



## Sustainability Report

# 2024

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## Message from management



# Realizing our corporate philosophy and fulfilling our mission to move closer toward a sustainable society

In 2017, we marked the 150th anniversary of our founding in 1867, the same year in which the Port of Kobe opened. At that time, when few ports in Japan were open to the outside world, we got our start as a cargo handling organization exclusively serving the agency that supervised export/import cargo—in short, the agency performing the equivalent of today's customs operations. Today, we've grown into an integrated logistics firm that handles operations ranging from warehouse storage to land transport, heavy cargo transport, and container terminal operations. We're active in major ports across Japan as the nation's leading harbor transport firm.

Japan is an island nation surrounded by water in every direction. Naturally enough, sea transport plays a key role in Japan's international trade, accounting for 99.7% of the nation's export/import cargo. As a company involved in a sector of such highly public nature, we seek to maintain the important social infrastructure of harbor transport. The stability and progress of our business activities contribute to the stability and progress of Japan's logistics infrastructure.

Our Corporate Philosophy states: By keeping up with the times and carefully responding to the demands of an

ever-changing business environment, we will take on challenges one step ahead of today's needs while striving to enhance our corporate value and the stability of our management, with the ultimate goal of helping to build an affluent society. We believe our efforts to implement this philosophy will in itself promote the sustainability of both our Company and society. In putting this philosophy into practice, it is vital that we fulfill our responsibilities to diverse stakeholders and earn their understanding and cooperation. Kamigumi will maintain its course moving forward while stressing the fundamentals: providing rewarding work in which our employees can demonstrate their individual abilities in safety and with peace of mind; delivering services that satisfy our customers; building relations of trust with our business partners; maintaining timely and appropriate disclosure and stable dividends to shareholders; fulfilling our duties to regulators; building strong ties to local communities; and minimizing our environmental impact.

**Yoshihiro Fukai**  
President & Representative Director

# Charter of Corporate Behavior

## Principle 1. Enhancing Customers Satisfaction

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We will gain customers satisfaction, reliance and also to promote social contribution by offering quality of distribution services based on experience and know-how accumulated since our establishment.

### Guidelines

- As a professional of total logistics partner, We will provide to customers diversifying needs with our original services, and with professional spirit.

## Principle 2. Fair and Transparent Business Practices

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In our business, we will engage in fair, transparent and free competition and proper business transactions.

### Guidelines

- We do not engage in collusive relationships with antisocial forces or with any particular organizations.
- Conduct fair business activities in compliance with all applicable laws and regulations.
- Conduct fair transactions, abiding by all applicable laws and regulations including the Antimonopoly Act and the Act against Delay in Payment of Subcontract Proceeds.
- Do not engage in collusive bidding.
- Properly manage confidential information of the Group as well as customer information acquired through business activities.
- Conduct transactions with clients on an equal footing, based on the contract agreed upon.

## Principle 3. Communication Activities

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We will actively communicate with our stakeholders and disclose information timely and in appropriate way.

### Guidelines

- Promote communication with stakeholders through general shareholders' meetings, and public relations and investor relations activities.
- Achieve highly transparent management through timely and accurate information disclosure.
- Fulfill accountability to stakeholders by providing adequate information to make them understand about corporate activities.

## Principle 4. Creating an Open and Active Corporate Culture

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We respect human rights and will not commit or permit discrimination in and outside the company: on the grounds of gender, creed, physical conditions and social status. We will also strive to create a positive work environment where employees can feel comfortable and find fulfillment.

### Guidelines

- Create a work environment where diverse employees can demonstrate their abilities to the fullest.
- Improve the occupational health and safety system to eradicate industrial accidents.
- Respect the personality of employees and support their career and skills development.
- Recognizing that the existence of a company is supported by its employees, respect individual employees as fellow members working together, without discriminating on the grounds of gender, age, position, birth origin, and other factors.

## Principle 5. Promotion of Environmental Management

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Recognizing that addressing environmental problems is essential to corporate existence and activities, we will not only observe environmental laws, regulations and standards in all aspects of our business activities, but also actively and voluntarily engage in activities to protect the environment.

### Guidelines

- Set environmental targets for the Group and implement group-wide initiatives to reduce the environmental impact of our business activities, and continuously improve environmental management through periodical reviews of the Group's environmental performance.
- Promote effective use of limited resources by actively engaging in energy-saving, resource-saving, recycling, reuse, and waste reduction activities.
- Offer environmentally sound distribution services, as a highly professional total distribution service provider.
- Strive to reduce, as much as possible, the environmental impacts of the use of automobiles and business activities including the operation of warehouses and terminals.
- Increase employee knowledge and awareness of environmental conservation through environmental education and publicity activities.

## **Principle 6. Contribution to the Local Community**

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We will actively engage in social contribution activities to coexist harmoniously with the local communities, as a well corporate citizen.

### **Guidelines**

- As a community-based company, actively participate in community events and activities to contribute to the local community.
- Respect the culture and norms of the community in which we operate and conduct business activities that will contribute to the development of the community, taking into consideration its specific circumstances.

## **Principle 7. Response to Antisocial Forces**

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We shall resolutely confront antisocial forces and organizations that threaten the order and security of civil society.

### **Guidelines**

- Ensure the three principles on antisocial forces (not to fear, not to give money, and not to use) are fully understood and implemented throughout the Group.
- Establish an internal system to systematically deal with antisocial forces.

## **Principle 8. Cooperation with International Society**

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In international business activities, we not only comply with international rules and the laws and regulations of the countries and regions where we operate, but also conduct business respecting local culture and customs, so as to strengthen cooperation and build mutual trust with the international community.

### **Guidelines**

- Promote international business activities, by fully understanding and complying with the international rules as well as the laws and regulations of the countries and regions where our business operations are based.
- Check overseas business sites through internal audit by our internal audit team to determine whether their management strategies and business plans are in conformity with the Group's management policy, so as to enhance the transparency of the management.

- Encourage employees working in overseas locations not only to learn local languages, but also to deepen their understanding of local culture and customs.

## **Principle 9. Implementation of the Spirit of the Charter**

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Top management of the Kamigumi Group companies must recognize that it is their roles to take the lead in ensuring that all affiliated companies and business partners are fully aware of and understand this Charter. Furthermore, top management should always try to keep abreast of the opinions of those both inside and outside the corporation and establish an effective system throughout the corporation to ensure thorough implementation of the Charter.

### **Guidelines**

- Top management should display leadership to the fullest possible extent, clearly lay out the management philosophy and codes of conduct, and ensure thorough implementation of the philosophy and codes within the Group.
- From the point of risk management, top management must set up internal systems to prevent an emergency situation from occurring and to respond effectively in the event of an emergency situation, and review and modify these systems as appropriate.

## **Principle 10. Responsibility of Top Management**

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In the case that the Charter is violated, top management of the Group companies should demonstrate, both internally and externally, their determination to resolve the problem, identify the cause and take measures to prevent the recurrence of similar violations in the future. At the same time, top management should promptly make full public disclosure, explain fully what has occurred, and, upon clarifying the relevant authority and responsibility, impose strict disciplinary action against those held responsible, including top management itself.

### **Guidelines**

- When an emergency arises, promptly conduct an investigation under the leadership of top management, identify the facts and causes, and implement appropriate policies and measures as a responsible corporation to deal with the situation.
- Top management should give the public as promptly as possible an explanation of the facts, the policies adopted to address the matter, and the measures needed taken to prevent a recurrence.

# Our basic perspective and promotion system for sustainability

Japan depends on imports for a significant share of the goods, energy, and industrial raw materials needed for food, clothing, and shelter. Japan is also a major power in international trade, with various major export industries including motor vehicles and other industrial products. Japan's total international trade is equivalent to about 1.7 times its national budget (general account). Since 99.7% of its export/import cargo is transported by sea, activities such as harbor transport and warehouse storage for such cargo are key infrastructures in livelihoods and industry.

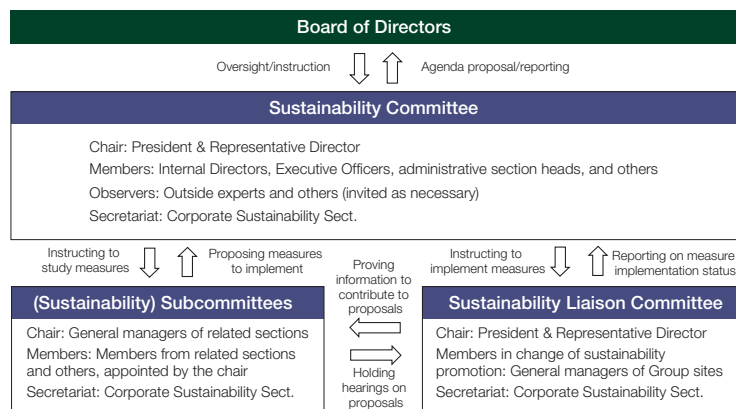
As a leading player in port logistics and accounting for the highest share of cargo handled at Japan's six largest ports, our mission is to maintain the continuity and progress of our businesses to maintain the delivery of the goods society needs. Key factors in doing so include building stronger ties to shareholders, customers, partner companies, employees, local communities, and other stakeholders and strengthening our consideration for the environment, legal and regulatory compliance, safety, and governance. We aim to pursue creation of new value capable of further enriching society, keeping in mind the sustainability of both society and the Company at all times.

## Promotion system



In November 2023, the Group established the Sustainability Committee in order to accelerate its sustainability management efforts through a stronger governance structure. The Committee, chaired by the President & Representative Director, is responsible for reviewing sustainability policies and measures, as well as for managing the progress of materiality-related targets, and submitting agenda proposals or reports to the Board of Directors.

The Board of Directors also oversees the executive structure for sustainability by providing the Committee with opinions and instructions for consideration.

## Chart of the sustainability promotion system



## Our sustainability initiatives involve putting into practice our Charter of Corporate Behavior.

|   | Charter of Corporate Behavior   | Related items   |
|---|---|---|
| <br><b>ENVIRONMENT</b> | <p><b>5. Promoting Environmental Management</b></p> <p>Recognizing that addressing environmental problems is essential to corporate existence and activities, in addition to complying with all applicable environmental laws, regulations, and standards in our business activities, we will take a proactive and voluntary role in activities that protect the environment.</p> | <ul style="list-style-type: none"> <li>• Environmental management principles</li> <li>• Environmental philosophy</li> <li>• Environmental policies</li> <li>• Perspective on preventing environmental pollution</li> <li>• Climate change</li> <li>• Perspective on climate change</li> <li>• Improving resilience</li> <li>• Perspective on preventing global warming</li> <li>• Total energy and carbon dioxide (CO<sub>2</sub>) emissions related to our domestic business</li> <li>• Managing CFCs</li> <li>• Promoting eco-friendly driving</li> <li>• Adopting energy-conserving and low pollutant vehicles</li> <li>• Energy-conservation activities in offices, warehouses, and other facilities</li> <li>• Switching to LED lighting</li> <li>• Electricity sale business using solar power generation</li> <li>• Effective resource use</li> <li>• Perspective on reducing waste emissions</li> <li>• Reducing waste generation and ensuring appropriate waste treatment</li> <li>• Water conservation initiatives</li> <li>• Disclosure based on TCFD recommendations</li> </ul> |
| <br><b>SOCIETY</b>     | <p><b>1. Enhancing Customer Satisfaction</b></p> <p>We will win the satisfaction and trust of our customers and promote social contributions by offering quality distribution services based on the experience and know-how gathered since our establishment.</p>   | <ul style="list-style-type: none"> <li>• Provision of optimal logistics solutions</li> </ul>  |

|   |   |   |
|---|---|---|
|  <p>SOCIETY</p>      | <p><b>3. Communication Activities</b></p> <p>We will communicate actively with our stakeholders and disclose information in timely and appropriate ways.</p>  | <ul style="list-style-type: none"> <li>• Provision of optimal logistics solutions</li> </ul>  |
|   | <p><b>4. Creating an Open and Active Corporate Culture</b></p> <p>Our perspective is grounded in respect for human rights. We will not engage in or permit discrimination in or outside the company on the grounds of gender, creed, physical condition, or social status. We will also strive to create positive work environments in which employees can work in comfort and seek fulfillment.</p>  | <ul style="list-style-type: none"> <li>• Transport safety</li> <li>• Basic policy on transport safety</li> <li>• Transport safety management rules</li> <li>• General Safety Manager/safety management organizational structure</li> <li>• Gaining G-Mark certification as an outstanding safety business</li> <li>• Implementing safe-driving training</li> <li>• Our mission as a logistics business</li> <li>• Reducing CO<sub>2</sub> emissions through third-party logistics (3PL)</li> <li>• Respect for human rights</li> <li>• Employee training and education</li> <li>• Employing those with disabilities</li> <li>• Promoting women in the workplace</li> <li>• Encouraging employees to take childcare leave</li> <li>• Human rights policy</li> <li>• Efforts for due diligence on human rights</li> <li>• Dealing with bullying and harassment cases</li> <li>• Children's rights</li> <li>• Preventing child labor and forced labor</li> <li>• Employment and labor</li> <li>• Equal pay for equal work/minimum wage</li> <li>• Dialogue between labor and management</li> <li>• Managing working hours to promote work-life balance</li> <li>• Training to improve employee skills</li> <li>• Employee engagement</li> <li>• Local employment and local sourcing</li> <li>• Health and safety</li> <li>• Occupational health and safety</li> <li>• Management system</li> <li>• Occupational health and safety policy and activity structure</li> </ul> |
|   | <p><b>6. Contribution to Local Communities</b></p> <p>We will take an active role in social contribution activities to ensure harmonious coexistence with local communities in our role as good corporate citizens.</p>   | <ul style="list-style-type: none"> <li>• Coexistence with local communities</li> <li>• Sea work experience (Kodomo Waku)</li> <li>• Mori no Sewanin forestry activities</li> <li>• Cleanup activities</li> <li>• Participation in community events</li> <li>• Social contributions</li> <li>• Sponsorship of social contribution activities</li> </ul>  |
|   | <p><b>8. Cooperation with International Society</b></p> <p>In our international business activities, in addition to full compliance with international rules and the laws and regulations of the countries and regions in which we operate, we conduct business with all due respect for local cultures and customs, with the ultimate goal of strengthening cooperative ties and building mutual trust within the international community.</p>   |   |
|   | <p><b>2. Fair and Transparent Business Practices</b></p> <p>We will engage in fair, transparent and free competition and proper business transactions.</p>  | <ul style="list-style-type: none"> <li>• Building equitable trading relationships</li> </ul>  |
|  <p>GOVERNANCE</p> | <p><b>7. Response to Antisocial Forces</b></p> <p>We are committed to resolutely confronting antisocial forces and organizations that threaten the order and security of civil society.</p>   | <ul style="list-style-type: none"> <li>• Basic stance on exclusion of antisocial forces</li> </ul>  |
|   | <p><b>9. Implementing the Spirit of the Charter</b></p> <p>Top management of Kamigumi Group companies must recognize its leadership role in ensuring that all affiliated companies and business partners are fully aware of and understand this Charter. Additionally, top management must seek to keep abreast of the opinions of those both inside and outside the corporation at all times and revise the Charter accordingly, as well as establish effective systems throughout the Group and thoroughly implement the Charter's provisions.</p>  |   |
|   | <p><b>10. Responsibility of Top Management</b></p> <p>In the event of violations of the Charter, the top management of Group companies must demonstrate, both internally and externally, their determination to resolve the problem, identify the cause, and take measures to prevent the recurrence of similar violations. At the same time, top management must make prompt and full public disclosure of the incident, thoroughly explain the incident, and, upon clarifying the relevant authority and responsibility, take strict disciplinary action against those held responsible, including top management itself.</p> | <ul style="list-style-type: none"> <li>• Basic concept of corporate governance</li> <li>• Basic policy on internal controls systems</li> <li>• Appointing external Directors and Audit &amp; Supervisory Board members</li> <li>• Composition and meetings of the Board of Directors</li> <li>• Compliance structures and state of operations</li> <li>• Promoting compliance risk management activities</li> <li>• Anti-corruption policy and initiatives</li> <li>• Export/import controls</li> <li>• Operation and widespread awareness of the internal whistleblower system</li> <li>• Internal audits</li> <li>• Business continuity planning (BCP) initiatives</li> <li>• Responsible tax payment</li> <li>• Fines for environmental violations</li> <li>• Information security</li> </ul>  |





