we aim to meet the expectations of society and promote business activities that contribute to international society and the global environment as the foundation of the Group's sustainability management.

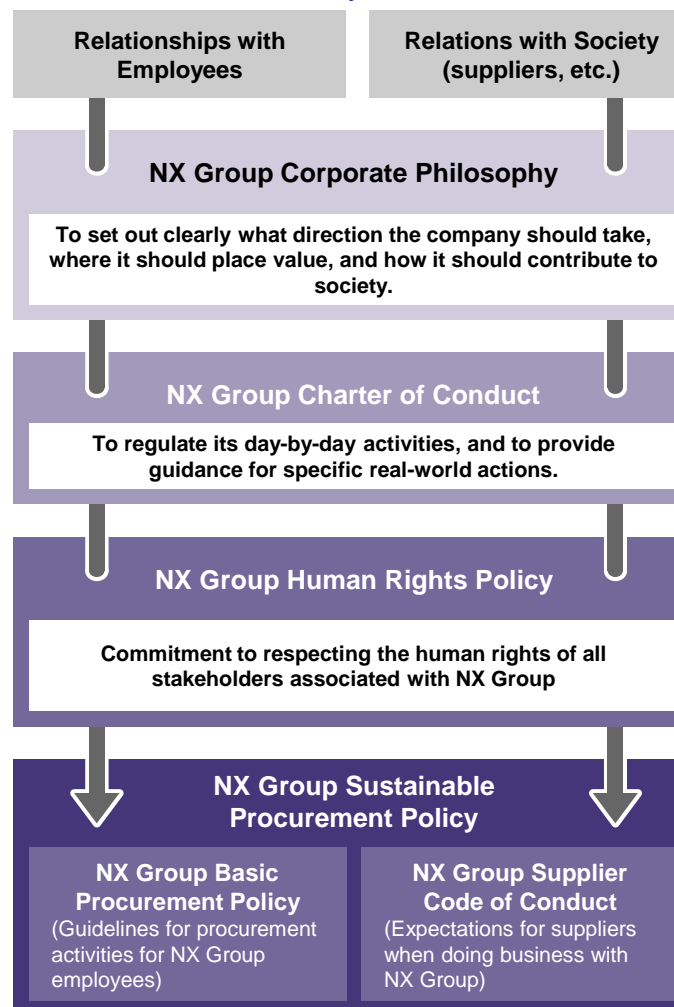
Please see our website for details on NX Group Charter of Conduct, NX Group Human Rights Policy, and NX Group Sustainable Procurement Policy.

[NX Group Charter of Conduct](#)

[NX Group Human Rights Policy](#)

[NX Group Sustainable Procurement Policy](#)

### Positioning of NX Group Human Rights Policy and NX Group Sustainable Procurement Policy



### NX Group Human Rights Due Diligence

In 2024, NX Group conducted a human rights risk assessment survey at 101 domestic and overseas Group companies.

As a result, the Group identified occupational health and safety risks affecting both its own employees and those of its business partners as a significant human rights issue common across its companies. In addition, the assessment highlighted risks to local communities, including human rights violations caused by environmental and climate change impacts and infringement on local residents' livelihoods and culture.

Each region also assessed and identified human rights risks specific to its local context and characteristics.

To mitigate human rights risks across the supply chain, and in response to current societal trends, the Group has begun building a framework for assessing human rights risks at its domestic and international logistics subcontractors.

### Addressing and Remediating Human Rights Issues

### Compliance Promotion Across Our Supply Chains

Based on the findings of the 2024 assessment, NX Group is working with its 101 affiliated companies to establish risk management systems, update internal policies, and conduct employee training related to the identified key human rights risks. Moving forward, the Group will continue improving these initiatives and regularly assess progress in risk reduction. NIPPON EXPRESS HOLDINGS, INC. has established a system to regularly collect data on these initiatives and monitor each Group company's progress in reducing human rights risks.

# Social Value

## Human Rights/Labor Practices/Human Resources Principles (Human Capital Management)

Additionally, in order to prevent 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 work 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 con-firm the approval required for the business to be entrusted by it, purchase of transportation liability insurance and voluntary auto-mobile 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. Contract include provisions on environmental laws and regulations, education, and the exclusion of antisocial forces 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

NX Group positions respect for human rights as the foundation of all its business activities. In addition to conducting e-learning for new employees and managers through the Human Rights Week initiative, conducted in December 2024, we deepened our understanding of human rights and fostered an awareness of responsible business activities based on respect for human rights.

In addition, we distribute copies of the NX Group Compliance Handbook (in 16 languages) to staff members of NX 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. NX Group thoroughly emphasizes the above-mentioned prohibitions in our staff training.

There were no serious cases of human rights violations in FY2024.

 Education on Human Rights through the Human Rights Week Initiative

### Labor Practices

#### Policy for Preventing Discrimination and Harassment

NX Group has established the NX Group Human Rights Policy, prohibiting all discrimination in all business places on the basis of race, nationality, religion, disabilities, gender, sexual orientation, and age, or any other characteristics. In addition, we have established a firm policy to eliminate bullying, harassment, and other forms of mistreatment, and to uphold respect for human rights.

#### Relationship with Nippon Express Worker's Union

The Nippon Express Worker's Union boasts 31,091 members as of December 31, 2024. 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.

Other Group companies also prioritize constructive dialogue and cooperation with their respective labor unions, fostering sound labor-management relations.

### Human Resources Principles (Human Capital Management)

#### NX Group Human Resource Policy

We have established NX 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.

 Human Resource Policy

NX Group aims to become a logistics company with a strong presence in the global market, which is our long-term vision, by implementing human resource strategies and measures based on NX Group Human Resource Policy and developing human resources who will lead the next generation.

# Social Value

## Human Resources Principles (Human Capital Management)

### Improving Employee Engagement

#### NX Group Engagement Survey

Since 2023, NX Group has been conducting an engagement survey of its major subsidiaries as part of our efforts to enhance well-being, which is one of the core human resource strategies set out in NX Group Business Plan 2028. Collecting objective and quantitative data on engagement allows us to understand the issues facing the entire Group and each Group company.

NX Group has achieved its FY2024 KPI target for the NX Core Engagement Score, a key performance indicator reflecting employees' strong sense of belonging and willingness to voluntarily contribute toward achieving goals, both of which are essential for enhancing corporate value.

NX Core Engagement Score	72 pts. (+1 pts. year-on-year)
Survey score of self-discipline, challenge/innovation, integrity	68 pts. (±0 pts. year-on-year)
Work engagement score	71 pts. (±0 pts. year-on-year)
Psychological safety survey score	65 pts. (+1 pts. year-on-year)
Survey score on communication	69 pts. (±0 pts. year-on-year)
DE&I engagement score	66 pts. (+3 pts. year-on-year)

The final target in NX Group's medium-term business plan is an NX Core Engagement Score of 76 points to be achieved by FY2028. To achieve this target, the Group will continue to implement initiatives using the PDCA cycle.

### Connection with Corporate Strategy

#### Formulation and Utilization of a Human Capital Portfolio

NX Group is advancing the formulation and utilization of its human capital portfolio as part of the development of strategies and measures linked to the Group's management strategy on a Group-wide global basis. This initiative seeks to promote human resource measures, such as recruitment, training, and reassignment, based on a comprehensive understanding of the current and ideal composition of human capital necessary to realize our corporate strategy. This assessment considers multiple factors, including workforce size, skill sets, and functional continuity.

Nippon Express Co., Ltd., our core Group company in the Japan region, has been leading the way in this effort. In the previous fiscal year, the Nippon Express moved forward in the design of its human capital framework, identified key areas where human capital needs to be enhanced, and visualized the current state of its human capital. This fiscal year, Nippon Express started holding joint human capital portfolio meetings with business departments to examine and implement initiatives that will promote business growth and address human resources issues in operations.

In addition, both NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. are examining and implementing measures for enhancing corporate personnel (employees engaged in finance/HR) based on a human capital portfolio approach.

The Group is also promoting these efforts at major domestic Group companies through regular human capital strategy meetings. These meetings serve to review the progress and implementation methods of each company's human capital portfolio initiatives in alignment with their respective management and business challenges.

### Promoting Human Resources Management

NIPPON EXPRESS HOLDINGS, INC., Nippon Express Co., Ltd., and other NX Group companies, including overseas Group companies, introduced talent management systems, each designed to respond to specific company-based human resource strategy implementation needs, for the promotion of human resource management to realize the further participation and growth of all employees through means including career development support.

To enhance our ability to provide value to both the organization and our employees, including the initiatives outlined above, we have been promoting data-driven human resource initiatives since FY2024. In FY2024, Nippon Express developed a mechanism within its talent management system that allows employees to record information about their past business and job experience. The information added by employees is used not only by individual employees for career self-assessment and future career planning but also serves as data to be analyzed and applied in the development of talent portfolio initiatives and consideration of personnel transfers.

In FY2025, we will further promote data-driven human resource initiatives throughout the entire Group with a focus on promoting the visualization of human capital KPIs and organizational and HR-related information, implementing people analytics and enhancing organizational and talent data, and advancing measures to strengthen the capabilities of human resources departments in utilizing systems and data.



# Social Value

## Human Resources Principles (Human Capital Management)

### Employee System

#### 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.

#### Human Resources Evaluation and Target Setting

In 2019, Nippon Express Co., Ltd. introduced the “competency and grade system,” shifting its human resource evaluations away from being based on individual ability or seniority. Instead, evaluations are focused on degree of contribution to work according to the according to the required competency and duties.

Employee evaluations are based on three indicators: “competency evaluation,” “evaluation of action to create value,” and “achievement evaluation.” The system is designed to encourage the growth of Nippon Express and well as its employees by having individuals fulfill the roles expected at each grade, demonstrate valuable behaviors, and achieve their goals. For target setting, in addition to initial goal-setting interviews held between supervisors and subordinates at the beginning of the period, regular mid-period interviews and daily communication are used to allow for flexible goal adjustments and for the early identification and resolution of issues.

At the same time, evaluator training is conducted to ensure that evaluators understand the basic principles of the personnel evaluation system and strive to maintain fairness and objectivity, provide appropriate feedback, and ensure reliability in evaluations.

#### 360-degree Evaluation

At Nippon Express Co., Ltd., 360-degree evaluations are conducted as a requirement for employees to be given specific roles and grades with feedback is provided to the individuals evaluated. Through multifaceted evaluations from supervisors, colleagues, and subordinates, the aim is to help individuals gain an objective view of themselves, reflect on their daily management behaviors, understand what is expected of them and how well they are demonstrating value behaviors, and use that understanding to further their own development.

360-degree evaluations are also regularly conducted for executives and management-level personnel with the aim of using the results to create a motivating work environment and to encourage behavioral changes in leadership that help foster a more positive corporate culture.

#### Verification of Human Capital ROI

NX Group regards human capital and human resource strategies as initiatives that contribute to enhancing corporate value and generating social value. In particular, improving employee engagement and aligning talent strategies with business strategies are seen as key priorities. Alongside the NX Core Engagement Score, which has been established as a performance indicator, the Group also utilizes Human Capital ROI as a monitoring indicator.

In FY2024, Human Capital ROI reached 14.5%. we aim to contribute to the sustainable enhancement of corporate value by monitoring the effectiveness of investments in human capital and initiatives designed to improve both employees and organizations.

### Policy for Developing the Capabilities of Employees

NX Group has formulated the Education Policy linked to NX Group Business Plan 2028 and is working to develop human resources, under a group-wide education system with NX Group University playing a central role, who will contribute to the execution of management strategies. In formulating the Education Policy, based on NX Group Human Resources Policy, we emphasized the development of human resources that continue by helping each employee identify and solve problems on his or her own.

#### Education Policy (FY2024–FY2028)

1. Develop human resources required by NX Group
2. Create a diverse educational environment for new value creation
3. Foster a culture of learning by strengthening group cooperation and expertise and through self-learning for growth

### Investing in the Development of Employee Capabilities

For human resource development, Nippon Express Co., Ltd. spent ¥42,123 for each employee in FY2024. This is a ¥779 increase from ¥41,344 spent for each employee in the previous fiscal year.

Beginning in FY2025, in addition to the training programs implemented by each company, NIPPON EXPRESS HOLDINGS, INC. is formulating and budgeting education initiatives that should be rolled out across the entire NX Group. Through this approach, the Group plans to further enhance human resource development on a group-wide basis.

# Social Value

## Human Resources Principles (Human Capital Management)

### Initiatives for Developing the Capabilities of Employees

In FY2024, NX Group conducted new employee training for a total of 942 newly hired employees across Group companies, conducting the training for the first time in a hybrid format combining in-person and online training sessions.

Additionally, Nippon Express Co., Ltd. provided education for young employees, specifically for first-, second-, and third-year employees, and held 51 training classes linked with the personnel system. 1,257 employees participated in the classes. Furthermore, NX Group University conducted 182 training classes in total, primarily focused on hierarchical education, including a management training program for all managerial employees (planned over two years from FY2024 to FY2025), with a total of 6,602 participants.

Additionally, "Logistics Boot Camp" and "Logistics Academy" were conducted as training programs designed to strengthen the profitability of the logistics business and enhance the functions of logistics solutions, with a total of 85 employees participating. We also implemented an e-learning program titled "Logistics Operations" designed to provide all employees with a basic understanding of logistics.

For Career Training designed to support employees' career goals, we promote the provision of training programs to many employees by irrespective of employee type.



▲ New employees from across the Group seen participating in new employee training

### Educational Environment (training facilities)

NX Group has established NX-TEC Shibaura for face-to-face exchange and classroom lectures and NX-TEC Izu for practical skills training as locations for intergroup exchange and innovation, ensuring safe operation, and transmission of skills. These training facilities are also equipped with accommodation facilities and function as locations for human resource development where employees can concentrate on training.

