

NX GROUP Sustainability Data Book 2024



**NIPPON
EXPRESS**

We Find the Way

NX GROUP Corporate Philosophy

Our Mission Be a Driving Force for Social Development

Our Challenge Create New Ideas and Value that Expand the Field of Logistics

Our Pride Inspire Trust Every Step of the Way



Since its founding, 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.



Social Value

Providing security and stability &
The happiness of workers

Sustainability Vision

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

Environmental Value

Preservation of the
global environment



Economic Value

Our sustainable growth

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Editorial Policy	In compiling this report, we have published it as a data book, a concise and concrete summary of NX GROUP's activities related to sustainability, that complements NX GROUP Integrated Report published around the same time.
Scope of This Report	Covers NX GROUP. Some of the material reported is of a limited scope.
Reporting Period	FY2023 (January 1, 2023–December 31, 2023) Reporting Period Certain sections may include information in FY2022 or before and in FY2024.
Issue Date	June 2024 Note: Available on our website (previous publication: June 2023)
Reference Guidelines	<ul style="list-style-type: none">• GRI Standards for Sustainability Reporting (reference)• Ministry of the Environment's Environmental Reporting Guidelines (2018 Edition)
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Hiroko Kishida

Executive Officer
Officer in charge of Sustainability
Promotion Division and General
Manager, Sustainability Promotion Division

Message from Officer in Charge of Sustainability

By promoting initiatives to address Material Issues through our businesses, we aim to solve social issues, create a prosperous future, and increase corporate value.

Develop and Strengthen Sustainable Solutions

Environmental and social issues have become important management issues in which all companies contribute to the sustainability of the natural environment, society, and industry through their businesses. NX GROUP views finding solutions to these issues as an effort leading to new business opportunities, and is developing and providing solutions related to decarbonization and resource recycling.

For example, we began offering the NX-GREEN SAF Program, an air transportation service in Japan that enables customers to purchase environmental value obtained from sustainable aviation fuel (SAF^{*1}) and reduce CO₂ emissions within their supply chains.

^{*1} SAF (Sustainable Aviation Fuel): A type of aviation fuel made using either renewable materials or waste products that meet sustainability criteria

Solidify Global Supply Chain

In recent years, various risks have increased, such as natural disasters, infectious diseases, cyber terrorism, a chronic labor shortage symbolized by the declining birthrate and aging population, and the 2024 logistics problem. As a company that supports social infrastructure, we are working to strengthen risk management in business continuity by improving the sustainability, efficiency, and soundness of our supply chain and making it more resilient. At the same time, we are working to further improve the efficiency of logistics by finding the optimal balance between human resources and digital technologies.

Strengthen Response to Climate Change

In order to realize a carbon-neutral society, given there are very high expectations for logistics companies with high CO₂ emissions to reduce them, NX GROUP is also committed to SBT to achieve the 1.5°C target established by the Paris Agreement. On the other hand, it is difficult to reduce emissions from technological and economic standpoints. NX GROUP is moving forward with measures that are economically rational at the time of

implementation, such as using renewable energy sources at the Head Office, in a manner that is consistent with the Group's medium- and long-term CO₂ emissions reduction goals.

Enhancement of Human Capital to Foster Innovation

NX GROUP positions its human resources as the source of its competitiveness. Based on the idea that the happiness and engagement of employees and the creation of innovation will lead to the creation of value for customers, shareholders, and society, we are working to enrich our diverse and talented human resources, improve the performance of each individual, and foster an inclusive workplace culture. We are also working to measure and improve engagement through the use of engagement surveys.

Respect for Human Rights and Realization of Responsible Corporate Activities

NX GROUP's corporate philosophy is to "take pride in our ability to inspire trust and answer the call of society." Based on the values of respect for human rights, safety, compliance, and quality, NX GROUP's on-site capabilities serves as the foundation of value creation and the trust society places in NX GROUP.

Based on this philosophy, we are implementing business activities based on respect for human rights thorough compliance and initiatives to ensure the safety and security of our employees. In the future, we plan to expand the scope of our initiatives to suppliers based on our human rights policy and sustainable procurement policy, which were both formulated in fiscal 2023.

Future Outlook

NX GROUP aims to be a corporate group chosen as a logistics company with a strong presence in the global market, and will accelerate activities to create a prosperous future and increase corporate value by resolving social issues through sustainability management.

Aiming at advancing society and bringing an enriched life to future generations

Since its founding in 1937, NX GROUP has been committed not only to its own profit but also to meeting the expectations and trust of its various stakeholders, including our business partners, shareholders, and employees, and to contributing to the realization of a sustainable society by helping to solve social issues through its business activities.

NX GROUP's sustainability management

To achieve sustainable growth with society, NX GROUP has formulated NX GROUP Sustainability Policy and Vision, and is advancing initiatives to resolve Material Issues.

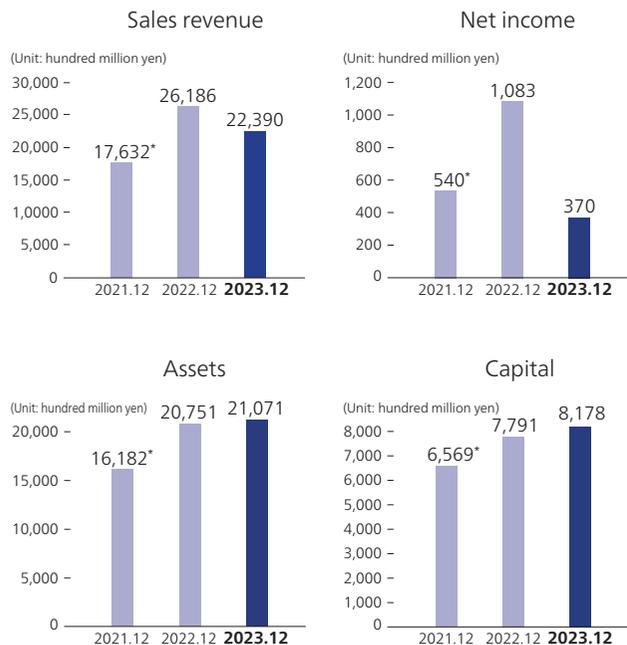
NX GROUP Business Plan 2028, which begins in fiscal 2024, sets forth three basic policies, one of which is to "Implement sustainability management helping to resolve social issues and achieve a sustainable society, and reform the company group to one that is chosen by customers, society, shareholders, and employees."

In the new management plan, the five Material Issues that were reidentified in 2023 will be the foundation for all business activities, and each business and corporate strategy will be formulated with the aim of realizing our corporate philosophy.

Company Information

Financial Information (consolidated)

Global Network



Number of countries **49** Employees **74,438** (Japan **51,438**, Overseas **23,000**)

Nippon Express Co., Ltd.

Logistics/Heavy haulage and construction

Logistics 274 companies

- Americas:** 14 companies
NX America
Consolidated subsidiaries: 13 companies
Affiliates accounted for under the equity method: 1 company
- Europe:** 55 companies
Nippon Express Europe GmbH, NIPPON EXPRESS (U.K.) LTD., NIPPON EXPRESS (NEDERLAND) B.V., NIPPON EXPRESS FRANCE, S.A.S, and NIPPON EXPRESS (ITALIA) S.p.A
Consolidated subsidiaries: 54 companies
Other affiliates: 1 company
- 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
- East Asia:** 26 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: 21 companies
Affiliates accounted for under the equity method: 5 companies
- Japan:** 151 companies
NX Transport Service Co., Ltd, NX NP Logistics Co., Ltd, Niitsu NEC Logistics, NX Wanbishi Archives, NX Shipping Co., Ltd., NX Hokuoh Unyu Co., Ltd, NX SENDAISHIOGAMA KOUN CO., LTD., NX Bintsu Co., Ltd., NX Sakaminato Kairiku Co., Ltd., and NX TOKUTSU CO., LTD
Consolidated subsidiaries: 115 companies
Affiliates accounted for under the equity method: 36 companies

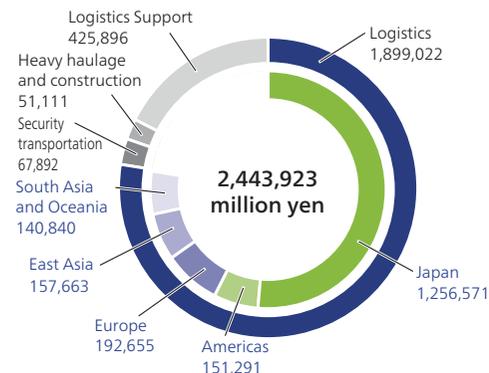
Logistics support: 42 companies (Japan: 31 companies, Overseas: 11 companies) NX Shoji Co. Ltd., Osaka Warehouse, NX Capital Co., Ltd., and NX Careeroad Co., Ltd.
Consolidated subsidiaries: 32 companies
Affiliates accounted for under the equity method: 8 company
Other affiliates: 2 companies

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

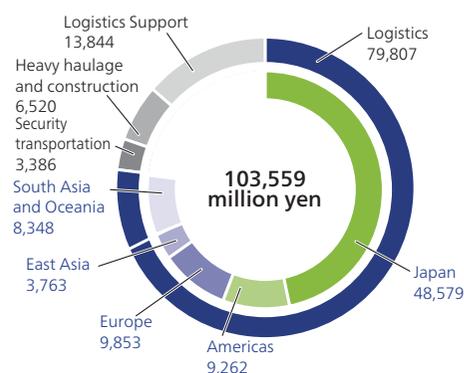
* End of the fiscal year has been changed from March 31 to December 31, beginning with fiscal year 2021. As such, consolidated results for the FY2021 reflects values of nine month from April 1, 2021 to December 31, 2021. Figures for FY2021 and earlier are based on Japanese GAAP, while figures for FY2022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

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



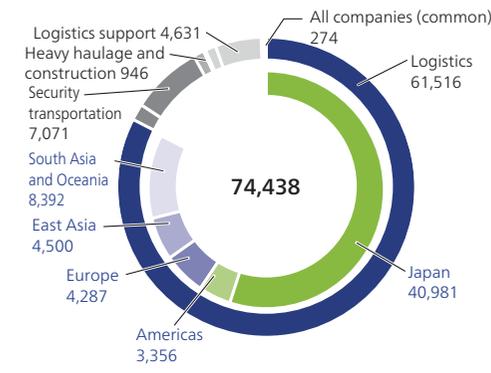
* Figures in the graph includes adjustments

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



* Figures in the graph includes adjustments
* Above figures are as of December 31, 2023.

Employees by segment (consolidated) (Unit: People)



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

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
- Keidanren (Japan Business Federation)**
 Committee on Responsible Business Conduct & SDGs Promotion
 Committee on Recovery and Restoration (Industrial and Regional Reconstruction Subcommittee)
 Committee on Energy and Resources
 Environmental Safety Committee
 Committee on Crisis Management & National Resilience
 Committee on Employment Policy
 Committee on Labor Legislation (Legislation Planning Subcommittee)
 Working Group for the Study of Working Hours Systems, Etc.

- Keidanren Committee on Nature Conservation**
 Vice Chairman
 Planning Subcommittee
- Japan Association for Logistics and Transport**
 Logistics Environmental Action Committee
- Japan Trucking Association**
 Environmental Action Committee
 Environmental Action Subcommittee

Support of Initiatives

- TCFD**  TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
 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.

- 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. We endorse this initiative, an effort that we are committed to.

 Please see our website for details.

- 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.

External Evaluations

The principal ESG investment indices for which NIPPON EXPRESS HOLDINGS, INC. has been selected are as follows. (As of March 2024)

- MSCI Japan ESG Select Leaders Index**
 2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX
- MSCI Japan Empowering Women Select Index**
 2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

The inclusion of NIPPON EXPRESS HOLDINGS, INC. in the MSCI indexes and use of the MSCI logo, trademark, service mark, or index names are not intended for the sponsorship, advertisement, or promotion of NIPPON EXPRESS HOLDINGS, INC. by MSCI or its affiliates. MSCI services and data are the exclusive property of MSCI. The MSCI and MSCI index name and logo are trademarks/service marks of MSCI or its affiliates.

- 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.

- CDP Climate Change**



We received a B rating in the Climate Change Program conducted by CDP, an international non-profit in environmental disclosure, in 2023.

- EcoVadis**

In the EcoVadis sustainability assessment, which promotes the sustainability of supply chains around the world, we won the Bronze Medal, which was awarded to the top 35% of registered companies in 2023.

Sustainability Management

Sustainability Policy and Vision

NX GROUP has established a Sustainability Policy and Vision to further deepen the sustainability management it has promoted to date and to implement highly effective measures as a group in order to realize a sustainable society, achieve sustainable growth, and enhance corporate value.

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.