# ENVIRONMENT

We make efforts to optimize our environmental management and to minimize the environmental impact of our business activities.

Period covered by report: April 1, 2023 – March 31, 2024



## Environmental management

- 7 Environmental philosophy
- 7 Environmental policies
- 7 Perspective on preventing environmental pollution



## Climate change

- 7 Perspective on climate change
- 7 Improving resilience



## Preventing global warming

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# Environmental management

## Environmental Philosophy

Recognizing that protection of the global environment is a vital theme common to all human beings, Kamigumi Co., Ltd. seeks to achieve harmony between business activities and protection of the environment. The Company strives to reduce its environmental impact through the implementation of environmentally conscious business practices and to promote continuous Group-wide environmental protection activities, thereby contributing to society.

## Environmental Policies

1. To protect the global environment, the Company shall comply with laws, regulations, ordinances and rules relating to environmental conservation.
2. The Company shall strive to use limited natural resources effectively and prevent environmental pollution by promoting resource saving, energy saving, recycling, reuse, waste reduction and proper treatment, and pollution emission reduction.
3. The Company shall strive to continually improve its environmental performance, by setting environmental targets, taking into account various environmental impacts

associated with our business activities; by implementing planned environmental activities in a systematic manner to achieve the set targets; and by periodically reviewing its activities.

4. The Company shall implement environmental education, training and internal publicity activities to raise employees understanding of global environmental awareness issues, and increase their participation in environmental activities, to promote smooth environmental management.
5. The Company shall disclose this environmental policy widely to the public through its website and other means.

## Perspective on preventing environmental pollution

We strive to protect the global environment by complying with environmental laws, ordinances, and regulations. Regarding the above, the Internal Audit Department, which is under the direct control of the president, constantly checks the situation of each branch office nationwide, and regarding suppressing the occurrence, reduction, and reduction of impact, etc. of environmental pollution, not only corrects deficiencies but also provides guidance to aim for better management conditions to prevent environmental pollution.

# Climate change

## Perspective on climate change

Based on the recognition that the preservation of the global environment is an important issue for mankind, we strive to reduce the environmental burden by implementing environmentally friendly business activities with the aim of harmonizing our business activities with environmental preservation. We endorse the recommendations compiled by the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) in 2015, analyze and evaluate the risks posed by climate change to financial markets, and disclose information in accordance with the recommendations for "governance", "risk management", "strategy", and "indicators and targets".

## Improving resilience (adaptation to climate change)

In response to natural disasters that are becoming more intense, especially typhoons, we have been updating our countermeasures from times of normality in cooperation with our branch offices to prevent and reduce damage. Specifically, we work together on how to store and secure cargo, and to ensure the safety of employees when performing unusual work.

For example, at branch offices that are on the path of natural disasters (especially typhoons), in order to prevent the impact of strong winds on facilities, we are taking measures based on

the knowledge gained from past experience such as protection by shutters, securing of cargo handling equipment, and securing of containers.

In addition, the Risk Management Department is introducing a safety confirmation system for employees and a system that can centrally confirm disaster prediction information around each branch office transmitted from the Ministry of Land, Infrastructure, Transport and Tourism and municipalities between the head office and branch offices.



Container securing



Close up of the image on the left



Securing cargo handling equipment



# Preventing global warming

## Perspective on preventing global warming

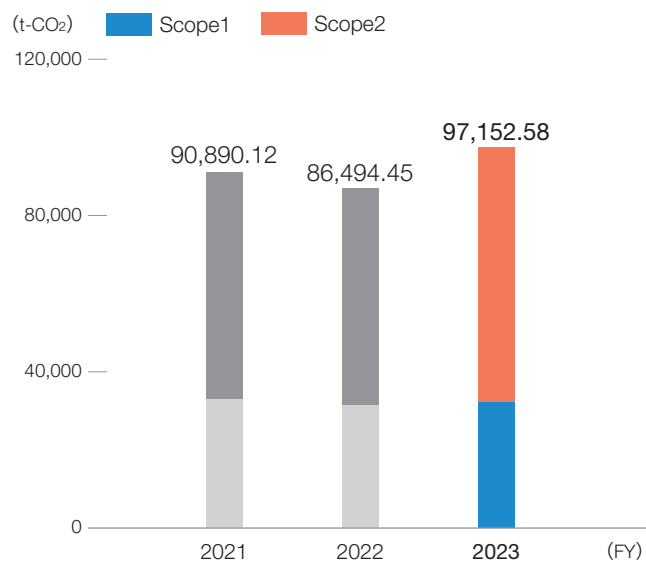
As one of the materialities (important issues), we will identify the reduction of environmental impact and actively work on the control and reduction of CO<sub>2</sub> emissions. In addition, we will actively work to improve, reduce, and curb energy use as one measure to promote CO<sub>2</sub> reduction.

## Total energy and carbon dioxide (CO<sub>2</sub>) emissions related to our domestic business

We strive to reduce CO<sub>2</sub> emissions through the efficient use of energy in our domestic business activities. By switching to energy-efficient equipment, we aim to reduce energy consumption and reduce Scope 1 and 2 CO<sub>2</sub> emissions as follows compared to 2013.

- Target fiscal year 2026 23% reduction
- Target fiscal year 2030 46% reduction

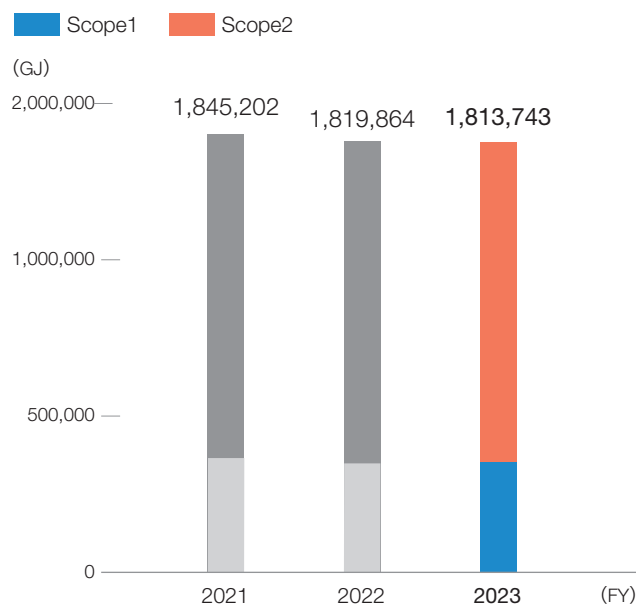
## Our total CO<sub>2</sub> emissions (Scope 1, Scope 2 only)



|              | FY2021           | FY2022           | FY2023           |
|--------------|------------------|------------------|------------------|
| Scope 1      | 32,969.12        | 31,356.45        | 32,076.58        |
| Scope 2      | 57,921.00        | 55,138.00        | 65,076.00        |
| <b>Total</b> | <b>90,890.12</b> | <b>86,494.45</b> | <b>97,152.58</b> |

\*Although the total amount of energy used remained almost the same (0.3% decrease), the total amount of CO<sub>2</sub> emissions increased due to an increase in the CO<sub>2</sub> emission factor of electricity suppliers.

## Our total energy use (Scope 1, Scope 2 only)



|              | FY2021           | FY2022           | FY2023           |
|--------------|------------------|------------------|------------------|
| Scope 1      | 481,366          | 457,807          | 463,704          |
| Scope 2      | 1,363,836        | 1,362,057        | 1,350,038        |
| <b>Total</b> | <b>1,845,202</b> | <b>1,819,864</b> | <b>1,813,743</b> |

## Managing CFCs

We use refrigeration and freezer equipment to store cargo requiring low temperature management. Refrigeration and freezer equipment requires CFC gas coolant. In addition to periodic equipment inspections, we perform equipment maintenance and repairs in accordance with the provisions of the Act on Rational Use and Proper Management of Fluorocarbons. We also submit annual records of these activities and reports on leak volumes to the relevant authorities.

## Promoting eco-friendly driving

We promote eco-friendly driving in accordance with our Rules on Environmental Protection. At all of our branch offices in Japan, one individual is appointed to promote eco-friendly driving efforts. This individual administers training and guidance on eco-friendly driving when employees need to drive company vehicles and checks tachographs to manage and supervise driving.

## Adopting energy-conserving and low pollutant vehicles

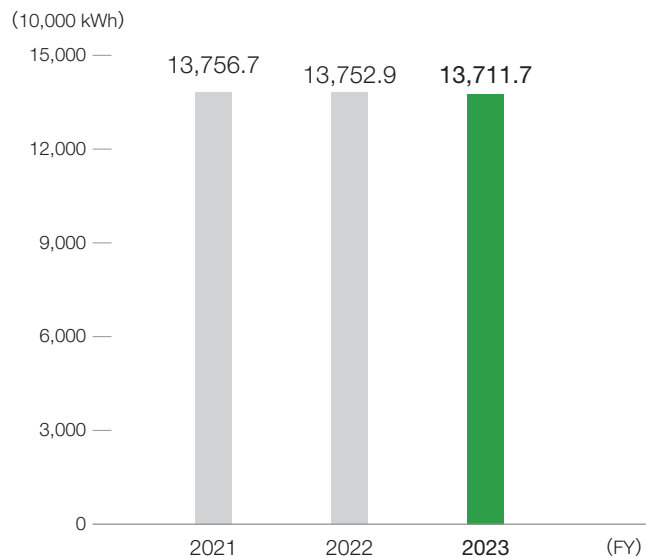
As one measure to help prevent global warming, we purchase vehicles characterized by low levels of pollution and fuel consumption.

## Energy conservation activities in offices, warehouses, and other facilities

We implement the Cool Biz and Warm Biz activities recommended by the Ministry of the Environment of Japan to encourage employees to wear clothing that will help us reduce energy use. We set office thermostats to roughly 28°C during the summer months (May-September) and to 20°C in the winter months (November-March).

We also stagger lighting to the extent not to impede business operations and shut off lights in rooms that are not in use and during lunch breaks.

### Electricity use



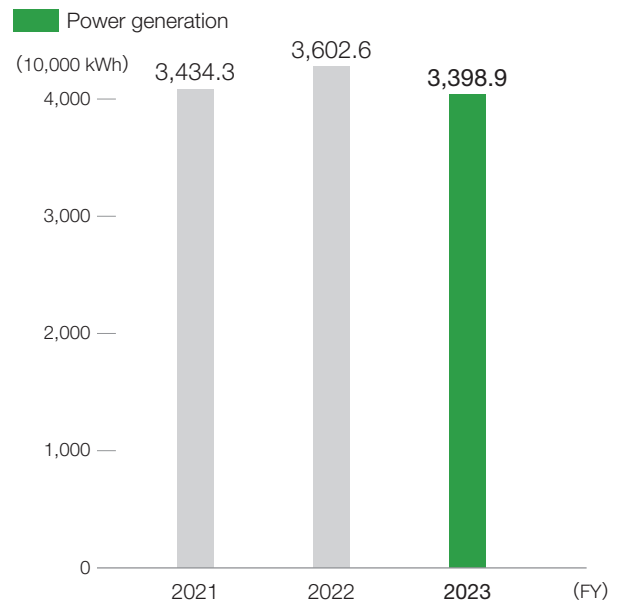
## Switching to LED lighting

We're making steady progress toward switching to LED lighting in our offices and warehouses to conserve energy and reduce CO<sub>2</sub> emissions.

## Electricity sale business using solar power generation

We have solar power generation facilities (capacity: 2.95 MkW) on the rooftops of our warehouses and on land we own, which generated approximately 34 million kWh in FY2023.

### Power generation from sunlight



## Effective resource use

### Perspective on reducing waste emissions

We strive to protect the global environment by complying with environmental laws, ordinances, and regulations. As part of this, we will actively work on reducing waste, improving efficiency, and reducing and avoiding impacts, in addition to responding to climate change and reducing pollutant emissions.