### Leader Development Training

In order to systematically develop future executive candidates, NX Group conducts selective training conduct leader training at the general level, supervisory level, administrative level, and management level through a long-term curriculum over several months to refine the skills of those candidates.

We also actively send out employees to places where there are opportunities to interact with people from other industries to develop strong management personnel who can take a multifaceted view of things and connect them to self-transformation and business concepts.

NX Group will continue to provide education under a continuing education system for the development of the next generation of leaders.

### Overseas Business Trainee System

Since 1958, Nippon Express Co., Ltd. has been dispatching employees overseas. There are currently more than 370 employees from Japan assigned to Group companies in approximately 90 cities worldwide.

To accelerate business growth in global markets, Nippon Express strategically focuses on developing human resources for overseas management. Intensive English training is provided to all general career-track employees in their first to third years after joining the company. From the fifth year onward, around 60 selected employees are sent annually for one-year overseas assignments as part of a global training program. Upon returning from these overseas assignments, continued follow-up education is provided for those identified as candidates to become overseas managers to support the development of their careers as global talent.

### Our View on Diversity, Equity, and Inclusion

Based on NX Group Basic Policy on Diversity Promotion 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.

For this reason, we will make promotion of diversity, equity, and inclusion (hereinafter "DE&I") the main aim of our human resources strategy, consider measures to address issues based on the results of the NX Group Engagement Survey, and promote initiatives to realize the management plan while ensuring that the PDCA cycle is followed.

Moreover, NIPPON EXPRESS HOLDINGS, INC. holds Diversity Promotion Subcommittee meetings twice a year together with NX Group companies in Japan to share information and exchange views.

# Social Value Human Resources Principles (Human Capital Management)

## NX 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 NX Group."

### Respect for Diversity

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

## PDCA Cycle for Promoting Diversity Management



## DE&I Initiatives

### Raising Awareness of DE&I

Although promoting diversity must be actively led by management through a top-down approach, it is equally essential that each employee understands the importance of diversity and helps to foster awareness of diversity in the workplace.

We believe that encouraging individuals to take ownership through diversity-related awareness initiatives and education will allow various diversity promotion measures to be carried out with a greater level of energy and sense of urgency.

### Diversity declarations by branch managers

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



# Social Value

## Human Resources Principles (Human Capital Management)

### ● E-learning

Nippon Express Co., Ltd. has been implementing e-learning continuously to promote diversity and flexible work styles throughout the company.

In FY2024, the company implemented several initiatives to promote diversity, including Diversity Training for Executive Leadership, aimed at enhancing dialogue and communication skills to deepen individual recognition and acknowledgment. Additional programs included the Basic Knowledge Course on Balancing Work and Nursing Care, LGBTQ Basic Awareness Training, and Encouragement for Male Employees to Take Parental Leave, which all provided concrete methods for understanding and accommodating diverse employees

(Participants in e-learning training in FY2024: Diversity Training for Executive Leadership: 662, Basic Knowledge Course on Balancing Work and Nursing Care: 19,789, LGBTQ Basic Awareness Training: 9,528, Encouragement for Male Employees to Take Parental Leave: 200).

### ● Managerial-level Personnel Training

Nippon Express Co., Ltd. conducts Supportive Management Training for all managerial-level employees to address the management-related issues identified as areas for improvement based on the results of the NX Group Engagement Survey, which has been conducted since 2023.

In FY2024, training focused on holding dialogues was conducted with the aim of equipping managers with the knowledge and skills needed to create inclusive workplaces. A total of 1,781 participants completed the training in FY2024, and 2,027 are scheduled to participate in training to be conducted in FY2025. Similar training will also be conducted at NX Group companies in Japan in the future to further promote the creation of supportive and inclusive workplaces.

In addition, Nippon Express has introduced training programs linked to its personnel system, including Next Leader Training for future leadership candidates, Next Manager Training for next-generation managerial personnel, and Next General Manager Training for future executive candidates. In FY2024, a total of 51 training classes were held with 1,257 employees participating.

### Promotion of women's participation in the workplace the elderly

Diversity is a source of innovation, and making the most of women's leadership has become an important management issue. Aimed at increasing the percentage of women with managerial positions, NX Group companies in Japan conducted career development workshops for female employees identified as future leaders. The workshop aimed to help participants build mutually supportive relationships, enhance their motivation, and raise their awareness of their potential as future management candidates (60 participants).

Through this initiative, the Group also facilitated the sharing of ideas about creating a more supportive work environment and identifying key challenges to address, with the goal of advancing efforts to help employees better balance life events and their careers.

Additionally, Nippon Express Co., Ltd. held three training programs for women: A "Role Model Workshop" in which female employees interacted with senior colleagues serving as role models to help them envision themselves in future leadership roles and learn about management styles, a "Lifestyle Workshop" aimed at equipping participants with the knowledge and skills to achieve work-life balance while working in their own unique and fulfilling way, and "Supervisory Training for Supporting Female Employees," which is designed to help managers with female subordinates develop and reinforce the skills needed to support their team members' success (a total of 525 employees participated in the three programs).

### Hiring of Foreign Nationals

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. Nippon Express Co., Ltd. is actively promoting the employment of foreign nationals through various channels, including the hiring of international students after they graduate, mid-career recruitment, and professional talent acquisition. 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 further expanding our business overseas.

#### NIPPON EXPRESS HOLDINGS, INC.

- Number of foreign nationals: 20 (as of January 2025)

#### Data on foreign nationals employed by Nippon Express Co., Ltd. (FY2024 Results)

- New graduates: 4; Experienced and professional hires: 8

### Employment of Persons with Disabilities

With NIPPON EXPRESS HOLDINGS, INC. serving as the parent company, it has been certified to promote the employment of the Persons with Disabilities. Employment of the physically challenged is promoted throughout NX Group. 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 and for the Group provides internal mail services within NX Group Building. In FY2024, the company established and began operating a new administrative center to serve as a hub for outsourced tasks from various Group companies as part of its efforts to expand employment opportunities for persons with disabilities.

In addition, NX Heartful Co., Ltd. provides support for employment and retention of persons with disabilities, and provides opportunities for persons with disabilities to play an active role according to their characteristics.

# Social Value

## Human Resources Principles (Human Capital Management)

### Initiatives for Supporting Employees

#### Promote Workstyle Innovation

Allowing staff members to proudly and energetically assume a leading role requires the enhancement of not only their work but also their lifestyles. From a well-being perspective, workstyle innovation creates synergies by enriching both personal life and work, and creates job satisfaction. In addition to contributing to the healthy lives of individual employees, it is also essential for the growth of the business. Initiatives for behavioral change are also being implemented throughout NX Group, including allowing employees to wear whatever they want (NX-BIZ) and referring to employees as “san,” with the aims of creating a workplace that welcomes challenges and making a shift toward an organizational climate that creates opportunities for communication and that facilitates the expression of individuality. Furthermore, Nippon Express Co., Ltd. is working to expand the deployment of open offices and remote work for increasing productivity in order to accelerate diverse and flexible workstyle innovation.

#### ● Promotion of Remote Work

Aiming to realize a more flexible work style and improving productivity per hour, all employees engaged in tasks that can be performed via remote work were allowed to work at home or at satellite offices to promote a work style where employees can work from anywhere.

After the COVID-19 pandemic, with the exception of essential workers on the frontlines, remote work has been standard. We believe that this has led to improved motivation among employees. Moving forward, we will promote hybrid work that incorporates work site-based work appropriately for each task and job type, promote smooth communication in the workplace, and work to promote autonomous work styles and improve productivity.

#### Work Style Reform Efforts

##### ● Efforts to Eliminate Long Working Hours

NX Group is working to reduce overtime work because long working hours must not be allowed to damage the health of employees.

To reduce overtime work, Nippon Express Co., Ltd. is promoting flexible work styles through efforts such as working to improve productivity through the use of RPA and mechanization of “human” tasks and adopting more flexible working hours to realize more balanced work styles.

##### ● Promoting Use of Annual Paid Leave

In FY2024, the annual paid leave utilization rate for NX Group companies in Japan reached 61.2%. Although this fell short of the target (64%), it marked a one-point improvement from the previous year. NX Group has set a target of 68% for FY2025 and is further strengthening efforts toward this goal, including the designation of a diversity promotion period.

#### Comeback Program

Believing that each individual employee supports the company, Nippon Express Co., Ltd. committed to securing and cultivating diverse talent and creating an environment where they can thrive. As part of this, it has introduced the “Comeback Program,” which is a program that welcomes former employees who wish to return, regardless of the reason for their resignation, encouraging a new kind of relationship between the company and its people that does not end at retirement.

##### Comeback Program-based Hirings (FY2024)

Employees (general staff)	5 employees
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#### Helping Employees Balance Child/ Nursing Care and Work

Nippon Express Co., Ltd. is promoting initiatives that allow employees to choose from a variety of work styles in order to promote the active participation of a diverse range of human resources.

It has already introduced a shortened working hour system, flextime system and remote work system. 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, helping individuals to continue their careers.

To support both male and female employees in balancing work and childcare, we have been providing video education for eligible employees and their superiors since FY2023 with the aim of encouraging male employees to take childcare leave, which was less common for men to take than women. Given that the number of employees facing nursing care responsibilities is expected to increase sharply in future, we established an external consultation desk in November 2024 to provide consultations on nursing care. In addition, we conducted the Basic Knowledge Course on Balancing Work and Nursing Care, an e-learning training program to convey correct knowledge about nursing care and the importance of balancing work and nursing care, and to foster an open workplace culture in which employees' individual circumstances can be accepted by each other (Video training program participants in FY2024: Encouragement for Male Employees to Take Parental Leave: 200, Basic Knowledge Course on Balancing Work and Nursing Care: 19,789).

#### Encouragement for Male Employees to Take Parental Leave

Encouragement for male employees to take parental leave 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. Each NX Group company promotes various efforts to realize this initiative.

The rate of male employees taking parental leave in FY2024 was 46.8%, compared with the target of 50% for Group companies in Japan. Although this fell short of the target, it marked a 12.2 point improvement from the previous year. In FY2025, we will promote further efforts as we have set the target for the rate of male employees taking parental leave at 55%.

# Social Value Occupational Health and Safety

## Occupational Health and Safety

### Our Approach to Occupational Health and Safety

NX 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.

#### NX Group Safety Philosophy: “Safety takes precedence over everything else.”

#### — FY2025 NX Group Safety Goals

- Zero serious traffic accidents, labor accidents, and cargo accidents

#### — FY2025 NX Group Safety Initiatives

##### 1. Building and Strengthening a Culture of Safety (Continued)

- Build a safety culture that places safety first and continue safety promotion activities
- Each Group company will conduct top management safety reviews to ensure that the intentions and commitments of top executives are thoroughly communicated and embedded throughout the organization, reaching all employees.

##### 2. Promote safety and quality training

- Conduct training programs for safety promotion officers at each Group company to enhance safety quality.
- Strengthen the development of systems for technical skills instruction across the Group.

##### 3. Monitor safety and quality

- Share measures with Group companies to prevent recurrence of similar accidents and disasters, and utilize safety and quality checklists for business partners to improve the quality of business partners and NX Group.

#### 4. Promote the introduction of advanced safety technologies

- We will promote the introduction of advanced safety technologies that can reduce the risk of accidents caused by human error.

### Commitment to Safety

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



### Transportation Safety Management

NX Group companies in Japan engaged in the motor vehicle transportation business are implementing transport safety management as prescribed by the Ministry of Land, Infrastructure, Transport and Tourism.

 Transportation Safety Management of Nippon Express Co., Ltd.

 Transportation Safety Management of NX Cash Logistics Co., Ltd.

 Transportation Safety Management of NX BINTSU CO., LTD.

### NX Group Safety and Health Regulations

To ensure occupational safety and health and to promote the creation of a comfortable workplace environment, NX Group has established the NX Group Safety and Health Regulations. In accordance with the laws and regulations of each country, health and safety officers are appointed as necessary to ensure that all employees within the Group can work in a safe and secure environment.

## Occupational Health and Safety Initiatives

### Nittsu Safety & Health Management System (NSM)

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

NX Group requires that partner companies with which we maintain collaborative relationships to uphold safety and quality standards equivalent to those of our own Group. To this end, we promote the use of checklists to verify safety and quality levels at the time of entering into or renewing contracts with partner companies, aiming to deliver safe and high-quality transportation and operations together with them.

At Nippon Express Co.,Ltd., the relevant officers and managing branches provide branch operating companies with safety education and guidance under the supervisor of the Head Office and in line with Nippon Express Co.,Ltd. practices. Partnership safety council meetings with affiliates and subcontractors are held annually 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.



# Social Value Occupational Health and Safety

## Guiding and Educating Site Workers

Nippon Express Co., Ltd. focuses on safety education 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 NX 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.

Training is provided for frontline managers, including supervisors and team leaders, with group training sessions for supervisors in particular being conducted at NX-TEC Izu to enhance their management capabilities. 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. We have been terminals for educational content in the form of comics and videos since FY2023.

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.

## Specialist Training

### Specialist Training in Heavy Haulage and Construction Techniques

In order to safely carry out heavy haulage and construction operations, it is extremely important to have access to the latest information, knowledge and skills as well as strong communication and negotiation skills for collaborating with customers and subcontractors.

Basing its human resources development on OJT, NX Group has 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 provide training by job level, from beginner to instructor training, in heavy haulage and construction operations.

### Create New Approaches to Keep the Economy Going

NX Cash Logistics Co., Ltd. has revamped its driver training curriculum with the goal of enhancing transportation safety by improving the driving behavior of its drivers, who are considered valuable human resources.

At first is the training of driver instructors. In addition to expert-led instruction, instructors acquire basic teaching knowledge and learn how to provide guidance using video materials. They also improve their skills through real-world road driving and certification-based training.

