

Material Topics

Data Security



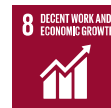
Objectives	Progress in FY2023	FY2024 Onward
<ul style="list-style-type: none"> ■ Improve information security architecture ■ Increase employee awareness of information security 	<ul style="list-style-type: none"> ■ Elearning for all KWE Group employees was held four times ■ Phishing email drills were held 5 times ■ Expanded employee training in cyber-security and conducted periodic security assessments ■ Improved security assessment of data center, server, and network environments under the Unus Project to establish a group-wide IT platform and improve security across the group ■ Improved measures for suspicious emails, in addition to existing malware and spam email measures 	<ul style="list-style-type: none"> ■ Implement regular third-party assessments, with improvements planned and implemented by information security experts ■ Continue fast and effective measures to improve IT security ■ Utilize generative AI to improve competitive advantage and operations efficiency, and build framework to improve risk management

Diversity and Equal Opportunity



Objectives	Progress in FY2023	FY2024 Onward
<ul style="list-style-type: none"> ■ Promote equal opportunity in promotion to management ■ Promote hiring from minority groups ■ Promote educating employees about human rights and equal opportunity 	<ul style="list-style-type: none"> ■ Started employee engagement surveys ■ Women in management positions across the group 34.0% ■ Educated employees about human rights and equal opportunity through elearning ■ Expanded frameworks for telework and reduced work hours for child care 	<ul style="list-style-type: none"> ■ Increase employee awareness of KWE Group Diversity and Equal Opportunity Policy ■ Move ahead on activity in line with local characteristics

Social Impacts in the Supply Chain



Objectives	Progress in FY2023	FY2024 Onward
<ul style="list-style-type: none"> ■ Fulfill supply chain ethical, social, and environmental responsibilities 	<ul style="list-style-type: none"> ■ Moved ahead on establishing unified supplier safety and health standards ■ Participated as KWE Group in the UN Global Compact ■ Participated in Partnership Building Declaration ■ Established Human Rights Due Diligence Committee 	<ul style="list-style-type: none"> ■ Move ahead on the KWE Group Human Rights Policy ■ Move ahead on supplier survey with a checklist including human rights due diligence

Diversity and Equal Opportunity

Concept & Policy

The KWE Group's most important asset is its people. We are working on promoting diversity and equal opportunity in order to achieve the corporate HR vision and mission defined in the KWE Global HR Guidelines established in 2020. The basic premise of the KWE Group is to respect the individuality of our employees, not to tolerate discrimination in any form, and to provide opportunities for everyone to play an active role under equal conditions. The KWE Group Code of Conduct 8. Equal Employment Opportunity expressly states this ethical standard, and in FY2023 we also established the KWE Group Diversity and Equal Opportunity Policy and Guidelines. In FY2024, our KWE Group companies refer to these guidelines as they endeavor to promote diversity and equal opportunity in the most appropriate and effective way for their unique situation and with regard for the law and culture of their country.

KWE Group Code of Conduct 8. Equal Employment Opportunity

The Company has always been, and continues to be, committed to providing equal employment opportunity to all its employees and applicants for employment.

As a result, it is the policy of the Company to hire, train, promote, compensate, and to administer all of its personnel policies without regard to race, color, national origin, citizenship, religion, sex, age, disability, marital status, veteran status, sexual orientation, genetic information or any other characteristics protected by applicable laws.

All employees are responsible for complying with this policy. As a condition of employment, every employee is to treat all other employees equally and fairly.

KWE Group Diversity and Equal Opportunity Policy (excerpt)

1. Purpose

The KWE Group strongly believes that the values of diversity, equity, and inclusion are essential for our corporate sustainability. Collaboration among diverse employees from various backgrounds is a significant factor in our corporate culture, reputation, and achievement. The KWE Group respects diversity, equality, equity, and inclusion in its business and management. It is a part of the KWE Group DNA, which has driven the growth of our business globally from the beginning. As in the past and so into the future, our people are the most valuable asset we have. We firmly believe that this policy will increase the power of our diverse employee base worldwide. As KWE Group business continues to grow, our commitment to equal opportunity will enable our companies to contribute to local and global society as a good corporate citizen.