### Reducing waste generation and ensuring appropriate waste treatment

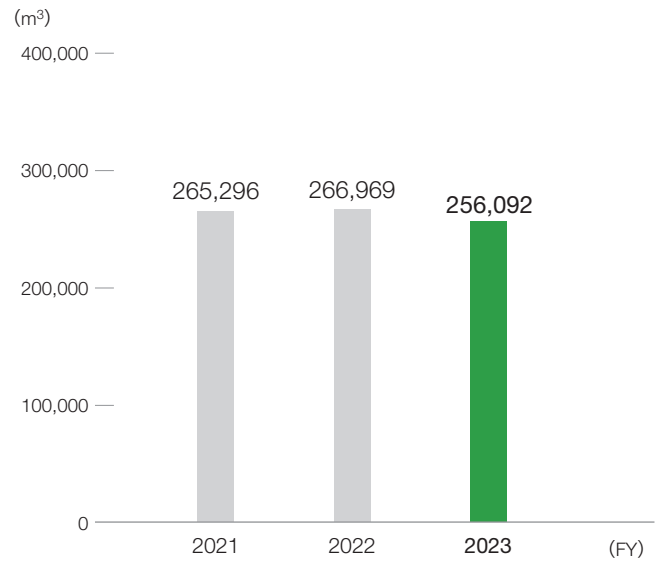
In our business activities, we use large volumes of various materials, including stretch films, cardboard, flexible containers, lumber, and plastic. To make the most effective use of limited resources, we seek to reduce waste generation and to reuse and recycle materials.

Waste is disposed of in compliance with all local ordinances. As required, we retain manifests that clearly indicate volumes of industrial waste and undertake related internal audits. In addition, the amount of waste in FY2023 was 103,326 tons, and we aim to improve waste emissions in FY2024 compared to the previous year. Furthermore, we process our waste appropriately. Some of it is recycled, and we will promote further recycling in the future.

### Water conservation initiatives

The Company strives to conserve water on a day-to-day basis to protect and sustainably use water resources. The volume of water we used in FY2023 totaled 256,092 cubic meters.

#### Water usage



# Disclosures based on TCFD recommendations

Recognizing protection of the global environment as an important topic for all humanity, Kamigumi strives to minimize its environmental impact through business activities that account for the environment. Kamigumi seeks to achieve harmony between its business activities and environmental conservation.

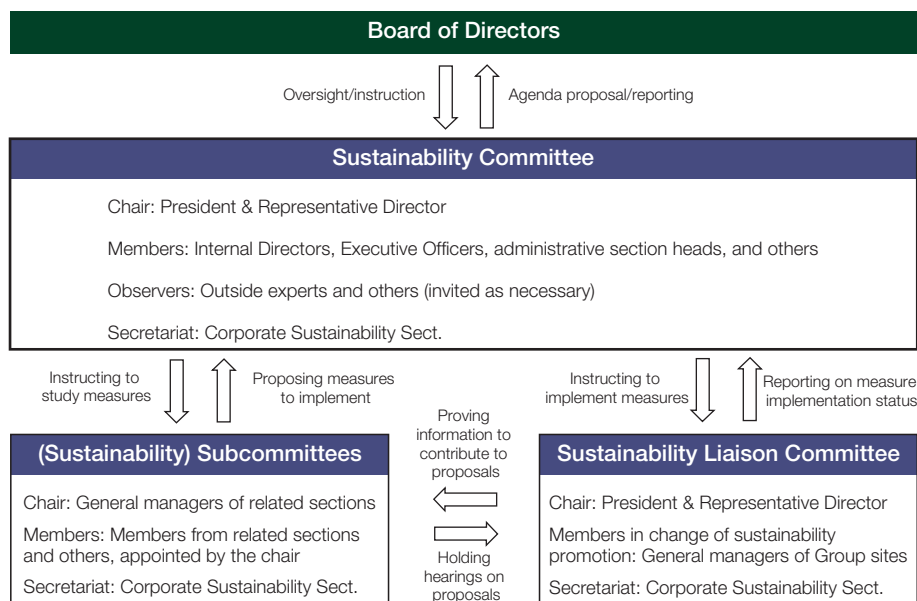
We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a task force established in 2015 by the Financial Stability Board (FSB). We analyze and assess the risks presented by climate change to financial markets and disclose information in accordance with the recommendations of the TCFD: governance, risk management, strategy, and indicators and targets.



## Governance

Kamigumi has established a Sustainability Committee, for which the President & Representative Director serves as chair, to consider and make decisions on matters related to climate change. The Sustainability Committee considers and makes decisions on related policies and measures, and reports or refers them as necessary to the Board of Directors for consideration.

This Committee also manages progress and results related to the Company's materiality items, including decarbonization targets, reports to the Board of Directors at least twice a year on the need for improvements and related issues, and drafts necessary measures.



## Risk management

In addition to various risks such as disaster risk, information risk, employment and personnel risk, the Group has also established Risk Management Rules for environmental risks, and regularly holds the Compliance and Risk Management Committee (hereinafter referred to as Committee) to manage, improve and strengthen risks. This committee is chaired by the President, and consists of the head office managers as members.

In addition, we have set up a Risk Management Department as a permanent department, and there are ten people who specialize in safety, customs clearance, and quality, three of whom are in the operation secretariat of the Committee.

The Environmental Protection Promotion Headquarters plays a central role in Kamigumi's efforts to identify risks and opportunities related to climate change over the medium to long term based on both the 2°C and 4°C scenarios. The Environmental Protection Promotion Headquarters periodically reassesses risks and opportunities thus identified and reports on or submits them for consideration to the Board of Directors at least once a year.

# Strategy

Kamigumi has analyzed the potential financial and business impact of climate change risks and opportunities over the medium to long term based on various parameters, envisioning a 2°C scenario (under which strong countermeasures to climate change keep the temperature rise since prior to the Industrial Revolution within 0.9–2.3°C) and a 4°C scenario (under which no further countermeasures to climate change are taken and the temperature rise since prior to the Industrial Revolution is 3.2–5.4°C).

| Classification  | Potential risks, opportunities |  | Timing of appearance         |                      | Impact on profit and loss <sup>*1</sup> |     |             |     |           | Main actions |  |
|---|--------------------------------|--|------------------------------|----------------------|---|-----|-------------|-----|-----------|--------------|--|
|   | Impact                         |  | Short, medium, and long term |                      | Short term                              |     | Medium term |     | Long term |              |  |
|   | Risks and opportunities        |  | 2°C                          | 4°C                  | 2°C                                     | 4°C | 2°C         | 4°C | 2°C       |              | 4°C  |
| Migration risks   | Policies and regulations       | Risk: Increased costs such as carbon taxes   | Medium and long term         |                      |   |     |             | -   | -         | -            | <ul style="list-style-type: none"> <li>Reduction in tax burden due to reduction in CO<sub>2</sub> emissions (28% reduction by 2027, 46% reduction by 2030 compared to FY2013) [Method]</li> <li>LED lighting in warehouses</li> <li>Installation of solar power generation equipment in constant temperature warehouses</li> <li>Replace diesel forklifts with battery type</li> </ul> |
|   |                                | Risk: Increased cost of purchasing certificates (such as non-fossil fuel certificates) to achieve our emission targets   | Short, medium, and long term |                      | -                                       | -   | -           | -   | -         | -            |  |
|   | Technology                     | Risk: Increased costs of introducing environmentally friendly equipment and facilities   | Short, medium, and long term |                      | -                                       | -   | -           | -   | -         | -            |  |
|   |                                | Opportunity: Reduced energy costs  | Medium term                  | Medium term          | +                                       | +   | ++          | ++  | *2        | *2           |  |
|   | Market                         | Risk: Reduced work due to energy mix review (Reduction of coal-fired power generation due to the Law Concerning Sophisticated Methods of Energy Supply Structures and the Energy Conservation Act) | Medium and long term         |                      |   |     |             |     | -         | -            |  |
|   |                                | Opportunity: Increased work due to the spread of renewable energy  | Medium and long term         |                      |   |     |             | +++ | +++       | +++          |  |
| Opportunity: Increased work due to the spread of low-carbon transport (domestic shipping, etc.) |                                | Medium and long term   | Medium and long term         |                      |   |     | ++          | +   | ++        | +            |  |
| Physical risks  | Acute                          | Service outages due to prolonged damage/restoration to own facilities due to abnormal weather conditions   |                              | Medium and long term |   |     |             |     | -         | -            | <ul style="list-style-type: none"> <li>Work to strengthen port equipment (for port managers)</li> <li>Insurance for typhoons</li> <li>Changes in storage methods for cargo handling equipment and stored cargo during typhoons</li> </ul>  |
|   | Chronic                        | Increase in labor costs/increase in environmental improvement costs due to decrease in work efficiency caused by deterioration of working environment in summer                                    | Long term                    | Medium and long term |   |     |             |     | -         | -            | <ul style="list-style-type: none"> <li>Implement work style reforms and heat stroke measures</li> </ul>  |

\*1 Short term: until 2027 (less than 5 years) Medium term: 2030 Long term: 2050

\*2 Based on the current situation where there is a willingness to declare carbon neutrality in 2050, but no specific measures can be envisaged, we will not disclose the emissions reduction.

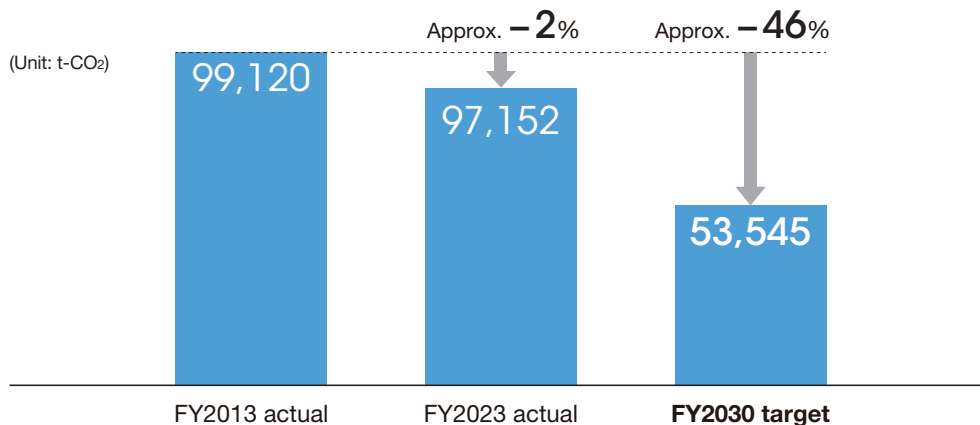
## Indicators and targets

### ■ Reducing emissions of CO<sub>2</sub> (a greenhouse gas)

Amid the accelerated global movement toward a carbon-zero society, the Japanese government has identified CO<sub>2</sub> reduction targets as part of efforts to achieve carbon neutrality.

Together with the government targets, Kamigumi has identified the medium-term target to be achieved by FY2030 of reducing CO<sub>2</sub> emissions (domestic Scope 1 + Scope 2 emissions) by 46% vs. 2013 levels.

We will continue to consider long-term targets (FY2050) from the perspective of efficacy, reflecting the understanding that achieving carbon neutrality is a global goal.



\* Regarding the 2% reduction in FY2023 (13% reduction in FY2022) compared to the FY2013 results, the total amount of energy used is almost the same (0.3% decrease) as the previous year, but CO<sub>2</sub> emissions have increased due to the increased CO<sub>2</sub> emission factors of electricity suppliers.





# SOCIETY

Logistics represents a lifeline sector for the economy and livelihoods. In addition to our logistics activities, as a member of the community, we fulfill our responsibilities to society by addressing various societal issues.

Period covered by report: April 1, 2023 – March 31, 2024



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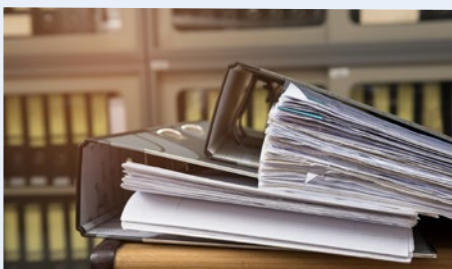
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## Various data

# Transport safety

## Basic policy on transport safety

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### ■ Basic philosophy

As an industry-leading integrated logistics firm, the Company is keenly aware of its role in securing transport safety. Under the leadership of the Board of Directors and the General Safety Manager, it strives to strengthen its safety culture through internal training and education and publicity activities. In addition, to ensure safe and reliable transportation, it sets shared targets for all employees and implements systematic safety management in activities toward these targets.

### ■ Basic policy

1. We're committed to complying with all laws and regulations and internal Company rules related to safety.
2. We're committed to prioritizing transport safety above all else in our business operations.
3. We're committed to implementing safety management in which top management plays a leading role.
4. Each business year, we set transport safety targets and implement systematic safety management toward their achievement.
5. We analyze various aspects of safety efforts, including target achievement. We strive at all times to improve the safety management system.
6. We take steps to confirm that all employees understand this Policy and various safety rules and provisions. We disclose these efforts to the general public in various ways, including posting them to our website.

Established: December 1, 2006

## Transport safety management rules

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### Chapter 1. General provisions

#### ■ Article 1 : Purpose

Based on the provisions of Article 16 of the Motor Truck Transportation Business Act as amended by the Act on partial Amendment of the Railway Business Act etc. to Improve Transport Safety, these Rules ("Rules" hereinafter) seek to stimulate initiatives to further transport safety. By clearly establishing compliance requirements, these Rules advance efforts to implement and continually update safety management to further strengthen the Company's safety culture and to ensure transport safety.

#### ■ Article 2 : Scope

1. These Rules apply to business activities related to the Company's general truck transportation business.
2. These Rules apply to Company executives, permanent full-time employees, part-time employees, temporary employees, and contracted employees.

### Chapter 2. Business management policies for securing transport safety

#### ■ Article 3 : Basic policies

1. Based on the keen understanding that securing transport safety is a vital part of Company management, the Company's Board of Directors will play a leading role in taking action on building internal safety systems while seeking out and incorporating the viewpoints of the General Safety Manager and all employees. In addition, over the course of the full cycle consisting of implementation, inspection, and improvement of internal safety management, all employees will work together as one under the leadership of the Board of Directors to secure transport safety.
2. To secure transport safety, the Company will prepare Companywide targets and plans and strive to achieve these targets. It will also proactively publish information related to transport safety through the Company website and other media.

