Global Logistics Partner

KWE Group Report 2025

Contents

The KWE Group Report

The KWE Group Report 2025 provides our stakeholders with information from the two primary perspectives of sustainable growth and enhanced corporate value, and replaces the past Annual Report and Sustainability Report formats.

This new report emphasizes our long-term vision, growth strategy, integration of business and sustainability, and we have selected the content to appeal to our Group employees worldwide.

We hope this will help share our corporate sense of values, growth strategy, and key material topics with all our stakeholders.

This report refers to the International Integrated Reporting Framework proposed by the IFRS Foundation, the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 issued by Japan's Ministry of Economy, Trade and Industry, and other relevant standards.

Editorial policy

Report scope

Organizations: Kintetsu World Express, Inc. and its consolidated and equity method affiliates (includes some information on Kintetsu World Express (non-consolidated)) .

Period: Fiscal year 2024 from April 1, 2024 to March 31, 2025 (includes some information outside this period).

Referenced guidelines

- International Integrated Reporting Framework, IFRS Foundation
- Sustainability Disclosure Standards, No. 1 and No. 2, Sustainability Standards Board of Japan (SSBJ)
- GRI Sustainability Reporting Standards
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0, Ministry of Economy, Trade and Industry, Japan
- Environmental Reporting Guidelines 2018, Ministry of the Environment, Japan

Disclaimer regarding forward-looking statements

The forward-looking statements in this report are based on information currently available to us and certain assumptions that we believe to be reasonable, and are not intended to be a promise by us that we will achieve these goals. Actual results may differ significantly due to various factors.

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Philosophy and Vision

Prioritize sustainability based on our Corporate Philosophy and the KWE Group Sustainability Basic Policy

We established the KWE Group Sustainability Basic Policy in 2020.

Corporate Philosophy

Contribute to the development of a global community through logistics services by creating new value, sustaining the environment and collaborating with our clients, shareholders and employees.

Corporate Guidelines

1. We strive to further increase corporate value by delivering customers quality services that meet their needs and earn their confidence.
2. We strive to be an organization that grows and expands through logistics business.
3. We promote communications with stakeholders and disclose corporate information accurately and appropriately.
4. We are committed to comply with external regulations and compliance monitoring and assessment are built into all levels of the business.
5. We ensure a safe and healthy work environment where people are treated respectfully and fairly.
6. We contribute to sustainable community development, with attention to global environmental issues.

KWE Group Code of Conduct
https://www.kwe.com/about/whoweare/policy/code-of-conduct/

KWE Vendor Code of Conduct
https://www.kwe.com/about/whoweare/policy/vendor-code-of-conduct/

KWE Group Sustainability Basic Policy

The KWE Group endeavors to create a sustainable society for a better future based on the Corporate Philosophy and KWE Group Corporate Guidelines.

Our History

Kintetsu World Express celebrated its 55th anniversary in January 2025. KWE was established as Japan's first dedicated air freight forwarder in 1970, and we have continued to innovate and expand worldwide since then. Our commitment to capturing growing international cargo transport demand enabled us to overcome challenges such as the 2008 financial crisis and the 2020 – 2023 Covid-19 pandemic, and to achieve ongoing growth. Our three core values are represented by the key words "employees first", "co-creation", and "diversity". These values are deeply embedded in our day-to-day teamwork, countless transport projects on the frontline of international logistics, development of diverse talent, and design of new and innovative services.
They are the driving force propelling us toward the future, all with the aim of exceeding customer expectations.