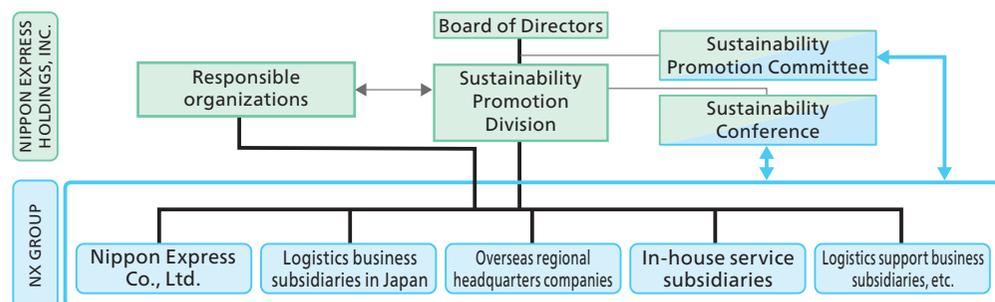
Sustainability Vision



Sustainability Promotion Structure

NX GROUP established the Sustainability Promotion Office within NIPPON EXPRESS HOLDINGS, INC. as a section dedicated to sustainability promotion. In addition, the Sustainability Promotion Committee, which promotes sustainability management for the entire NX GROUP, is composed of executive officers from major Group companies. The committee deals with general sustainability-related issues, including climate change issues that should be addressed as a group.

NX GROUP's Sustainability Promotion Structure



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.

Through e-learning designed for all employees of the Group or e-learning for new employees implemented upon joining the Company, we will provide, in the form of a story, the significance and purpose (why) of the Group's efforts in sustainability management, strategies and Material Issues (what) of sustainability management, examples of actual initiatives and the value created (how). We are working to raise awareness and understanding among all employees and to foster awareness of the issues that should be addressed by themselves.

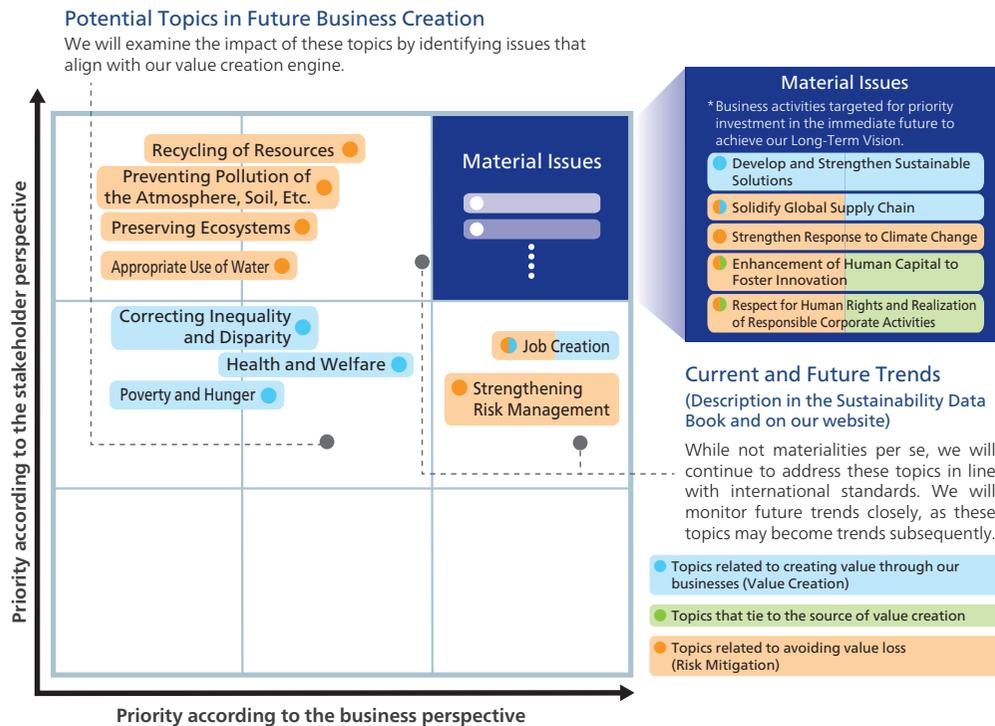
Additionally, the understanding, implementation, and leadership of the management of each Group company or those in charge of sustainability are important in order to promote sustainability throughout the Group. Therefore, we are promoting more intensive training for these influencers.

Sustainability management information on NIPPON EXPRESS HOLDINGS website

Materiality Assessment and Review

In accordance with the Group’s corporate philosophy, we performed a materiality assessment and review in 2023 in order to realize sustainable growth, enhance corporate value, and create social value over the medium to long term. In addition to conducting evaluations based on the two perspectives of “priority from the stakeholder perspective” and “priority from the business perspective,” we have revised the wording used for materiality into plain language to create group synergy and economic value, to have a common understanding throughout our Group, and to further promote sustainability management, organized them into five Material Issues.

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



Main Sustainability Issues

This Sustainability Data Book includes the major sustainability issues identified in the materiality assessment, as well as NX GROUP’s initiatives in terms of three values (environmental value, social value, and economic value) and governance.

	Main Sustainability Issues	Description in the Sustainability Data Book
Environmental Value	(general environment issues) <ul style="list-style-type: none"> Strengthen Response to Climate Change Develop and Strengthen Sustainable Solutions Recycling of Resources Preventing Pollution of the Atmosphere, Soil, Etc. Preserving Ecosystems Appropriate Use of Water 	<ul style="list-style-type: none"> Environmental management Reduce CO₂ emissions by reinforcing controls on climate change Provide logistics technologies and services with low environmental impact Strengthen adaptive capacity and resilience in the face of climate change Recycling of resources Protect terrestrial and marine ecosystems
Social Value	<ul style="list-style-type: none"> Respect for Human Rights and Realization of Responsible Corporate Activities Correcting Inequality and Disparity Enhancement of Human Capital to Foster Innovation Health and Welfare Solidify Global Supply Chain 	<ul style="list-style-type: none"> Ensure robust respect for human rights in the supply chains Secure occupational health Ensure occupational and social safety Human resources principles Train human resources who can work globally Promote diversity and inclusion Promote workstyle innovation Encourage global quality to meet expectations from customers and society Contribute to sustainable and tough infrastructure development
Economic Value	<ul style="list-style-type: none"> Develop and Strengthen Sustainable Solutions Solidify Global Supply Chain 	<ul style="list-style-type: none"> Strengthen global partnerships Contribute to society through our business operations
Governance	<ul style="list-style-type: none"> Respect for Human Rights and Realization of Responsible Corporate Activities Strengthening Risk Management 	<ul style="list-style-type: none"> Promote fair business practices Implement robust anticorruption measures Risk management Personal data protection Enhance corporate governance

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.

Accumulation of trust from stakeholders	Initiatives	Main communication methods (frequency and performance)	
Shareholders and investors	In addition to proactively disclosing information to deepen understanding of NX GROUP's management policies and business operations, we hold meetings for shareholders and investors with our top management and report the opinions gleaned from such meetings at the Board of Directors' Meetings to improve the quality of dialogues.	[For domestic institutional investors] <ul style="list-style-type: none"> Individual meetings with institutional investors <ul style="list-style-type: none"> Meetings with the representative director: 1 Meetings with the person in charge of IR: 75 Small meetings with the president participating as a speaker: 1 IR Day with the President and the officers in charge of each theme as serving as speakers: 1 Securities analyst interviews addressed by the IR representative: 39 	[For overseas institutional investors] <ul style="list-style-type: none"> Meetings with overseas investors <ul style="list-style-type: none"> Meetings with the representative director: 8 Meetings with the Officer in charge of IR: 5 Meetings with the person in charge of IR: 41 Participation in conferences organized by securities firms: 3 [For private investors] <ul style="list-style-type: none"> Briefings: 1
Customers	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"> Exhibitions, briefings, and seminars (as necessary) <ul style="list-style-type: none"> Nippon Express Co., Ltd. participated in Asia Seamless Logistics Forum 2023 and the 3rd INNOVATION EXPO 2023 	<ul style="list-style-type: none"> Telephone and internet consultations (daily) Questionnaires for customers (as necessary), etc.
Employees	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"> Townhall meeting <ul style="list-style-type: none"> 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 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 In fiscal 2023, the Company held 102 town hall meetings (72 hosted by the President of Nippon Express Co., Ltd. and 30 hosted by the Vice President of the same company), with 1,499 employees participating 	<ul style="list-style-type: none"> Whistleblowing system <ul style="list-style-type: none"> NX Speak Up and NX Global Speak Up Individual interviews (as necessary) Internal questionnaire (as necessary) Compliance Awareness Survey (conducted regularly) Internal bulletins (once per month), etc. NX Engagement Survey (conducted annually) Implementation of in-house posting system (more than 120 posts annually)
Affiliates and subcontractors	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"> Meetings, briefings (as necessary), etc. <ul style="list-style-type: none"> 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 Pharmaceutical manufacturers and related organizations to visit the Pharmaceutical Center and conducted tours Partnership Safety Council (annually) 	
Communities	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"> Dispatch of lecturers to give lectures and provide educational opportunities (as needed) Social contribution activities (as needed) 	
Administrative institutions	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"> Committees, conferences, and meetings (as necessary), etc. <ul style="list-style-type: none"> Participation in GX League sponsored by the Ministry of Economy, Trade and Industry (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)). 	

Environmental Value

Management Approach

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

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



Management Indicators



2030 Target	Reduce NX GROUP Scope 1 and 2 CO ₂ emissions by 50% (compared with 2013) (Scope 1: 408,000 t-CO ₂ Scope 2: 42,000 t-CO ₂)
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FY2023:	749,417 t-CO₂ (Scope 1: 547,000 t-CO ₂ Scope 2: 203,000 t-CO ₂)
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Target	Ensure that all facilities are lit by LED 100%
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Results	FY2023: 100% (on a business location basis)
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* LED shift-related figures are indices of Nippon Express Co., Ltd.

Main Sustainability Issues

- Strengthen Response to Climate Change
- Develop and Strengthen Sustainable Solutions
- Recycling of Resources
- Preventing Pollution of the Atmosphere, Soil, Etc.
- Preserving Ecosystems
- Appropriate Use of Water

Description in the Sustainability Data Book

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

NX GROUP's Approach

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



Environmental value information on NIPPON EXPRESS HOLDINGS website

Material Issues



Environmental Value



Environmental Data



Environmental Management

NX GROUP Environmental Charter

Policies and Targets

NX GROUP has established NX GROUP Environmental Charter in order for the entire Group to protect the global environment and is actively working to prevent global warming, preserve biodiversity, and build a recycling-based society.



Please see our website for details of NX GROUP Environmental Charter.

Environmental Management System

Organizations and Systems

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 2024, 16 Nippon Express Co., Ltd. trucking offices and two warehousing offices have received this certification. Among Group companies, 16 trucking offices have been granted Green Management Certification.

● Increasing ISO 14001-certified Business Locations

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

Environmental Targets

Policies and Targets

In January 2023, NX GROUP set new medium- and long-term targets for reducing CO₂ 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.

2030 Target

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

2050 Target

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

Nippon Express non-consolidated target and result to date are as follows.

Nippon Express Co., Ltd. Non-consolidated Target and Result

Target: Reduce annual carbon dioxide emissions to 350,000 t-CO₂ or below by FY2023

Result: 418,438 t-CO₂

Note: Includes emissions figures from NX Cash Logistics Co., Ltd., which was formed from a corporate spin off.

Sustainability Promotion Structure

Organizations and Systems

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

Environmental Management

ISO 14001-certified Business Locations (as of the end of December 2023)

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

Reduce CO₂ Emissions by Reinforcing Controls on Climate Change

Our View on Climate Change

Policies and Targets

NX GROUP recognizes climate change as a social issue of global scale.

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

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

Accurately Controlling Fluorocarbons

Organizations and Systems

Fluorocarbons not only harm the ozone layer but also have an extremely high greenhouse effect. Nippon Express Co., Ltd. strives to preserve the ozone layer and prevent global warming by reducing CO₂ emissions and accurately controlling fluorocarbons. There were no major leaks in FY2023.

● ECO-FREONTIA® Fluorocarbon Management System

The Act on Rational Use and Proper Management of Fluorocarbons ("Fluorocarbons Management Act") came into force in April 2015. We comply with the Act by operating ECO-FREONTIA®, our proprietary system for controlling fluorocarbons, in an effort to prevent the leakage of fluorocarbons. This system prevents the omission of inspections and calculates the volumes of leaked fluorocarbons from the inspection data by creating a database of information about the professional-use freezers, refrigerators

and air conditioners (Class I Specified Products) that are regulated under the Fluorocarbons Management Act and by sending out e-mail alerts whenever the relevant equipment undergoes a simple or periodic inspection.

Environmentally Friendly (Low-emission) Vehicles

Activities and Achievements

NX GROUP actively introduces environmentally friendly vehicles that mainly include low-emission diesel trucks such as those complying with the post-new long-term regulations, as well as CNG, hybrid and LPG trucks. As of December 31, 2023, NX GROUP has a domestic (Japan) fleet of 12,811 such vehicles in total.