Next is the training of newly-hired drivers. Through driving aptitude interviews and video-based objective instruction, drivers receive thorough and standardized training before being assigned to their workplaces, with the aim of fostering high-performing drivers.

Last is the retraining of newly-hired drivers. By identifying habitual driving behaviors that led to accidents and providing both ride-along and video instruction, the program encourages drivers to reflect on their actions and helps establish systems to prevent recurrence.

In addition to these initiatives, NX Cash Logistics is strengthening post-training follow-up to further improve drivers' traffic awareness and driving skills.



▲ Driver education

### Efforts to Improve Quality

NX Cash Logistics Co., Ltd. is currently developing a driver support system in collaboration with Waseda University, aiming to enhance driver safety. This system integrates analysis of traffic conditions, vehicle movement, and driver behavior, utilizing AI to evaluate driving behavior patterns. For example, it analyzes a driver's eye movement habits by measuring the direction and duration of their gazes. It also detects distracted driving and early signs of health issues. Based on detection results, the system provides voice alerts and real-time evaluations to support safe driving.

Additionally, by accumulating data such as eye and body movements that reflect driving habits, as well as vehicle location data, the NX Cash Logistics seeks to analyze correlations with accidents and build even more effective safety measures.

Through these multifaceted efforts, the company is working to reduce traffic-related risks and further improve safety.

# Social Value Occupational Health and Safety

## Commitment to Safety in Logistics

With “Safety takes precedence over everything else” as its Safety Philosophy, NX Group is committed to achieving the goal of “Zero serious traffic accidents, labor accidents, and cargo accidents” on a group-wide basis. By disseminating messages from senior management on achieving zero accidents and communicating the safety principles of each company and branch 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 in an effort to prevent accidents. We also train technical instructors to increase our staff members’ skill levels and safety awareness.

### ● Measures to Ensure Drivers’ Safety

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. In FY2025, we are working on visualization of work procedures by making videos of all safety work procedures.

### ● Use of an Eye Tracking System

Nippon Express Co., Ltd. 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

Nippon Express Co., Ltd. has installed a device on the rear half of each vehicle that resembles an eave. Viewing the backward movement at the same time as the rear-view camera image from outside the vehicle allows drivers to verify visibility and blind spots. It can be demonstrated that a rear-view camera also has blind spots (patented) .

### ● Introduction of Special Vehicle for Accompanied Driving Lessons

At Nippon Express Co., Ltd., accompanied driving lessons are provided using a special vehicle for training (W-cab truck with auxiliary brake on the passenger seat). 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.

# Social Value

## Occupational Health and Safety

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

#### ● Progress of Safety Promotion Initiatives in FY2024

NX Group has appointed a person responsible for safety promotion and a person in charge of safety promotion at each Group company to unify safety awareness throughout the Group, and has established a safety promotion system centered on each Group company. Additionally, we continue to conduct self-inspections at each Group company using a checklist based on NX Group Safety and Quality Management Standard.

The Safety and Quality Promotion Group of NIPPON EXPRESS HOLDINGS, INC. holds meetings for person in charge of safety promotion twice a year. These meetings serve as a forum for exchanging opinions on safety initiatives and sharing best practices from Group companies, with the aim of strengthening the Group's overall safety culture.

#### ● Issues Identified through Initiatives in FY2024

Under NX Group, each Group company provides various safety initiatives and technical guidance. However, it is necessary to focus on measures tailored to the characteristics of local accidents and measures to prevent accidents from occurring by subcontractors.

Each Group company formulates the safety policy and safety initiatives for FY2025 and works actively to prevent future accidents and incidents by reviewing the trends of accidents and incidents that occurred in the previous fiscal year and conducts top-level management reviews related to safety.

#### ● Future Initiatives

In order to further strengthen NX Group's Global Safety and Quality Management System in the future, NIPPON EXPRESS HOLDINGS, INC.'s Safety and Quality Promotion Group will support the initiatives of safety promotion staff at each Group company, promote the introduction of cutting-edge safety technology, and promote safety training.

### Workplace Environment Improvement

NX Group places the highest priority on ensuring health and safety in the workplace environment. We are working to improve the work environment to create a safe and secure workplace for all employees involved in our business activities, and to reduce the risk of occupational accidents.

The following group companies have obtained certification for ISO 45001, the international standard for occupational health and safety management systems.

- |   |   |
|---|---|
| ● NIPPON EXPRESS ITALIA S.p.A                     | ● PT.NX LOGISTICS INDONESIA                             |
| ● NIPPON EXPRESS (ISTANBUL) GLOBAL LOGISTICS A.S. | ● Nippon Express Automotive Logistics (China) Co., Ltd. |
| ● NIPPON EXPRESS (MIDDLE EAST) L.L.C.             | ● NIPPON EXPRESS LOGISTICS (CHINA) CO., LTD.            |
| ● NIPPON EXPRESS (SINGAPORE) PTE. LTD.            | ● NIPPON EXPRESS (H.K.) CO., LTD.                       |
| ● NX Global Engineering Pte. Ltd.                 | ● NIPPON EXPRESS (Taiwan) CO., LTD.                     |
| ● Nippon Express Logistics (Thailand) Co., Ltd.   | ● Cargo Partner Nakliyat ve Lojistik Anonim Sirketi     |
| ● NIPPON EXPRESS ENGINEERING (VIETNAM) CO., LTD.  |   |

13 companies

In addition, Nippon Express Co., Ltd. is working to improve the workplace environment by utilizing the results of group analyses from stress checks and conducting interviews in the workplace with all employees, holding workshops, and other means. It has also created a digital booklet using text and manga to provide knowledge on mental health, self-care, and communication techniques, which is made accessible to all employees.

Nippon Express also offer a variety of mental health education programs tailored to specific objectives and target audiences, including but not limited to the following.

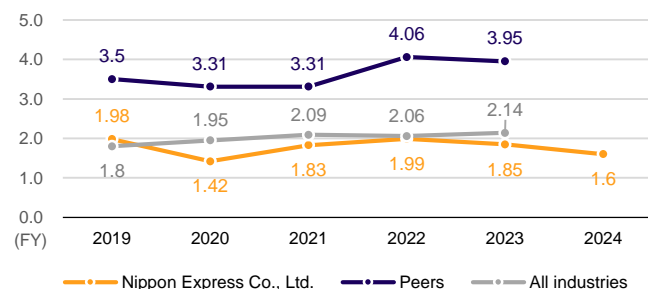
- Self-care training through e-learning for all employees
- Communication skills improvement training (focused on active listening) through e-learning for all employees
- Line care training for mid-level leaders
- Self-care training for new and junior employees
- Training for workplaces that welcome back employees returning from mental health leave

# Social Value Occupational Health and Safety

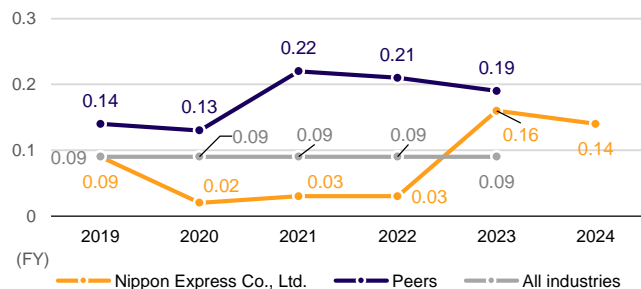
## Occupational Safety Related Indicators

### Index of labor accidents

#### Accident frequency rate\*1,3



#### Severity rate\*2,3



\*1 The frequency rate is an indicator that indicates the incidence rate of occupational accidents.  
Total number of casualties per 1,000,000

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

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

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

\*3 2024 severity rate data for "Peers" and "All industries" not provided on the Ministry of Health, Labour and Welfare website during the creation of this report.

When a traffic accident occurs, Nippon Express Co., Ltd. investigates the cause of the accident and implements recurrence prevention measures to avoid similar incidents. As part of its 2024 Safety and Health Management Policy, Nippon Express implemented the following initiatives as automobile accident prevention measures related to transport safety.

- Elimination of On-Site Accidents by anticipating transport route and checking for obstacles along the way
- Use of safety check procedure when reversing
- Operational procedure review and training
- Continuous provision of "special training" for employees with less than four years of driving experience
- Promotion of accident recurrence prevention by learning from past serious traffic accident cases

Furthermore, the number of vehicle accidents reported by NX Group companies in Japan to the Ministry of Land, Infrastructure, Transport and Tourism in 2024 in accordance with Article 2 of the Automobile Accident Reporting Regulations (Ministerial Ordinance) is as follows (figures in parentheses indicate the number for Nippon Express Co., Ltd.).

#### Number of accidents relating to Article 2 of the Automobile Accident Reporting Regulations (January 2024 to December 2024)

Item	Number of accidents
Vehicle malfunction	22 (22)
Health-originating	4 (3)
Accidents resulting in death	1 (1)
Accidents resulting in injury	1 (1)
Traffic accidents	1 (0)
Total	29 (27)

#### Acquisition of certification as safety excellence enterprise (G-Mark\*3) (as of January 2025)

	Number of authorized offices	Number of G-Mark certified offices	Rate of certification
NX Group Number of offices	549	529	96.4%

\*3 A certification issued by the Japan Trucking Association to truck transportation businesses that satisfy certain criteria in traffic safety efforts, etc. It is a system to make user selection of safer companies easier, and to raise awareness about improving the safety of truck transport companies as a whole.

#### (Reference) Industry certification status (as of December 2024)

	Number of authorized offices	Number of G-Mark certified offices	Rate of certification
Number of offices in the industry (nationwide)	85,811	29,069	33.9%



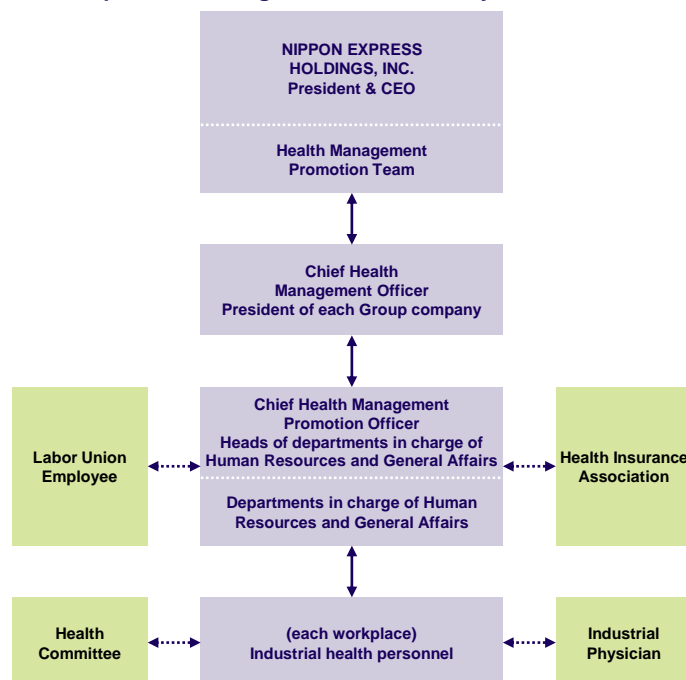
# Social Value Occupational Health and Safety

## Health Management

### Promoting Health Management

NX Group is committed to implementing health management that promotes employee health from a management perspective. In September 2022, we formulated NX 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.

#### NX Group Health Management Promotion System

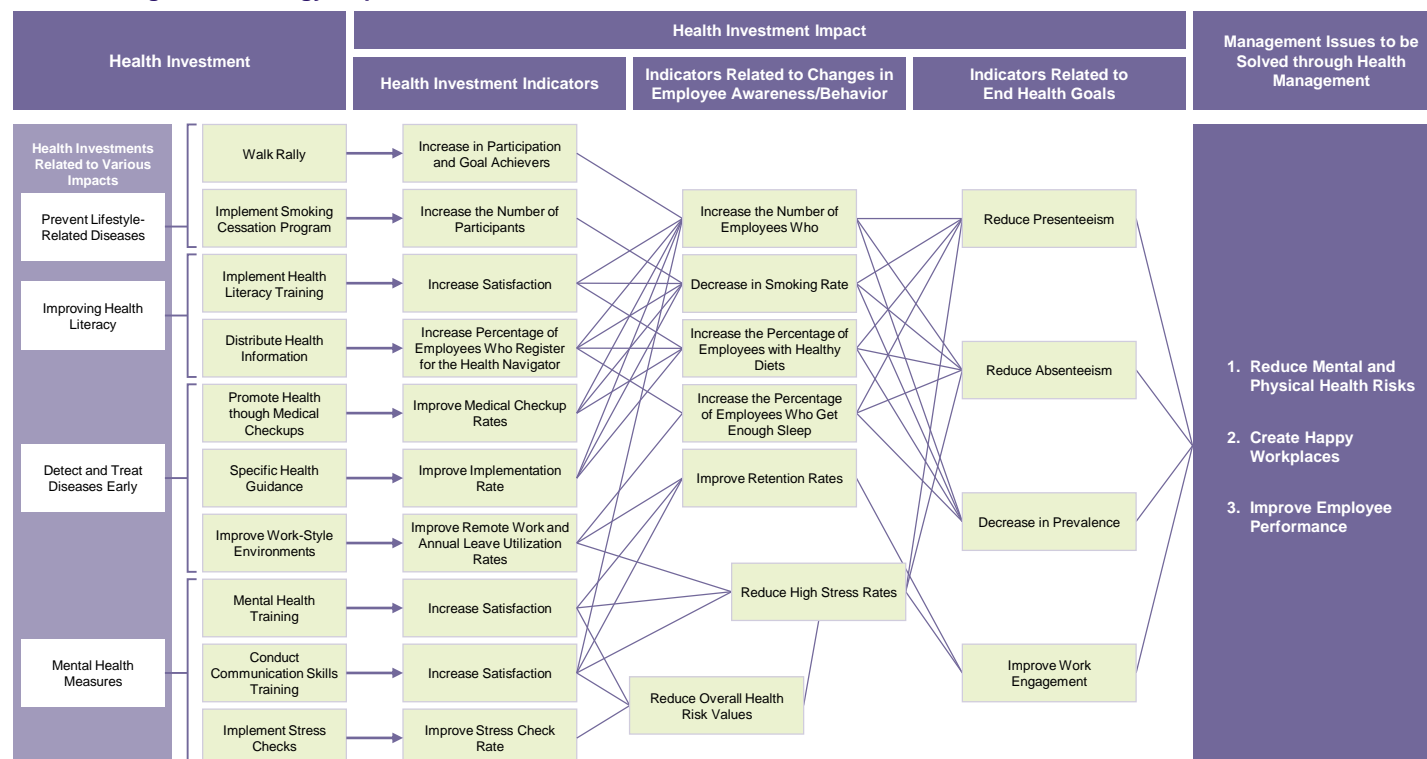


#### NX Group Health Declaration

NX 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”, NX 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.