Societal Milestones

1973 Oil Shock

1986 Plaza Accord

1995 Release of Windows 95

Our History

1948 Started international freight and passenger operations as part of Kinki Nippon Railway's Operation Bureau

1969 Established first affiliates outside Japan, in Hong Kong and the United States

1970 Separated from Kinki Nippon Tourist Co., Ltd. and established as Kintetsu World Express, Inc.

1989 Changed company's Japanese name

1981 Completed the Baraki Terminal (Ichikawa, Chiba Prefecture)

1994 Adopted a four-region management system with headquarters in Japan, the Americas, Europe & Africa, and Asia & Oceania

Certified ISO 9002 compliant for quality management system, the first in the logistics industry in Japan (changed to ISO 9001 in 2003)

1996 Established Beijing Kintetsu World Express Co., Ltd. in China

1998 Completed construction of Narita Terminal

2001 Certified ISO 14001compliant for Tokyo Terminal environmental management system

2002 Spun off domestic sales operations and established Kintetsu Logistics Systems, Inc.

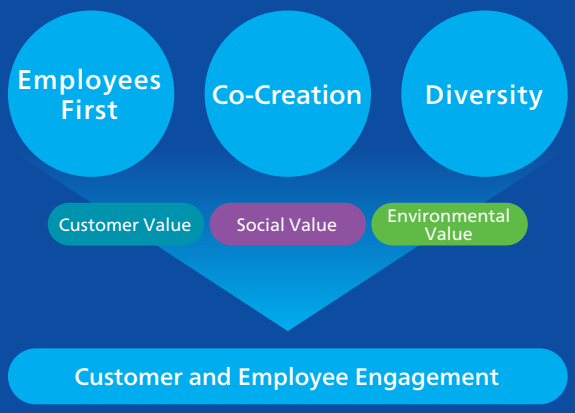
Formulated the KWE Grand Design for the 21st Century

2003 Certified Level A by Transported Asset Protection Association (TAPA) for Narita Terminal international cargo security, the first Japanese forwarder facility to do so

Upgraded to the First Section of the Tokyo Stock Exchange (previously listed on the Osaka Securities Exchange Nasdaq Japan Market in 2000 and on the Second Section of the Tokyo Stock Exchange in 2002)

2000/4～2010/3

Core Values



Long-Term Vision

Global Top 10 Solution Partner

A Global Brand Born in Japan

- KWE's brand recognition will continue to grow by our core strengths: superior quality, a collective and competitive spirit, and a solutions-driven attitude.
- KWE's market expansion will be paved by establishing our identity as a preferred partner across all regions.
- Through the merit of our work, KWE will become a company that brings pride to its diversified and talented workforce.

Market Growth Potential

(Global Air Cargo Market)

CAGR (2024–2043)

4%*

* Source: Boeing World Air Cargo Forecast 2024–2043

2008 Financial Crisis

2015 Paris Agreement

2020 Outbreak of Covid-19

Completed construction of Baraki Terminal 4 (Ichikawa, Chiba)
2004

Acquired APL Logistics Ltd. as a wholly-owned subsidiary
2015

Started participation in airline SAF programs
2021

Target: Net sales
1 trillion yen

2005
Entered into a business and capital alliance with Mitsui O.S.K. Lines, Ltd.

Completed construction of Chubu International Airport Terminal and Rinku Terminal (Izumisano, Osaka)