Reduce CO₂ Emissions by Reinforcing Controls on Climate Change

TOPICS

Nippon Express Introduces Hydrogen Fuel Cell-Powered Trucks for the First Time

Nippon Express Co., Ltd. has introduced the first zero-CO₂ hydrogen-powered fuel cell trucks (FCEV) as part of its efforts to combat climate change. To date, NX GROUP has worked to reduce CO₂ emissions in its own operations by introducing more than 12,000 eco-friendly vehicles in Japan, including hybrid vehicles, clean diesel vehicles, and electric vehicles. In addition, as there is a growing requirement from customers to reduce CO₂ emissions during the transportation of cargo (customer Scope 3 emissions), NX GROUP has positioned this as an important issue to be addressed for sustainable business growth. Since July 2022, the Company has been participating as a member of a consortium, with Commercial Japan Partnership Technologies Inc. serving as the lead company in the "Green Innovation Fund Project: Building a Smart Mobility Society," a project subsidized by the New Energy and Industrial Technology Development Organization (NEDO).

WEB Please see our website for details.



Increasing the Number of Environmentally Friendly Facilities

Activities and Achievements

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 FY2023

Total amount	6,889,793.6 kWh
Solar power generation	6,888,737.6 kWh
Wind power generation	1,056.0 kWh

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

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

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

Based on these standards, Nippon Express Co., Ltd. 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 yen or higher) implemented from FY 2022. Additionally, NX GROUP buildings have been using electricity derived from renewable energy since January 2024.



NX GROUP Building

Reduce CO₂ Emissions by Reinforcing Controls on Climate Change

● Matsumoto/Nirayama Solar Power Generation Plant Environmental Considerations

NX Real Estate Co., Ltd. owned two solar power generation plants, namely, the Matsumoto Solar Power Generation Plant (launched into operation in November 2013) and the Nirayama Solar Power Generation Plant (launched into operation in March 2014). However, as a result of the restructuring of the business by transferring its real estate business to NX Shoji Co., Ltd. in April 2023, since that time, NX Real Estate Co., Ltd. only owns one solar power generation plant, the Nirayama Solar Power Generation Plant. In 2023, the Matsumoto Solar Power Generation Plant generated 1,519,874 kWh and the Nirayama Solar Power Generation Plant generated 1,076,963 kWh.

Annual Power Generation at Power Generation Plants Unit: kWh

	2021	2022	2023	Total
Matsumoto Solar Power Generation Plant	1,442,687	1,416,972	1,519,874	4,379,533
Nirayama Solar Power Generation Plant	1,125,529	1,090,650	1,076,963	3,293,142
Total	2,568,216	2,507,622	2,596,837	7,672,675



Matsumoto Solar Power Generation Plant



Nirayama Solar Power Generation Plant

TOPICS

Nippon Express Starts Operations at NX Hakata Island City Global Logistics Center located at Hakata Port (March 2023)

Nippon Express Co., Ltd. has established NX Hakata Island City Global Logistics Center, a new warehouse which is located adjacent to the Hakata Port Island City Container Terminal (IC). The new facility began operations on March 11. In addition to reducing transportation time, costs, and the risk of cargo damage through the use of an adjacent packaging plant, the center also handles semiconductor equipment, large cargo, and heavy loads using an overhead crane, which is one of the largest in the Kyushu region. In addition, solar panels on the roof generate more than 50% of the electricity used in the facility, which contributes to reducing environmental impact.



Please see our website for details.



Exterior of the warehouse



Interior of warehouse

Provide Logistics Technologies and Services with Low Environmental Impact

Promotion of Modal Shift

Activities and Achievements

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 CO₂ emissions. By working with customers to make modal shifts to secure and reliable railway transport across a wide range of cargo from bulk to small lots, Nippon Express Co., Ltd. addresses social challenges such as the reduction of environmental impact. We also putting efforts into the visualization of environmental figures, allowing customers to check CO₂ emissions and energy consumption via the Company's proprietary railroad container information service, Rail Container NAVI. CO₂ reduction effects can be simulated on Nippon Express Co., Ltd. website simply by entering where cargo will be picked up and its destination.

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 Marine Transport

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

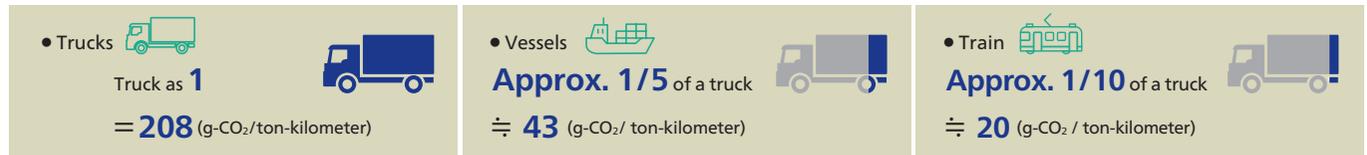
In 1964, NX GROUP put Japan's first container vessel, Dai-ichi Tennichi Maru, into service between Tokyo and Muroran, followed by Dai-ni Tennichi Maru between Osaka and Muroran, thereby launching integrated land and sea transport services. The Group currently operates five large state-of-the-art vessels, 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 CO₂ emissions from fuel consumption.



Himawari 8

CO₂ emissions intensity by transport mode



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

Provide Logistics Technologies and Services with Low Environmental Impact

TOPICS

Promoting a Modal Shift by Expanding Sea & Rail, Our Unique Integrated Domestic Transportation Service

As part of its efforts to promote a modal shift, Nippon Express Co., Ltd. is working to expand its Sea & Rail service (modal combination transportation service), a unique domestic intermodal transportation service that combines ocean and rail transportation. Nippon Express Co., Ltd. offers nine domestic integrated transportation lineups using containers extending from Hokkaido to Kyushu, and plans to continue creating new routes in the future.

This intermodal transport service utilizes RSV (Rail and Sea Ventilation) containers, which are proprietary hybrid containers, making it easy to shift between sea and rail transport without having to reload cargo when changing transport mode. Also, these containers are also designed for durability and safety while ensuring cargo ventilation.

Modal shift promotion was also taken up as one of the urgent measures in the Policy Package for Logistics Innovation announced by the Japanese government in June 2023 to improve the working environment for truck drivers. This includes a specific initiative to support the popularization of large containers that can be used jointly by ships and railways in order to boost transportation capacity through a modal shift. Nippon Express Co., Ltd.'s Sea & Rail service is in line with this initiative.

Modal shift promotion is expected to contribute to the reduction of CO₂ emissions and sustainability management, for which there is an increasing demand from customers, and to lead to BCP measures through the diversification of transportation modes. As a driving force of the modal shift in the logistics industry, Nippon Express Co., Ltd. will promote the construction of eco-friendly logistics systems.



TOPICS

Nippon Express (South Asia & Oceania) Pte. Ltd. Conducts Transport Trials Using Dedicated Trains on Malaysian Railways

Nippon Express (South Asia & Oceania) Pte. Ltd. conducted rail freight transport trials between Kuala Lumpur and Padang Besar in Malaysia using dedicated trains running on Malaysian rail lines from September 20 to September 22, 2023. Growing demand for international logistics resulting from economic cooperation among countries in the ASEAN region and rising demand for consumer goods due to improved purchasing power have prompted companies to consider restructuring their supply chains. At the same time, specific initiatives to realize a carbon-neutral society and the enhancement of transportation capacity have become major issues in the region. Against this backdrop, NX GROUP has developed an "SS7000" overland transport service that connects Shanghai to Singapore over a distance of approximately 7,000 km, and it offers regular consolidated trucking services. In April 2022, the Group launched a new intermodal transport service linking up ASEAN and neighboring countries via international railways running between China and Laos. The purpose of these transportation trials is to develop logistics services that help further reduce CO₂ emissions and build an international rail transport network in the ASEAN region in the future.



Trial transport underway



Map of trial transport route



Please see our website for details.

Provide Logistics Technologies and Services with Low Environmental Impact

Encouraging Eco-driving

Activities and Achievements

Aiming to reduce the environmental impact of truck transport, NX GROUP encourages eco-driving to curb CO₂ emissions and fuel consumption, and is committed to improvements in safety.

Safe Eco-driving Education

In fiscal 2023, Nippon Express Co., Ltd. conducted safe eco-driving education, mainly by distributing materials and providing advice on eco-driving.

In fiscal 2024, in order to raise drivers' awareness of eco-friendly driving, we will introduce a system to evaluate eco-driving among drivers (measure the performance of eco-driving by drivers and reflect their performance in policies after providing guidance).

Digital Tachographs

Nippon Express Co., Ltd. uses the Operation Support System that links digital tachographs with work terminals (smartphones) to manage vehicle operations, cargo handling, and other operations as well as worktime and attendance. We started the sequential upgrading of digital tachographs since October 2021. Reports compiled and output after daily driving are evaluated for safe driving using the functions of the digital tachograph, as well as economic driving = eco-driving. We are also pairing IoT technology with our unique education and training to eliminate traffic accidents and cut CO₂ emissions through greater fuel efficiency. Since November 2023, NX GROUP companies other than NX Cash Logistics Co., Ltd. have been introducing new operation support systems and updating digital tachograph systems.

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

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

Through the sale of system equipment that controls the output of outdoor unit of air conditioners, NX Shoji Co., Ltd. has started initiatives to reduce the amount of CO₂ emissions by reducing electricity use and curbing soaring electricity bill expenditures while maintaining customer working environments. In the projects that have already been completed, CO₂ emissions have been reduced by approximately 15% and electricity costs have been reduced by approximately 10%. We will continue to provide solutions that reduce energy consumption.

Strengthen Adaptive Capacity and Resilience in the Face of Climate Change

Social Responsibility as a Designated Public Institution

Organizations and Systems

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

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

Just after the Noto earthquake, which occurred in January 2024, we transported emergency supplies such as food, beverages, and blankets to Ishikawa Prefecture, which suffered extensive damage, based on a request from the government.

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

Strengthened Resilience at Logistics Hubs

Activities and Achievements

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



Tokyo C-NX exterior view

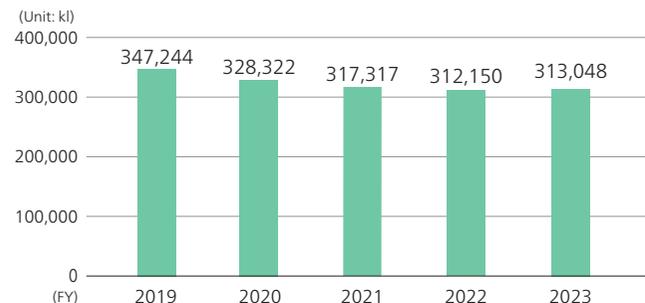


Please see Nippon Express Co., Ltd.'s website for details.

Environmental Data (Climate Change)

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

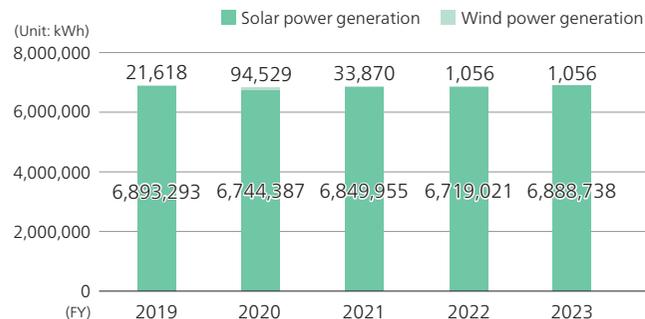
Energy consumption in NX GROUP (crude oil equivalent)



*1 The data shown here aggregate the energy consumption by Nippon Express 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)

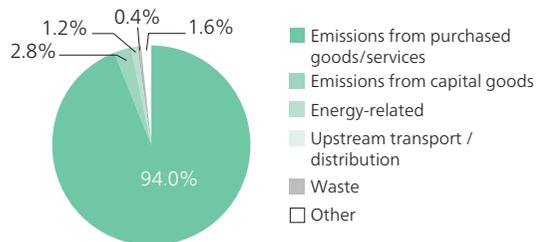


*3 Renewable power generation, electricity used in-house and electricity sold are not included in NX GROUP's energy use.