#### Health Management Strategy Map



# Social Value Occupational Health and Safety

## Initiatives for Improving the Health of Employees

NX Group identifies the health-related challenges faced by each Group company and is working to address management issues through health and productivity management initiatives.

Nippon Express Co., Ltd. has formulated the Health Management Policy to resolve health issues within the Company. In FY 2024, we set targets for improving lifestyle habits as well as preventing mental health problems, and are implementing health measures based on these targets.

### FY2025 Health 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.
- Smoking rate of 20% or less at each designated branch, etc.
- Overall health risk score at each workplace: 100 or less (Group-wide target: 93 or less)

## Improving Health Literacy

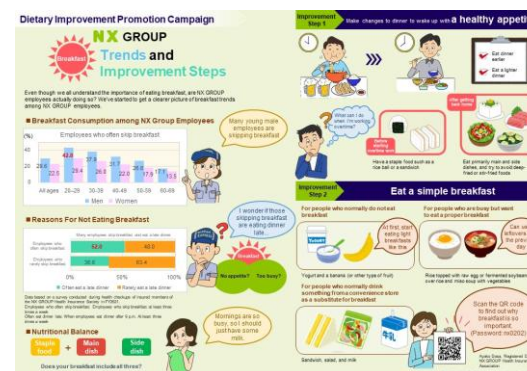
To ensure that all employees have access to accurate knowledge and information on health and medical care, each NX Group company in Japan conducts e-learning programs and disseminates information through health applications and videos.



◀ Employees shown using health app

## Measures for Improving Lifestyle Habits

At Nippon Express Co., Ltd., 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.



▲ "Dietary Improvement Promotion Campaign" leaflet

## Promoting Exercise among Employees

To encourage employees to exercise, the NX Group Health Insurance Association co-hosts walking events twice a year with participating Group companies. In fiscal 2024, a total of 15,766 employees participated. To boost participation, initiatives such as inter-branch competitions, recognition of employees who achieve goal, and awarding of prizes have been implemented.

In addition, employees perform NX's original calisthenics routine (NX Taisho) at a set time each day in the workplace, and health events such as seminars on preventing shoulder and lower back pain are held with invited experts.

## Measures to Prevent Mental Health Problems

Each NX Group company in Japan directs the reliable implementation of self-checks through stress checks and also takes concrete measures for improvement by utilizing the results of Group analysis. In particular, Nippon Express Co., Ltd. focuses on creating comfortable workplaces, such as line care training for 489 mid-level leaders and activities to improve the workplace environment through group work. We have posted around 160 Healthcare Instructors nationwide, consisting of qualified public health nurses and other nurses, and established a mental health consulting system. In addition, we provide training to improve the resilience of new employees and 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.

## 2025 Health and Productivity Management Brand

The eight NX Group companies NIPPON EXPRESS HOLDINGS, INC., Nippon Express Co., Ltd., NX Shoji Co., Ltd., NX Careerroad Co., Ltd., NX NP Logistics Co., Ltd., Nittsu NEC Logistics, Ltd., NX Cash Logistics Co., Ltd., and NX Wanbishi Archivist Co., Ltd. were selected for 2025 Health and Productivity Management Brand (Large Enterprises) certification by the Ministry of Economy, Trade and Industry after the results for the companies from FY2023 to FY2024 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.



# Social Value Employee Data

## Employee Data

### Number of employees (consolidated) as of December 31, 2024

		Employees	Temporary employees (average number of temporary employees per year)
Logistics	Japan	39,015	6,521
	Americas	3,150	93
	Europe	7,729	796
	East Asia	4,458	29
	South Asia & Oceania	8,518	40
Security transportation		7,273	90
Heavy haulage and construction		939	83
Logistics support		5,021	1,020
Group-wide personnel		286	39
Total		76,389	8,711

### Employee data (Nippon Express Co., Ltd.)

		FY2022	FY2023	FY2024
Employees by employment status*1	Employees	33,504	27,590	30,058
	Temporary employees	1,193	751	880
Employees by gender*1	Men	28,150	22,041	24,104
	Women	6,547	6,300	6,834
Employees by age*1	Under age 30	4,931	4,362	4,457
	Age 30 to age 50	14,988	11,225	12,749
	Above age 50	14,778	12,754	13,732
	Average age	45.0	45.2	45.8
Employees hired - New graduates	Men	354	310	312
	Women	299	300	342

		FY2022	FY2023	FY2024
Employees hired - Experienced employees	Men	12	20	33
	Women	2	10	13
Turnover	Men	602	638	1,015
	Women	285	362	356
	Men (within three years of joining the Company)	196	217	135
	Women (within three years of joining the Company)	94	144	82
Turnover rate	Overall	2.6%	2.8%	4.0%
	Within three years of joining the Company	6.8%	6.9%	5.7%
Average years with the Company*1	—	15.9 years	17.2 years	15.2 years
Average days of paid leave taken	—	15.9	17.1	13.7
Percentage of women with managerial positions	—	2.0%	2.3%	2.9%
Percentage of female assistant managers	—	11.3%	14.0%	17%
Gender wage gap	—	63.2%	63.1%	64%
Persons taking maternity leave	—	208	192	189
Number of employees eligible to take childcare leave	Men	482	446	396
	Women	168	163	157
Persons taking childcare leave	Men	172	189	200
	Women	156	149	157
Percentage of employees who return to work after childcare leave	Men	100%	99.5%	100%
	Women	97.5%	99.4%	99%
Retention rate of employees who return to work after childcare leave	Men	90.8%	94.8%	94%
	Women	91.9%	92.9%	93%
Persons taking family care leave	Men	6	10	18
	Women	2	4	3
Number of persons with disabilities hired*2	—	12,577	12,375	12,920
Employment rate of persons with disabilities*2	—	2.33%	2.34%	2.47%

\*1 NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. (Employees (general staff), employees (area-based staff), employees (elderly), and temporary employees under direct contract)

\*2 Total for NIPPON EXPRESS HOLDINGS, INC. and Group companies with applicable certifications (calculated based on the Act on Employment Promotion etc. of Persons with Disabilities)

# Social Value

## Stable Social Systems (uninterrupted supply chains)

### Stable Social Systems (uninterrupted supply chains)

#### Contribute to Sustainable and Tough Infrastructure Development

#### Providing Special Transport Services

Fine arts transport and heavy haulage and construction are among some of NX Group's 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 improve the quality of specialized services that the Group is uniquely qualified to provide, and we remain committed to this principle.

#### ● Use of Recyclable, Passive Temperature-controlled Packaging

In collaboration with EMBALL'ISO S.A. (Head Office: St-Georges-de-Reneins, France), Nippon Express Co., Ltd. has developed NX-SOLUTION Temperature-controlled Transport Service using Environmental-friendly Isothermal Packaging that combines recyclable, passive (non-powered) temperature-controlled packaging from EMBALL'ISO with the international air transportation of Nippon Express Co., Ltd. in an effort to expand our temperature-controlled transport service.

NX Group is developing temperature-controlled transportation services since it positioned the pharmaceutical industry as one of its priority industries since the previous NX Group Business Plan.

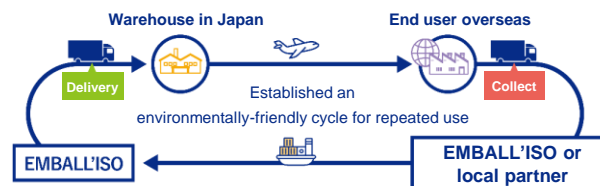
While NX Group is involved with the transportation end of the service, EMBALL'ISO develops and sells environmental-friendly Isothermal packaging for the transportation of pharmaceuticals at a constant temperature. For more than 10 years, EMBALL'ISO have been working on environmental issues and have been providing a comprehensive "reverse logistics service" from container manufacturing to pre-use temperature control, to free collection and reuse after use. Currently, these packages can be collected in more than 80 countries around the world. In Japan, EMBALL'ISO have a directly managed office in Narita City, which carries out inventory storage, heating, recycling of recovered products, and the production of some package models. This joint initiative marks the first time EMBALL'ISO has collaborated with a Japanese logistics company.

#### NX-SOLUTION Temperature-controlled Transport Service



#### Reverse Logistics Service

- Used packaging is collected after delivery locally
- Packaging collection network in 80 countries/regions around the world
- Reduces disposal costs incurred by conventional disposable containers



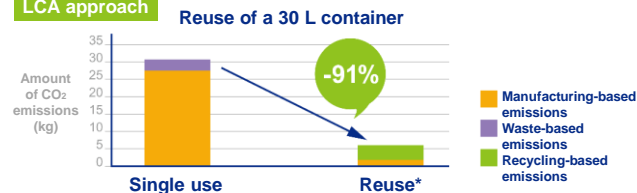
#### Reduces CO<sub>2</sub> Emissions

- Reuse of packaging reduces CO<sub>2</sub> emissions by a maximum of approx. 90%

\* Calculated by EMBALL'ISO.

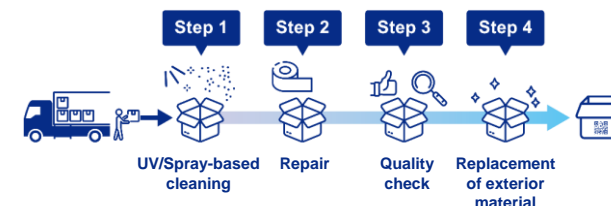
Based on a life cycle assessment (LCA) where packaging is reused 30 times.

#### LCA approach



#### Packaging Reuse System

- Packaging is taken apart and cleaned at a service center for reuse
- Thorough quality management is implemented using a QR code on each package



▲ Environmental-friendly isothermal packaging



# Social Value

## Stable Social Systems (uninterrupted supply chains)

### ● 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.

 Transporting Works of Art

### ● Transport of Heavy Equipment and Construction of Plant Facilities

Heavy haulage and construction services provided by NX Engineering Co., Ltd. brings together “transport, installation, and assembly” to deliver tangible results through advanced technical expertise and trusted execution capabilities. NX Engineering handles the entire lifecycle of customers’ products and equipment, from transporting products and equipment to required locations, installing them where they need to be installed, and assembling them for operational to providing maintenance and upgrading services thereafter. 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.

 Transport of Heavy Equipment and Construction of Plant Facilities



◀ An NX Engineering truck

## Creation of Business Models Based on the Latest Technology

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.

### ● NX Universal Harmonious Work Warehouse Project

In response to Japan’s rapidly aging population and declining labor force, Nippon Express Co., Ltd. has launched the NX Universal Harmonious Work Warehouse Project, which aims to eliminate barriers for individuals who have traditionally faced challenges working in warehouse environments. This is being achieved through the introduction of advanced logistics robots, assistive equipment, and improvements to the workplace environment. Through this initiative, Nippon Express seeks to ensure that all workers are productive while expanding into previously untapped labor markets, thereby contributing to workforce sustainability and a more inclusive society.

#### Description of Initiative and Results

During the first phase of the project, in addition to introducing WHILL Inc.’s short-range mobility devices to reduce the physical burden on workers and improve productivity, Nippon Express is also jointly developing electric mobility solutions for warehouse operations with WHILL in order to create a warehouse environment where even individuals with limited mobility can move and work independently. By integrating next-generation mobility devices with AGVs (Automated Guided Vehicles) and AMRs (Autonomous Mobile Robots), Nippon Express has created an environment in which individuals with limited mobility can perform warehouse tasks such as picking.

It has also partnered with companies that provide universal design solutions informed by diverse employee perspectives and has promoted awareness and readiness for embracing diverse employees and work styles through participation in the Universal Manners Certification program (between March and August 2024, 66 employees obtained Level 3 certification and 22 obtained Level 2 certification).

#### Aim of the NX Universal Harmonious Work Warehouse Project

Going forward, Nippon Express will expand this initiative to multiple locations and build NX Universal Harmonious Work Warehouses that can accommodate an even greater level of diversity. It also aims to transform the know-how gained through this initiative into solution services in the future. By continuing to leverage digital transformation (DX), we will revitalize our organization through the active participation of diverse talent, strengthen the recruitment of job-ready personnel, and strive to enhance corporate value.

## Utilization of Cutting-Edge Logistics Technologies

At Nippon Express Co., Ltd., we are also working to automate warehouse operations, including receiving and shipping, internal transport, sorting, packing, and inspection, across a wide range of industries and products with the goals of improving storage efficiency, productivity, work quality, and labor savings. Specifically, Nippon Express is enhancing its ability to respond to recent environmental changes and uncertainties by combining human-driven improvement with advanced technologies. It has also designated target sites for promoting automation to introduce cutting-edge automation functions.



▲ Automated logistics equipment

# Social Value

## Stable Social Systems (uninterrupted supply chains)

### ● Initiatives for Drone Use

Nippon Express Co., Ltd. will utilize the insights gained from demonstration experiments conducted up to FY2024, and will work toward social implementation from 2025 onward, starting with remote islands and depopulated areas, assuming actual transportation and delivery operations.