2. Scope

This policy applies to all employees of KWE Group companies, to the workplace and to work-related events organized or sponsored by the Company.

3. Basic Policy

- (A) Diversity - respect for diverse individuality
- (B) Equity - equity and equal opportunity
- (C) Inclusion - an inclusive work environment

4. Employee Responsibility

For more information about diversity initiatives, see:

<https://www.kwe.com/about/sustainability/worker/>

Corporate HR Vision

The KWE corporate HR vision is to attract, retain, and develop the best employees, and be a company that employees are proud of. We are committed to increasing employee engagement, resulting in the sustainable growth of both individuals and the organization.

Corporate HR Mission

The KWE corporate HR mission is to ensure that every employee can enjoy a long and fulfilling career by creating a work environment where each individual is motivated to develop him or herself and contribute to the organization.

For more information about the KWE Global HR Guidelines, see:

<https://www.kwe.com/about/workingatkwe/talent/>

Action Plans and KPI

We are focusing on the following actions:

- Support, develop, and engage a pipeline of talented women in order to encourage equality in advancement to managerial positions
- Promote recruitment from and retention of employees from minority, marginalized, and underrepresented groups
- Educate employees about human rights and equal opportunity

The following are our action areas and KPI.

Support, develop, and engage a pipeline of talented women in order to encourage equality in advancement to managerial positions

- Establish KWE Group Diversity and Equal Opportunity Guidelines
- Each KWE Group company makes concrete progress in line with the legal, cultural, and social characteristics of the country in which they do business

Create an environment of diversity and mutual respect

- Create a workplace environment with no discrimination or harassment
- Implement human resources measures that respect diversity and individuality so that every employee can demonstrate superior competency in their role

Improve training on preventing harassment and on diversity and inclusion

- Participation in harassment prevention training: 100%
- Participation in diversity and inclusion training: 99.92%

Achievements in FY2023 (Kintetsu World Express (non-consolidated))

Disabled persons hired	2.53%
Men taking childcare leave	36.7%
Men and women wage differential	67.9%

Promoting Diversity and Inclusion, and Preventing Harassment

Between April and June 2023 we conducted e-learning for all KWE Group employees on the topic of preventing harassment. Training is also held for KWE Japan employees on understanding and preventing harassment. We are aiming for everyone to take action on their own initiative to build a workplace that is easy to work in.

Talent Acquisition in Line with Diverse Local Demographics and Cultures Around the World

The KWE Group is committed to promoting diversity in talent acquisition in line with local demographics and cultures to promote business growth and secure human resources. For example, in Japan where the population is aging, we are supporting hiring people over the age of 60. And in the USA, APLL offices are holding training and events to promote employee diversity, and hiring graduates from Historically Black Colleges and Universities (HCBUs) under an internship program.

Employee Engagement Surveys

Kintetsu World Express started engagement surveys in FY2023 in order to track improvement in employee satisfaction and engagement. The results of the yearly engagement surveys of all employees are reported to the general managers of every department. In addition to KWE Japan, KWE Singapore, KWE Philippines, and APLL are also doing engagement surveys. The topic of how to improve engagement on an ongoing basis is discussed at monthly regional headquarter HR staff meetings and measures tailored to the local situation are being implemented.

Investment in Human Capital

We are providing frameworks and training programs as part of investment in human capital to increase employee engagement, including the following. The programs and learning events are designed for specific job grades and objectives, to help grow employees into peak contributors and help support their individual development.