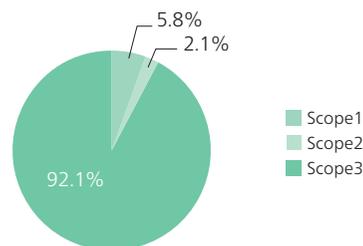
CO₂ Emissions (Scope 1 and 2)



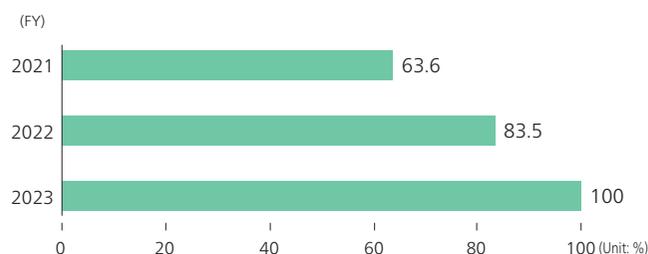
Component ratio for Scope 3 (NX GROUP)



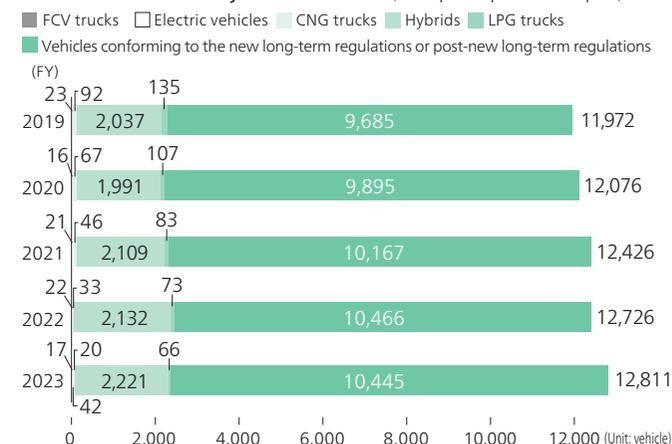
GHG emissions across all supply chains (NX GROUP)



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



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



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

Fluorocarbon Emission Control Act

(April 2023 to March 2024: Nippon Express Co., Ltd.)

(Act on Rational Use and Appropriate Management of Fluorocarbons)

Applicable equipment (number of systems)	
Class I specified products	9,956

Types of fluorocarbon	Actual fluorocarbon leakage amount (kg)	Calculated fluorocarbon leakage amount (tons CO ₂)
R401A	70	79
R410A	19	28
R134a	1	1
Total	—	118

Third-party Verification of CO₂ Emissions Data

Nippon Express Co., Ltd. commissioned SGS Japan Inc. to conduct third-party verification of CO₂ emissions data (CO₂ emissions from fossil fuel use in Japan) for FY2022 based on ISO 14064-3:2019. We are planning to obtain third-party verification also on CO₂ emissions data for FY2023.

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

Please see our website for details of the Third Party Verification Report.

Recycling of Resources

Perspective on Resource Recycling

Policies and Targets

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.

Reducing and Properly Managing Waste

Organizations and Systems

Waste Management System

To properly manage waste, Nippon Express Co., Ltd. shares information regarding waste with the Board of Officers and disseminates instructions. In addition to providing in-house training and conducting work site inspections, 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 FY2023.

Reducing and Properly Managing Waste



Release Amounts Subject to Notification Under the PRTR Act

Although none of Nippon Express' business locations are required to submit notifications under the Act on Confirmation, etc., of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (the "PRTR Act"), business sites that handle chemical substances subject to the Act are listed in the "Environment Data" section (P. 22) of this publication and on our website.



Environmental Data section on our website

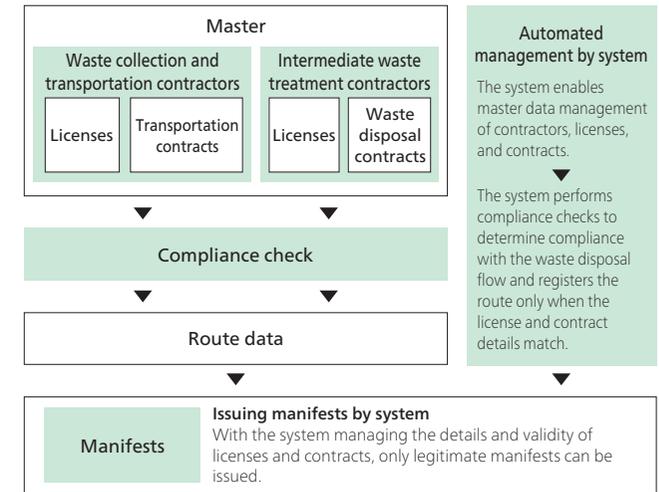
ECO-TOWMAS® Waste Management Manifest System (Registered trademark)

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.

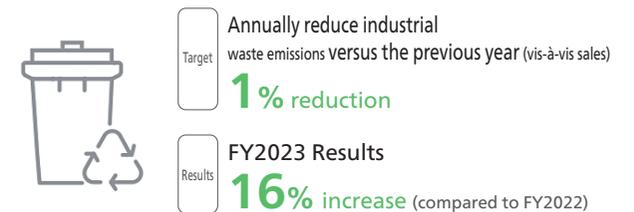
When Company's business locations dispose of industrial waste, ECO-TOWMAS® automatically performs compliance checks to determine whether the disposal is being properly outsourced by comparing the information entered at the locations with the license and contract details of the Company to whom disposal 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 96.1% as of December 2023.

Waste management manifest system



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



Recycling of Resources

Resource Recycling

Activities and Achievements

Nippon Express Co., Ltd. undertakes the transport of waste, which plays a role in resource recycling. Using rail and marine containers, we engage in the wide-area transport of mercury waste from municipalities and companies around the country and deliver the waste to disposal facilities. In addition, PCB (polychlorinated biphenyl) waste entails significant hazards, and its transport to disposal facilities must be carried out by trained personnel. Using rail containers which have a low environmental impact, we performed wide-area transport of enormous amounts of waste resulting from the Great East Japan Earthquake, the Kumamoto Earthquake, the Reiwa 1 East Japan Typhoon and other recent disasters.

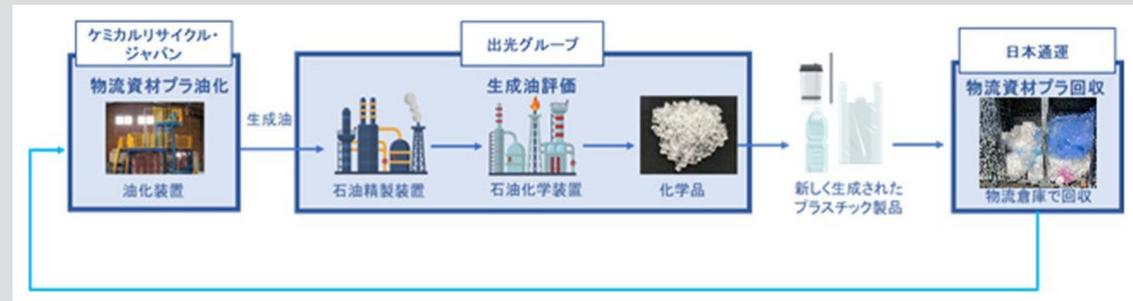
TOPICS

Nippon Express and Idemitsu Kosan Start a Demonstration Experiment Aimed at Recycling Plastics Used for Logistics

Chemical Recycle Japan Co., Ltd., a subsidiary of Idemitsu Kosan Co., Ltd., has started a demonstration experiment in which used plastic used for logistics materials generated at Nippon Express Co., Ltd. logistics bases are used to produce oil produced using chemical oil recycling technology. In the future, Idemitsu aims to use the generated oil as a raw material to produce "renewable chemicals" and "renewable fuel oil" using its petroleum refining and petrochemical equipment.



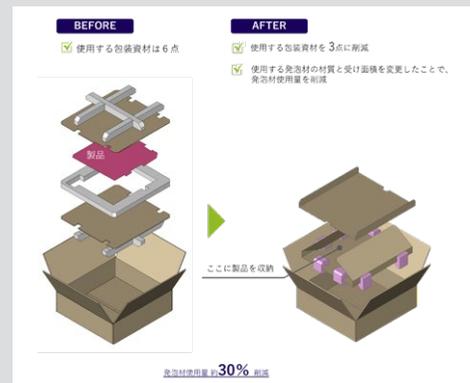
Please see our website for details.



TOPICS

The Quality Evaluation Center Centralizes Packaging Design to Reduce Environmental Impact

Nittsu NEC Logistics, Ltd.'s packaging design service helps customers reduce CO₂ emissions by proposing appropriate packaging designs that are not excessive or insufficient, thereby reducing the amount of materials used for packaging and improving storage and transportation efficiency by slimming down the size of packaging. In the case of product packaging design, if the design company and the evaluation testing company which performs strength and durability tests are different, the prototype that was designed and created will be sent to and returned to the evaluation testing company. Since we handle design, prototyping, and evaluation in-house, we can reduce the environmental burden without unnecessary transportation.



Packaging design service



Recycling of Resources

Environmentally Friendly Products

Activities and Achievements

Reusable Protection Materials for Moving Operations

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.



Proposal and Delivery of Environmental Products

NX Shoji Co., Ltd. is moving forward with proposals to switch materials used in logistics to commercial materials with lower environmental impact. As an example, we support our customers' efforts to reduce their environmental impact by proposing that shipping bags used in the EC market be switched to products with the Biomass Mark certified by the Japan Organics Recycling Association. Since launching this initiative in the summer of 2022, together with the cost benefits of switching, we have achieved a 25% reduction in oil consumption (25% biomass content) compared to conventional products, contributing to a reduction in CO₂ emissions.

TOPICS

NX Energy Kyushu reduces CO₂ Emissions by using B5 Biodiesel for Vehicles (November 2023)

From November 15, NX Energy Kyushu Co., Ltd. started using B5* automobile fuel mixed with 5% biodiesel fuel (BDF) as fuel for LPG delivery vehicles. The use of this fuel leads to a reduction in CO₂ emissions during LP gas distribution. In February 2024, we began trial operations using B24, a 24% BDF mixture, as a fuel for our own oil tanker, the Aikomaru.

* B5 is a fuel that can reduce CO₂ emissions by about 5% by using waste edible oil as a raw material and guarantees the same quality as diesel oil specified by the Japanese government.



Please see our website for details.



The Aikomaru (side view)

TOPICS

NX Europe Develops the NX-GREEN SAF Program

Nippon Express Europe GmbH developed the NX-GREEN SAF Program, which utilizes SAF (Sustainable Aviation Fuel) for air cargo transportation with a lower environmental impact, in order to provide more sustainable and future-oriented services to its customers.

When a customer chooses to participate in the NX-GREEN SAF Program, a third-party certified CO₂ Reduction Certificate is issued in accordance with the book and claim (certification traded between SAF producers, end-product manufacturers and sellers), enabling the customer to reduce the CO₂ emissions saved by the SAF program from their Scope 3 emissions.

In order to ensure the use of SAF in air cargo transportation, in NX Europe purchased SAF from Lufthansa Cargo in June 2023, equivalent to a CO₂ emission reduction of 3,150 t and coordinated with the company.

These financial contributions will help to expand sustainable airfreight transportation and realize low-carbon freight transport in the future.

Protect Terrestrial and Marine Ecosystems

Preventing Alien Species from Crossing Habitat Boundaries Organizations and Systems

Nippon Express Co., Ltd. makes the utmost efforts to prevent the unexpected transportation of 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.

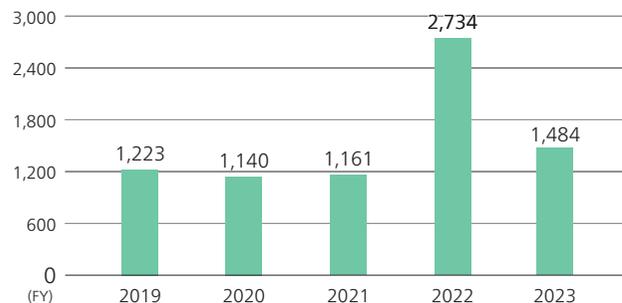
Conservation of Marine Ecosystems Organizations and Systems

For the conservation of marine ecosystems, Nippon Express Co., Ltd. tries to reduce emissions of contaminated water, waste, ballast water and other pollutants from its ships into the sea. Hi-mawari 8, one of our ships, is equipped with a marine instrument from an incorporated nonprofit organization, VOS Nippon, to provide salinity, temperature and pH measurements of the water along the coasts of Japan. The data is used to make forecasts of meteorological, hydrographic and fishing conditions and for research on ocean currents, biological environments and other phenomena in coastal waters.

Environmental Data (Recycling of Resources)

Water usage (Group companies in Japan)

(Unit: thousand cubic meters)



Waste volume (Group companies in Japan)

(Unit: tons)



PRTR-related emissions of substances reportable

(April 2023 to March 2024: 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	4	74	Fenitrothion	Insecticide and insect control in warehouses
Not reportable business category but office uses reportable substance	14	6,924	Methyl bromide	Fumigation work in operations incidental to import customs clearance

Social Value

Management Approach

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

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



Management Indicators



Target	Percentage of staff members scheduled to assume managerial-level roles who undergo training on human rights	100%
Results	Percentage of staff members scheduled to assume managerial-level roles who underwent the training in FY 2023	100%
Target	Annual paid leave utilization rate by 2023	60% or more
Results	FY2023: Annual paid leave utilization rate	63.2%

Note: All figures for Nippon Express Co., Ltd.