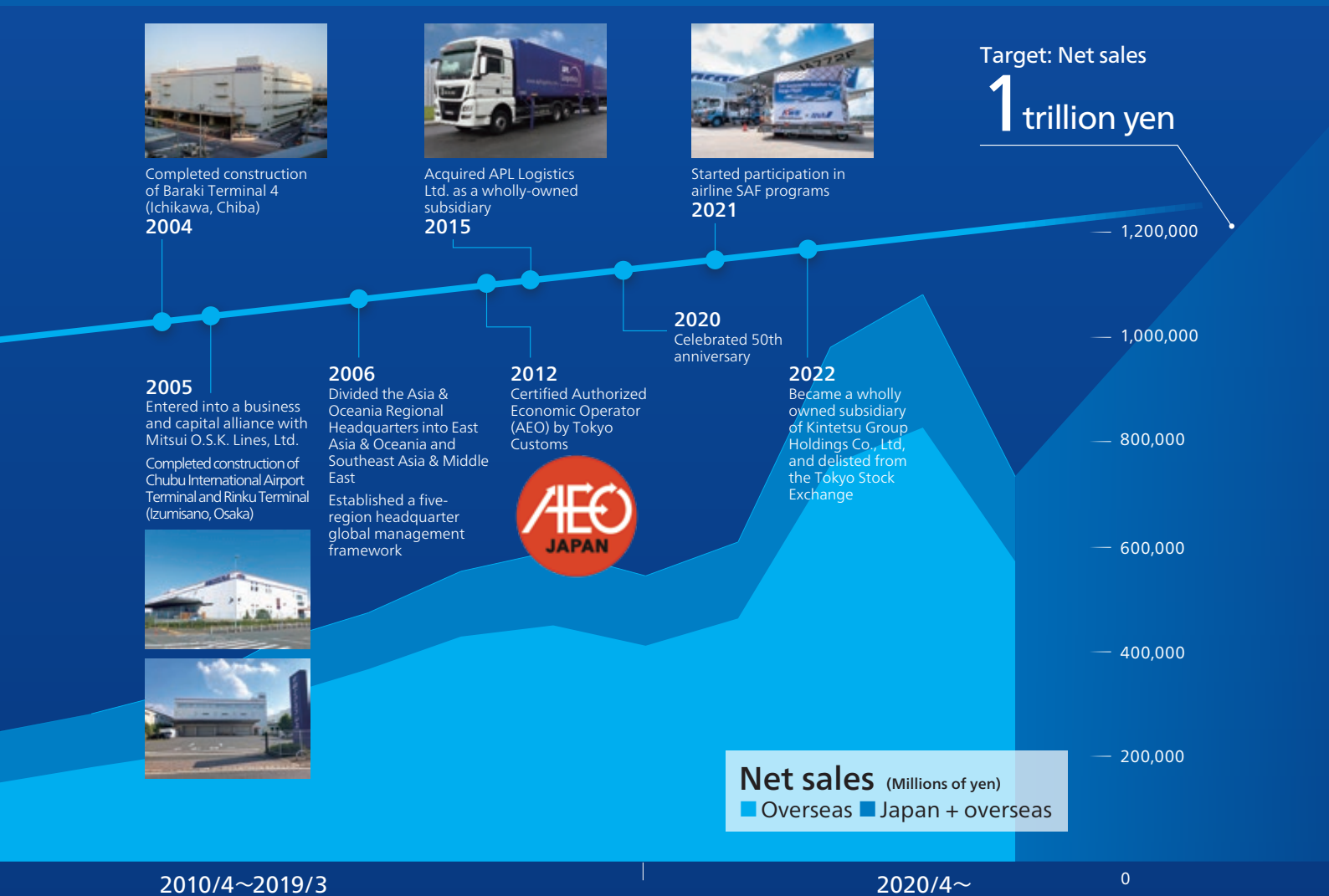
2006
Divided the Asia & Oceania Regional Headquarters into East Asia & Oceania and Southeast Asia & Middle East

Established a five-region headquarter global management framework

2012
Certified Authorized Economic Operator (AEO) by Tokyo Customs

2020
Celebrated 50th anniversary

2022
Became a wholly owned subsidiary of Kintetsu Group Holdings Co., Ltd, and delisted from the Tokyo Stock Exchange



Team KWE

The KWE Group, with 131 companies in 294 cities across 44 countries, puts the core values of employees first, co-creation, and diversity into practice at the team level to enhance customer value, social value, and environmental value, ultimately leading to the improvement of corporate value.
Our teams across the world, whether large or small, permanent or project-based, are composed of members with diverse skills and backgrounds. This diversity enables Team KWE to understand the social and environmental needs of our customers and advance the sustainability of both the KWE Group and society as a whole.

Employees First

Co-Creation

Diversity

To Our Stakeholders Message from the CEO

Our core value of employees first drives our sustainable growth strategy toward our goal of becoming a Global Top 10 solution partner.