At the same time, we will consider collaborations and joint proposals with other companies as we work to expand these initiatives.

Nippon Express Co., Ltd. will also conduct surveys and research on large-scale drones, and work on infrastructure development, including constructing drone ports, from the perspective of making effective use of its sites, aiming for drone use in operations starting in 2026.

### ● Integrated Management and Optimization System for Logistics Facilities (WES)

Nippon Express Co., Ltd. is working to visualize work processes within logistics centers by implementing a Warehouse Execution System (WES), which is an integrated management and optimization system for logistics facilities, into its in-house warehouse management system, NX-GLOW. This initiative promotes the optimization of personnel allocation and enables the digitization of facility layouts into digital maps. By visualizing inventory movement, Nippon Express is achieving optimal inventory placement that takes storage and operational efficiency into account.

### ● Efforts for Digitizing Tasks Related to Receiving and Shipping

In addition, to enhance and automate manual inbound and outbound operations in international maritime transportation, rail container transportation, and truck-based transportation, Nippon Express is conducting joint research with a variety of vendors. It is also participating in a government-led working group aimed at standardizing pallet sizes and operational practices, continuing its efforts to improve logistics efficiency.

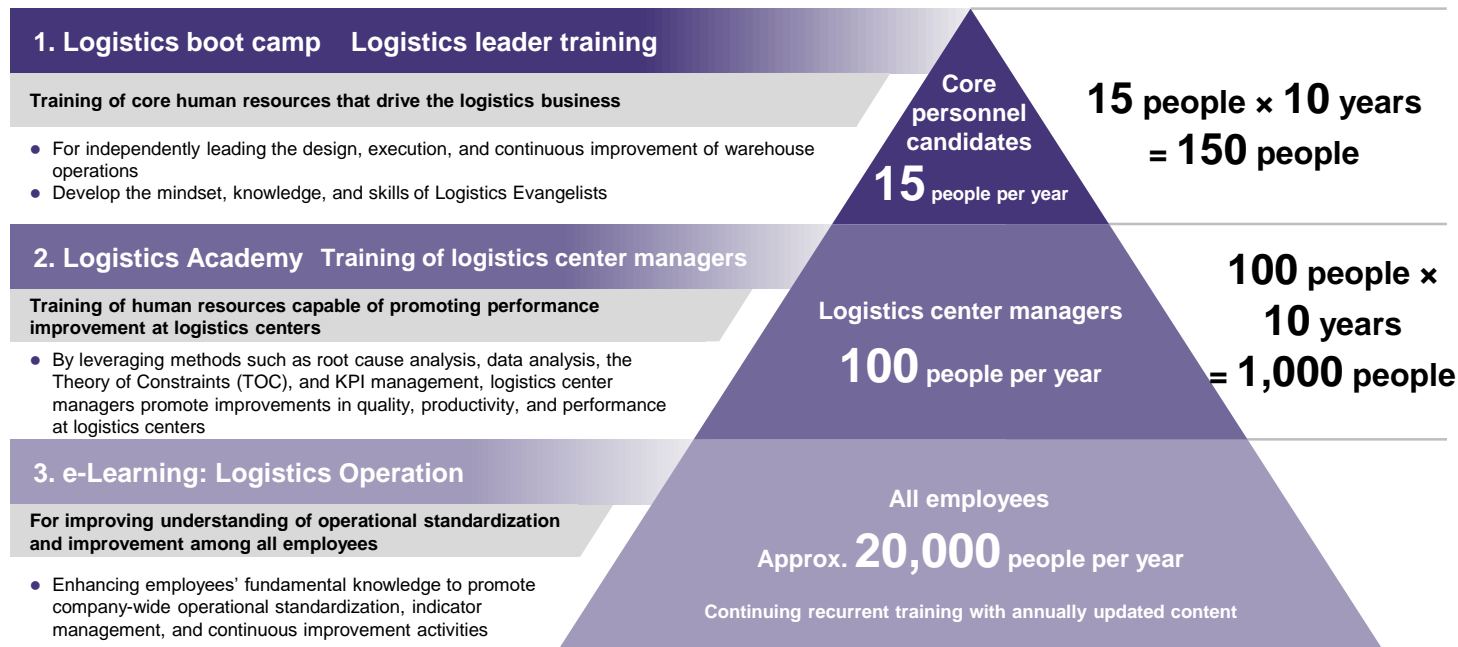
### ● Training of Core Human Resources Working at Logistics Sites

Nippon Express Co., Ltd. continuously implements training programs such as Logistics boot camp, which develops core human resources who take the initiative in promoting the design, execution, and continuous improvement of warehouse operations, and Logistics Academy, which trains managers who drive quality and production management at logistics centers. Through these programs, Nippon Express is systematically working to develop logistics human resources, while also advancing initiatives aimed at improving productivity, saving labor, and increasing efficiency at logistics sites.

#### Logistics Human Resources Training

### Human Resource Training: A three-tiered training program is implemented to systematically train logistics human resources

Through the acquisition of knowledge and practical application, employees gain analytical, design, and execution skills, thereby promoting the strengthening of the logistics business



# Social Value Relationships with Customers

## Relationships with Customers

### Customer Service Policy

NX 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.

### Commitment to Customers

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 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 (FY2024)

Inquiries	12,868 incidents
Requests	318 incidents

### Pharmaceutical Logistics

Nippon Express Co., Ltd. offers pharmaceutical logistics services having received Good Distribution Practices (GDP) certification. In addition to stringent quality control, we are committed to ensuring compliance with the Business Action Plan (BCP), from procurement, manufacturing, and sales of pharmaceuticals, providing End to End support for the entire supply chain. In addition, by promoting the acquisition of GDP certification at major NX Group forwarding sites outside of Japan 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.

### Customer Satisfaction Survey

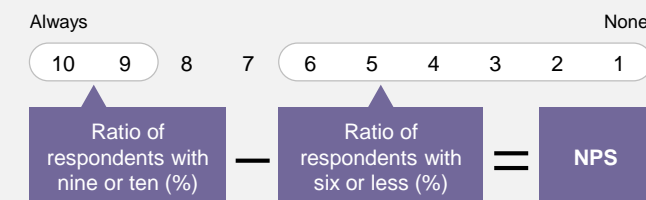
Nippon Express Co., Ltd. has been asking customers who make use of its removals services to respond to a survey about those services. The opinions we receive from this survey will be utilized in making future business improvements and developing products in the hope that these will lead to greater customer 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. In 2025, we were given the top overall place among moving companies in the Oricon® Satisfaction Survey for four consecutive years.

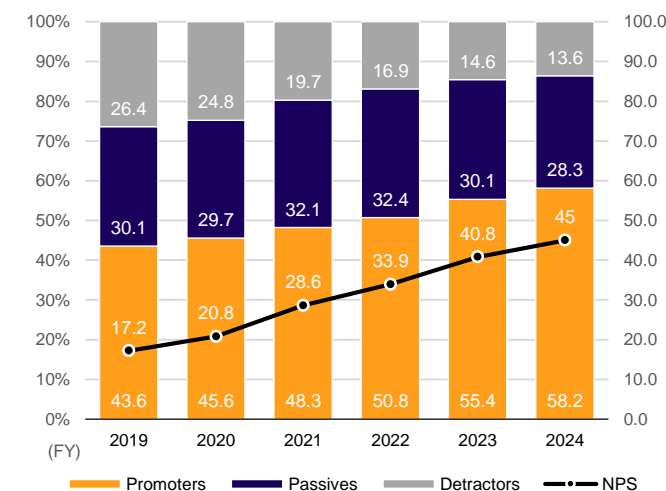
In addition to the overall ranking, we placed first in all seven individual categories, receiving a very high evaluation.

#### NPS:

Abbreviation for Net Promoter Score. An index to measure customer loyalty. We quantify how much love or trust there is toward the company or brand and use it as an index for quality of moving.



#### Survey Results and NPS by Year



# Social Value

## Initiatives for Protecting Personal Information

### Initiatives for Protecting Personal Information

#### Personal Data Protection Policy

NX Group handles a variety of personal information, including customer information, as necessary for business.

NIPPON EXPRESS HOLDINGS, INC. and each NX Group company 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 rules and appropriate implementation systems that match our corporate philosophy and businesses.

In particular, major Group companies in Japan, including Nippon Express Co., Ltd., have acquired the PrivacyMark, demonstrating to customers and business partners that they handle personal information appropriately, while engaging daily in the protection and management of personal information.

#### Initiatives for Protecting Personal Information

##### Instilling Awareness of Personal Information Protection Management

To raise employee awareness of the importance of personal information protection, NX Group conducts training programs and awareness-raising activities on this topic across its group companies.

NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. conduct e-learning aimed at training employees about personal data protection once a year on personal information protection for sales and administrative staff members. In FY2024, approximately 19,000 employees participated in this training.

Each of our Group companies regularly conducts training on personal information protection in various formats, including e-learning and in-person sessions, based on the laws and regulations of each country as well as internal company rules. In addition, the NX Group Compliance Handbook, which is distributed to all employees across the Group, includes rules related to the protection of personal information, thereby promoting efforts toward personal information protection throughout the entire Group.

#### Certifications Received Relating to the Protection of Personal Information by NX Group Companies in Japan

##### Certifications Received Relating to the Protection of Personal Information (Acquisition of PrivacyMark)

- Nippon Express Co., Ltd.
- NX Shoji Co., Ltd.
- NX CAREERROAD CO., LTD.
- NX Okinawa E-Technology Co., Ltd.
- Okinawa NX Air Cargo Service Co., Ltd.
- NX Wanbishi Archivist Co., Ltd.
- NX Cash Logistics Co., Ltd.
- NX TC Lease & Finance Co., Ltd



# Economic Value

## Innovation Based on Collaboration and Co-creation

Economic value information on NIPPON EXPRESS HOLDINGS website

Material Issues

Economic Value

Community Governance Data

### Innovation Based on Collaboration and Co-creation

#### Strengthening of Partnerships with Startup Companies and Other Organizations in Japan and Overseas

Centered around the NX Global Innovation Fund established in 2023, NX Group promotes 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, as well as in areas that contribute to new businesses in the medium to long term.

As of February 2025, we have invested in 13 companies, with co-creation efforts underway in the areas of DX and sustainability.

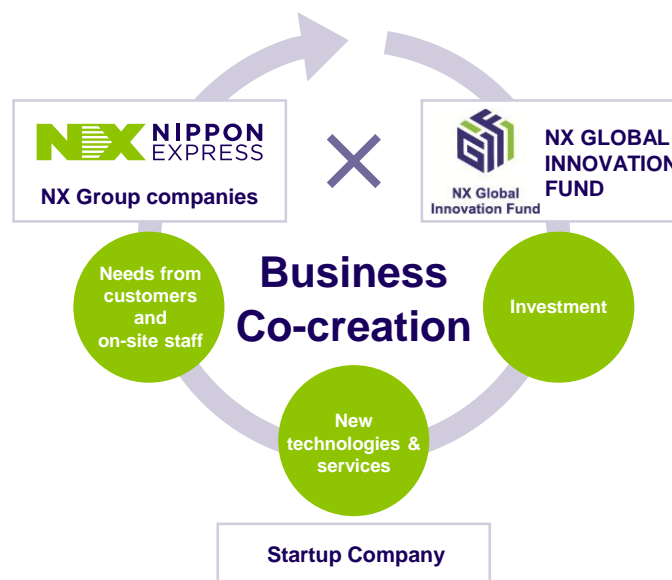
#### Cases in the DX Field

Groovenauts	Proof of concept: Business model utilizing NX's big data in warehouse operations and air cargo consolidation operations
SWAT Mobility	Proof of concept: Delivery route optimization using algorithm-based solutions
Timee	Digitalization of part-time worker management and establishment of a sustainable warehouse operations structure
Gatik AI	Study of emerging autonomous truck transport business models in the United States where autonomous driving technology is advancing
Kaminashi*1	Paperless operations at warehouse worksites
Automagica*1	AI integration at customer service counters in air freight operations (AI agent implementation)

\*1 Non-equity alliance

#### Cases in the Sustainability Field

ASUENE	Business alliance with ASUENE for visualization of NX Group's CO <sub>2</sub> emissions and NX Group's logistics decarbonization solutions
ECOMMIT	Development of logistics solutions that contribute to the circular economy
instalimb	Support for overseas expansion of AI-powered prosthetic limb distribution targeting low-income populations in emerging countries
Fixx*1	On-site maintenance for trucks



▲ An autonomous box truck from Gatik AI Inc.



▲ Pilot test of PASSTO, a service provided by ECOMMIT, at the NX Head Office building

# Economic Value Contributing to the Development of Local Communities

## Contributing to the Development of Local Communities

### Our View on Community Involvement

NX 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, NX Group will communicate actively with local communities and engage in social action programs rooted in these communities.

### Contribute to Society Through Our Business Operations

#### Dispatching Personnel to Universities to Give Lectures for Endowed Courses

NX 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 149 students from Aoyama Gakuin University, 195 from Tokyo Metropolitan University, and 114 from Yokohama University in FY2024, 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. Participant feedback included comments such as "I was able to gain a clear understanding of specific initiatives to reduce CO<sub>2</sub> emissions in the logistics industry." and "It reaffirmed for me that addressing environmental issues requires a collective effort from society as a whole."

#### Reforestation Activities in "NX Group Forests"

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 under-growth twice a year with the cooperation and guidance of local government offices and forestry cooperatives. To date, approximately 2,000 people (NX Group employees and their family members) have participated in these reforestation activities as volunteers, planting more than 10,000 seedlings.

In addition to Japan, we conduct reforestation activities around the world. NX Group will continue efforts to preserve the natural environment for future generations.

#### NX Group Environmental Photo Contest

In alignment with the World Environment Day (June 5) established by the United Nations and Environment Month (June) established by the Ministry of the Environment (Japan), NX Group promotes environmental social contribution activities as outlined in the NX Group Environmental Charter.