Main Sustainability Issues

- Respect for Human Rights and Realization of Responsible Corporate Activities
- Correcting Inequality and Disparity
- Enhancement of Human Capital to Foster Innovation
- Health and Welfare
- Solidify Global Supply Chain

Description in the Sustainability Data Book

- Ensure robust respect for human rights in our supply chains
- Secure occupational health
- Ensure occupational and social safety
- Human resources principles
- Train human resources who can work globally
- Promote diversity and inclusion
- Workstyle innovation
- Employee data
- Encourage global quality to meet expectations from customers and society
- Contribute to sustainable and tough infrastructure development

NX GROUP's Approach

- Use the Nittsu Safety & Health Management System (NSM) to thoroughly inform all staff members of the importance of health and safety
- Provide guidance and education on health
- Provide affiliates and subcontractors with guidance and education on safety
- Encourage respect for human rights in our procurement practices
- Promote human resources management to achieve employee success and growth

 [Social value information on NIPPON EXPRESS HOLDINGS website](#)

Material Issues



Social Value



Social Data



Respect for Human Rights

Ensure Robust Respect for Human Rights in the Supply Chains

Our View on Respect for Human Rights in Our Supply Chains

Policies and Targets

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 have also formulated NX GROUP Human Rights Policy as a commitment to fulfilling our responsibility to respect human rights.

In addition, 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

Compliance Promotion Across Our Supply Chains

Organizations and Systems

We revised NX GROUP Compliance Regulations and are working to strengthen our compliance training and education system, including respect for human rights, and to create workplaces that mutually understand and respect the diversity of races, nationalities, cultures, and genders.

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

When concluding a contract, Nippon Express Co., Ltd. will confirm the approval required for the business to be entrusted by it, purchase of transportation liability insurance and voluntary automobile insurance, and whether there have been any accidents or administrative actions within the past three years, based on the Business Confirmation Statement. Nippon Express Co., Ltd. will conclude a basic agreement with the partner company based on the judgment that it will not be subject to risk by utilizing the partner company. 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.

Ensure Robust Respect for Human Rights in the Supply Chains

Education on Human Rights Activities and Achievements

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 all employees, through the Human Rights Week initiative, conducted in December 2023, 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 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 cases of human rights violations in FY2023.

Compliance education via e-learning (harassment prevention course)

Number of participants	19,368
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For sales and administrative staff members of NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd.

Training on human rights for new employees

Number of participants	233
------------------------	-----

For general staff of Nippon Express Co., Ltd.

Secure Occupational Health

Health Management Promotion Structure

Organizations and Systems

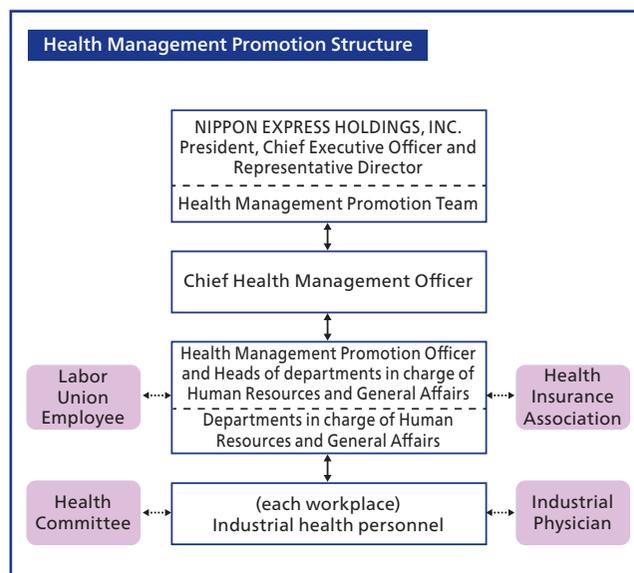
NX GROUP is committed to implementing health management that promotes employee health from a management perspective. In September 2022, we formulated NX GROUP Health Declaration and established a health management promotion structure with the aim of demonstrating this stance both internally and externally,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

NX GROUP Health 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.



Based on this, 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.

FY2024 Health Management Policy

Target

- Improve KPIs related to lifestyle habits (diet, exercise habits, and sleeping habits) by 5% or more year-on-year at each designated branch, etc.

Diet: Percentage of questionnaire respondents who skip breakfast less than three times a week

Exercise: Percentage of questionnaire respondents who exercise twice a week for at least 30 minutes at a time

Sleep: Percentage of questionnaire respondents who claim to be getting enough sleep

- 10% or greater improvement year-on-year in smoking rate at each designated branch, etc.

- Overall health risk score at each workplace: 100 or less (Group-wide target: 93 or less)

The probability of a person taking a leave of absence from work in the department being studied is scored using the national average as 100 in the group analysis of the stress check.

Secure Occupational Health

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

Measures for Improving Lifestyle Habits

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

Measures to Prevent Mental Health Problems

We direct the reliable implementation of self-checks through stress checks and are also taking concrete measures for improvement by utilizing the results of group analysis. In particular, we are focusing on creating comfortable workplaces, such as line care training for more than 2,000 managerial-levels 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 for young employees to improve their communication skills.

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

Improving Health Literacy

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



2024 Health and Productivity Management Brand

Activities and Achievements

The four NX GROUP companies NIPPON EXPRESS HOLDINGS, INC., Nippon Express Co., Ltd., NX WANBISHI ARCHIVES CO., LTD., and NX-NP Logistics Co., Ltd. were selected for 2024 Health and Productivity Management Brand (Large Enterprises) certification by the Ministry of Economy, Trade and Industry after the results for the companies from FY2022 to FY2023 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.



2024
健康経営優良法人
Health and productivity

2023 01

こころと体の健康づくりに関する配信

朝食を抜くと太りやすくなる？
日本経済の特定保健診における朝食欠食率は、2021年度は27.2%で、4人に1人は朝食を欠食しているという結果でした。少しでも長く働きたい、朝食を消費することが働けず、理由は様々だと感じます。一方で、朝食を欠食した日の午前中は頭がボーッとして仕事がかたどらない、といったことではないでしょうか。朝食は、脳のエネルギー源であるブドウ糖を補給して脳と身体を目覚めさせます。

朝食を抜くと、前日の夕食から次の朝食までの間の血糖を上げない方が時間短縮ですが、午前中は血糖値が下がりが身体になります。血糖値が下がった血糖値を補おうと、空腹感もあいて朝食や夕食で必要以上の食事をとってしまうこととなります。すると、血糖値は一気に高くなり、太りやすくなります。

朝食欠食による影響
次のチェックリストに当てはまる人は、朝食欠食が原因という場合も？
 朝事中に集中できない 疲れやすくない イライラする 口が乾く だるい 寝れやすい

朝食には…
炭水化物とたんぱく質の割合がよいんだって

寝せやすい体をつくるポイント
朝食を抜いたり、夕食を多く食べると、食事にムラがある場合は、朝食を、朝食を1日ですべて食べる量を3分の1ずつ均等に食べる、といったことから改善していきましょう。
お昼のための朝食メニューは、炭水化物（ごはん、食パン）と、たんぱく質（納豆、卵、豆腐、焼き魚等）の組み合わせです。また、朝食は何も食べないという方は、まずはヨーグルト、チーズ等の乳製品や果物、野菜ジュース等を口に入れることから始めてみてはいかがでしょうか。

タンパク質は、納豆、卵、豆腐、焼き魚などがオススメです。

みんなの健康ナビ
NEXグループ健康経営による信頼されるためのサポートサイト
最新の健康経営情報や、営業情報などが集まっています。
スマートフォンからはQRコードから登録してご利用ください。

ホームドクター24 ☎️ 0120-108-044
心身の健康やからだの悩みだけでなく、働きやすさの悩みもできる外部の健康相談窓口です。相談内容が匿名で知られることなくプライバシーは守られます。安心ください。

【インターネット予約】
WebURL: <https://www.healthnavi.jp/>
ユーザーID: 0886666666 | パスワード: 110804

食生活について見直そう運動

NXグループの朝ごはん傾向と対策

朝ごはんを食べることが大切と分かっていても、実際はどんなでしよう。NXグループで働く皆さんの傾向が分かってきました。

■朝ごはんを食べる？

性別	2023年	2022年
男性	29.6%	27.5%
女性	25.4%	23.0%

若い男性に朝食抜く人が多そうだな

■朝ごはんを食べない理由？

朝食欠食が多い人、朝食欠食が少ない人、夕食欠食が多い人、夕食欠食が少ない人

朝食は、忙しい？

対策① 寝朝空腹にするため 夕食を見直そう

早めに、軽めに

残業前は、残飯の時は？

帰宅後は、帰宅前やサンドイッチなど主食を先に、揚げ物やめし物は主菜と副菜中心

対策② カンタン朝ごはん

朝食を食べなかった人、忙しいけどちゃんとした人

朝食を食べなかった人、まずはここから

忙しいけどちゃんとした人、前日の残りOK

朝食を食べなかった人、ヨーグルトやバナナなど果物、たまごごはんやパン納豆がけごはん、野菜のみじん切

朝食を食べなかった人、コンビニで飲み物だけだった人

朝食を食べなかった人、なぜ、朝食が大切なの？ QRコードでチェック！ (PASS:mo202)

朝食を食べなかった人、サンドイッチ・サラダ・牛乳

NXグループ健康経営推進本部 健康経営部 企画課 中野 幸子

Secure Occupational Health

TOPICS

Osaka Warehouse aims to obtain Health and Productivity Management Brand certification to maintain and improve the health of its employees

In order to communicate internally and externally its basic stance as a company that enables its employees to proactively work toward the maintenance and promotion of good health, OSAKA WAREHOUSE CO., LTD. first aims to obtain Health and Productivity Management Brand certification by the end of FY2025. As the first step to this, Osaka Warehouse participated in the Osaka Branch Health Declaration Project of the Japan Health Insurance Association and received certification as a business site that has formulated a health declaration in November 2023. In addition, health management promoters are assigned to the Head Office, Warehouse Department, Real Estate Department, and each division, and health management advisors are trained to promote company-wide efforts (at Osaka Warehouse, one employee became a health management advisor in FY2023, and there are plans for another employee to become a health management advisor in FY2024).

Ensure Occupational and Social Safety

Safety Policies

Policies and Targets

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.”

FY2024 NX GROUP Safety Goals

Zero significant accidents and disasters

FY2024 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
- 2. Activate safety and quality training**
Conduct intergroup exchange safety and quality training
- 3. Utilize monitoring on safety and quality**
Sharing measures to prevent recurrence of similar accidents and disasters, and improving the effectiveness of safety and quality checklists for business partners
- 4. Promote the introduction of advanced safety technologies**
In addition to technologies used to check the safety of drivers and workers, we will promote the proactive introduction of technologies that can reduce the risk of accidents.

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.

Commitment to Safety

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

Nittsu Safety & Health Management System (NSM)

Activities and Achievements

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

The first program is “Open Communication in the Workplace” for effectively disseminating corporate policy and strategic direction from the top management to our front-line colleagues. The second program, “Challenge Circles (CC),” involves small group discussions on addressing problems in workplaces and ensuring safety. The third program is health and safety training/education for supervisors and managers.

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

Safety Measures Taken by Subcontractors

Activities and Achievements

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

Ensure Occupational and Social Safety

Guiding and Educating Site Workers

Organizations and Systems

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

Nippon Express Co., Ltd. has established a proficiency examination system to certify staff members' knowledge and skills and determine whether they have learned proper driving etiquette and can operate vehicles safely in the manner expected of every staff member of 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. Continuing from the previous year, training for supervisors to improve management is being conducted in FY2024 at NX-TEC Izu. Training is provided for team leaders to improve their communication skills through an e-learning format. In addition, we distribute mobile devices to supervisors and team leaders, and provide safety and compliance instructions through these devices. 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

Activities and Achievements

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

Create New Approaches to Keep the Economy Going

With regard to cash, which is the bloodstream of the economy, NX Cash Logistics Co., Ltd. is responsible for transportation services

as well as back room operations such as the storage and calculation of cash for financial institutions and retail stores and the procurement of funds for financial institutions and ATM funds.

As productivity improvement and digitalization are become major issues, we are also embarking on initiatives to improve cost aspects by fundamentally reviewing existing operation systems and promoting mechanization of "human" tasks as well. NX Cash Logistics Co., Ltd.'s Nagoya Operations Center and Osaka Operations Center are continuing to transform their operational structures, including the introduction of robots for some of their operations, and build new systems.



AMR (autonomous mobile robots) introduced at Osaka Operations Center

Efforts to Improve Quality

As security transport professionals, NX Cash Logistics Co., LTD. transports its customers' valuables safely and unfailingly by assigning highly-skilled security guards and using transport vehicles equipped with GPS and other sophisticated security devices. In addition, NX Cash Logistics is working to improve safety awareness and technology by providing education in line with regular practices.

In 2024, we introduced tablets for education of employees at work sites to further strengthen our efforts for efficient and effective education. In the future, we will build on our efforts to further improve quality through daily operations and training, including support of education in line with the times.

Commitment to Safety in Logistics

Activities and Achievements

With "Safety takes precedence over everything else" as its Safety Philosophy, NX GROUP is committed to completely eliminating significant accidents and disasters on a group-wide basis. By disseminating messages from senior management on achieving zero

accidents and communicating the safety principles of each branch and section via workplace-wide meetings, we aim to spread safety awareness among all staff members. At workplaces, small group bottom-up activities are held to address challenges in ensuring safety and organize safety patrols by safety teams in an effort to prevent accidents. We also train technical and practical instructors to increase our staff members' skill levels and safety awareness.