#### ■ Article 4 : Priority transport safety measures

1. Based on the basic policy described in the preceding article, the following measures will be continually implemented as priority measures:
  - (1) Compliance with these Rules and with laws and regulations related to transport safety
  - (2) Proactive investment in transport safety
  - (3) Periodic internal audits and corrective and preventive measures based thereon
  - (4) Building internal communication and reporting structures for transport safety and striving to communicate and share information
  - (5) Planning and implementing internal training and education related to transport safety
2. In cooperation with Company subsidiaries and affiliate companies, the Company will strive to secure transport safety throughout the Company's entire Group of companies.
3. The Company will refrain from actions that impede the transport safety of subcontractors to whom it entrusts business activities.

#### ■ Article 5 : Targets and plans related to transport safety

1. Companywide targets related to transport safety will be prepared based on the basic policy under Article 3. In addition, each branch office will set targets based thereon in accordance with its own specific requirements and conditions.
2. Plans related to transport safety will be formulated to achieve the targets described in the preceding paragraph and to ensure the steady implementation of the priority measures described in the preceding article.

## Chapter 3. Organizational structure for securing transport safety

### ■ Article 6 : Duties of the Board of Directors

1. The Board of Directors will bear ultimate Company responsibility for securing transport safety.
2. The Board of Directors will take all necessary measures in connection with securing transport safety, including developing structures, implementing measures, and securing budgeting.
3. The Board of Directors will respect the opinions of the General Safety Manager and other employees in securing transport safety.

### ■ Article 7 : Internal organization related to transport safety

An overview of the Company's internal organization for securing transport safety is provided below.

#### Board of Directors

As described in the preceding article, the Board of Directors bears ultimate responsibility for transport safety and plays a leading role in securing transport safety.

#### General Safety Manager

Elected from Directors satisfying statutory requirements, the General Safety Manager will guide and manage measures implemented to secure transport safety and oversee Company operations management and maintenance management structures.

#### Assistant General Safety Manager

Handles operations related to transport safety in place of the General Safety Manager when the General Safety Manager is unable to do so due to unforeseen events.

#### Secretariat

Under the leadership of the General Safety Manager and the Assistant General Safety Manager and staffed by Head Office administrative personnel, the Secretariat will handle administrative operations related to transport safety.

#### Coordinating Operations Supervisors/Assistant Coordinating Operations Supervisors

Coordinating Operations Supervisors/Assistant Coordinating Operations Supervisors oversee operations management structures and maintenance management structures at each Company branch office and business site.

#### General Operations Supervisors/Assistant General Operations Supervisors

General Operations Supervisors/Assistant General Operations

Supervisors assist the Coordinating Operations Supervisors/ Assistant Coordinating Operations Supervisors and oversee operations management structures and maintenance management structures at each Company branch office and business site.

#### Operations Managers/Maintenance Managers

Operations Managers/Maintenance Managers are statutory managers appointed in accordance with the Motor Truck Transportation Business Act, Road Transport Vehicle Act, and other applicable legal provisions to manage vehicle operations and maintenance at each branch office.

### ■ Article 8 : Appointing and dismissing the General Safety Manager

1. A Company Director who satisfies the conditions under Article 2-6 of the Motor Truck Transportation Safety Regulations will be appointed as the Company's General Safety Manager.
2. The General Safety Manager will be dismissed from the position of the General Safety Manager if any of the following comes to apply to him or her:
  - (1) The Minister of Land, Infrastructure, Transport and Tourism of Japan orders his or her dismissal.
  - (2) Physical disability or other such factors make it difficult for him or her to continue to perform his or her duties.
  - (3) It is recognized that the continuing undertaking by the General Safety Manager of his or her duties may impair transport safety, whether due to violations of applicable laws and regulations, neglect in confirming matters related to transport safety, or other such reasons.

### ■ Article 9 : Duties of the General Safety Manager

1. Under the leadership of the Company Board of Directors, the General Safety Manager will have the following duties:
  - (1) Work toward the widespread promulgation and thorough understanding of awareness of transport safety among all Company employees.
  - (2) Implement and manage basic policies, priority measures, and plans related to transport safety.
  - (3) Develop and review internal communication and reporting structures and organizational structures for securing transport safety.
  - (4) Implement internal audits and improvement/corrective measures for transport safety.
  - (5) Supervise Operations Managers and Maintenance Managers.
  - (6) Plan and implement employee training and education related to transport safety.
  - (7) Undertake other coordination and management related to transport safety.

## Chapter 4. Implementation and management of operations to secure transport safety



#### ■ Article 10 : Periodic review of rules related to transport safety

To ensure that the structures for securing transport safety are suited to actual current conditions and to the Company at all times, the Company will periodically review and revise as necessary its safety management rules, basic policy on transport safety, priority measures, targets and plans, and organizational structure.

#### ■ Article 11 : Implementing priority measures related to transport safety

To ensure transport safety, the Company will set targets and formulate plans related to transport safety as described in Article 5 of these Rules and, in so doing, implement priority measures as described in Article 4 of these Rules.

#### ■ Article 12 : Sharing and communicating information related to transport safety

Based on the organizational structures described in Article 7 of these Rules, the Company will secure two-way communication and information sharing between the Board of Directors and the General Safety Manager on the one hand and Company employees on the other. The Company will develop structures to secure transport safety that reflect the views of its employees. Employees who discover and report any circumstances with safety implications will suffer no disadvantages for having done so.

#### ■ Article 13 : Communication and reporting structures for accidents and injuries

1. Coordinating Operations Supervisor of the branch office or business site will report accidents or injuries occurring at his or her site to the General Safety Manager via the Central Health and Safety Council as specified in the internal communication structure.
2. In the event of an accident, injury, or other incident subject to the Vehicle Accident Reporting Rules, an appropriate report will be submitted without delay to the Minister of Land, Infrastructure, Transport and Tourism in accordance with those Rules.

#### ■ Article 14 : Implementing priority measures related to transport safety

The Company will plan and implement training and education to train the human resources needed to secure transport safety.

#### ■ Article 15 : Internal audits of transport safety

1. Under the leadership of the Board of Directors, the General Safety Manager will conduct periodic internal audits of transport safety to assess the state of safety management implementation within the Company.
2. Internal audits will be overseen by the General Safety Manager jointly with the Internal Audit Department.
3. Emergency internal audits will be undertaken as deemed necessary by the Board of Directors or the General Safety

Manager in cases involving serious accidents or injuries or recurrence of past accidents or injuries.

4. The General Safety Manager will report to the Board of Directors on the results of internal audits and propose to the Board of Directors any due improvement and corrective measures.
5. The Board of Directors will deliberate on the proposals described in the preceding paragraph, make decisions on improvement and corrective measures, and have the General Safety Manager carry out the relevant measures.

#### ■ Article 16 : Managing documents and records to secure transport safety

The Company will establish methods for recording and retaining and properly retain and manage minutes of meetings in business operations related to transport safety; related basic policies; priority measures; communication and reporting structures; reports on accidents and injuries; results of internal audits; and other information concerning transport safety.

#### ■ Article 17 : Matters related to release of information

1. The Company will release the information enumerated below without delay via the Company website in accordance with the timing stipulated in applicable laws and regulations:
  - (1) basic policies related to transport safety
  - (2) targets related to transport safety and the state of their achievement
  - (3) plans related to transport safety
  - (4) priority measures related to transport safety
  - (5) information concerning these Rules and the General Safety Manager
  - (6) organizational structure and command-and-control structure related to transport safety
  - (7) communication and reporting structure for accidents, injuries, etc.
  - (8) accident statistics as described in Article 2 of the Vehicle Accident Reporting Rules
  - (9) actual budgets for transport safety
  - (10) plans for training and education related to transport safety
  - (11) results of internal audits related to transport safety and related improvements and corrective measures
2. On reporting to the Ministry of Land, Infrastructure, Transport and Tourism the state of improvements implemented to secure transport safety following administrative sanctions, such as measures implemented after an accident to prevent similar accidents, the Company will issue notification of such action via the Company website.

## Chapter 5. Additional provisions

#### ■ Article 18 : Amendment and abolition of these Rules

1. Amendment and abolition of these Rules will be proposed by the General Safety Manager and deliberated on by the Board of Directors.



2. The preceding paragraph will also apply to the methods of review and amendments of the basic policy, organizational structures, and other matters under Article 10 of these Rules.

**Article 19 : Effective date**

These Rules will take effect as of December 1, 2006.

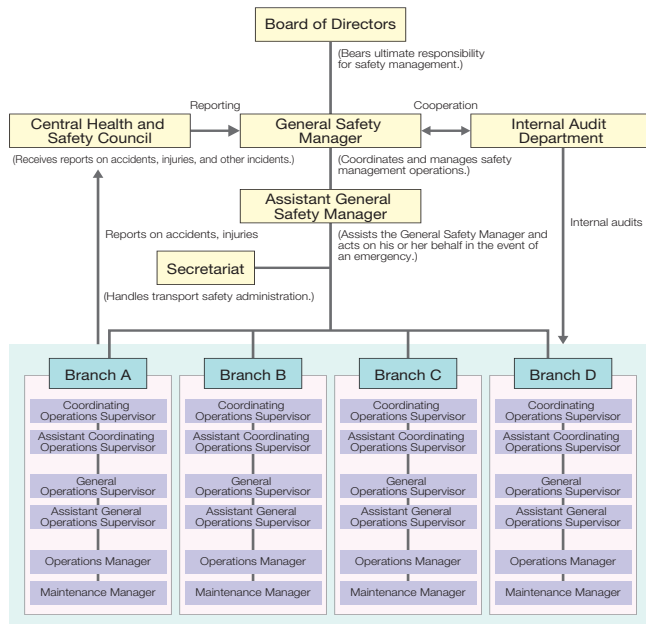
**General Safety Manager/safety management organizational structure**

**General Safety Manager**

Pursuant to the provisions of Article 16, Paragraph 2, Subparagraph 4 of the Motor Truck Transportation Business Act, the Company has appointed Representative Director and Senior Managing Executive Officer Norihito Tahara as the General Safety Manager to oversee the Company's management of transport safety. The Company has notified the Ministry of Land, Infrastructure, Transport and Tourism of his appointment.

\* Norihito Tahara meets the requirements to serve as General Safety Manager under Article 2-6 of the Motor Truck Transportation Safety Regulations.

**Safety management organizational structure**



**Gaining G-Mark certification as an outstanding safety business**

G-Mark certification as an outstanding safety business is a program established by the Japan Trucking Association to recognize trucking companies that meet specific standards for traffic safety and other matters. We're currently in the process of gaining certification under this program as another way to strengthen transport safety. We've already won G-Mark Certification for 24 of our branches.

**Implementing safe driving training**

To manage driving safety, the Company is proactively installing dash cameras on its vehicles. As of the end of March 2024, dash cameras had been installed on 100% of our vehicles. Managers use these devices to review braking, steering, and other events and to provide guidance on improving driving safety.

In a key part of operations management, we also confirm that all drivers without exception are checked for alcohol consumption in roll calls before and after they drive. The results of these checks are recorded and the state of their implementation confirmed in internal audits.

# Our mission as a logistics business

## Reducing CO<sub>2</sub> emissions through third-party logistics (3PL)

After customs clearance, in general, cargo unloaded from a vessel is transported to a remote warehouse for storage. The necessary quantity of cargo is delivered from the warehouse to the designated locations in accordance with the order from the shipper. At the designated location, the shipper processes the cargo—by adjusting quantities, packaging, and delivery to retailers for sale to consumers.

We can handle all these processes on the shipper's behalf. If so, cargo unloaded from a ship is transported to adjoining warehouses. After customs clearance, we manage the cargo in storage and, upon the order from the shipper, prepare for delivery (quantity adjustments and packaging) and ship the cargo directly to retailers. This reduces transport and indirect operations, reducing CO<sub>2</sub> emissions.

## Drawing on various modes of transport to contribute to customer business continuity planning (BCP)

To contribute to business continuity planning (BCP) of our customers and secure supply chain functions in the event of a major disaster, we can unload cargo in ports across Japan and transport cargo via various modes, including trucking, domestic sea transport, and rail.

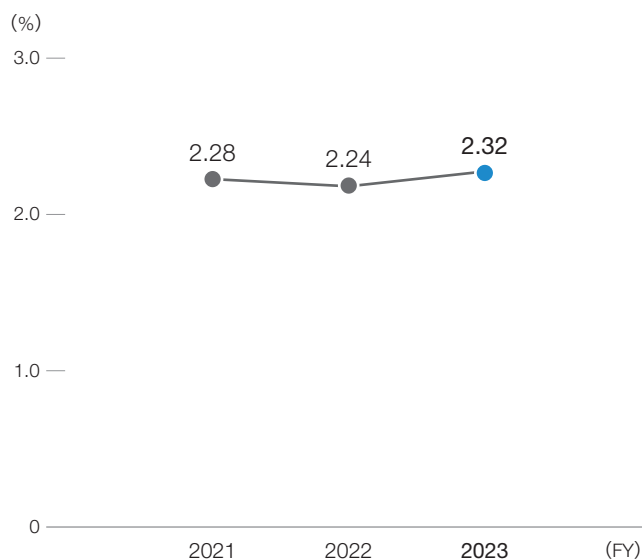
We're currently testing a new state-of-the-art transport system in which customer cargo that would have been unloaded at the Port of Tokyo during normal times is unloaded at the Port of Kobe, then transported to the Tokyo area by rail.

# Respect for human rights

## Employing those with disabilities

We comply with the business employment obligations of the Act to Facilitate the Employment of Persons with Disabilities. We properly report on the state of employment activities to Public Employment Security Offices in accordance with regulations.