Career Challenge System

Since April 2022 we have been offering a career development system for employees who have been at Kintetsu World Express (non-consolidated) for a minimum of 3 years to effectively leverage our human resources and grow both the individual and the organization. The system allows employees to apply for a position in a different department anonymously and

without any conditions, promoting employee autonomy in career development.

LinkedIn Learning

We are offering LinkedIn Learning across the KWE Group, for reskilling when the skills required for the job have significantly changed, and for upskilling to upgrade performance at one's current job. KWE is actively using the platform as a way to address the learning needs of diverse employees and help them gain the skills required for global business.

Self-Development Program Using Correspondence Courses

Kintetsu World Express provides a self-development program enabling increased efficiency on the job and improved job skills. The Company pays for 80% of the cost of completed courses, supporting self-directed learning. Correspondence courses make it possible for each employee to study at their own pace, without restrictions on time and place.

Global Human Resource Development Program

Successor Training

This is a six month training program for persons recommended by KWE locations outside Japan, intended to develop leadership capability under the guidance of expert lecturers from outside the Company. On the final day of training the president and other top executives of KWE Japan also participate in

Human resource training and development (as of April 2024, Kintetsu World Express (non-consolidated))

Job grade	Job grade training	Career training	International training	Management strategy	Themed training	Self-directed learning
Executive management						
Management	New Office Manager training New Manager training	Career training by peer group		Selective training	Management skills improvement training	Correspondence courses Registered customs specialist exam correspondence course Foreign language learning LinkedIn Learning
Leadership	Skills improvement training New Leader training					
General	New Chief training		International training		New hire mentor training	
	New skills training					
	Skills improvement training					
	New hire training					

advising the trainees. Over the past 3 years 21 employees have gone through this program.

Successor Training



Sharing our business philosophy and brand image at onboarding with the Corporate Movie

At Kintetsu World Express, all our new employees receive training including viewing the Corporate Movie and the Corporate Onboarding Video in order to enable smooth entry to the

company and provide the basis for future operations, compliance, and sustainability initiatives. All KWE Group employees view the Corporate Onboarding Video when they join a group company to learn more about the group and KWE culture.



KWE Group Corporate Movie 2023
<https://www.youtube.com/watch?v=5XruMglntrA>

Working Style Reform

Basic Policy

Our Management Plan 2027 includes “introduce flexible working styles that respect the individual lifestyles of employees” as an important human resources action area, and our KWE regional headquarters and group companies are moving forward on their own initiatives.

We are aiming to achieve a workplace that is easy to work in, by supporting diverse working styles for diverse human resources, regardless of gender or age. The KWE Group will continue to contribute to ongoing corporate growth by moving ahead on working style reform in line with individual group company circumstances and creating workplaces where all employees can work with satisfaction.

Formal Reform Organization

With rising demand in Japan for fundamental reform in working styles with the advancing age of the population and the impact of the covid-19 pandemic, the KWE Group Working Style Reform Project started up in May 2023 to review and revise HR framework conditions and content, under the lead of Human Resources.

Initiatives

Telework

The telework system that become widespread in general society during the covid-19 pandemic is being adopted as a permanent framework as part of working style reform at KWE.

In FY2023 KWE Japan department leaders and HR staff from affiliated companies in Japan moved forward on setting telework rules, and among other changes, based on employee opinion raised the cap on the number of times telework could be used each month. This has helped promote telework and made it easier for employees to work.

Reduced Work Hours for Childcare

In FY2023 we extended reduced work hours for childcare to parents with children through 6th grade from the previous 3rd grade, providing more flexibility to meet varied family circumstances. Helping support a balance of work with childcare in this way improves employee peace of mind and ease of work.

“Maternity Guide” Video and “Mama and Papa Guidebook”

In February 2024 we updated the Maternity Guide video explaining the Company childcare and childbirth leave of absence systems and how fathers can apply for childcare leave of absence, as well as publishing the new Mama and Papa Guidebook summarizing all the procedures related to pregnancy, childbirth, and childcare. These and other initiatives support employees with childbirth and childcare so that they can work with peace of mind.