To raise environmental awareness, we held the first-ever NX Group Environmental Photo Contest\* for employees across the Group. Under the themes of "Harmonious Coexistence of Nature and Mankind" and "A Sustainable Future," winning entries were selected through a judging process from numerous submissions received from around the world.

◀ Winning photo (first prize): "Paddle Boarding on a Warm Summer Day"

## Supporting Cultural Exchange and Social Contribution Activities

NX 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 (FY2024)

Total number of participants and dispatched personnel	
Cleanup activities	7,633
Traffic safety campaign	1,045
Cooperation and participation in festivals	205
Blood donation	985
Dispatch of instructors to schools, etc.	110
Company visits/Work experience programs	929
Number of students attending logistics-related lectures at schools	2,419

# Governance Corporate Governance



## Corporate Governance

### Basic Views on Corporate Governance

NX Group established basic policies for Group governance toward practicing the corporate philosophy and realizing the long-term vision.

Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

### Initiatives for Strengthening Compliance

#### Compliance Management Structure

NX Group has clearly indicated its identity as a corporate entity in the NX Group Corporate Philosophy, which states, "Every move we make is aimed at advancing society and bringing an enriched life to future generations," and continues to embrace this as its enduring mission. In order to realize the Group's corporate philosophy, the Board of Directors of the NX Group has established NX Group Charter of Conduct, which stipulates the ideals for daily activities and indicates the direction in which we should head through our conduct, and NX Group Compliance Regulations to conduct business activities in a sound, transparent, and fair manner.

The Board of Directors holds the authority to revise or abolish the NX Group Charter of Conduct and reviews these guidelines as necessary while also deliberating on important initiatives as appropriate. The Compliance Committee discusses important policies and important cross-functional issues across departments and groups, and promotes various compliance-related measures. Compliance-related issues, including matters discussed by the Compliance Committee, are reported to the outside directors as appropriate in addition to being regularly reported during Board of Directors meetings so that they can be reflected in our initiatives after directors share their opinions.

With regard to specific compliance matters, NX Group has established various internal regulations and is working to strengthen its organizational framework and ensure effective implementation.

#### Compliance System



#### Compliance Training

NX Group works to provide compliance education and training throughout the Group to promote compliance management. The NX Group Compliance Handbook, which clearly summarizes the Group's code of conduct and specific compliance-related case studies, is distributed to all employees across the Group in 16 languages. It is also made available on the company's internal intranet and is used in compliance training and educational programs. Each of our Group companies regularly conducts compliance training based on the laws and regulations of each country, as well as internal company policies. These training programs are carried out in a variety of formats, including e-learning, group training such as for new employees and by

organizational level, and on-the-job education at the workplace.

In FY2024, approximately 73,000 Group employees participated in compliance training programs, resulting in a participation rate of around 96% of all Group employees.

Furthermore, our Group distributes an internal newsletter, the Compliance Newsletter, to workplaces across our Group companies in Japan. Besides sharing information about cases of compliance violations, the Compliance Newsletter helps readers to obtain more knowledge and raise their awareness about compliance. 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.



▲ NX Group Compliance Handbook

# Governance

## Corporate Governance

### Compliance Awareness Survey

NX Group regularly conducts anonymous compliance awareness surveys for its employees across the Group. These surveys aim to assess the degree of compliance awareness, actual workplace conditions, and employee feedback. Care is taken to ensure the surveys go beyond mere formal compliance checks, with the intent of confirming whether a corporate culture and climate that respect the spirit and intent of the Code of Conduct are being fostered.

The survey results are shared with officers and employees, and initiatives are carried out that lead to a greater awareness of compliance among employees, workplace issues being raised and improvements being made.

### Security Export Control

With the aim of contributing to maintaining international peace and security through its business activities centered on logistics, the NX Group Security Trade Control Policy was established so that NX Group companies comply with applicable export-related laws and regulations in countries and regions around the world and conduct appropriate management. In accordance with this fundamental policy, each NX Group company has developed a management system, including the establishment of internal rules, implemented training programs, and worked on appropriate export control measures, such as business partner screenings.

### Evaluation Process for Sustainability Management Performance

NX Group has always been aware that the initiatives for sustainability management are essential challenges. When appropriate, the Board of Directors and the Sustainability Promotion Committee discuss Material Issues identification and how to respond. The Board of Directors regularly receives reports on the progress of Material Issues initiatives based on

NX Group Sustainability Policy and Vision, and evaluates/oversees the status of those initiatives. In addition, special committees such as the Sustainability Promotion Committee, Compliance Committee, and Risk Management Committee, which are chaired by the President, to discuss initiatives to address climate change, respect for human rights, and improve employee engagement with regard to Material Issues. These committees also identify risks that have emerged in the Group and discusses how to respond. Furthermore, we are ready to steadily implement measures to understand and solve issues in related fields. To this end, we will regularly conduct internal audits on our labor environment, safety management and other elements of our business operations.

### Independence of the Board of Directors

NX Group has established the following criteria for determining independence. In addition to the requirements for outside directors set forth in the Companies Act, we take into account the independence standards set forth by the financial instruments exchanges. We appoint outside Directors based on those standards.

We consider candidates for outside Directors to be independent if none of the following items apply to them.

- 1. Persons who are currently Executive Officers\*<sup>1</sup> at our company or one of our group companies. Persons who have been Executive Officers at our company or one of our group companies within the 10 years prior to the relevant appointment.**
- 2. Shareholders who hold 10% or more of the total voting rights of the Company's shares and business executors of such shareholders.**
- 3. Business executors of business partners whose transactions with the Company Group exceed 2% of the Company's consolidated net sales.**

- 4. Persons who have received remuneration in excess of ¥10 million in a single year from the Company as consultants, attorneys, certified public accountants, etc.**
- 5. Persons belonging to the audit corporation acting as the accounting auditor for our Company.**
- 6. Persons who belong to an organization, etc. that has received an average of ¥10 million or more in donations from us and our group companies for the past three fiscal years.**

\*1 Executives refers to executive Directors, Executive Officers, and other employees.

In appointing independent outside directors, we strive to appoint the following type of candidates – A person who we can expect to make effective proposals to the Board of Directors regarding our management policies and management improvement.



# Governance

## Corporate Governance

### List of Directors

The Directors of NX Group are listed below (March 28, 2025).

Name and Position	Position and responsibilities at the company	Stock ownership*1	Board meeting attendance	Remuneration and Nomination Advisory Committee meeting attendance in FY2024	Status of significant concurrent positions	Number of years served as Director
<b>Mitsuru Saito</b> (age 70, male)	Chairman and Representative Director Chairman of the Board of Directors Remuneration and Nomination Advisory Committee Member	65,400	19/19 (100%)	6/6 (100%)		3 years and 2 months
<b>Satoshi Horikiri</b> (age 64, male)	President, Chief Executive Officer and Representative Director President and Chief Executive Officer	29,100	14/14 (100%)			1 year
<b>Mamoru Akaishi</b> (age 56, male)	Director and Executive Officer In charge of the Corporate Planning Division and General Manager, Corporate Planning Division	6,093	19/19 (100%)			2 years
<b>Sachiko Abe</b> (age 60, female)	Director and Executive Officer In charge of Internal Audit Division	8,766	14/14 (100%)			1 year
<b>Yojiro Shiba</b> (age 74, male) <span>Outside Independent</span>	Outside Director Chair of the Remuneration and Nomination Advisory Committee	-	19/19 (100%)	9/9 (100%)		3 years and 2 months
<b>Yumiko Ito</b> (age 66, female) <span>Outside Independent</span>	Outside Director Remuneration and Nomination Advisory Committee Member	-	19/19 (100%)	9/9 (100%)	• Representative, Ito Law Office Outside Director, Kobe Steel, Ltd.	2 years
<b>Tsukiko Tsukahara</b> (age 52, female) <span>Outside Independent</span>	Outside Director Remuneration and Nomination Advisory Committee Member	-	14/14 (100%)	6/6 (100%)	• President, Kaleidist K.K.	1 year
<b>Takashi Nakamoto</b> (age 62, male)	Director Audit and Supervisory Committee Member	10,800	14/14 (100%)			1 year
<b>Yoshio Aoki</b> (age 74, male) <span>Outside Independent</span>	Outside Director Audit and Supervisory Committee Member	-	19/19 (100%)		• Director, Certified Public Accountant, Yoshio Aoki & Co.	1 year
<b>Nobuko Sanui</b> (age 69, female) <span>Outside Independent</span>	Outside Director Audit and Supervisory Committee Member	-	19/19 (100%)			1 year
<b>Ryuji Masuno</b> (age 71, male) <span>Outside Independent</span>	Outside Director Audit and Supervisory Committee Member	-	14/14 (100%)			1 year

\*1 The number of Company's shares held by each candidate is the number of shares held as of the end of the fiscal year ended December 31, 2024 before the stock split (3-for-1 split) implemented on January 1, 2025.

# Governance

## Corporate Governance

### Effectiveness of the Board of Directors

Once each year, NX Group's Board of Directors uses an outside institution to conduct a survey of all directors and corporate auditors regarding the effectiveness of the Board of Directors as a whole, including the Remuneration and Nomination Advisory Committee, to evaluate the effectiveness of the Board of Directors and gather opinions on how to improve it. The Board of Directors will discuss and verify the results of the analysis and evaluation, and will evaluate its effectiveness based on the aggregate results from external institutions.

In the survey on the effectiveness of the Board of Directors conducted by an external organization, the following matters were examined. Based on the findings, it was concluded that the overall effectiveness of the Board of Directors is being maintained (most recently conducted in December 2024 for all directors).

(Survey categories: (1) board composition and operation, (2) management and business strategies, (3) corporate ethics and risk management, (4) performance monitoring and management evaluation, (5) dialogue with shareholders, etc., (6) free descriptions for each major category and others)

Through a recent survey conducted to assess board effectiveness, the following issues were identified and corresponding improvements have been implemented. These include the scheduling of discussions on key strategies such as sustainability, digital transformation (DX), and human capital strategy, as well as matters related to decision-making and business management with a focus on capital cost. Such matters are now thoroughly deliberated using the newly established category of "matters for deliberation," followed by resolution. Alongside the delegation of authority to the executive side following the transition to a company with an Audit and Supervisory Committee structure, the ideal form of the Board of Directors is being reconsidered, and improvements are being made to enhance board effectiveness, particularly by strengthening its monitoring function.

Additionally, to enhance the coordination and training of outside directors, initiatives such as holding liaison meetings for independent outside directors and seminars for outside directors have been implemented, with efforts being made to improve the effectiveness of the Board of Directors.

Areas where the Board of Directors is notably effective, which were determined in the most recent survey conducted in December 2024, are as follows:

(1) There are strong relationships between internal and external directors, allowing for discussions with clear direction under the new business plan.

(2) Following the organizational restructuring in 2024, a significant delegation of authority to the executive side has been achieved, streamlining proposals presented to the Board of Directors.

(3) The Board of Directors is sincerely striving to enhance its effectiveness and, ultimately, to increase the corporate value of the Group, etc.

For an overview of the survey on the effectiveness of the Board of Directors, please refer to "NX Policy and Implementations of JPX's Corporate Governance Code" and "Corporate Governance Report," which are found on our website.



The NX Group Articles of Incorporation stipulate that the election of directors distinguishes between directors who are Audit and Supervisory Committee members and those who are not, and that they shall be elected by resolution at the General Meeting of Shareholders, at which shareholders holding at least one-third of the voting rights that can be exercised are present and the resolution is approved by a majority of those voting rights. The Articles also stipulate that resolutions for the election of directors shall not be conducted by cumulative voting.

### Term of Office and Average Tenure of Directors

The Articles specify that the term of office for directors (excluding those who are Audit and Supervisory Committee members) shall be one year, and for directors who are Audit and Supervisory Committee members, two years.

As of now, the average tenure of directors (excluding those who are Audit and Supervisory Committee members) is 1.9 years; for directors who are Audit and Supervisory Committee members, it is 1 year; and the overall average is 1.57 years.

### Skill Matrix of the Board of Directors

NX Group's Board of Directors appoints and dismisses directors to ensure that the Board of Directors as a whole maintains a balance of knowledge, experience, and ability by utilizing a skills matrix for the Board of Directors established in line with business strategies such as expanding the overseas sales ratio and promoting ESG management.

The selection of candidates for directors (excluding directors who are Audit and Supervisory Committee Members) is based on a wide range of perspectives, such as whether or not they have the experience and specialized knowledge necessary for a director. An evaluation is made of the progress of management plans in the businesses and areas in which they have been in charge, based on a multifaceted perspective, including their personality and insights, the Board of Directors makes a decision after consulting with the voluntary Remuneration and Nomination Advisory Committee, which is chaired by an independent outside director and has three independent outside directors as its members, and it also takes into account the opinion of the Audit and Supervisory Committee.

The selection of candidates for directors who are Audit and Supervisory Committee Members is based on a multifaceted perspective, such as the experience necessary for a director who is an Audit and Supervisory Committee Member. The knowledge, personality, and insight considered necessary to conduct audits of items such as finance, accounting, and legal affairs is resolved at a Board of Directors meeting after consulting with the Remuneration and Nomination Advisory Committee and obtaining the consent of the Audit and Supervisory Committee.

In addition, with regard to candidates for outside directors, we select people who are excellent in terms of character and insight, have experience in corporate management, a high level of expertise and knowledge in areas such as finance, accounting, law, and ESG, and who can oversee the management of the company's overall business from a multifaceted perspective.