Measures to Ensure Drivers' Safety

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

Safety panels are established when accidents or disasters occur to prevent any recurrences through actions such as safety drills, ride-along instruction by supervisors and team leaders. In FY2024, we are working on visualization of work procedures by making videos of safety work procedures.

Use of an Eye Tracking System

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

Training Equipment for Preventing Accidents When Backing Up

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

Introduction of Special Vehicle for Accompanied Driving Lessons

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.

Ensure Occupational and Social Safety

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

Activities and Achievements

Progress of Initiatives in 2023 (planned plans, details about initiatives implemented, effects of initiatives, etc.)

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.

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

Issues Identified through Initiatives in 2023

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.

Work is being conducted at each Group company to prevent accidents and disasters by identifying trends in accidents and disasters that occurred in the previous fiscal year and formulating safety policies and safety initiatives for FY 2024.

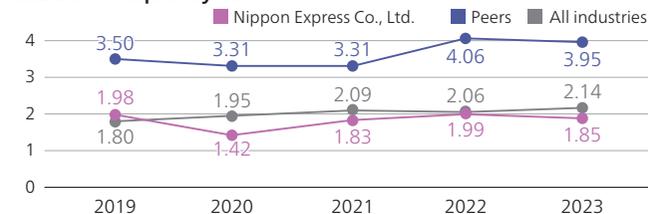
Plans for Future Initiatives (major milestones, achievement targets, plans, etc. for initiatives in FY2024 and beyond)

In order to further strengthen the Group's Global Safety and Quality Management System, NIPPON EXPRESS HOLDINGS, INC.'s Safety & Quality Promotion Office will support the roles of safety promotion staff at each Group company, promote the introduction of safety technology through latest equipment, and formulate safety training policies.

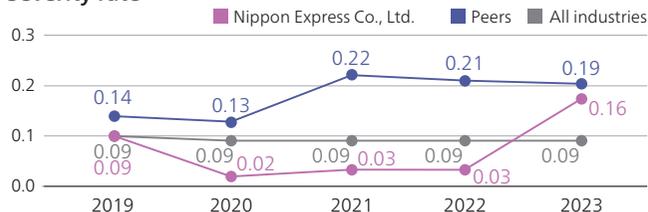
Safety-Related Data

Index of labor accidents

Accident frequency rate*1



Severity rate*2



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

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

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

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

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

Number of accidents relating to Article 2 of the Automobile Accident Reporting Regulations

(January 2023 to December 2023)

Item	(Unit: number of accidents)
Vehicle malfunction	25
Rollover	2
Fire	2
Health-originating	2
Total	31

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

(as of January 2024)

	Number of authorized offices	G-Mark Number of certified offices	Rate of certification
Number of certified offices in NX GROUP	673	658	97.8%

(Reference) Industry certification status (as of December 2023)

	Number of offices	Number of certified offices	Rate of certification
Nationwide	86,405	29,044	33.6%

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

Human Resources and a Workplace That Support Sustainable Growth

Human Resources Principles

NX GROUP Human Resource Policy

Policies and Targets

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.

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

NX GROUP Human Resource Policy

I People

Self-discipline

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

Challenge and Change

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

Integrity and Empathy

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

II Promises

Diversity and Inclusion

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

Support for self-actualization

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

Psychological Safety

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

III Values

Linkage with management

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

Career Support

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

Communication with employees

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

Promoting Human Resources Management

Organizations and Systems

NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. introduced a talent management system for the promotion of human resource management to realize the further participation and growth of all employees through means including career development support. NX GROUP is also expanding its human capital management measures and systems that are useful for increasing the value of human capital.

Improving Employee Engagement

Activities and Achievements

Since 2023, NX GROUP has been conducting an engagement survey of its major subsidiaries as part of its efforts "Enhancement of well-being," which is one of the core human resource strategies set out in NX GROUP Management Plan 2028. Collecting objective and quantitative data on engagement allows us to understand the issues facing the entire Group and each Group company. In particular, NX Core Engagement, which shows a strong sense of belonging among employees and a willingness to contribute voluntarily to the achievement of goals, is set as an indicator of performance. Moving forward, we plan to improve employee engagement through the PDCA cycle (FY2023 results: NX Core Engagement Score: 71 pts., Response rate: 78%).

Train Human Resources Who Can Work Globally

View on Human Resources Development

Policies and Targets

NX GROUP has formulated the Education Policy linked to NX GROUP Management Plan 2028 and is working to develop human resources 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.

In addition, with regard to the development of global human resources, we dispatch about 70 overseas business training personnel annually to overseas bases in order to develop human resources who can play an active role in overseas and domestic global businesses in the future. We are working to develop global human resources in the initial stages of their careers so that they can be assigned overseas early on.

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

Educational Environment (training facilities)

Organizations and Systems

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

Organizations and Systems

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 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

Organizations and Systems

In 1958, Nippon Express Co., Ltd. dispatched employees overseas for the first time. In 1964, we launched an overseas business training system for developing our future overseas representatives. More than 2,000 trainees have been sent overseas to date.

Education & Training Performance

Organizations and Systems

In addition to remote training using online tools, Nippon Express Co., Ltd. provided group training for new hires and young second-, third-, and fourth-year employees in FY2023. A total of 115 classes were held by NX GROUP University, with 2,238 participants. Of these 60 classes, training linked to the personnel system was held with a of 1,338 participants.

As an initiative of our human resources development organizations to strengthen the profitability of the logistics business and enhance the functions of logistics solutions, a number of training programs were also conducted with the goal of giving participants the ability to design operations and build systems for improving logistics.

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

Promote Diversity and Inclusion

Our View on Diversity and Inclusion Policies and Targets

Policies and Targets

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 the main aim of our human resources strategy, consider measures to address issues based on the results of the NX Engagement Survey conducted in FY2023, and promote initiatives to realize the management plan while ensuring that the PDCA cycle is followed.

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.

Implementation System

Organizations and Systems

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

The company's main initiatives are as follows.

● E-learning

We have been implementing e-learning continuously to promote diversity and flexible work styles throughout the company. In FY2023, we implemented the following e-learning programs: Diversity Training for Managerial-Level Staff, designed to help create workplace environment with a high level of psychological safety, Supportive Management Training for Managerial-Level Staff to motivate and encourage the contribution and growth of subordinates, which was conducted in conjunction with on-line group training, and the e-learning courses Basic Knowledge Course on Balancing Work and Nursing Care, LGBTQ Basic Awareness Training, and Encouragement for Male Employees to Take Parental Leave to acquire specific methods for understanding and accepting diverse employees (Participants in e-learning training in FY2023: Diversity Training for Managerial-Level Staff: 479, Supportive Management Training for Managerial-Level Staff: 2,414,

Basic Knowledge Course on Balancing Work and Nursing Care: 18,005, LGBTQ Basic Awareness Training: 17,883, Encouragement for Male Employees to Take Parental Leave: 193).

● Managerial-level Personnel Training

Supportive Management Training for Managerial-Level Staff was implemented with the objective of giving participants the required knowledge and skills was implemented with the objectives of giving participants the required knowledge and skills in connection to diversity management, including diversity management approaches that encourage diverse members to acknowledge their respective differences and turn this diversity into an organizational strength as well as inclusive workplace creation (2,414 attendees in FY2023).

● Improving Female Staff Members' Career Ambitions and Strengthening Their Networking

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

In addition, we conducted training for managerial-level candidates to improve their management skills and strengthen their leadership skills, thereby creating mindsets for managerial-levels (390 participated in four training courses for female staff in FY2023).

Group companies in Japan achieved the target for percentage of women with managerial-levels in FY2023 (Target: 3%, Result: 3.1%, +0.3 points year-on-year). We will continue to work on these initiatives in FY2024.

PDCA Cycle for Promoting Diversity Management



Promote Diversity and Inclusion

● 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. We also introduced a lump-sum payment system to support parental leave. In FY2023, we created an environment for encouraging employees to take parental leave, such as conducting video training for eligible employees and their supervisors, which has led to an increase in the rate of taking parental leave.

The rate of male employees taking parental leave in FY2023 was 34.6%, compared with the target of 40% for Group companies in Japan (rate at Nippon Express Co., Ltd. was 42.2%). In FY2024, we will continue to promote further initiatives with a target of 50% of male employees eligible for taking parental leave doing so.

Diversity declarations by branch managers



Diversity Promotion Group portal site

Awareness-Raising Activities

Activities and Achievements

To strongly encourage diversity on an organization-wide basis, Nippon Express Co., Ltd. compiles and provides diversity declarations from all General 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.

Employing Foreign Students Full-time

Activities and Achievements

For a Japanese company to achieve growth in global business operations, it cannot scrimp on training human resources that can function as a bridge between Japan and the rest of the world. In parallel with its efforts to train local staff, Nippon Express Co., Ltd. hires foreign students under an employment system designed to maximize their aptitudes and broaden the scope of their activities. We have high hopes that these foreign employees will serve as a driving force in fusing diverse values to create new business domains, in addition to augmenting the operations of our overseas business locations.

● NIPPON EXPRESS HOLDINGS, INC.

Number of foreign nationals: 19 (as of January 2024)

● Data on foreign nationals employed by Nippon Express Co., Ltd.

- Experienced and professional hires: 4 (2023)
- Employees (general staff) hires: 5 in 2023 and plans to hire 4 in 2024

Employment of Persons with Disabilities

Activities and Achievements

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 addition, NX Heartful Co., Ltd. provides support for employment and retention, as well as subcontracting operations within the Group, and provide opportunities for persons with disabilities to play an active role according to their characteristics. As a result of the Group's efforts to promote the employment of persons with disabilities, we achieved the statutory employment rate in FY2023.

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

Promote Workstyle Innovation

Our View on Workstyle Innovation

Policies and Targets

Allowing staff members to proudly and energetically assume a leading role requires the enhancement of not only their work but also their lifestyles. 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.

Helping Employees Balance Child/ Nursing Care and Work

Organizations and Systems

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 provided video education for eligible employees and their superiors in 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 conducted the Basic Knowledge Course on Balancing Work and Nursing Care video 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 FY2023: Encouragement for Male Employees to Take Parental Leave: 193, Basic Knowledge Course on Balancing Work and Nursing Care: 18,005).



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

Support Career Development with a View Toward Life Events

Activities and Achievements

Nippon Express Co., Ltd. holds the Lifestyle Workshop for young female employees who will face life events in the future so that they can balance life events and work and develop a long-term career vision with peace of mind. These young staff members receive guidance from outside lecturers and have roundtable discussions with senior employees who serve as role models. By participating in these programs, they will be better equipped to balance work and children, and acquire related expertise.

Work Style Reform Efforts

Activities and Achievements

● 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 working to improve productivity through the use of RPA and mechanization of “human” tasks. Also, in order to realize a more balanced work styles, we are promoting flexible work styles for employees, such as by flexibly managing working hours and significantly easing the number of days to implement the remote work system in 2023.

● Promoting Use of Annual Paid Leave

The annual paid leave utilization rate for NX GROUP companies in Japan reached 60.2%, achieving the target of 60%. At Nippon Express Co., Ltd. has seen the effect of organization-wide efforts, including raising awareness that taking leave is part of work and leave is for everyone throughout the diversity promotion period, as well as bottom-up activities in each branch. NX GROUP has set a annual paid leave utilization rate target of 64% for this fiscal year and will continue to aim at increasing the utilization rate.

● Promotion of Remote Work

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

Currently, it is possible to work remotely for all days of the month except for four days a month. 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.

● Ensuring Fair Working Conditions

From April 2019, Nippon Express Co., Ltd. introduced an employee system and wage system oriented around the degree of contribution to work based on roles and duties. The working conditions of fixed-term employees who are engaged in the same duties as employees are the same as those of employees, and the system is designed to enable all employees to work in a more positive and positive manner by providing fair treatment regardless of employment status.

● Relationship with the Worker's Union Activities and Achievements

The Nippon Express Worker's Union boasts 29,243 members as of December 31, 2023. Leveraging the relationship of mutual trust they have built up over the years, Nippon Express Co., Ltd. and the Nippon Express Worker's Union are committed to working together toward their shared goals of growing the Company and improving its work environment, all the while respecting each other's positions and maintaining proper labor-management order.