Tetsuya Yamanaka
President & CEO

I am committed to achieving sustainable growth and increasing corporate value, guided by our core value of employees first that leverages the unique abilities and diversity of every member of the KWE Group.

I sincerely ask for the continued support of all our stakeholders as we move forward to help build a sustainable society through our business activities.

My Path to the Presidency

Export and Import Operations

I joined KWE as a new graduate in 1984 and spent the first ten years working on sales and customer service in the Export Sales Department. I was on assignment in the United States for the next ten years or so, but shortly after the 2008 financial crisis I was appointed President of our Singapore affiliate. In 2012, I returned to Japan to lead the Import Sales Department as General Manager, becoming increasingly involved in company-wide decision-making and strategic planning in addition to my Import Sales projects.

In fact, my experience in the US and Singapore was very valuable when I made the move to the Import Sales Department, as import operations in Japan naturally involve handling cargo exported by a customer in a different country. Mutual trust and communication with stakeholders outside Japan are essential to do the job right, and my onsite experience in North America and other key markets allowed me to build the networks, expertise, and understanding of customer needs that led to my achievements in Import Sales.

The COVID-19 Crisis in New York

In 2016, I returned to the United States, serving as President of Kintetsu World Express (U.S.A.) and Head of the Americas Regional Headquarters. During my first three years in New York the company was performing well, and it was a great pleasure to reconnect with former colleagues who were now serving as branch managers and executives and collaborate with them at a higher level.

However, what followed was the unexpected crisis of the COVID-19 pandemic. Like the rest of the world, New York was severely impacted, and tragically some of our employees' family members lost their lives. Of course, as the company's leader, I prioritized employee safety above all. Although remote work had been considered close to impossible in the logistics industry, thanks to the creativity and ingenuity of our teams doing the day-to-day work we were able to set up a remote work system in just five days and keep our operations going. I realized once again that this power of worker ingenuity is grounded in the KWE Group's shared sense of mission.

While our performance temporarily declined, the surge in demand and sharply rising freight volumes that followed placed significant pressure on our teams, but the skill and experience of our veteran employees carried us through. During these five years of my second assignment in the United States I was deeply impressed by the resilience and adaptability of our teams closest to the work, both in navigating crises and driving growth.

Expanding the Customer Base

After returning to Japan in 2021, I assumed the role of Managing Executive Officer overseeing corporate sales and global customer relations. My initial challenge was how to leverage my extensive experience in the United States to best protect our customer relationships amid intensifying competition. I worked closely with the departments responsible for account management to focus on deepening trust with key global accounts and expanding business in major industries such as automotive and retail.

Next I took charge of building a stable platform for collaboration with our group company APLL, leading projects such as system integration and standardization of governance. I am proud of my contribution to these efforts that provided the foundation for expanding the customer base, the range of verticals we handle, and our service capacity across the KWE Group.

Leading Team KWE

Employees First

I was appointed as President and CEO in June 2025. On this occasion, I want to reaffirm our commitment to putting employees first. Everything we do is supported by our people. By expanding career development opportunities and creating a workplace where the younger generation can find meaning and pride in their work, we can build a foundation for sustainable growth. And by steady investment in talent development and workplace improvement, we enhance customer

value, productivity, and quality - ultimately increasing our corporate value. We've weathered existential crises including the global financial crisis of 2008 and the COVID-19 pandemic. We survived because our employees, in every country and region, kept operations running with determination and resilience. Having witnessed this firsthand, I'm convinced that putting employees first is not just a slogan, it is the driving force behind value creation itself.