# Governance

## Corporate Governance

### Skill Matrix of the Directors (excluding Directors who are Audit and Supervisory Committee Members)

● The mark indicates that each director has knowledge and expertise in each field (as of March 31, 2025)

Name	Areas in which the Company has particular expectations for its directors									Reasons for Appointing Directors
	Corporate Management		Legal/Risk Management	Finance/Accounting	Global Business	ESG/ Sustainability	HR Strategy, Labor Management	On-site Management	Group Companies Other than Nippon Express Co., Ltd.	
	Corporate Management Experience Within the Group	Corporate Management Experience Outside the Group								
Mitsuru Saito	●		●	●	●	●	●	●	●	As President, Chief Executive Officer and Representative Director, Mitsuru Saito has swiftly and steadily implemented the transition to a holdings system, the introduction of the new Group brand NX, and the restructuring of the Group's businesses. Since his appointment as Chairman and Representative Director of the Company in January 2024, he has been leading the Board and striving to improve the effectiveness of the Board of Directors as its Chairman. At the same time, he has been demonstrating management capabilities by leveraging abundant experience and insight in corporate management. We have determined that his extensive experience and insight in management are necessary for realizing the long-term vision of NX Group, and therefore have appointed him to continue in his position.
Satoshi Horikiri	●		●		●	●	●	●	●	As President, Chief Executive Officer and Representative Director of Nippon Express Co., Ltd., Satoshi Horikiri has been working on reforming the company's business structure and organizational culture. As he was appointed as President and Chief Executive Officer of the Company in January 2024 and President and Representative Director of the Company in March 2024, he has been working toward achieving our new business plan in a prompt and precise manner. The Company believes that his leadership and management capabilities are necessary for realizing the NX Group's long-term vision, and thus proposes him as a candidate for Director on a continuous basis.
Mamoru Akaishi	●				●			●	●	Mr. Mamoru Akaishi was appointed as executive officer of the Group in January 2022, after gaining experience in departments that contribute to the business expansion of NX Group, including M&A and new business development. He has contributed to the development of our new business plan as an officer in charge of Corporate Planning Division, promoting M&A in global markets, and working to realize dynamic business growth. The Company believes that his experience and insight are necessary for realizing the NX Group's long-term vision, and thus proposes him as a candidate for Director on a continuous basis.
Sachiko Abe	●		●				●	●	●	Ms. Sachiko Abe has gained experience mainly in corporate divisions including compliance, human resources, and business operations. She contributed to improving productivity within the Group as President of Nittsu Tokyo Distribution Service Co., Ltd., who was in charge of shared services of NX Group companies. Since her appointment as Audit & Supervisory Board Member of Nippon Express Co., Ltd. in January 2022 and Director and Executive Officer of the Company in March 2024, she has been strengthening Group governance with an accurate and fair perspective, leveraging her insight into compliance and experience in corporate management. In promoting Group management in the future, the Company believes that her experience and insight are necessary, and thus proposes her as a candidate for Director on a continuous basis.
Yojiro Shiba Outside Independent		●		●	●					Mr. Yojiro Shiba has a wealth of experience in corporate management and broad perspectives cultivated through responding to a wide range of customer needs. Since his appointment as chairperson of the Compensation and Nomination Advisory Committee of the Company in March 2024, he has been leading discussions in compensation and nomination of officers, and succession plan as well as playing an important role in improving governance by actively expressing opinions and suggestions in the Board of Directors meetings based on his deep knowledge in corporate management and business execution. The Company proposes Mr. Shiba as a candidate for Outside Director on a continuous basis, expecting him to provide supervision and advice based on his abundant experience in and insight into corporate management.
Yumiko Ito Outside Independent		●	●			●				Ms. Yumiko Ito is an attorney and has held important positions, such as legal officer, in multiple companies with diverse backgrounds, and has extensive experience in the fields of corporate law and governance. She has been playing an important role in strengthening the monitoring function of the Board of Directors by actively expressing opinions and suggestions at the Board of Directors meetings from the perspective of enhancing global governance and risk management. The Company proposes Ms. Ito as a candidate for Outside Director on a continuous basis, expecting her to provide supervision and advice based on her advanced expertise and abundant experience in corporate legal affairs.
Tsukiko Tsukahara Outside Independent		●				●	●			Ms. Tsukiko Tsukahara has extensive knowledge and experience in the field of diversity and inclusion, including promoting women's participation in the workforce. Based on her experiences in advisory and consulting activities, and a core role in domestic and overseas diversity and inclusion organizations, she has been playing an important role in promoting sustainability management of the NX Group by actively expressing opinions and suggestions at the Board of Directors meetings from the perspective of human resource development and organization development. The Company proposes Ms. Tsukahara as a candidate for Outside Director on a continuous basis, expecting her to provide supervision and advice based on her expertise and cutting-edge knowledge.

# Governance

## Corporate Governance

### Skill Matrix of Directors Who are Audit and Supervisory Committee Members

● The mark indicates that each director has knowledge and expertise in each field (as of March 31, 2025)

Name	Areas in which the Company has particular expectations for its directors									Reasons for Appointing Directors
	Corporate Management		Legal/Risk Management	Finance/ Accounting	Global Business	ESG/ Sustainability	HR Strategy, Labor Management	On-site Management	Group Companies Other than Nippon Express Co., Ltd.	
	Corporate Management Experience Within the Group	Corporate Management Experience Outside the Group								
<div>Takashi Nakamoto</div>	●			●				●	●	Mr. Takashi Nakamoto has gained experience in the finance and accounting departments at domestic and overseas group companies, including Nippon Express Co., Ltd., and has used his extensive knowledge to contribute to strengthening the management foundation of the entire NX Group. In January 2022, he was appointed Head of the Internal Audit Division and worked hard to strengthen the audit system, including overseas. Given his experience and track record, the Group has determined that he is qualified to audit and supervise the management of the Group and has therefore appointed him as an Audit and Supervisory Committee member.
<div>Yoshio Aoki</div> <div>Outside Independent</div>			●	●						Mr. Yoshio Aoki was appointed as an outside member of the Company's Audit and Supervisory board in January 2022 for the position of monitoring management in all aspects of the Company's business based on his extensive experience as a certified public accountant and professional knowledge of finance and accounting. As NX Group strengthens its governance functions to increase its corporate value, we expect him to perform audits and supervision based on his specialized knowledge and abundant experience, and have therefore appointed him as an outside director and Audit and Supervisory Committee Member. While Mr. Aoki has no experience in corporate management other than as an outside director, it is our judgment based on the reasons above that he will be able to perform his duties appropriately as an outside director of the Audit and Supervisory Committee Member.
<div>Nobuko Sanui</div> <div>Outside Independent</div>		●				●	●			Ms. Nobuko Sanui has experience in the formulation of international rules in the field of labor at an employers' association and formulating policy recommendations that contribute to overseas expansion of companies. She is well versed in international and labor fields, and also has experience in managing organizations. Given her experience and knowledge, she is well suited to oversee management and was appointed as an outside auditor of the Group in January 2022. As NX Group strengthens its governance functions to increase its corporate value, we expect her to perform audits and supervision based on her abundant experience and knowledge, and have therefore appointed her as an outside director and Audit and Supervisory Committee Member.
<div>Ryuji Masuno</div> <div>Outside Independent</div>		●	●			●				Mr. Ryuji Masuno is an attorney and has extensive legal knowledge. He also has extensive knowledge of the logistics industry, having held key positions in the automobile and other transport division, including the consignment transport business, the public relations division, and the international division at the Ministry of Transport (now the Ministry of Land, Infrastructure, Transport and Tourism). During his previous term as Chairman of the Japan Trucking Association, he represented the industry by promoting efforts to resolve issues facing the automobile transport industry together with the government, thereby contributing to the healthy development of the trucking business. As NX Group strengthens its governance functions to increase its corporate value, we expect him to perform audits and supervision based on his specialized knowledge and abundant experience, and have therefore appointed him as an outside director and Audit and Supervisory Committee Member.



# Governance

## Corporate Governance

### Remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members)

The remuneration of NX Group directors (excluding directors who are Audit and Supervisory Committee members) consists of base compensation and performance-based compensation, with the performance-based portion determined based on expected duties and reflecting individual results and performance. The composition of remuneration will be appropriately set to link short-term and medium- to long-term business performance, and will also reflect sustained corporate growth, contribution to sustainable enhancement of corporate value, and the degree of goal achievement.

Additionally, the remuneration system is designed such that the higher the position, the greater the proportion of performance-linked compensation, thereby placing higher expectations for results and performance responsibility on higher-ranking positions. Bonuses and stock compensation, which constitute performance-linked remuneration, are allocated based on standard amounts determined for each position level.

For bonuses as short-term performance-linked compensation, both quantitative and qualitative evaluations are conducted based on factors such as the individual's annual performance corresponding to their role, achievements in ESG management initiatives, and overall contribution to enhancing corporate value. For performance-based stock compensation as medium- to long-term performance-linked compensation, indicators include consolidated revenue, consolidated business profit, consolidated ROE, and non-financial indicators related to ESG. Performance-based stock compensation is designed to serve as an incentive based on the degree of achievement of the targets set forth in the management plan. Accordingly, the indicators are selected in alignment with the management objectives defined in the plan.

In addition, NX Group has introduced a performance-linked stock compensation system using a trust (hereinafter referred to as "the System"). The purpose of the System is to centrally manage the executive compensation frameworks of both NX Group and its subsidiary, Nippon Express Co., Ltd. (hereinafter referred to as "the Target Subsidiary"). The System applies to directors and executive officers of both the company and the Target Subsidiary (collectively referred to as "the Target Companies"). However, this excludes

directors who are Audit and Supervisory Committee members, outside directors, part-time directors, and non-residents (hereinafter referred to as "Eligible Officers").

Under the System, the company contributes up to ¥1.2 billion in monetary funds as compensation for Eligible Officers of the Target Companies for each five-fiscal-year evaluation period, and establishes a trust with a trust period of approximately five years, with the Eligible Officers as beneficiaries. Through the System, the total number of shares to be granted to the Eligible Officers of the Target Companies over the five-year business evaluation period is set at 140,000 shares.

Compensation provided through the System is basically managed in terms of points, with 1 point = 1 share of the Company's stock<sup>\*1</sup>. Each year, the number obtained by dividing the amount of stock compensation for each position by the plan's base stock price is granted as the base points to the plan's eligible persons.

The period subject to evaluation is the same fiscal business year as our business plan, and performance evaluation indicators and ESG evaluation indicators are set according to the business plan and evaluated for each fiscal business year. The range of increase/decrease corresponding to the achievement of performance targets, etc., is from 0% to 150%, with 100% being the standard corresponding to achieving the performance targets set as the standards for the annual performance evaluation and the mid-term performance evaluation as a whole. After the end of the period covered by the business plan, the same number<sup>\*1</sup> of shares as the number of points determined will be delivered. As for the details of the share delivery, the number of our company's shares corresponding to half of the points held by the eligible persons (fractional shares are rounded down) will be delivered, and the number of our company's shares corresponding to the remaining points will be sold for use in paying income tax, etc., and the remaining amount after tax payment will be paid to the eligible persons.

Regarding the performance-based remuneration in shares, the Regulations on Granting of Shares, etc. stipulate a "Malus Clawback Clause." This means that in the event of any conduct by a recipient that is deemed inappropriate in light of the purpose of the System, the company may demand that the recipient forfeit all or part of the right to receive company shares, etc. under the System or return a monetary amount equivalent to all or part of the value of the company shares, etc. granted.

<sup>\*1</sup> In conjunction with the stock split effective January 1, 2025 for the period subject to evaluation ending December 31, 2028, one point will be converted into three shares.

### Share Information

The major shareholders of NX Group and the shareholding ratio for each is listed below.

#### Major Shareholders<sup>\*2</sup>

Major shareholders	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,680	14.6
Custody Bank of Japan, Ltd. (Trust Account)	6,827	7.9
Asahi Mutual Life Insurance Company	5,601	6.5
Nippon Express Employees' Shareholding Association	4,130	4.8
Sompo Japan Insurance Inc.	2,221	2.6
JP Morgan Chase & Co.	1,585	1.8
Mizuho Trust & Banking Co., Ltd. as trustee for Retirement Benet Trust of Mizuho Bank, Ltd. (re-entrusted by Trust & Custody Services Bank, Ltd.)	1,450	1.7
The Nomura Trust & Banking Co., Ltd. (Trust Account)	1,276	1.5
SMBC Nikko Securities Inc.	1,204	1.4
BARCLAYS CAPITAL SECURITIES LIMITED (Standing Agent: Barclays Securities Japan Ltd.)	971	1.1

<sup>\*2</sup> As of December 31, 2024

 Number of Shares Held and Shareholding Ratio

# Governance Risk and Crisis Management

## Risk and Crisis Management

### Our Approach to Risk and Crisis Management

NX Group defines risk management as preventive activities to control the occurrence of risks and to minimize impact when risks do occur, and we define crisis management as measures to deal with risks when they do occur. We have a system in place to manage these matters in an integrated manner. At NX 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, NX Group Risk Management Regulations and 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 large-scale natural disasters, new infectious disease outbreaks, and risks related to business operations, such as information system risks, coordination within the Group is being strengthened.

### Risk Governance/Risk Management Process

#### Risk Management System

NX Group has established a Risk Management Committee, chaired by the President & CEO of NIPPON EXPRESS HOLDINGS, INC., to develop a Group-wide risk management system. Activities related to risk management in the Group are reported to the Risk Management Committee on a regular basis. In the area of risk management, NX Group's Risk Management Division promotes the periodic execution of risk inventories and risk assessments across the entire Group, identifies key risks within the Group, and monitors those risks. The

departments responsible for each risk coordinate with the Group companies to implement appropriate responses.

Furthermore, recognizing that enhancing risk literacy among management is essential for embedding a company-wide risk management framework, we provide risk management training for executives and managers.