### Percentage of employees with disabilities



## Promoting women in the workplace

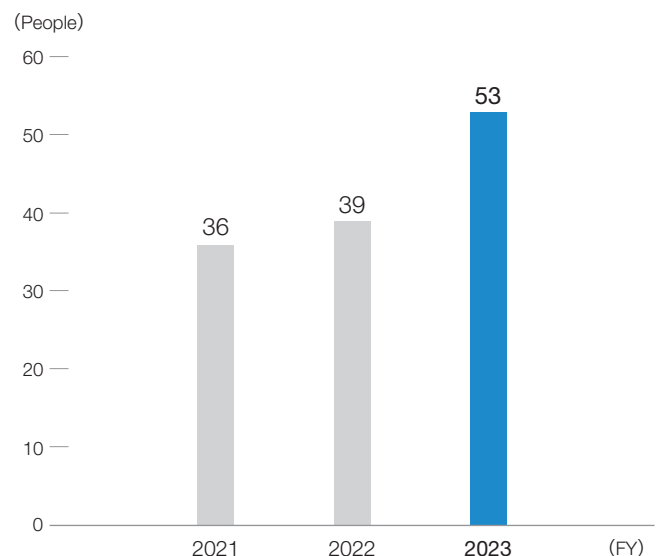
We maintain various programs, including childcare leave and shortened working hours after childcare leave, to ensure the Company is a welcoming place for women employees and a place where women can thrive. We also promote these

programs through internal bulletins and other means. Through these and other measures, we strive to increase the representation of women in management ranks.

## Encouraging employees to take childcare leave

To avoid cases in which employees feel they must leave the Company to care for children, we publicize the details of childcare leave programs through internal bulletins to deepen understanding of our programs not just among those who may use the programs, but their coworkers.

### Employees taking childcare leave



## Human Rights Policy

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### Our Basic Stance on Respect for Human Rights

Kamigumi Group recognizes that respect for human rights is a social responsibility that a company must fulfill, and has thus formulated the Kamigumi Group Human Rights Policy (“Policy” hereinafter) in order to clearly demonstrate our commitment to fulfilling this responsibility. Based on this Policy, the Kamigumi Group will fulfill its corporate social responsibilities and contribute to the realization of an affluent society by respecting the human rights of all stakeholders the Group will be involved with through its business activities.

#### ■ Kamigumi Group Human Rights Policy

##### 1. Positioning of the Policy

The Policy has been formulated after gaining approval by the Board of Directors as an articulation of the Group’s commitment to respect for human rights. The Policy is positioned as the highest level of policies and rules for the Group’s efforts to respect human rights.

##### 2. Scope

The Policy applies to all executives and employees of the Group. We also ask that our business partners understand the Policy and join us in respecting human rights.

##### 3. Respect for Human Rights

In addition to compliance with laws, regulations, and other rules on human rights that apply in the countries and regions in which the Group operates, the Group will support and respect international norms, including the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), which set forth the fundamental human rights of all people, and the International Labour Organization Declaration on Fundamental Principles and Rights at Work, which establishes fundamental rights in the sphere of labor. The Group will also respect human rights in its business activities as set forth in the United Nations Guiding Principles on Business and Human Rights.

The Group will fulfill its responsibility to respect the human rights of all stakeholders involved in its business activities.

- (1) We will not tolerate unfair discrimination based on ethnicity, nationality, gender, age, religion, physical condition, social status, sexual orientation, or other characteristics.
- (2) We will not tolerate forced labor, child labor, or any other unethical labor practices.
- (3) We will not tolerate any acts of harassment, including abuse of power and sexual harassment.
- (4) We will manage working hours appropriately.
- (5) We will provide safe and sanitary working environments.

##### 4. Compliance with Laws, Regulations, and Norms Concerning Respect for Human Rights

The Group will comply with all laws, regulations, and norms concerning human rights that apply in the countries and regions in which it operates. In the event of any difference between internationally recognized human rights principles and the laws, regulations, and norms on human rights that apply in the countries and regions in which it operates, the Group will defer to the international human rights principles described under “3. Respect for Human Rights.”

##### 5. Human Rights Due Diligence

To fulfill its responsibility to respect human rights, the Group will undertake human rights due diligence in its business activities. The Group will strive to identify negative effects on human rights and to appropriately prevent and mitigate such effects by developing structures for and continually implementing human rights due diligence.

##### 6. Corrective Measures and Remediation

Should it become clear that the Group’s business activities have caused or fostered negative effects on human rights, whether directly or indirectly, the Group will work to correct and remedy such effects by appropriate means, including consultations with the corporate ethics helpline or contact points.

##### 7. Dialogue and Discussions with Stakeholders

The Group will strive to responsibly respond to any negative effects on human rights associated with its business activities through dialogue and discussions with stakeholders and experts.

##### 8. Education and Training

The Group will implement the education and training needed to ensure that the Policy is understood and firmly established in its business activities.

##### 9. Information Disclosure

The Group will disclose information on its initiatives to respect human rights in a timely and appropriate manner through its website, reports, and other means.

October 10, 2023

Yoshihiro Fukai

President & Representative Director

Kamigumi Co., Ltd.

## Efforts for due diligence on human rights

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In accordance with the United Nations Guiding Principles on Business and Human Rights, the Kamigumi Group fulfills its responsibility to respect human rights, and conducts human rights due diligence based on the Kamigumi Group Human Rights Policy ("Policy" hereinafter), to identify, prevent, and mitigate negative impacts on human rights related to our business activities.

We will also continue to encourage our stakeholders to support and comply with this Policy. The Board of Directors is responsible for overseeing specific actions to respect human rights in the Kamigumi Group.

To enhance the effectiveness of human rights due diligence, we will implement the following initiatives for this fiscal year, while receiving advice from outside experts.

### ■ Initiatives for this fiscal year

#### -Identifying and assessing human rights risks

Starting this fiscal year, we have been identifying and assessing significant human rights risks that may be caused or contributed to by the business activities of the Group. In assessing human rights risks, we cooperate with external experts and other stakeholders to identify important human rights risks for the Group.

#### -Strengthening relief mechanisms

In the event that the Kamigumi Group's business activities are found to have caused or contributed to human rights violations, the Group will make every effort to provide appropriate relief to the affected parties. In this fiscal year, we will identify issues such as the current consultation service, and strengthen and improve relief mechanisms.

#### -Formulation and implementation of educational programs

The Kamigumi Group will provide education and training on human rights for its officers and employees to deepen their understanding of the importance of respect for human rights, and to familiarize them with the Group's human rights policy.

#### -Progress reporting (information disclosure)

We recognize that addressing negative impacts on human rights is a responsibility that the Group must fulfill to its own employees as well as to other stakeholders. Therefore, we will appropriately disclose the progress and results of our human rights due diligence, and continue our efforts to respect human rights.

## Dealing with bullying and harassment cases

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### ■ Establishment of a consultation system to prevent harassment

As part of our efforts to create a harassment-free work environment, we have set up a consultation desk in the management department of each business site, including Group companies, to promote mental health promotion plans and to

make it possible for staff to consult with consultation desk personnel in the event of harassment or witnessing of such acts. In order to protect the confidentiality of the person who contacts the consultation desk, in addition to protecting their privacy, we have clearly stated that there shall be no disadvantageous treatment due to the consultation, and have prepared a system that can ensure an appropriate response such as improving the situation or taking measures to prevent recurrence. In addition, in order to respond appropriately to consultation and reporting on harassment, we are striving to create a system where employees can consult with peace of mind by conducting regular education and training for general employees as well as managers and personnel in charge of the consultation desk. In FY2023, 3,760 people attended harassment training.

## Children's rights

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The Kamigumi Group recognizes that children are in a position where their rights are easily violated and that special consideration needs to be given to their human rights. In the Kamigumi Group Human Rights Policy, we endorse and respect the contents of the ILO conventions and do not tolerate forced labor or child labor at all. In addition, respecting the Convention on the Rights of the Child, the Kamigumi Group will strive to eliminate child labor in its business activities and supply chains, and will promote activities to respect children's human rights, avoid violations of children's rights, and realize a society in which children's rights are respected. As for the activities of the Kamigumi Group, we agree with the purpose of the Nippon Foundation The Ocean and Japan Project and Kodomo Waku, and conduct work experience and workplace tours once a year.

## Preventing child labor and forced labor

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### ■ Basic perspective on child labor and forced labor

The Kamigumi Group will comply with the laws and regulations of each country and region, comply with international labor standards and frameworks, and will not tolerate any unfair labor practices such as child labor and forced labor.

### ■ Main initiatives

The Kamigumi Group complies with the Labor Standards Act, which prohibits child labor and forced labor. In addition, in the unlikely event that there is a suspicion of child labor or forced labor, we have established an internal whistleblowing desk called the Corporate Ethics Helpline to prevent occurrence.



# Communication

## Communication with shareholders and investor

By posting financial highlights and securities reports on the website and by other means, the Company strives to communicate information to shareholders and investors in a timely manner.

In addition, the Company seeks to win understanding of its business conditions, strategies, and other matters through bi-annual briefings on financial results for institutional investors and analysts.

The Ordinary General Meeting of Shareholders is held in late June of each year. To encourage shareholder participation at and to review proposals submitted to this meeting, the Company issues notices of convocation well in advance. We also maintain a system that enables the exercise of voting rights via the Internet.

(Related information)  
Disclosure Policy

## Coexistence with local communities

As a member of the community, we strive to contribute to harmony and coexistence based on profound respect for local culture and norms.

### Sea work experience (Kodomo Waku)

Through the sea work experience, this program aims at the healthy growth of children and the development of marine human resources, and we are working to make people feel familiar with “port work”.



### Mori no Sewanin forestry activities

Since 2009, we have aimed to prevent soil-related disasters and develop natural, abundant forests through tree-planting and preservation activities in Usaginomori Forest, a part of the Rokko Mountain system in Kobe.



### Cleanup activities

We carry out regular cleanup activities at our branch offices nationwide to improve our community environments.



### Participation in community events

People in our branch offices nationwide participate in local events and festivals, as part of efforts to help revitalize, and strengthen our ties to, local communities.



Oshaka Festival (Shibushi)



Community Festa (Fukuyama)



Tug-of-war tournament (Oita)



# Social contributions

## Sponsorship of social contribution activities

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Based on an emphasis on community partnerships, we pursue various ongoing initiatives to aid society, including donations that further the social and public good.

### ■ Example of initiatives

Sponsorship of Vissel Kobe's Social Seats (seats that help contribute to society)

We sponsor the Social Seats program (seats that help contribute to society) for the professional soccer team in our home market of Kobe.

The Social Seats program invites earthquake orphans and people from welfare facilities, including facilities serving mothers and children, via Kobe City and Hyogo Prefecture to view official matches at Vissel Kobe's home stadium.

# Employment and labor

## Equal pay for equal work/minimum wage

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The Group advocates compliance with international rules and local laws, etc., and complies with the payment of appropriate salaries to employees under laws and regulations that stipulate minimum wages in each country and the idea of equal pay for equal work. In Japan, the main career track positions who are responsible for core business are divided into national employees and regional employees, and each uses a salary and compensation system according to the role, the size of the position, and performance, etc., so that there is no difference between genders at the same qualification and same job level.

will comply with labor laws and regulations in each country and work to reduce excessive work at each group site, including overseas.

### ■ Main initiatives

We conduct exchanges of opinions and active dialogues between labor and management on reducing working hours, and we are working to reduce excessive working hours. For example, we thoroughly manage working hours as one of our initiatives that takes into account work-life balance.

Specifically, we are conducting appropriate management by making efforts to standardize work and eliminate over-reliance on specific individuals, introducing a work management system that helps supervisors understand their employees' working hours in a timely manner to create a mechanism to send an alert before an employee works long hours.

## Dialogue between labor and management

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### ■ Basic perspective on dialogue between labor and management

Kamigumi supports and respects the right to freedom of association and the right to collective bargaining, and both Kamigumi and the trade union aim to create a workplace that is comfortable for everyone and build a stable relationship.

### ■ Main initiatives

In order to ensure smooth management and business development, and to improve the working conditions of union members, we listen to different opinions depending on the job type, and hold labor-management negotiations three times a year. In addition, when implementing the introduction and change of various systems, we have established a place for discussion of high-impact items each time, and have established a system that allows employees' opinions to be reflected in management.

## Training to improve employee skills

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### Training for human resource development

#### ■ Basic approach

The Kamigumi Group believes that human resources are the source of value creation and business competitiveness, and since it is human resources who will practice "responding to the demands of an ever-changing business environment" and "taking on challenges that are one step ahead of present-day needs" in the corporate philosophy, we will aim to continuously cultivate human resources with the will and execution ability to boldly take on challenges in response to changes. In addition, we consider the following for human resource development.

- Develop human resources to not only improve corporate performance, but also improve employees' abilities and motivate them by feeling a sense of personal growth
- The fundamentals of human resource development are OJT, job rotation, and self-development
- Off-JT is carried out to create a foundation as a business person at each level and to acquire knowledge and skills that are difficult to obtain completely in OJT
- The guiding principle of development common to all levels is the realization of the "type of human resource sought" as a company employee

## Managing working hours to promote work-life balance

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### ■ Basic perspective on reducing excessive working hours

In order to develop our business in a sustainable and stable manner, we are working to reduce excessive working hours under the idea that it is important to maintain a working environment where employees can continue to work in a healthy and lively manner both mentally and physically. In addition, we

<Type of human resource sought>

- (1) Persons who continue to expand their professional fields to increase the intervening value to customers and related parties
- (2) Persons who grow themselves and the people around them by engaging with the people around them while challenging themselves to be aggressive
- (3) Persons who not only focus on the short term, but also grasp, plan, and execute things from a long-term perspective

**Structure**

The Human Resources Department of the head office plans and operates common education and training for the Group, such as training by each level starting with young employees and training of global human resources. We plan and implement education and training in each business unit for the acquisition of knowledge and skills specific to each business field.

**Initiatives**

(1) OJT

Based on the logistics know-how we have cultivated since our founding and our domestic and international logistics networks, we will cultivate human resources with expertise and diversity through our experience in a wide range of business fields that handle a variety of cargoes, from small parcels to huge heavy goods.

(2) On-site training for new employees

In principle, we conduct on-site training for new graduate main career track employees for six months to experience working at the forefront of the site of their assigned branch office. While allowing these employees to experience the on-site capabilities that are our strength, we strive to promote understanding of on-site work, foster safety awareness, and cultivate main career track employees that can be candidates for future executives.