And it is the diversity of our employees that is the KWE Group's greatest strength. Take the United States, for example. Los Angeles, San Francisco, Seattle, and Chicago each have distinct industries and cultures, and we've built our business around the unique characteristics of each market. By continuing with this kind of local optimization, we can create a corporate group that is unique and resilient in ways our competitors cannot replicate. Imposing uniform policies from headquarters does not help to achieve this. Instead, we empower each of our companies to operate with autonomy and leverage its own distinctive strengths. Our workforce diversity is also a strategic asset, enabling us to understand and respond to a wide range of customer needs, while sparking new ideas and initiatives. My role as a leader is to create an environment where each individual can contribute their unique talents and deepen partnerships with our customers. That, I believe, is the essence of my responsibility.

Team KWE

The Team KWE mindset is the embodiment of our core values of employees first and diversity and the expression of our spirit of co-creation.

Through my extensive experience in both export and import operations, I have come to deeply appreciate just how many people are involved in delivering cargo around the world. When employees are just starting their careers, they may feel that their own tasks are everything. In reality, the true value of our company lies in connecting all the links in the chain across our export, import, and other departments as well as business partner airlines, shipping carriers, and other external stakeholders to ensure the cargo reaches its final destination.

Everyone understands the importance of the spirit of co-creation and puts it into practice in their daily work. This Team KWE mindset transcends organizational and national boundaries and is the source of our success in our global business.

Aiming for the Global Top 10

Management Plan 2027 Third-Year Results and Challenges

The KWE Group long-term vision is to become a "Global Top 10 Solution Partner – A Global Brand Born in Japan", achieving targets of 1 trillion yen in net sales, 50 billion yen in operating income, over 1 million tons of air freight, and over 1 million TEUs of sea freight. In FY2024, the third year of our Management Plan 2027, net sales increased 8.6% year on year to 796,941 million yen, driven by higher handling volumes and increased sales prices. However, operating income declined 26.3% year on year to 12,967 million yen, reflecting rising freight rates that pressured profit margins.

In the next year we aim to achieve both sales and income growth to build momentum toward realizing our long-term vision.

Risks and Opportunities

While the international logistics market is expected to recover over the medium to long term, growth is still subdued due to geopolitical risks and concerns over economic slowdown. In particular, factors such as recent U.S. tariff policies, escalating U.S.-China tensions, the Russia-Ukraine conflict, and the situation in the Middle East have significantly impacted global supply chains. We are reviewing our dependence on the U.S. market and increasing our focus on transportation

networks to and from Europe and Asia to establish a more stable, multi-regional business platform.

We also have a responsibility to maintain our customers' supply chains without disruption despite these risks, which in turn creates opportunities for us to develop new services and transportation routes. The KWE Group can leverage its asset-light business model - without heavy investment in large-scale facilities or other non-current assets - to respond flexibly to market change. We are closely monitoring key customers and seeking higher quality in-depth information so that we can quickly address evolving customer requirements.

Currently, we have identified semiconductor transport as a strategic focus area. Driven by technological innovations in semiconductor performance and generative AI, global demand is growing with the development of more advanced chips, equipment, and materials and the construction of data centers to support AI. The KWE Group is leveraging its expertise and capacity in transporting semiconductors and other electronics-related products to position this sector as a key growth driver.

Strategy to Increase Global Freight Volumes

Starting in FY2025, the fourth year of our Management Plan 2027, we will focus on the following four priorities to increase global freight volumes.

Regionally, our first priority is to increase the volume of shipments in and out of Japan and the rest of Asia. To do this we must improve communication and coordination between origins and destinations, and increase cost competitiveness with central procurement based on better relationships with our partner airlines and shipping carriers.

Next are the high-volume Asia–Europe and Asia–North America routes. Closer and more agile collaboration between Group companies is needed to increase business with our global key accounts. We will also concentrate on developing partnerships with intra-Asia transport and logistics operators. Expanding Europe and North American lanes in this way will contribute to increasing freight volumes across the entire network.

We have identified seven strategic verticals with strong growth potential: Automotive, Healthcare, Retail, Electronics, Materials, Foodstuffs, and Aerospace. A dedicated team for each vertical will bring their

insights to the development of services optimized for the specific needs of each sector.