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

Employee Data

Number of employees (consolidated) as of December 31, 2023

		Employees	Temporary employees (average number of temporary employees per year)
Logistics	Japan	40,981	8,110
	Americas	3,356	186
	Europe	4,287	579
	East Asia	4,500	34
	South Asia and Oceania	8,392	37
Security Transportation		7,071	877
Heavy Haulage and Construction		946	81
Logistics Support		4,631	1,067
All companies (common)		274	33
Total		74,438	11,004

Employee data (Nippon Express Co., Ltd.)*7

		FY 2021	FY 2022	FY 2023
Employees by employment status*1	Employees	33,664	33,504	27,590
	Temporary employees	1,589	1,193	751
Employees by gender*1	Men	28,752	28,150	22,041
	Women	6,501	6,547	6,300
Employees by age*1	Under age 30	4,843	4,931	4,362
	Age 30 to age 50	17,032	14,988	11,225
	Above age 50	13,378	14,778	12,754
	Average age	44.3	45.0	45.2
Employees hired - New graduates*2, *4	Men	507	354	310
	Women	454	299	300
Employees hired - Experienced employees*3	Men	6	12	20
	Women	2	2	10
Turnover*2	Men	545	602	638
	Women	262	285	362
	Men (within three years of joining the Company)	257	196	217
	Women (within three years of joining the Company)	137	94	144

		FY 2021	FY 2022	FY 2023
Turnover rate*2	Overall	2.5%	2.6%	2.8%
	Within three years of joining the company	5.3%	6.8%	6.9%
Average years with the Company*1	—	16.4	15.9	17.2
Average days of paid leave taken*2	—	11.4	15.9	17.1
Percentage of women with managerial positions	—	1.7%	2.0%	2.3%
Percentage of female assistant managers	—	13.5%	11.3%	14.0%
Gender wage gap*5	—	62.5%	63.2%	63.1%
Persons taking maternity leave	—	176	208	192
Number of employees eligible to take childcare leave	Men	460	482	446
	Women	149	168	163
Persons taking childcare leave	Men	103	172	189
	Women	132	156	149
Percentage of employees who return to work after childcare leave	Men	100%	100%	99.5%
	Women	97.0%	97.5%	99.4%
Retention rate of employees who return to work after childcare leave	Men	88.0%	90.8%	94.8%
	Women	91.0%	91.9%	92.9%
Persons taking family care leave	Men	8	6	10
	Women	0	2	4
Number of Persons with Disabilities hired*6	—	9,296	12,577	12,375
Employment rate Persons with Disabilities*6	—	2.30%	2.33%	2.34%

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

*2 Nippon Express Co., Ltd. employees (general staff and area-based staff)

*3 Nippon Express Co., Ltd. employees (general staff)

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

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

*6 Totals of NIPPON EXPRESS HOLDINGS and NX GROUP companies with applicable certifications (calculated based on the Act on Employment Promotion etc. of Persons with Disabilities)

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

New Value for Industry

Encourage Global Quality to Meet Expectations from Customers and Society

Our View on Quality

Policies and Targets

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.

Customer Consultation System

Organizations and Systems

NX GROUP 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 (FY2023)

Inquiries	11,736
Requests	438

Customer Survey

Activities and Achievements

Nippon Express Co., Ltd. has been asking customers who make use of its removals services to respond to a survey about those services. The opinions we receive from this survey will be utilized in making future business improvements and developing products in the hope that these will lead to greater customer satisfaction and improved service quality.

Also, NPS calculated from the survey responses is used as a KPI for moving quality. From 2019 when NPS was first introduced until now, the annual figures have risen, which means an improvement in moving quality has been made. Continuing from 2023, in 2024, we were given the top overall place among moving companies

in the Oricon® Satisfaction Survey for three consecutive years. In particular, we received a very high evaluation, ranking first in three categories: "Responsiveness of moving staff," "Work performed by the moving staff," and "Compensation," and also ranked second in the category "Responsiveness of sales staff."

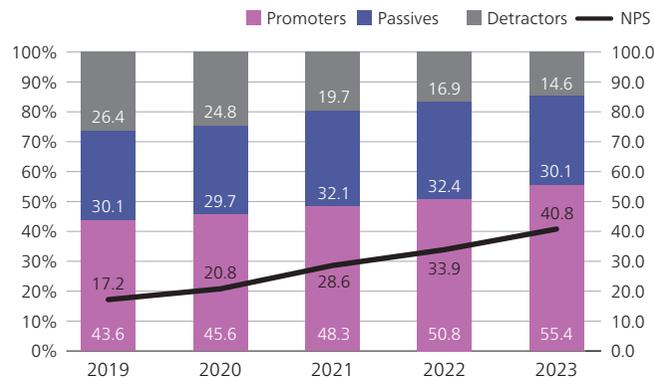
NPS:
Abbreviation for Net Promoter Score. An index to measure customer loyalty.
We quantify how much love or trust there is toward the company or brand and use it as an index for quality of moving.

Always None

10 9 8 7 6 5 4 3 2 1 0

Ratio of respondents with nine or ten (%) — Ratio of respondents with six or less (%) = NPS

Survey Results and NPS by Year



Encourage Global Quality to Meet Expectations from Customers and Society

Activities and Achievements

Pharmaceutical Logistics

Nippon Express Co., Ltd. offers pharmaceutical logistics services 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.

Stable Social Systems (uninterrupted supply chains)

Contribute to Sustainable and Tough Infrastructure Development

Creation of Business Models Based on the Latest Technology Activities and Achievements

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.



Developing Cutting-Edge Logistics Technologies Activities and Achievements

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

● Proof-of-Concept Regarding Drone Use

Based on the content of the drone use demonstration experiment conducted in Yokohama City, Kanagawa Prefecture in November 2023, Nippon Express Co., Ltd. will work on using drones in society from 2025 for actual transport and delivery.

At the same time, the company plans to expand its business outside of Kanagawa Prefecture with a view to collaborating with other companies regarding drone use.

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.

● Efforts to Digitize Receiving and Shipment Inspections

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

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

Nippon Express Co., Ltd. conducted a demonstration experiment with the aim of applying image recognition technology to the shipping mark matching work carried out at container freight stations (CFS) for international maritime transportation. Additionally, the company is continuing initiatives, including joint research with vendors, to realize labor-saving and automation of manual loading and unloading work in international maritime transportation, rail container transportation, and truck-based transportation.



● Initiatives for the Automation of Logistics Sites

Nippon Express Co., Ltd. participates in various exhibitions and holds hearings with vendors with the aim of automation,

labor saving, and efficiency at logistics sites. The information and knowledge obtained are shared within the company, and activities are carried out to introduce the system, such as interviews with the person in charge and site visits.

Providing Special Transport Services Activities and Achievements

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

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

● Transporting Works of Art

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

 Please see Nippon Express Co., Ltd.'s website for details.

● Transport of Heavy Equipment and Construction of Plant Facilities

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

 Please see Nippon Express Co., Ltd.'s website for details.

Contribute to Sustainable and Tough Infrastructure Development

● Eco-friendly Temperature-controlled Transportation Using Recyclable, Passive Temperature-controlled Packaging

In collaboration with EMBALL'ISO S.A. (Head Office: St-Georges-de-Reins, France), NX GROUP 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 Management 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. Since more than 10 years ago, 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 using Environmental-friendly Isothermal Packaging

Features

- 1 The service uses packaging with high isothermal performance that satisfies the ISTA7D standard*

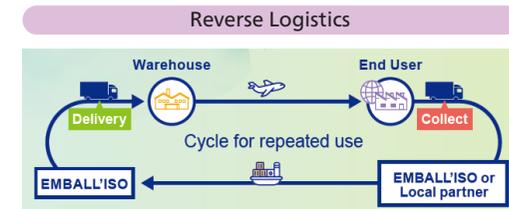
* ISTA7D standard: An international test standard developed by the International Safe Transit Association (ISTA) and widely adopted around the world for packaged cargo.

- 2 Reverse logistics service contributes to the reduction of CO₂ emissions in the supply chain

- The environmental-friendly isothermal packaging can be collected in 80 countries/regions around the world.
- Enables both reduction of end-user disposal costs and environmental friendliness
- After improvements are made, marine transportation will be used to reduce environmental impact

Lineup

- Packaging for three temperature ranges (15 to 25 °C, 2 to 8 °C, and less than 0 °C) can be selected in the sizes best suited for customers' cargo volume.



TOPICS

NX AgriGrow Participates in World-Renowned Mizu no Yama Project

NX GROUP established NX AgriGrow Co., Ltd. in 2017 as a new business to operate a solar-powered plant factory located at the foot of the Southern Alps in Hokuto City, Yamanashi Prefecture.

The factory accepts local students for tours and work experience, committed to contributing to the local community and informing students about company business, products, and employment benefits.

In November 2023, NX AgriGrow Co., Ltd. participated in the Hokuto City World-Renowned Water Mountain Project, offering work experience to local high school students to convey the appeal of water and agriculture. Students seemed to gain a deeper understanding of agriculture when they discovered that our refreshing vegetables were grown with high-quality water and sunlight from the Southern Alps and are well accepted by consumers throughout Japan. The company additionally explained the advantages of the facility gardening equipment, which allows people in their 60s and 70s to work easily and enables stable shipments in any weather condition. Students also experienced the low workload firsthand through planting the seedlings themselves. Through these efforts, NX AgriGrow Co., Ltd. will continue to improve regional appeal to inspire local children to be even more proud of their hometown.



Work experience (students shown planting seedlings)



Please see our website for details on the World-Renowned Water Mountain Project.

Economic Value

Management Approach

Realize sustainable growth through collaboration and co-creation

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



Main Sustainability Issues

- Develop and Strengthen Sustainable Solutions
- Solidify Global Supply Chain

Description in the Sustainability Data Book

- Strengthen global partnerships
- Contribute to society through our business operations

NX GROUP's Approach

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



Economic value information on NIPPON EXPRESS HOLDINGS website

Material Issues



Economic Value



Community and Governance Data



Innovation Based on Collaboration and Co-creation

Strengthen Global Partnerships

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

Policies and Targets

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

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

Promote Open Innovation

Activities and Achievements

We promote 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 of NX GROUP, as well as in areas that contribute to new businesses in the medium to long term. In January 2023, we established the NX GLOBAL INNOVATION FUND and the Corporate Venturing Division to strengthen these activities. As of the end of February 2024, we have invested in five startups that contribute to NX GROUP's digital transformation and sustainability management, and are promoting co-creation with each investee.

Paving the way for new challenges



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



TOPICS

NIPPON EXPRESS HOLDINGS Invests in ECOMMIT to Create a New Business Model that Integrates Logistics and Reverse Logistics

NIPPON EXPRESS HOLDINGS, INC. has invested in ECOMMIT Co., Ltd. (hereinafter "Ecommit"), a company that provides resource-circular business services by collecting, sorting, and redistributing unnecessary goods and connecting them to their next use, as the second investment under the NX Global Innovation Fund, a CVC fund established in January 2023.

In order to "support the development of a sustainable society and better lives for people around the world through our business," NX GROUP has been promoting the 3Rs (Recycle, Reuse, and Reduce) and the reduction of waste generated in its business activities in order to realize a recycling-oriented society and provides eco-friendly products such as reusable protection materials for moving operations and environmental products.

Through our investment in ECOMMIT, we are working to create a new business model in Japan and overseas that integrates logistics and reverse logistics by combining ECOMMIT's know-how and systems with NX GROUP's logistics solutions for customers in the apparel industry, which NX GROUP positions as a key industry.



Please see our website for details.

Contributing to the Development of Local Communities

Contribute to Society Through Our Business Operations

Our View on Community Involvement

Policies and Targets

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.

Dispatching Personnel to Universities to Give Lectures for Endowed Courses

Activities and Achievements

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 164 students from Yokohama National University, 60 from Hosei University, and 200 from Aoyama Gakuin University in FY2023, the lectures helped the students to deepen their interest in and understanding of logistics, and offered opportunities for the Group to solicit frank opinions from young people.



Endowed course

Contribute to Society Through Our Business Operations

Reforestation Activities in “NX GROUP Forests”

Activities and Achievements

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

Due to the impact of COVID-19, reforestation activities in which employees participate were suspended with local forestry cooperatives continuing efforts on their own. However, in 2023, reforestation activities in which employees and their families participate as volunteers resumed for the first time in four years since 2019. Similar tree-planting activities are also being carried out not only in Japan but also in South Korea and India. NX GROUP will continue efforts to preserve the natural environment for future generations.



Tree planting in action

WEB

Please see our website for details.

TOPICS

NX Global Engineering Takes Part in Cleanup Activity in Singapore (June 2023)

NX Global Engineering Pte. Ltd. took part in a cleanup activity at Sembawang Park in Singapore on Thursday, June 22. The participants were all volunteers seeking to reduce pollutants and contaminants in order to protect the park and its wildlife. During this recent effort, they cleaned up an area of approximately seven hectares around the park and beach and collected a total of 21 bags of trash, including non-biodegradable empty boxes, plastic bottles, plastic bags, and cigarette butts.

WEB

Please see our website for details.



TOPICS

NX India Conducts Tree-planting Activity (September 2023)

Nippon Express (India) Private Limited conducted its first tree-planting activity as part of its environmental and social contribution efforts in Ahmadabad, Gujarat on September 30. A total of 27 NX India employees and volunteer students took part in this activity, planting saplings of various species that will be managed by an NGO engaged in environmental protection activities. This initiative reaffirmed the importance of environmental protection for the participants and heightened their awareness of social contribution activities.