(3) Training by Job level

We provide step by step training to allow employees to learn the ideas, knowledge, and skills they need to lay the foundation as a business person at each level. In particular, we have intensified training as a follow-up period for young employees up to the third year of joining the Company.

(4) Fair and equitable evaluation system

We have introduced a management system based on goals, and we hold goal setting interviews, interim interviews, and end-of-year evaluation interviews. We believe that the evaluation system should not be only used for judging fair treatment, salary increases, and promotions, but should also play a role in human resource development through the process of achieving goals. We aim to balance employee growth and organizational performance improvement by aligning our organizational goals with individual goals and working to achieve them. In addition, we have introduced evaluator training so that evaluators can properly evaluate, and provide feedback and guidance.

(5) Overseas training system

In principle, we dispatch employees who have been in the Company for more than five years to overseas local subsidiaries for half a year to carry out practical training. We strive to develop human resources who can respond to globalization by cultivating knowledge, skills, and an international sense through experiencing overseas locations, physical objects, and stakeholders.

(6) Development of next-generation management human resources

With the acceleration of the pace of change in the business environment, we aim to develop management personnel with foresight, leadership, and a sense of mission. From the management level, we will also focus on selective education that aims to cultivate managers intentionally in the medium- to long-term timeline, such as allowing talented people to gain difficult experiences at an early stage.

**Main training programs**

| 1 month after joining | 10 months after assignment             | OJT                  | Follow up after operation | Young/ mid-career     | Management         |
|-----------------------|--|----------------------|---------------------------|-----------------------|--------------------|
| Head office lecture   | On-site training                       | Sales                | New employees meeting     | Overseas training     |                    |
| On-site tour          | Registered customs specialist training | Customs clearance    | Personal meeting          | Relocation            | Evaluator training |
| Business manner       | Various get licensed                   | Logistics operations | Online meeting            | Training by Job level |                    |
| Trade Practice        |  | Management           |                           |                       |                    |
| Various e-Learning    |  |                      |                           |                       |                    |

## Employee Engagement

### ■ Engagement survey implementation

We recognize that employee engagement is one of the essential elements for sustainable improvement of corporate value. To that end, in February 2024, we conducted a companywide survey for the first time to ascertain the status of employee engagement.

In this survey, we measured and analyzed the "expectation-perception gap" that employees in each organization gained through their experiences in the eight areas below.

### ■ Survey summary

Survey subjects: Career track positions, general positions, re-hired employees, part-time employees

Response rate: 84.4% (3,202 of 3,793)

Survey content: Survey of employee experience (EX) received by employees in eight fields in their relations with other employees and the Company.

[1] Hiring [2] Onboarding [3] Working [4] Personnel evaluations [5] Human development [6] Personnel assignment [7] Working environment [8] Corporate culture

Survey results: EX score 67.5

\* Reference value: Average of other companies 69.5

Results were good in the hiring, onboarding, and working categories, but those in the personnel evaluations and human development categories suggest that issues remain. To improve this score, we will promote effective personnel policies based on the new personnel system implemented from FY2023.

\* EX Score: An index to express the status of the organization, calculated from employees' expected and actual values.

## Local employment and local sourcing

The Kamigumi Group demonstrates its cooperation with the international community and its contribution to the local community in its Charter of Corporate Behavior. In our action policy, we respect the culture and norms of the local community, contribute to the development of the local community, and declare that we will promote corporate activities that take into account the region. Based on this recognition, we will contribute to the development of local communities by conducting social contribution activities that contribute to the improvement and expansion of the economic and social infrastructure of the region.

## Health and safety

### Occupational health and safety

#### ■ Basic approach and policy

In our Group, which has many labor-intensive businesses, we recognize that in addition to our efforts to ensure the health and safety of our employees, it is important to ensure the safety of all stakeholders who work together with us for the sustainable growth of our Company. In order to protect the safety of all stakeholders involved in the Group's business activities and to support the maintenance of the mental and physical health of Group employees, we comply with relevant laws and regulations such as the Industrial Safety and Health Act. In the Group Charter of Corporate Behavior, we have set a policy to improve the health and safety system to eliminate occupational accidents. In addition, we have declared that we will work to promote health throughout our offices (Healthy Company Statement), and we strive to create a work environment where everyone can work safely, in a healthy and lively manner both physically and mentally.

#### ■ Management system

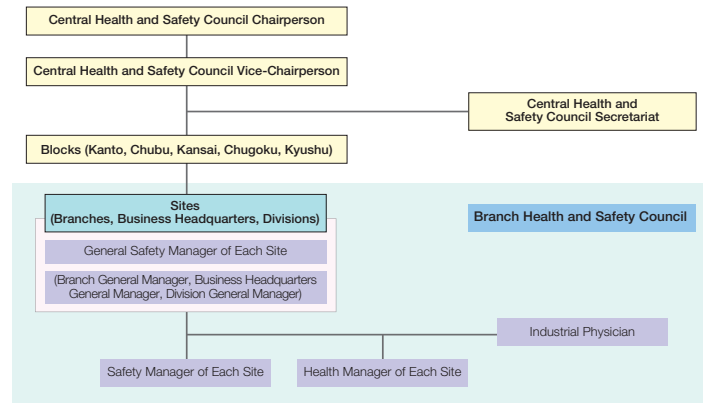
We have established the Central Health and Safety Council as an organization that promotes and manages accident prevention and health promotion in the Group. Under this council, the country is divided into 5 blocks (Kanto, Chubu, Kansai,

Chugoku, Kyushu), and under this umbrella, each branch office makes plans to develop health and safety activities.

### Occupational health and safety policy and activity structure

The Central Health and Safety Council Secretariat sets the health and safety activity policy of each branch office every year, with an annual slogan, key goals, and key implementation items, and each block and each branch office plans annual health and safety activities based on the activity policy. As an activity, at the all-branch office meeting hosted by the Central Health and Safety Council, we confirm the progress of each block, analyze the causes of accidents and occupational accidents, and share measures to prevent recurrence. In each block, health and safety conferences are held four times a year with patrols as the main axis. The secretariat conducts safety patrols for business sites with deficiencies in the safety system such as branch offices with many accidents. Depending on the results of the patrols, the safety management systems, including the systems of the partner companies of the business site, are corrected according to the improvement guidance document. In addition, during national activities such as National Safety Week, the results of the safety activities of each branch office are reported to the secretariat, and the secretariat evaluates the activities.

## Health and safety management system



### Initiatives

#### 1. Initiatives related to ensuring safety

##### (1) Frequency rate\*1

| Scope   | FY2021 | FY2022 | FY2023 |
|---|--------|--------|--------|
| Non-consolidated                                      | 0.42%  | 0.76%  | 0.55%  |
| Reference) Transportation and postal industry average | 3.31%  | 4.06%  | 3.95%  |

\*1 The number of casualties caused by occupational accidents per million working hours, expressed as the frequency of occupational accidents.  

$$\text{Frequency rate} = \frac{\text{number of casualties caused by occupational accidents}}{\text{total actual working hours}} \times 1,000,000$$

##### (2) Severity rate\*2

| Scope   | FY2021 | FY2022 | FY2023 |
|---|--------|--------|--------|
| Non-consolidated                                      | 0.02%  | 0.01%  | 0.01%  |
| Reference) Transportation and postal industry average | 0.22%  | 0.21%  | 0.19%  |

\*2 The total number of working days lost per 1,000 working hours, expressed as the severity of the accident.

$$\text{Severity rate} = \frac{\text{total working days lost}}{\text{total actual working hours}} \times 1,000$$

\* The Company has listed the number of occupational accidents as one of the material issues KPIs, and as a target value, the number of occupational accidents is set at a frequency rate of 0.80 or less and a severity rate of 0.03 or less.

#### 2. Pre-emptive safety based on KY and risk assessment

- (1) We estimate the risks of daily work by KY (hazard prediction), implement changes in work methods according to risks, and strive for pre-emptive safety.
- (2) At times such as new work and introduction of new equipment, a risk assessment is conducted, a work standard document specifying the work method for the tool to be used is prepared, and workplace rules are thoroughly communicated via the work standard document.

#### 3. Implementation of safety education

- (1) In order to make new employees understand the characteristics of the port work site, we conduct health and safety training for new employees on topics such as accident case study education, hazard prediction training, risk assessment training, and audio-visual education through safety videos.
- (2) We have established a mechanism to report monthly accidents and near-miss incidents that did not result in

accidents within the Group and a system to share it within the Group. We strive to prevent recurrence and prevent similar accidents by disseminating the case studies horizontally at each branch office and using them for safety education.

#### 4. Initiatives related to health management and health promotion

Measures for prevention and control of infectious diseases  
 Assistance for influenza vaccination costs  
 In order to promote vaccination and reduce the burden of vaccination, we partially subsidize the costs of influenza vaccination at medical institutions for our employees and dependents in cooperation with the Sunny-Pier Health Insurance Association, which is the health insurance association of our Company.

#### 5. Mental health measures

- (1) Implementation of stress checks and provision of interview opportunities for those who wish to have them  
 In accordance with the law, we conduct stress checks for all employees who wish to take them. In addition, we have prepared an environment so that employees who wish to have an interview with an industrial doctor after receiving the results of their stress test can receive one.
- (2) Implementation of training for employees in line with the plan for the promotion of mental health  
 In order to advance the plan for the promotion of mental health, we conduct training on the themes of harassment prevention and mental health for all employees.

#### 6. Others

- (1) Implementation of the Hyogo Health Company Declaration  
 Focusing on health management and with a view to obtaining certification as a Health & Productivity Management Outstanding Organization in the future, we issued a Health Company Declaration in 2020, as the first step.

#### Number of employees who have taken health and safety training

| Training program name                        | FY2023 |
|--|--------|
| Health and safety training for new employees | 43     |
| Abuse of authority training                  | 3,760  |

## Various data

### Employee status

| Item                                    | Scope            | Breakdown             | Units  | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 |
|---|------------------|-----------------------|--------|-------------|-------------|-------------|
| Number of employees *1                  | Consolidated *2  | Overall               | People | 4,261       | 4,206       | 4,180       |
|   |                  | Male                  | People | 3,619       | 3,543       | 3,516       |
|   |                  | Female                | People | 642         | 663         | 664         |
|   |                  | Percentage of females | %      | 15.1        | 15.8        | 15.9        |
|   | Non-consolidated | Overall               | People | 3,719       | 3,674       | 3,643       |
|   |                  | Male                  | People | 3,206       | 3,145       | 3,115       |
|   |                  | Female                | People | 513         | 529         | 528         |
|   |                  | Percentage of females | %      | 13.8        | 14.4        | 14.5        |
| Average age                             | Non-consolidated | Overall               | Years  | 39.7        | 40.5        | 41.0        |
|   |                  | Male                  | Years  | 40.8        | 41.5        | 42.1        |
|   |                  | Female                | Years  | 33.7        | 34.4        | 35.1        |
| Average length of service               | Non-consolidated | Overall               | Years  | 15.7        | 16.4        | 16.9        |
|   |                  | Male                  | Years  | 16.7        | 17.4        | 17.9        |
|   |                  | Female                | Years  | 10.0        | 10.7        | 11.2        |
| Number of recruits(new graduates)       | Non-consolidated | Overall               | People | 85          | 77          | 87          |
|   |                  | Male                  | People | 56          | 45          | 65          |
|   |                  | Female                | People | 29          | 32          | 22          |
| Number of recruits (mid-career)         | Non-consolidated | Overall               | People | 53          | 41          | 63          |
|   |                  | Male                  | People | 44          | 32          | 44          |
|   |                  | Female                | People | 9           | 9           | 19          |
| Ratio of women in managerial positions  | Non-consolidated | –                     | %      | 1.5         | 1.8         | 2.0         |
| Non-regular employee ratio              | Consolidated *2  | Overall               | %      | 15.6        | 15.1        | 13.9        |
|   | Non-consolidated | Overall               | %      | 16.3        | 15.6        | 14.2        |
| Turnover rate (at own convenience)      | Consolidated *2  | Overall               | %      | –           | 3.6         | 4.2         |
|   | Non-consolidated | Overall               | %      | 3.9         | 3.4         | 3.8         |
| Hiring people with disabilities rate *3 | Consolidated *2  | Overall               | %      | –           | 2.19        | 2.29        |
|   | Non-consolidated | Overall               | %      | 2.28        | 2.24        | 2.32        |

### Diverse work styles

| Item                                      | Scope            | Breakdown | Units  | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 |
|---|------------------|-----------|--------|-------------|-------------|-------------|
| Average days of annual paid leave taken   | Non-consolidated | Overall   | Days   | 10.6        | 11.2        | 11.7        |
| Percentage of annual paid leave taken     | Non-consolidated | Overall   | %      | 58.4        | 60.7        | 63.0        |
| Number of users of childcare leave system | Non-consolidated | Overall   | People | 36          | 39          | 53          |
|   |                  | Male      | People | 7           | 23          | 27          |
|   |                  | Female    | People | 29          | 16          | 26          |
| Rate of employees taking childcare leave  | Non-consolidated | Male      | %      | 5.0         | 15.0        | 23.5        |
|   |                  | Female    | %      | 100         | 100         | 100         |

### Human resource development

| Item  | Scope            | Breakdown | Units | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 |
|---|------------------|-----------|-------|-------------|-------------|-------------|
| Education and training time (total time) *4 | Consolidated *2  | Overall   | Hours | –           | 29,960      | 31,580      |
|   | Non-consolidated | Overall   | Hours | –           | 29,031      | 30,126      |
| Education and training time (per person) *4 | Consolidated *2  | Overall   | Hours | –           | 6.4         | 6.8         |
|   | Non-consolidated | Overall   | Hours | –           | 7.1         | 7.5         |

(Notes) \*1 The number of employees is as of the end of each fiscal year. The number of employees does not include non-regular employees.

\*2 The Company and its domestic and overseas consolidated subsidiaries.

\*3 The consolidated figures include consolidated subsidiaries that are required to submit reports on the employment status of people with disabilities.

\*4 Including non-regular employees (excluding temporary employees).