Finally, in our 3PL business, a more flexible form of contract logistics, we will offer a wider variety of warehouse functions tailored to customer needs, such as cross-dock and distribution center models. We can deliver high-value-added solutions as a comprehensive logistics partner by integrating forwarding and logistics services in this way.

Strategy to Strengthen Corporate Functions

Corporate functions form the platform that supports the growth strategies outlined above, and we are currently focusing our efforts on group governance, human resources, and information technology.

In FY2024, significant progress in group governance included introducing a contract review system, re-vamping our risk management frameworks, and achieving nearly 100% participation in compliance training via e-learning. A key initiative this year was the establishment of the new APL Logistics Department and a Business Process Reengineering Division. From FY2025 onward, we will work on improving legal affairs, compliance, risk management, insurance and risk finance, corporate branding, and sustainability. While the KWE Group requires adherence to fundamental rules, we fully respect the diversity and autonomy of each site that enables the realization of its own unique growth trajectory.

In human resources in FY2024, we continued implementing our successor development program,

moved ahead on plans for Group-wide training initiatives, formulated a human rights policy, and started up a human rights due diligence process. In FY2025, we will continue proactive investment in human capital, focusing on developing and leveraging the human resources management platform, as well as optimizing talent development and deployment.

In information technology in FY2024, we moved ahead on implementing and enhancing our global information systems and platforms. We also instituted information technology security regulations and assigned a dedicated cybersecurity team. In FY2025, we will make progress in our priority areas of cybersecurity, regulations, and other governance functions across the KWE Group. And in light of the cyberattack that occurred between April and May 2025 we are giving security and controls increased attention going forward.

Extending Our Competitive Edge

Employees Are Our Greatest Asset

The KWE Group competitive edge in air and sea freight forwarding consists of our capacity to handle a wide range of verticals and our network of long-standing relationships with our customers. Our greatest asset, however, is the high-quality service delivered by our experienced personnel worldwide. The ability of our people to meticulously tailor services to the needs of each customer and to respond flexibly to unforeseen requests is made possible by years of hands-on experience and an agile organizational structure. We are committed to protecting, developing, and fairly evaluating our team members. We provide clear career paths and opportunities for growth, enabling each individual to take pride in their work and fully realize their potential through new opportunities and challenges.

At the same time, the ability to understand a particular customer's needs, usual practices and requests - knowledge often held only by one individual - and to translate that understanding into high-quality service through the benefit of long years of experience is subject to the risk of generational change as those personnel age out of employment. To address this challenge and transform individual knowledge into an asset for the entire organization, we are taking the dual approach of human resource initiatives, such as talent development, focused recruitment, and skill-building, and information technology initiatives, including visualization of skills and standardization of operations. In particular, the information technology initiatives focus on improving operational quality and productivity and building a standardized business platform across the KWE Group. This approach will allow us to maintain the competitive advantage derived from individual expertise while creating a framework enabling employees to devote more of their time to higher-level activities and benefit the organization as a whole through innovation and adaptation.

Another reason the KWE Group is highly valued by our customers is the ability of our employees to respond quickly and flexibly to customer requirements within standardized procedures. This workplace culture is an important asset for the KWE Group.

Looking ahead to our goal of becoming a Global Top 10 solution partner, we also need a framework capable of providing transportation services with broad applicability. Accordingly, while continuing to offer customized solutions, we are exploring the deployment of standardized services to expand our business and enhance competitiveness.

Sustainability Initiatives

Progress and Challenges

The KWE Group began full-scale initiatives in sustainability about four years ago. We have learned

through trial and error and from working closely with our customers in various industries, and our framework and approach on corporate sustainability has taken shape to support effective, focused action.