 Please see our website for details.



TOPICS

Nippon Express Holdings' Distributes Logistics for the Future!: The Role of Logistics in Connecting the Region and the World, Original Teaching Materials, Free of Charge

NIPPON EXPRESS HOLDINGS, INC. produced Logistics for the Future!: The Role of Logistics in Connecting the Region and the World, original teaching materials for junior high school students. These materials cover social studies, geography, and civics, used in classes as educational materials for schools selected by the Ministry of Education. In 2023, they were distributed free of charge to 1,012 schools nationwide that requested them and are being used in classes.

NIPPON EXPRESS HOLDINGS, INC. based these materials on the specified courses of study through which it introduces how logistics and the development of transportation networks support consumer life. The materials include introduction and review sections for active learning and group study. NX GROUP will continue to support children's education.

 Please see our website for details.



A class in progress

Contribute to Society Through Our Business Operations

Supporting Cultural Exchange and Social Contribution Activities Activities and Achievements

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 (FY2023)

	Total number of participants and dispatched personnel
Cleanup activities	11,305
Traffic safety campaign	244
Cooperation and participation in festivals	523
Blood donation	749
Dispatch of instructors to schools, etc.	50

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

TOPICS

Nippon Express USA Delivers Gas Cartridge Stoves to Hawaii (November 2023)

Nippon Express USA, Inc. provided free shipping and delivery of 1,000 gas cartridge stoves from Los Angeles to Maui for residents in the region who were impacted by a massive wildfire.



Gas cartridge stove handover ceremony (photo credit: JETRO)

Contribute to Society Through Our Business Operations

TOPICS

NX NP Logistics Carries Out On-site Improvement Activities (“Kobe-ization” Initiatives)

NX NP Logistics Co., Ltd. works to develop on-site improvement activities throughout the company. The company refers to these activities as “Kobe-ization” initiatives and established the Kobe-ization Promotion Office at their head office. The term is derived from the Kobe Office, known for being the model location for improvement activities. NX NP Logistics Co., Ltd. implements various measures to encourage and stimulate the horizontal development of these activities.

One such example is the Kobe-ization Support Points launched in 2016.

Kobe-ization Support Points are points awarded according to the content and total number of improvement activities implemented by each site. Points can then be used to purchase equipment for further improvement activities.

In 2022, NX NP Logistics Co., Ltd. added a new way to use support points. This decision enables sites to use points to purchase UNICEF Inspired Gifts* that lead to social contribution.

In response to employees’ desire to provide support to the region impacted by the Noto earthquake, which occurred in January 2024, the points acquired by the sites during fiscal 2023 were divided and used for 20 sets of nutritional treatment meals totaling 2,400 meals provided by UNICEF and disaster relief funds for Ishikawa Prefecture.

* UNICEF Inspired Gifts

UNICEF delivers lifesaving items (gifts) to children most in need. Gifts are selected by donors and include items such as vaccines, nutritional food, and blankets.



Please see our website for details.

TOPICS

Nippon Express and OM Digital Solutions Agree to Collaborate in Digital Archive Service for Artifacts

Nippon Express Co., Ltd. and OM Digital Solutions Corporation have agreed to collaborate in a digital archive service for artifacts.

SmartMuse is a service from Nippon Express jointly developed with Fujitsu that provides comprehensive support for the creation of digital archives of cultural properties and works of art, utilizing the digitization technology owned by OM Digital Solutions Corporation. The service will contribute to solving issues in the field of cultural education by eliminating the burden of organizing materials in storage and the shortage of curators at museums and art galleries, which are responsible for preserving cultural properties and industrial assets in digital form for posterity, through the promotion of DX.



Please see our website for details.

Governance

Management Approach

Build a management platform that supports improvements in sustainable corporate value

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



Management Indicators



Target	Attendance at compliance education courses by NX GROUP companies in Japan	100%
Results	FY2023:	99%

Main Sustainability Issues

- Respect for Human Rights and Realization of Responsible Corporate Activities
- Strengthening Risk Management

Description in the Sustainability Data Book

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

NX GROUP's Approach

- Strengthen supervisory functions and implement effective operation by leveraging the Board of Directors, Audit & Supervisory Committee, and Compliance Committee
- Continue to provide compliance education programs to prevent anti-competitive behavior and bribery
- Spread and promote the use of the NX Speak Up and NX Global Speak Up whistleblowing systems among employees

 [Governance information on NIPPON EXPRESS HOLDINGS website](#)

Material Issues 

Governance 

Community and Governance Data 

Sound Company Conduct

Promote Fair Business Practices

Compliance Management Structure

Organizations and Systems

In order to realize the Group's corporate philosophy, 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 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.

In addition, NX GROUP Charter of Conduct is printed on pocket-sized compliance cards and provided on our intranet so that employees can check it at any time to understand how to act. NX GROUP Compliance Handbook (available in 16 languages) is a booklet that is distributed to all Group employees, including overseas Group companies, and is also available on our intranet in digital form. Additionally, we educate employees on compliance through training by job level, training for new hires, and other types of group-based training, workplace-based training, and e-learning.

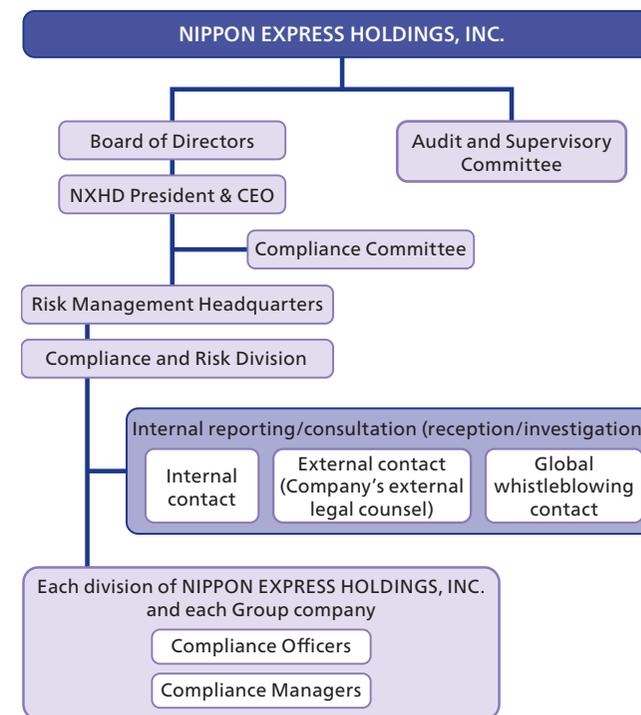
In order to further promote compliance at Group companies, including overseas companies, we have established NX GROUP Competition Law

Compliance Regulations, NX GROUP Anti-Bribery Regulations, and NNX GROUP Personal Data Protection Regulations as Group regulations, established guidelines for each of these regulations, and created a system in order to put the guidelines into practice.

NIPPON EXPRESS HOLDINGS Compliance Systems and Roles

	Compliance management system	Roles
Compliance Committee	Chairperson: President	The Committee consists of the chairperson, vice chairperson, committee members, senior advisors, observers, and secretariat and works to promote NX GROUP compliance. (Attendance by persons other than committee members) The Compliance Committee may request the attendance of persons other than Members when necessary in order to receive their opinions and reports.
	Vice-chairperson: Chief Managing Officer of the Risk Management Headquarters	
	Committee Members: Chief Managing Officer of the Global Business Headquarters· Chief Managing Officer of the Corporate Management Headquarters· Chief Managing Officer of the IT Digital Solution Headquarters· Chief Managing Officer of the Corporate Strategy Headquarters· Officers in charge of overseas regions and other committee members as prescribed in the regulations	
	Senior Advisors: Legal counsels, certified public accountants, tax accountants, and others (Some advisors will be summoned when necessary.)	
	Secretariat: Compliance and Risk Management Division	

NIPPON EXPRESS HOLDINGS, INC. Compliance System



Promote Fair Business Practices

Compliance Training

Activities and Achievements

NX GROUP distributes a Compliance Handbook (available in 16 languages) to all Group employees. The handbook summarizes specific examples of compliance and the Code of Conduct in an accessible manner. We use the handbook for employee training as it is an effective tool for promoting compliance management. For sales and administrative employees, NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. conducted harassment prevention e-learning and non-compliance prevention e-learning with approximately 19,000 employees participating in each. Various related training materials are shared with all Group companies to promote compliance education throughout the Group. Every month, our Group distributes a Compliance Newsletter and a Compliance Calendar to workplaces of 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. The Compliance Calendar presents some compliance slogans collected from

staff members and is designed to spread compliance throughout the workforce via employee involvement and friendly content. 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.

Compliance Awareness Survey

Activities and Achievements

NX GROUP regularly carries out a compliance awareness survey targeting all employees of Group companies in Japan.

The survey results are shared with employees via reports and internal bulletins, and initiatives are carried out that lead to a greater awareness of compliance among employees, workplace issues being raised and improvements being made. Also, we are working to improve compliance awareness even further, and to prevent misconduct, improper activities and harassment through using the data at various meetings.

Security Export Control

With the aim of contributing to maintaining international peace and security through its business activities centered on logistics, the Security Export 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 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.

Implement Robust Anticorruption Measures

Initiatives for Implementing Robust Anticorruption Measures

Activities and Achievements

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

Additionally, we have established Anti-Bribery Regulations as Group regulations, and established a code of conduct that employees should follow, and are working on the development of a related compliance system and employee education.



NX GROUP Compliance Handbook (for April 2022 onward)

Legal Violations

Activities and Achievements

In FY2023, NX GROUP did not face any legal prosecution or sanctions related to bribery, competition, antitrust, or export controls. In addition, we were not subject to fines or non-fine sanctions for violations of environmental laws and regulations, and there were no substantiated complaints regarding breach of customer privacy or loss of customer data.

Corporate Governance

Risk Management

Risk Management Basic Policy

Policies and Targets

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 Principles 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 wide-area disasters, new influenza viruses and other pandemics, and information system risks, coordination within the Group is being strengthened.

Risk Management System

Organizations and Systems

NX GROUP has established a Risk Management Committee, chaired by the president, to develop a Group-wide risk management system. Activities related to risk management in the Group are reported to the Committee on a regular basis.

In FY2023, we inventoried, evaluated, and identified the material risks of each Group company, and discussed the results at the Risk Management Committee. In FY 2024, we will continue to inventory, evaluate, and identify material risks at each Group company, while also promoting follow-up and feedback on the risk countermeasures of each Group company.

Crisis Management System

Organizations and Systems

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

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

Organizations and Systems

In July 2023, 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 company in our Group is promoting the formulation and maintenance of business continuity plans (BCP) based on this policy.

Safety Confirmation System and Disaster Management System

Organizations and Systems

Confirming the safety of employees is one of the most important tasks among the initial responses taken during an emergency. Nippon Express Co., Ltd. has adopted a Safety Confirmation System that automatically sends safety confirmation emails to employees in response to earthquakes of a certain severity or warnings issued by the Japan Meteorological Agency, in order to rapidly confirm the safety of employees during disasters.

Based on its disaster management rules and emergency reporting guidelines, Nippon Express Co., LTD.stipulates that, when a disaster subject to reporting occurs in a region in which the Company operates, information must be collected by each of the relevant locations and the necessary items reported in the Disaster Management System in order to promptly confirm the safety of employees and assess the extent of damage to facilities.

Personal Data Protection

Personal Data Protection Policy

Policies and Targets

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

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

Instilling Awareness of Personal Information Protection Management

Activities and Achievements

Serving as an employee training tool, e-learning aimed at training employees about personal data protection is conducted once a year on personal information protection for sales and administrative staff members of NIPPON EXPRESS HOLDINGS, INC. and Nippon Express Co., Ltd. In FY 2023, 22,000 employees participated in this training. In addition, we shared educational materials with Group companies in Japan to raise awareness of personal information protection management.

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

Certifications Received Relating to the Protection of Personal Information by NX GROUP

Activities and Achievements



Please see our website for details.

Enhance Corporate Governance

Basic Views on Corporate Governance

Policies and Targets

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

NX GROUP Basic Policy on Governance

NX GROUP Corporate Philosophy

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

2037 Vision

Business Growth:

A logistics company with a strong presence in the global market

Customers and Society:

A company that contributes to the realization of a sustainable society through logistics

Shareholders:

A company that achieves sustainable growth by establishing corporate governance

Employees:

A company whose employees come from a variety of backgrounds, are proud of their work supporting customers and society, and feel happy

Basic View toward Realizing the Long-Term Vision

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

Basic Views Toward Establishing Corporate Governance

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

Corporate Governance to Aim for

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

Approaches Aimed at Establishing Corporate Governance

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

Basic Concept Oriented Towards Evolving Group Governance

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

Group Governance to Aim for

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

Approaches Aimed at Evolving Group Governance

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

Evaluation Process for Sustainability Management Performance

Organizations and Systems

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.



**NIPPON
EXPRESS**

We Find the Way