# GOVERNANCE

In accordance with our Corporate Philosophy, we strive to enhance our management structures to ensure sustained, stable growth.



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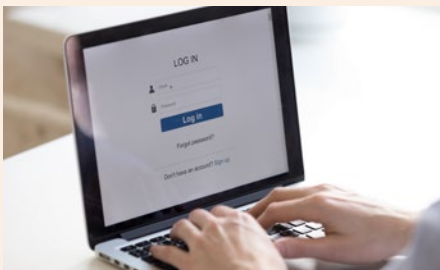
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# Corporate governance

## Basic concept of corporate governance

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We strive to enhance and strengthen corporate governance under a basic policy that calls for establishing efficient management systems to realize stable long-term growth founded on swift and appropriate decision-making and business execution, with the interests of diverse stakeholders in mind at all times, including shareholders. To ensure Group member companies are managed in accordance with laws and regulations under consolidated management, we've developed an internal controls system based on the management of various risks in business operations. These are part of our good-faith efforts to fulfill our corporate social responsibility.

## Basic policy on internal controls systems

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In line with our management philosophy, we seek to realize sustained growth and fulfill our social responsibilities as an integrated logistics provider. We've established a basic policy on internal controls systems under which we develop and operate related systems and structures and periodically review and improve them.

### ■ State of the risk management structure

The Kamigumi Group has established Risk Management Rules to identify various risks in everyday business execution and to prevent potential problems. In accordance with these rules, the Compliance/Risk Management Committee meets regularly to ascertain risks in the Group and to draft and implement measures to address them. (The Compliance/Risk Management Committee met 12 times in FY2023.)

### ■ State of initiatives related to securing efficacy and efficiency in business execution

In FY2023, the Board of Directors consisted of eight members (including three external Directors) and met 16 times. The four Audit & Supervisory Board members (including three external Audit & Supervisory Board members) also attended these meetings. Board meetings are generally characterized by a lively exchange of opinions on each of the motions submitted. We seek to ensure the efficacy of its decision-making and oversight.

We have also adopted an executive officer system. The Board of Executive Officers, attended by all Company executive officers, met 12 times in FY2023 to make timely decisions on business matters.

### ■ Systems to ensure the propriety and status of Group business operations

Under the Affiliate Company Management Rules, important matters related to Group management are deliberated on or reported to the Company's Board of Directors and meetings of other internal management bodies. The Company's Internal Audit Department audits major subsidiaries in accordance with audit plans to ensure the propriety of Group business operations.

### ■ Initiatives related to ensuring the efficacy of auditing by Audit & Supervisory Board members

The Company's Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings. Board members also meet regularly with the Representative Director to ensure opportunities for the exchange of opinions concerning management. Board members receive important reports and materials from related Company sections, including reports from the Internal Audit Department on the results of internal audits. They review reports and materials from Group member companies as needed and periodic reports from the accounting auditor concerning audit results. Board members check with the accounting auditor regarding audit status, as needed. These activities help ensure the efficacy of audits overseen by Audit & Supervisory Board members.

## Appointing external Directors and Audit & Supervisory Board members

### External Directors (three Directors)

| Name             | Reasons for appointment   |
|------------------|---|
| Nobuko Ishibashi | <p>While she lacks direct past experience with corporate management except as external director, Ms. Ishibashi offers wide-ranging experience and extensive knowledge gained in her work as an attorney. She was appointed an external Director based on expectations that she will provide valuable advice and proposals, mainly from a compliance perspective, to help strengthen and advance Company governance.</p> <p>No known conflicts of interest exist between the Company and Ms. Ishibashi. We appointed her as an independent officer because she satisfies the independence criteria of the Tokyo Stock Exchange and the criteria established by the Company for determining independence.</p>                             |
| Osamu Hosaka     | <p>While he lacks direct past experience with corporate management except as external director, Mr. Hosaka offers considerable knowledge, primarily related to resupply and transport, gained from his experience as a high-ranking officer in the Japan Ground Self- Defense Force. He was appointed an external Director based on expectations that he will leverage this knowledge to help ensure the legality and propriety of Board decisions.</p> <p>No known conflicts of interest exist between the Company and Mr. Hosaka. We appointed him as an independent officer because he satisfies the independence criteria of the Tokyo Stock Exchange and the criteria established by the Company for determining independence.</p> |
| Harumi Matsumura | <p>Ms. Matsumura offers considerable knowledge based on her experience in management and human resources and CSR sections as an officer of publicly traded firms. She was appointed an external Director based on expectations that she will leverage this knowledge to help ensure the legality and propriety of Board decisions.</p> <p>No known conflicts of interest exist between the Company and Ms. Matsumura. We appointed her as an independent officer because she satisfies the independence criteria of the Tokyo Stock Exchange and the criteria established by the Company for determining independence.</p>  |

### External Audit & Supervisory Board members (three members)

| Name               | Reasons for appointment  |
|--------------------|--|
| Ai Kuroda          | <p>While she lacks direct past experience with corporate management except as external director, Ms. Kuroda offers considerable experience and extensive knowledge gained in her work as an attorney. She was appointed an external Audit &amp; Supervisory Board member based on expectations that she will provide effective auditing, drawing on this experience and knowledge, as well as valuable advice and proposals, mainly from a compliance perspective, to help strengthen and advance Company governance.</p> <p>No known conflicts of interest exist between the Company and Ms. Kuroda. We appointed her as an independent officer because she satisfies the independence criteria of the Tokyo Stock Exchange and the criteria established by the Company for determining independence.</p>   |
| Tomokazu Hideshima | <p>While he lacks direct past experience with corporate management except as external director, Mr. Hideshima offers considerable experience with and extensive knowledge of tax administration and tax accounting gained in his work as a certified tax accountant. He was appointed an external Audit &amp; Supervisory Board member based on expectations that he will provide effective auditing, drawing on this experience and knowledge, as well as valuable advice and proposals, mainly from the perspectives of finance and taxes, to help strengthen and advance Company governance.</p> <p>No known conflicts of interest exist between the Company and Mr. Hideshima. We appointed him as an independent officer because he satisfies the independence criteria of the Tokyo Stock Exchange and the criteria established by the Company for determining independence.</p> |
| Shoko Sasaki       | <p>While she lacks direct past experience with corporate management except as external director, Ms. Sasaki offers considerable experience with and extensive knowledge of legal administration. She was appointed an external Audit and Supervisory Board member based on expectations that she will provide effective auditing, drawing on this experience and knowledge, as well as valuable advice and proposals, mainly from a risk-management perspective, to help strengthen and advance Company governance.</p> <p>No known conflicts of interest exist between the Company and Ms. Sasaki. We appointed her as an independent officer because she satisfies the independence criteria of the Tokyo Stock Exchange and the criteria established by the Company for determining independence.</p>   |

## Composition and meetings of the Board of Directors

To achieve swift and appropriate decision-making on important management issues and on the oversight of business execution in Company business activities, the basic policy on the composition of the Board of Directors calls for membership to include internal Directors who are highly familiar with each of its business fields, as well as multiple external Directors who are capable of offering opinions on improving management efficiency and governance from diverse stakeholder perspectives. As of July 2024, the Board included 8 Directors (including three external Directors) and four Audit & Supervisory Board members (including three external Audit & Supervisory Board members), for a total of 12 members.

During FY2023, the Board met 16 times. The following table gives the attendance of each Director in Board meetings.

### Numbers of Directors and Audit & Supervisory Board members

| Fiscal year | Directors |          | Audit & Supervisory Board members |          |
|-------------|-----------|----------|-----------------------------------|----------|
|             | Internal  | External | Internal                          | External |
| 2024        | 5         | 3        | 1                                 | 3        |
| 2023        | 5         | 3        | 1                                 | 3        |
| 2022        | 8         | 4        | 1                                 | 3        |

### Attendance to meetings of the Board of Directors and Audit & Supervisory Board (April 1, 2023 to March 31, 2024)

(Results for FY2023)

| Name               | Position                                    | Number of Board of Directors meetings attended | Number of Audit & Supervisory Board meetings attended |
|--------------------|---|--|---|
| Yoshihiro Fukai    | Representative Director                     | 16/16 times (100%)                             | –   |
| Norihito Tahara    | Representative Director                     | 16/16 times (100%)                             | –   |
| Toshihiro Horiuchi | Representative Director                     | 16/16 times (100%)                             | –   |
| Katsumi Murakami   | Representative Director                     | 16/16 times (100%)                             | –   |
| Koichi Hiramatsu   | Director                                    | 16/16 times (100%)                             | –   |
| Nobuko Ishibashi   | Director (external)                         | 16/16 times (100%)                             | –   |
| Osamu Hosaka       | Director (external)                         | 16/16 times (100%)                             | –   |
| Harumi Matsumura   | Director (external)                         | 16/16 times (100%)                             | –   |
| Kuniharu Saeki     | Audit & Supervisory Board member            | 16/16 times (100%)                             | 12/12 times (100%)                                    |
| Takumi Nakao       | Audit & Supervisory Board member (external) | 16/16 times (100%)                             | 12/12 times (100%)                                    |
| Ai Kuroda          | Audit & Supervisory Board member (external) | 16/16 times (100%)                             | 12/12 times (100%)                                    |
| Tomokazu Hideshima | Standing Audit & Supervisory Board member   | 16/16 times (100%)                             | 12/12 times (100%)                                    |

\* Positions are as of March 31, 2024.

\* Four directors, Masami Kubo, Yukihiko Nagata, Kazuhisa Shiino, and Mitsuo Suzuki, are excluded from the above table because their terms of office expired at the 84th Ordinary General Meeting of Shareholders held on June 29, 2023.

# Compliance

## Compliance structure and state of operations

The Company's Compliance/Risk Management Committee is charged with establishment and promotion of internal controls systems and with ensuring a thorough understanding of compliance with regard to internal rules and applicable laws and regulations in local committees through various means, including the Company's internal bulletin board and newsletters. It also receives periodic self-inspection reports from local committees and pursues various ongoing measures to strengthen compliance based on the results of these efforts.

## Promoting compliance and risk management activities

### ■ Raising employee awareness of compliance issues

Since FY2010, the Company has published the Risk Management Bulletin (with the publication of its 347th issue as of the end of March 2024) to keep employees abreast of various compliance matters, alongside activities in which employees read these together in the workplace. The Risk Management Bulletin is also used as teaching materials in internal training.

In addition, we promote the use of the compliance promotion portal site (internal portal) and aim to further strengthen the governance system by improving employee compliance awareness.



Compliance promotion portal site

### ■ Developing effective compliance systems

To promote risk management, the Company's Compliance/Risk Management Committee (at the head office) and its subsidiary local committees (organized in each branch office) carry out continual training with the goal of improving ethical standards within the organization and awareness of various risks. Monthly activities are based on Risk Management Periodic Inspection Records and Compliance Textbooks, as well as lessons gained from monitoring the response to risks and compliance training (mutual checks and balances), to ensure corporate management characterized by integrity.



Risk Management Bulletin



Risk Management Periodic Inspection Records



Compliance Textbook

## Anti-corruption policy and initiatives

The Group prohibits corrupt practices such as bribery, embezzlement, and bid-rigging. In the Charter of Corporate Behavior, we set forth Fair and Transparent Business Practices, and make clear statement such as "We do not collude in bidding." "We conduct transactions with clients on an equal footing, based on the contract agreed upon." and the "Anti-Corruption Policy" formulated based on these ideas is applied to the officers and employees of the Group.

In addition, as well as confirming the risks related to bribery and corruption with officers and employees based on the compliance system, we are striving to penetrate the anti-corruption policy by distributing compliance texts and the Risk Management newsletter (internal newsletter) through the Company's portal site as content to translate the anti-corruption policy into individual actions.

The number of dispositions and dismissals of officers and employees due to violations of the anti-corruption policy in FY2023 was 0.



## Export/import controls

To maintain security in international logistics and help facilitate international trade, the Company has established various programs concerning compliance with applicable laws and regulations, as well as ensuring security and appropriate export/import customs clearance for international cargo. It maintains a management system based on these programs and goals. In addition, as an authorized economic operator (AEO) recognized for outstanding compliance structure and security management, the Company was approved as a special bonded warehouse business in June 2011 and authorized as a certified customs clearance agent in January 2014.

Special bonded warehouse business: Registered bonded storage location (53 sites nationwide)  
 Certified customs clearance agent: 35 sites nationwide  
 (As of March 2024)



AEO warehouse operator  
 AEO customs broker

## Operation and widespread awareness promotion of the internal whistleblower system

The Kamigumi Corporate Ethics Helpline is as an internal whistleblower system designed to swiftly detect and prevent violations of laws and regulations, improprieties, and similar issues and to improve the Company's internal self-governing functions. The Compliance/Risk Management Committee and the Audit & Supervisory Board are responsible for reporting matters that violate the Company Articles of Incorporation and compliance rules such as compliance violations, harassment, and corruption, including bribery, and ensure the anonymity of whistleblowers and investigators when investigating reported matters. In 2023, nine incidents were reported under this system.

Also, in addition to employee training on the internal whistleblower system, to ensure that all employees are aware of the system, we put up posters in workplaces and, so that all officers and employees can use the system with peace of mind, made a guidebook, A.B.C. of the Kamigumi Group Corporate Ethics Helpline, and are working to see to it that the system is operated appropriately.



Poster for Kamigumi Corporate Ethics Helpline



Excerpts from A.B.C. of the Kamigumi Group Corporate Ethics Helpline.

## Internal audits

The Internal Audit Department, an independent organization under the direct supervision of the President & Representative Director, handles internal audits. These audits are the department's sole responsibility.

The Department prepares an audit plan for each fiscal year and audits various aspects of Company business operations, including accounting (to ensure reliability of financial reports) and asset management (to verify legal and regulatory compliance), as well as the effective function of internal controls systems needed to ensure the propriety of business operations at the head office and all branch offices.

Immediately after the audit, an audit report is prepared and submitted to those responsible for management. Follow-up activities address the current status of corrective measures for issues identified in the audit.