Achievements and Outlook

With ongoing efforts to reduce overtime work hours, average overtime at Kintetsu World Express in FY2023 was about 15 hours a month, a decrease of 6% from the previous year. This improves employee work-life balance and reduces employee separation for childbirth and caregiving, and our flexibility is highly rated by new graduates searching for jobs, making employment at our company more attractive.

FY2023 Average Monthly Overtime Hours (Kintetsu World Express (non-consolidated))

April	16.1	August	14.0	December	15.5
May	14.9	September	16.5	January	15.4
June	15.2	October	17.3	February	15.2
July	14.9	November	16.8	March	17.3
Total for FY2023					189.1
Average for FY2023					15.8

VOICE

Top Management Involvement in Successor Development

Successor development in the KWE Group is not simply training in new skills, it also prioritizes development of talent in the flexible response and customer-first approach that characterize KWE culture. We began programmatic successor development training in 2021, with direct guidance provided by top management as well as external expert lecturers. The president and other top executives attending participant presentations on the final day emphasizes the importance of KWE’s management philosophy and corporate culture.

Corporate culture is the foundation of employee decision making and behavior, and an indispensable factor for the entire company in conducting business as one. Thinking about how to ensure the continuation and propagation of the KWE DNA is one of my personal priorities, and I know that communicating our unique corporate culture to the next generation of leaders is critical for the ongoing growth and increased value of the KWE Group. We will continue to focus on passing the KWE culture on to the next generation through programs tailor-made to develop KWE’s future leadership.

Managing Executive Officer
Yoshihiro Kusakabe



Occupational Safety and Health

Basic Policy

The KWE Group Code of Conduct explicitly provides for the safety and health of all our employees. The KWE Group focused on the front line level while earning ISO 45001 certification, and in August 2022 established the KWE Group Occupational Safety and Health Policy in order to address improving

safety and health at the global level. Based on regulations supporting the policy, the KWE Group Occupational Safety and Health Committee meets regularly to oversee ongoing improvements in the work environment.

KWE Group Code of Conduct 12. Safety and Health

The safety and health of each employee is critical to the Company and it is encouraged that all employees share in the commitment to a safe and healthy work environment. Each employee is responsible for immediately reporting any accidents, injuries or unsafe working conditions and maintaining a safe and healthy work environment. Workplace violence, any threatening behavior and all forms of unlawful conduct will not be tolerated.

KWE Group Occupational Safety and Health Policy

The KWE Group aims to enable employees to work in a safe and healthy environment where they can fully demonstrate their abilities, and provide maximum value to our customers and to society as a whole.

- 1) KWE Group directors and employees act with safety and health as their first priority.
- 2) KWE Group directors and employees comply with laws and company regulations related to safety and health.
- 3) The KWE Group identifies hazardous factors and takes measures to avoid or reduce the risk of harm to safety and health.

Driving Force

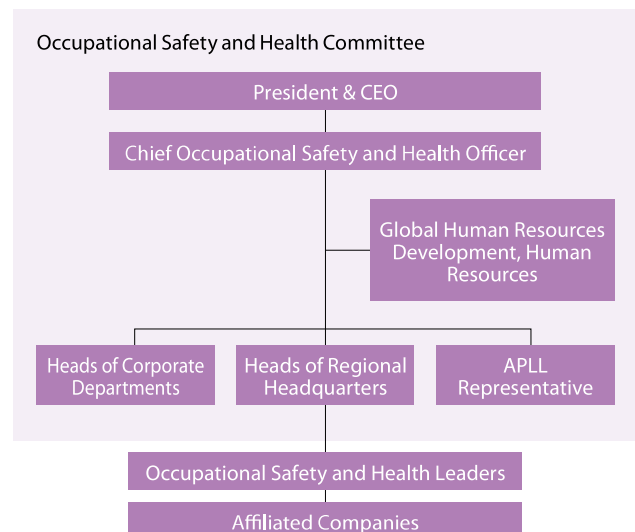
The KWE Group Occupational Health and Safety Committee reviews reports from regional headquarters and APLL on major work-related injuries and illnesses, sets group goals related to occupational safety and health, plans and monitors the progress of action plans, and evaluates and plans improvements in safety and health initiatives. The regional headquarters and APLL have the following responsibilities with respect to their affiliated companies:

- Deliberate measures required for safety and health management, track progress, evaluate and plan improvements in initiatives.
- Collect safety and health risk assessments performed by their affiliated companies and give guidance as needed.
- Track the status of work-related accidents and incidents and check the status of preventative measures.
- Report any major work-related injury or illness (death or absence from work of one month or longer) to the chief safety and health officer without delay, with Japan Affiliates Headquarters performing these responsibilities for affiliated companies in Japan.

FY2023 Action

In FY2023, we continued to track the status of safety and health measures provided for by the KWE Group Occupational Safety and Health Regulations, assessed occupational safety and health risks and drafted improvement plans, and created a reporting framework for work-related injuries and illnesses.

KWE Group Occupational Safety and Health Committee



Health Management

In April 2023, Kintetsu World Express (non-consolidated), in the consideration that the health of employees is the major prerequisite for the Company's business philosophy, issued its Health and Productivity Management Declaration stating the commitment of top management to addressing this important area.

Kintetsu World Express Health and Productivity Management Declaration

- The physical and mental health of our employees supports the core of our business, and maintaining and improving employee health is an important ongoing management initiative.
- Our healthy and energetic employees create new value and contribute to global society.

Health and Productivity Management Organizational Framework



Initiatives

Based on the existing foundation of occupational health physician, occupational safety and health committee, occupational health administrators and leaders established in compliance with the Industrial Safety and Health Act, we began working on improving the organizational structure to include full-time health nurses and a health management center as well as identifying and addressing health management issues. The Safety and Health Management Center, established in April 2023, is

steadily moving ahead on measures such as encouraging 100% of employees to take regular health exams, holding seminars on working women's health, and seminars in regard to line care by managers. As a result, KWE Japan was recognized as a Health and Productivity Management Outstanding Organization 2024 (Large Organization) in March 2024. We will continue to implement a variety of measures to increase health literacy and improve health management throughout the Company.

Health Activities

Increase rate of employees taking health exams, recommend full health exam

- Employees taking health exams: 100%
- Increase rate of employees taking full health exam

Support balance between illness and work

- Establish support through return to work after leave of absence
- Inform employees of support structure

Women's health support

- Female hormones and life stages
- Call to take cancer screening exams
- Seminars for all employees

Share information on preventing lifestyle-related disease

- Health insurance association public relations
- Talks on lifestyle-related diseases by health nurse at the occupational safety and health committee
- Call to participate in specific health guidance
- Health guidance



Adapt to diverse work styles

- Labor-management discussion (Article 36 Agreement)
- Collect employee opinions via the occupational safety and health committee

Recommend health exams to high risk employees

- Set notifications for post-exam measures
- Recommend health exams to high risk employees

Mental health self-care and line care awareness

- Talks on self-care and line care by managers
- Stress check organization diagnosis feedback
- Call for high stress interviews

Work engagement

- Identify issues based on employee data held by Corporate Human Resources

Dangerous Goods Handling

Kintetsu Logistics (Vietnam) earned C-TPAT (Customs Trade Partnership Against Terrorism (USA)) certification in 2022, and was also certified for the ISO 13485 international standard for medical device quality management systems in June 2023. KWE Korea is

now in the construction phase for its new Pyeongtaek Distribution Center Number 3 Terminal designed for dangerous goods, including semiconductor materials, as the KWE Group overall continues to build and improve dangerous goods handling systems.