#### Crisis Management System

NX Group has established a Crisis Management Committee, chaired by the President & CEO of NIPPON EXPRESS HOLDINGS, INC., to develop a Group-wide crisis management system. Activities related to crisis management in the Group are reported to the committee as appropriate. In responding to a crisis, we will take all possible measures in cooperation with related companies and divisions to minimize impact, ensure the safety of employees, and prevent disruption of Group business operations.

In May 2024, NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. jointly conducted initial response drills for the disaster-response headquarters in the event of a Nankai Trough-based earthquake. Additionally, we carried out initiatives such as disaster preparedness drills assuming the occurrence of natural disasters overseas. In the future, we plan to expand the scope of these drills based on the roles and responses of employees eligible to participate in the drills and conduct more drills that are more challenging.

#### System to Ensure Business Continuity Plan (BCP)

NX Group established NX Group Basic Policy on Business Continuity, which forms the basis of business continuity plans (BCPs) at each Group company. This policy is published on our website, disclosed to customers and stakeholders, clarifying our basic stance as a group on matters including giving top priority to human life and safety, social contribution, customer support, promoting the formulation of business continuity plans (BCP) at each Group company, and preparing for normal times.

Each NX Group company is promoting the formulation and maintenance of business continuity plans (BCP) based on this policy.

 [NX Group Basic Policy on Business Continuity](#)

#### Safety Confirmation System and Disaster Management System

Confirming the safety of employees is one of the most important tasks among the initial responses taken during an emergency. 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.

In the event of a disaster of a certain scale or greater occurring in Japan, each Group company is required to report necessary information via the Disaster Management System in order to promptly ascertain the safety of employees and the damage status of facilities, and to carry out swift recovery efforts.

#### Strengthen the business foundation against risks

NX Group is working on the following initiatives to strengthen its business foundation against risks, from the perspectives of risk management for stable business continuity and crisis management for business continuity during emergencies.

- Development of a risk management system for the entire group
- Identifying key risks
- Providing support for the formulation of BCP for each Group company
- Implementation and support for crisis management training for each Group company

# Governance Business Ethics

## Business Ethics

### United Nations Compact Network

As of now, NX Group has not signed the United Nations Global Compact, which is a global framework for achieving sustainable growth. However, the NX Group Human Rights Policy stipulates that we must respect the Ten Principles of the UN Global Compact. In line with the spirit of the Compact, the Group will continue to conduct its business activities in a manner that contributes to the development of a sustainable society.

Please see our website for details on the United Nations Global Compact.



### Code of Conduct

The NX Group Charter of Conduct sets forth the following principles.

- Pursuit of Safety and Quality
- Sound Company Conduct
- Public Communications, Disclosure of Information and Protection of Information
- Respect for Employees
- Responsibilities to the Earth's Environment
- Contribution to International Society
- Social Contribution Activities
- Respect for Human Rights
- Severance from Antisocial Forces
- Responsibilities of Top Management
- Resolution of Problems by Top Management

Based on the NX Group Charter of Conduct, NX Group has established the NX Group Compliance Regulations, which set forth the fundamental matters and behavioral standards (including the

prevention of conflicts of interest) that the Group must comply with. With regard to specific initiatives related to compliance matters, we have established various group-wide policies, including the NX Group Whistleblowing System Regulations, NX Group Competition Law Compliance Regulations, NX Group Anti-Bribery Regulations, NX Group Personal Data Protection Regulations, and NX Group Insider Trading Prevention Regulations.

### Anti-Bribery and Anti-Corruption Policy

NX Group has established standards for the prevention of bribery under the NX Group Compliance Regulations, which includes principles such as ensuring fair business relationships and the elimination of ties to anti-social forces. In addition, NX Group has enacted the NX Group Anti-Bribery Regulations, which has been disseminated across all Group companies. The NX Group Anti-Bribery Regulations set forth the Group's basic approach and management framework for bribery prevention, including the prohibition of bribery, compliance with anti-bribery laws and regulations, maintaining fair business relationships, and guidance on appropriate entertainment, gifts, and donations. Based on these regulations, each Group company promotes the development of internal regulations and conducts anti-bribery training. Through such efforts, NX Group strives to prevent all forms of bribery and corruption across the organization.

### Initiatives for Preventing Code of Conduct Violations

Furthermore, by establishing both the NX Group Compliance Regulations and the NX Group Anti-Bribery Regulations as group-wide standards, NX Group defines clear codes of conduct for its employees. These are supported by corresponding guidelines and the NX Group Compliance Handbook, which facilitate broad understanding and the development of a risk prevention structure.

Important compliance issues are discussed by the Compliance Committee and reported to the Board of Directors. Based on these discussions, the Group implements appropriate corrective actions, evaluates the effectiveness of measures, and revises policies when necessary to prevent recurrence.

### Code of Conduct System and Procedures

NX Group has also established a whistleblowing system. In addition to an internal whistleblowing hotline, NX Group has established an external whistleblowing hotline operated independently by a law firm. Furthermore, a global whistleblowing hotline has been established to serve overseas group companies, enabling us to receive internal reports from all employees across the Group.

In FY2024, a total of 464 cases were reported across the Group. The most frequently reported issues were related to harassment (31%), followed by labor management (18%) and general workplace environment matters (16%).

Regardless of whether reports are made through internal or external channels, important cases and their responses are reviewed by the Compliance Committee, which includes external legal counsel—and reported to the Board of Directors. Feedback is also sought from external directors and incorporated into subsequent measures.

Confidentiality and protection of whistleblowers are strictly maintained, including via the external channel. The NX Group Whistleblowing System Regulations explicitly state that any information that could identify the whistleblower must be kept confidential and may not be disclosed without the whistleblower's explicit consent.

Employees who violate the NX Group Compliance Regulations, related internal regulations, or the Group's ethics/code of conduct may be subject to disciplinary action in accordance with the company's rules of employment.

### Record of Code of Conduct Violations

In FY2024, there were no cases involving prosecution or sanctions by regulatory authorities related to bribery, antitrust violations, export controls, money laundering, or insider trading. Additionally, the Group did not incur any fines or non-monetary sanctions for environmental regulation violations, nor were there substantiated complaints regarding customer privacy breaches or data loss.

# Governance Contribution to Public Policy/Supply Chain Management

## Contribution to Public Policy

### Our Approach to Public Policy

NIPPON EXPRESS HOLDINGS, INC. actively engages in public policy by dispatching representatives to various committees under the Ministry of Land, Infrastructure, Transport and Tourism and other external bodies addressing environmental and social issues in the logistics industry. In addition, the company participates in activities led by Japan Business Federation and other industry associations, contributing to public policy development.

### Activities through External Organizations

Aligned with its climate strategy, NX Group intends to engage in climate-related advocacy and collaborative activities through industry associations and other relevant organizations.

In May 2023, NX Group submitted a letter of commitment to the SBT Initiative (SBTi) for the purpose of acquiring target certification and submitted an application for certification in February 2025.

### Donations and Other Forms of Support

Donation to Japanese Red Cross Society for 2024 Noto Peninsula Earthquake Relief	¥10,000,000
Donation to Museum of Logistics	¥30,000,000
Donation to Research Center for Advanced Science and Technology, the University of Tokyo	¥10,000,000
Donation for the construction of a school building for Japanese School New Delhi, Japan Overseas Educational Services	¥4,134,000

## Supply Chain Management

### Conduct of Suppliers

In December 2023, NX Group formulated the NX Group Sustainable Procurement Policy in December 2023 to serve as the foundation for responsible procurement activities with respect for human rights as premise for all of its business activities.

The NX Group Sustainable Procurement Policy consists of two key components: The NX Group Basic Procurement Policy, which outlines compliance requirements for Group employees involved in procurement activities, and the NX Group Supplier Code of Conduct, which provides guidelines that suppliers (including contractors and subcontractors) are expected to follow when engaging in business with the Group.

The NX Group Supplier Code of Conduct sets forth compliance requirements for our suppliers (including contractors and subcontractors) with respect to the following six areas.

- 1. Safety and Quality (Promoting occupational safety and health, Pursuing safety and quality of products and services, Business continuity planning)**
- 2. Laws, Regulations and Ethical Standards (Compliance with laws and regulations, Elimination of antisocial forces)**
- 3. Information Security**
- 4. Human Rights and Labor Practices (Respect for human rights, Ensuring fair working conditions)**
- 5. Global Environmental Conservation and Climate Change**
- 6. Local People and Local Communities**

In addition to these six areas, the NX Group Supplier Code of Conduct also sets out requirements regarding the dissemination and internal awareness of the code within suppliers (including contractors and subcontractors), monitoring of compliance status, implementation of preventive and corrective measures against violations, establishment of grievance mechanisms, and the assurance of transparency.

 [NX Group Supplier Code of Conduct](#)

### Initiatives for Encouraging Suppliers to Promote Sustainability

NX Group is implementing the following initiatives with suppliers (including contractors and subcontractors) that do business with the Group in relation to human rights and the environment.

Some Group companies have started conducting surveys on human rights initiatives targeting transportation contractors, taking into consideration business impact and human rights risks. Going forward, NX Group will expand the scope to include additional Group companies and suppliers, and will work toward realizing respect for human rights across the entire supply chain.

In the EU, in response to Germany's Act on Corporate Due Diligence Obligations in Supply Chains, surveys on human rights initiatives have been conducted targeting all subsidiaries and all suppliers (including contractors and subcontractors) within the region. Initiatives aimed at the prevention and remediation of human rights risks in the supply chain are under consideration in East Asia as well.

Furthermore, as part of efforts across the supply chain, some Group companies have started conducting surveys of transportation contractors on environmental initiatives, including the assessment of CO<sub>2</sub> emissions and efforts to reduce them. Going forward, the Group will expand the scope to include more Group companies and suppliers, and strengthen its responses to climate change across the entire supply chain.



# Governance Data Security/Cyber Security

## Data Security/Cyber Security

### Our Approach to Data Security/Cyber Security

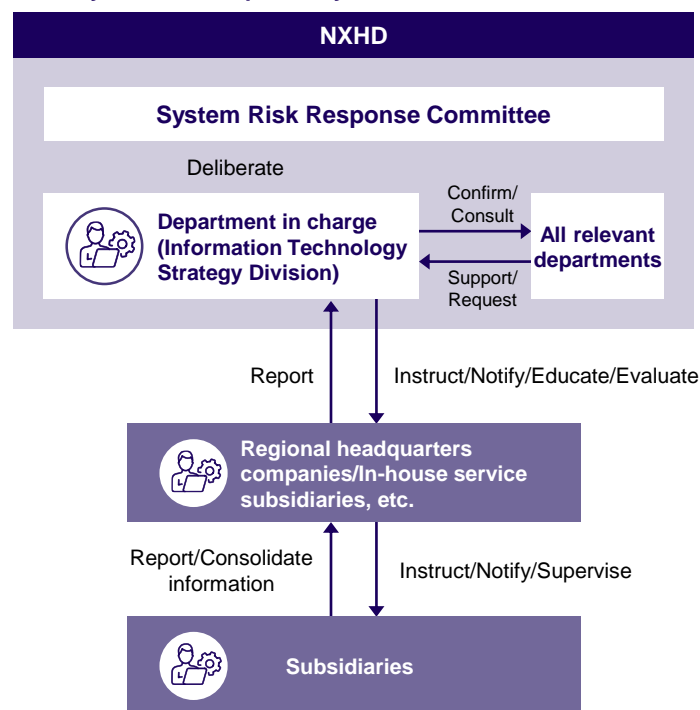
To implement effective information system security management, NIPPON EXPRESS HOLDINGS, INC. has established cyber security-related regulations, including the NX Group Basic Policy on Cyber Security. Based on these policies, each NX Group company appoints an information system security administrator and implements necessary security measures to protect its information assets from threats such as intentional acts, negligence, accidents, and disasters. The aim is to comprehensively, systematically, and continuously maintain and improve the level of information system security. Additionally, Group companies conduct periodic inspections and audit to monitor compliance with the NX Group Basic Policy on Cyber Security.


### Initiatives Related to IT Security/Cyber Security Governance

Through regular monthly meetings and global security activities, NIPPON EXPRESS HOLDINGS, INC. collaborates with security departments of major domestic companies and representative organizations from overseas regions. These efforts facilitate information sharing on security incidents, the progress of global cyber security initiatives, and the implementation of employee security training and awareness programs. In addition, NIPPON EXPRESS HOLDINGS, INC. has established the System Risk Management Committee, chaired by the President of the company, which meets twice a year. This

committee is responsible for overseeing the development of the Group's information system security framework and coordinating responses to security incidents. It also deliberates on key matters and submits necessary reports to ensure robust risk governance.

### Security Incident Response System



[Explanatory note]  : Information system security administrator

## Develop IT infrastructure and improve security level

As part of the material issues identified in the NX Group Business Plan 2028 under its sustainability management strategy, NIPPON EXPRESS HOLDINGS, INC. has established specific performance indicators related to the initiative “improvement of IT infrastructure and security level.”

These indicators are reported to the System Risk Management Committee and are also shared through global IT strategy meetings. This ensures that the information contributes to the advancement of security initiatives across Group companies.

Starting in FY2025, the scope of these efforts will be expanded to include key domestic affiliates as well as overseas affiliates.

### Indicators and FY2024 Results\*1

Items to be acquired	Result	Target
Elimination of critical security incidents*2	0 incidents	0 incidents
RTO achievement rate*3 for BCP training	100%	90% or above
Employee participation rate in security training*3,4,5	97%	90% or above
Open rate of simulated phishing emails*3,4,5,6	0–26.4%	Less than 10%
Reporting rate of simulated phishing emails*3,4,5,6	32.2–74.5%	80% or above

\*1 Items Acquired, Achievements, Targets, and Applicable Companies in Fiscal Year 2024

\*2 NX Group

\*3 Nippon Express Co., Ltd.

\*4 NIPPON EXPRESS HOLDINGS, INC.

\*5 NX Cash Logistics Co., Ltd.

\*6 NX INFORMATION SYSTEMS