## Basic stance on exclusion of antisocial forces

The Charter of Corporate Behavior explicitly calls for the Company to renounce any interactions with antisocial forces. The Company includes wording on exclusion of antisocial forces in various contracts and maintains internal systems to audit compliance with such provisions. The Company strives to help secure order and safety in civil society by advocating the principle of the "Three No's (no fear, no monetary payment, no use)" vis-a-vis antisocial forces and by ensuring thorough understanding and implementation of this principle throughout the Group.

## Risk management

### Business Continuity Planning (BCP) initiatives

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#### ■ Countermeasures in anticipation of major earthquakes

The Company prepared a BCP manual in anticipation of major earthquakes, including the projected Tonankai and Nankai Trough earthquakes. All sections, branch offices, and operations have developed their own individual emergency response measures to ensure business continuity. In addition, once a year, the Risk Management Department requests each branch office to carry out a self-inspection to check for any shortfalls in its earthquake readiness measures and also verifies, by itself, the state of the maintenance of related systems.

#### ■ Deployment of IP transceivers and periodic communication drills

In addition to the need to collect information rapidly for purposes such as checking on staff safety and ascertaining damage in the event of large-scale disasters, the reliable delivery of instructions and communications from the disaster task force are vital. Based on experiences with past earthquakes, the Company has deployed IP transceivers at each facility in Japan. IP transceivers can be used for communication even in cases such as power failures or restricted telephone service. Periodic communication drills ensure all employees know how to use the IP transceivers.

### Responsible tax payment

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The Company lacks subsidiaries with head offices located in tax havens.

### Fines for environmental violations

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There were no environmental violations during FY2023. In addition, fines were 0 yen.

## Information security

### Information security initiatives

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In addition to complying with various laws and regulations concerning the protection of personal information, the Company has established its own Information Security Standards.

Personal information and other information concerning third parties is rigorously managed under the leadership of the Chief Privacy Officer to safeguard against leaks and use for other than intended purposes.

## Supply chain

### Building equitable trading relationships

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In accordance with the Act Against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, which restricts misuse of positions of advantage as described in the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Company fully complies with its obligations under the Act to exchange documents and specify payment

deadlines in transactions with subcontractors. By auditing payments and document retention, an independent internal auditing section and the Financial Management Department ensure that related operations are implemented in compliance with the Act.

# Material issues



## Environment

| Material items (subcategories): <b>Lessening environmental impact</b>                          |  |  |   |
|--|--|--|---|
| Issues   | KPI  | Target values  | Results and progress in FY2024  |
| <ul style="list-style-type: none"> <li>Reducing CO<sub>2</sub> emissions</li> </ul>            | Emission reduction rate  | 46% reduction (vs. FY2013; reduction volume: 45,575 t-CO <sub>2</sub> )<br>* Emission target at the end of FY2030: 53,545t-CO <sub>2</sub> | 2.4% reduction (end of FY2024)<br>Reduction plan established for FY2025 to FY2029 |
| Switching warehouse lighting to LED  | Percentage of Company warehouses transitioned to LED lighting                            | 100% (end of FY2030)   | 37.6% (end of FY2024)   |
| Renewable power generation (installation of solar panels at temperature-controlled warehouses) | Percentage of the Company's temperature-controlled warehouses equipped with solar panels | 100% (end of FY2030)   | 5.1% (end of FY2024)  |
| Switching from diesel- to battery-powered forklifts  | Percentage of sub-4t forklifts converted to battery power                                | 100% (end of FY2030)   | 67.4% (end of FY2024)   |
| Use of electricity from renewable energy sources   | Electricity from renewable energy sources as a percentage of all power used              | 30% (end of FY2030)  | 0% (end of FY2024)  |
| <ul style="list-style-type: none"> <li>Promoting environmental management</li> </ul>           | Earning ISO 14001 certification  | ISO 14001 certification earned at multiple facilities, including head office   | Under consideration   |



## Society

| Material items (subcategories): <b>Creating attractive workplace environments in which diverse human resources can thrive</b> |   |   |   |
|---|---|---|---|
| Issues  | KPI   | Target values                           | Results and progress in FY2024                            |
| <ul style="list-style-type: none"> <li>Enhancing health management</li> </ul>   | Rate of use of paid vacation time   | 65% (end of FY2025)                     | 63% (end of FY2024)                                       |
| <ul style="list-style-type: none"> <li>Enhancing human resource development</li> </ul>  | Enhancing employee training by level  | Enhancing the menu of training programs | Management leadership training (for heads of departments) |
| <ul style="list-style-type: none"> <li>Respect for human rights and diversity</li> </ul>                                      | Women as a percentage of those in management positions                        | 4% (end of FY2035)                      | 2% (end of FY2024)  |
|   | Percentage of women in career-track positions <sup>1</sup>                    | 15% (end of FY2035) <sup>1</sup>        | -   |
|   | Percentage of female officers and employees (excluding managers) <sup>2</sup> | 30% (end of FY2035) <sup>2</sup>        | -   |
|   | Percentage of men taking childcare leave                                      | 70% (end of FY2035) <sup>3</sup>        | 23% (end of FY2024)                                       |



| Material items (subcategories): <b>Safety initiatives as a responsible enterprise</b>            |   |  |   |
|--|---|--|---|
| Issues   | KPI   | Target values  | Results and progress in FY2024  |
| <ul style="list-style-type: none"> <li>Accident prevention and mitigation in business</li> </ul> | Promoting earning the "G Mark" for trucking safety                  | Earned at all sites  | Earned at all sites   |
|  | Number of serious accidents   | Maintained at zero   | Zero  |
|  | Number of traffic accidents   | 30% reduction (YoY)  | 60% reduction (10 in FY2022, 4 in FY2023)   |
|  | Number of workplace accidents                                       | Workplace accident indicators<br>Frequency: 0.80 or lower<br>Severity: 0.03 or lower   | Results for 2023<br>Frequency: 0.55<br>Severity: 0.01                                       |
|  | Percentage of vehicles equipped with drive recorders                | 100%   | 100%  |
| <ul style="list-style-type: none"> <li>Enhancing resilience</li> </ul>                           | Business Continuity Plan (BCP) development                          | Completion of BCP formulation at all facilities  | 28 branches and 80 sites (completed the establishment of a contact system for all branches) |
|  | Number of facilities with IP wireless phones installed              | All facilities (end of FY2030)   | 28 branches and 46 sites (completed installation at all branches)                           |
|  | Drills for serious disasters  | Once/year  | Wide-area disaster drills: 0 (disaster drills, etc. were conducted at each site)            |
|  | Installation of emergency power supplies or largecapacity batteries | Installed at major facilities (head office, Tokyo Office, Nagoya Branch, Fukuoka Branch) (end of FY2030)   | Obtain quotes and study installation plans  |
|  | Stockpiling of emergency supplies                                   | Number of employees × 1.1 × 3 days' supply<br>* Subject facilities: 27 (number of facilities located in regions subject to promotion of countermeasures to Nankai Trough earthquake) | 25 sites  |



1: The Company's Board of Directors has decided to add this KPI and target values from the fiscal year ending March 31, 2025 onward. Therefore, there are no results for the fiscal year ended March 31, 2024.

2: Since the target values were achieved, the Company's Board of Directors has decided to change this KPI and target values from the fiscal year ending March 31, 2025 onward ("Number of female officers and employees (including managers): Increase by 20% from the end of FY2022 (end of FY2025)" → "Percentage of female officers and employees (excluding managers): 30% (end of FY2035)").

Therefore, there are no results for the fiscal year ended March 31, 2024. (Actual results for the former goal: 79% increase from FY2022 (end of FY2024))

3: Since the target values were achieved, the Company's Board of Directors has decided to change this KPI and target values from the fiscal year ending March 31, 2025 onward (Percentage of men taking childcare leave: 10% (end of FY2025) → 70% (end of FY2035)).

\*KPI and target values for "Number of officers promoted from midcareer hires (including managers)" and "Percentage completing training on unconscious bias (managers)" in Society (Category) were deleted due to overachievement of targets.

| Material items (subcategories): <b>Enhancing joint activities with local communities</b>     |   |           |   |
|--|---|-----------|---|
| <ul style="list-style-type: none"> <li>Expanding corporate citizenship activities</li> </ul> | Number of social contribution activities implemented        | (Growing) | <ul style="list-style-type: none"> <li>Sponsorship for Vissel Kobe "Social Seats" (Social Contribution Seats)</li> <li>Donation of 50 million yen to the 2023 World Aquatics Championships</li> </ul> |
|  | Expanding contributions to athletics and cultural education | (Growing) |   |



| Material items (subcategories): <b>Promoting business activities to meet society's needs</b>     |  |   |  |
|--|--|---|--|
| <ul style="list-style-type: none"> <li>Responding to customer needs and social issues</li> </ul> | Promoting transport for facilities related social infrastructures<br>*Growing track record on transport for facilities related to new energy/mobility infrastructure | – | Transportation of materials and fuel for biomass power plants 1 new order received |
| <ul style="list-style-type: none"> <li>Promoting digital transformation (DX)</li> </ul>          | Expanding DX measures adopted  | – | 3 DX digital tools installed   |



## Governance

| Material items (subcategories): <b>Enhancing governance</b> |  |  |  |
|---|--|--|--|
|   |  |  |  |

| Issues  | KPI   | Target values  | Results and progress in FY2024  |
|---|---|--|---|
| <ul style="list-style-type: none"> <li>Maintaining and developing optimal systems for the Company</li> </ul>                      | Percentage of principles of the amended Corporate Governance Code complied with             | 100%   | 98.7% (82 of 83 items complied with, 1 item remaining)  |
| <ul style="list-style-type: none"> <li>Improving the efficacy of the Board of Directors and audit functions</li> </ul>            | Assessing the efficacy of the Board of Directors and efforts for improvement                | One assessment completed by an external agency by FY2025   | FY2024: One assessment completed by an external agency  |
| <ul style="list-style-type: none"> <li>Enhancing the oversight functions of the Board of Directors</li> </ul>                     | Implementing sustained efforts to enhance the oversight functions of the Board of Directors | Establishing an advisory committee pertaining to nomination and remuneration<br>Pursuing an appropriate structure for the Board of Directors | Completed establishment of an advisory committee pertaining to nomination and remuneration<br>Revision of skills matrix under consideration |
| <ul style="list-style-type: none"> <li>Enhancing disclosure and improving transparency related to corporate governance</li> </ul> | Enhancing disclosure and improving transparency to improve understanding among stakeholders | Enhancing information disclosure and its transparency  | Enhancement of non-financial information and English-language disclosures, revision of CG Report  |

| Material items (subcategories): <b>Thorough compliance</b> |  |  |  |
|--|--|--|--|
|  |  |  |  |

|  |  |   |   |
|--|--|---|---|
| <ul style="list-style-type: none"> <li>Raising awareness of compliance among all employees</li> <li>Preventing inappropriate behaviour and interactions in corporate activities</li> </ul> | Number of serious compliance violations        | 0/year  | 0/year  |
|  | Enhancing compliance education                 | Measures such as implementing compliance training using e-learning and other means                      | Held internal webinar on AEO and internal whistleblowing<br>Publication of the Corporate Ethics Helpline Internal Guidebook |
|  | Reducing operational risk                      | Risk management in business office units<br>Preventing similar errors by sharing information internally | Risk management in business office units<br>Ongoing activities to prevent similar errors (monthly)                          |
|  | Fostering understanding of business compliance | Using compliance textbooks and assessing their effectiveness  | 12 times/year   |
| <ul style="list-style-type: none"> <li>Awareness and use of compliance hotline</li> </ul>  | Awareness rate based on compliance surveys     | Improving awareness rate  | 100%  |
|  | Number of cases handled by hotline             | Disclosure of number of cases   | 9 (down 3 from the previous year)   |

| Material items (subcategories): <b>Risk management</b> |  |  |  |
|--|--|--|--|
|  |  |  |  |

|  |   |   |                            |
|--|---|---|----------------------------|
| <ul style="list-style-type: none"> <li>Enhancing information security</li> </ul> | Number of times information security training held              | 5-10 times/year   | 4 times/year               |
|  | Number of incidents (e.g., information leaks, service downtime) | 0/year  | 0 times/year               |
|  | Promoting information security measures                         | Disclosing details of promotional efforts (currently being examined chiefly by the Cybersecurity Committee) | Updating security software |

# Certifications

## Minato SDGs Partner Registration

We have registered with the Minato SDGs Partner Registration System, a certification system for port-related companies led by the Ministry of Land, Infrastructure, Transport and Tourism. We will strive to become a more sustainable company by promoting the SDGs and their initiatives in our business activities, and by raising awareness of the SDGs among our employees.



## Kawasaki SDGs Gold Partner

We are pleased to announce that we have been certified as a Kawasaki SDGs Gold Partner, a registration and certification system for companies and organizations in Kawasaki City. The certification allows us to participate in the Kawasaki SDGs Platform. Through these efforts, we will continue to enhance our corporate value and contribute to the local community.



## AEO

As an authorized economic operator (AEO) recognized for outstanding compliance structure and security management, the Company was approved as a special bonded warehouse business in June 2011 and authorized as a certified customs clearance agent in January 2014.



## G-Mark Certification as an Outstanding Safety Business

G-Mark certification as an outstanding safety business is a program established by the Japan Trucking Association to recognize trucking companies that meet specific standards for traffic safety and other matters. We're currently in the process of proactively gaining certification under this program as another way to strengthen transport safety. We've already won G-Mark Certification for 24 of our branches.



## Healthy Company Statement

As part of efforts to be an outstanding business enterprise in matters related to health, we have issued a statement pledging to strive to improve health companywide. Our goal is to build workplace environments in which each and every employee can work in sound mental and physical health with a sense of vitality.



## Halal Certification

We have acquired halal certification for our warehousing operation at PT. Kamigumi Logistics Indonesia, which is now handling halal health food products. We are committed to meeting the rapidly expanding demand for halal products.



## ISO Acquisition Status

In order to enhance the effectiveness of environmental management, we will promote the acquisition of ISO14001 certification, an international standard for environmental management. We will monitor, measure, and analyze through regular internal audits to ensure the effectiveness of our improvement activities.

| Certification name | Acquisition ratio | Number of certified sites |
|--------------------|-------------------|---------------------------|
| ISO14001           | 5.1%              | 2/39                      |