Internally, we provide ongoing education in sustainability to both new and experienced employees to raise their awareness and take advantage of the power of worker ingenuity to integrate sustainability initiatives into our business activities. Externally, we consistently meet the expectations of customers with high ESG awareness as a trusted partner. In particular, we are working to reduce emissions along the entire supply chain by collaborating with airlines, shipping carriers and other business partners. I believe that our sustainability initiatives have moved beyond formalities and are increasingly recognized and implemented in meaningful, concrete action. I would say that this represents the greatest achievement of the past four years.

Of course, many challenges remain. Currently, the only effective means we have to reduce Scope 3 emissions are limited to sustainable aviation fuel (SAF) and other biofuels, and we need to secure additional options and institutional support. Also, we must improve our reporting standards as global demands for information disclosure continue to rise, and our immediate focus is on establishing a system for collecting reliable data.

Initiatives

Sustainable growth that creates corporate value is the growth of earnings through sustainable business practices. As we work to mitigate existing constraints on short-term and long-term growth and reduce capital costs we are also acting on the following material topics.

In the material topic Emissions and Energy in FY2024, we made significant progress including the following highlights. We co-hosted a logistics industry decarbonization forum on international air transport with MUFG Bank, sharing challenges and solutions with a wide range of stakeholders to support the broader adoption of sustainable aviation fuel (SAF). KWE Thailand introduced EV trucks and KWE Japan deployed lithium-ion battery–powered forklifts for the first time in Japan. In FY2025, we obtained SBTi certification for our GHG reduction targets and signed new SAF usage agreements with airlines.

In the material topic Data Security in FY2024, we focused on ongoing cybersecurity measures, employee training, and regular security assessments. We are now prioritizing cybersecurity even higher following a cyberattack in FY2025.

In Diversity and Equal Opportunity in FY2024, we worked on developing guidelines, targets, and action plans under the KWE Group Diversity and Equal Opportunity Policy established in FY2023. In FY2025, KWE Indonesia obtained halal certification, and we are advancing other new initiatives.

In Social Impacts in the Supply Chain in FY2024, we established the KWE Group Human Rights Policy. In FY2025, we are conducting risk assessments at our Japan and international offices to build internal expertise and address human rights risks across the entire supply chain.

Finally, in the material topic Anti-Corruption in FY2024, we focused on Group-wide training to ensure the effectiveness of the global whistleblowing system established in FY2023. In FY2025, we are continuing training to increase the awareness of compliance throughout the KWE Group.

The KWE Group is addressing these material topics with the purpose of helping to resolve social issues while achieving business growth. We aim to earn the trust of our stakeholders through sincere and responsible action.

We ask for your continued support as we strive for sustainable growth and the enhancement of KWE Group corporate value.

To Our Stakeholders
Message from the Managing Executive Officer in Charge of Finance and Human Resources

Human capital investment develops employee capability and the power of Team KWE, leading to enhanced corporate value.

As the executive officer overseeing finance and human resources for the KWE Group, I am committed to a human capital investment strategy that will maximize corporate value through our core principle of employees first and the Team KWE spirit of co-creation.

Team KWE Achievements and Challenges

Global Unity and Local Diversity

Since FY2022, under Management Plan 2027, the KWE Group has focused on enhancing sustainable corporate value through active investment in human capital and establishing and utilizing an HR management platform.

Globally, we have implemented highly effective HR initiatives tailored to local circumstances, based on the KWE Global HR Guidelines and the KWE Group Diversity and Equal Opportunity Policy, while respecting regional discretion in HR and payroll systems.

At the same time, we are standardizing compliance and DEI training (see **p.56**) across the Group and upgrading recruitment tools to drive global, data-driven talent acquisition. Successor development training, a part of succession planning, is also designed for Group-wide use, with selected participants from around the world attending a six-month program where both external instructors and top management provide direct guidance, fostering participant motivation and advanced career development.

The Safety and Health Committee, led by the President, meets once a year to review work-related accidents and illnesses and deliberate on preventive measures across the Group (see **p.58**).

Yoshihiro Kusakabe
Managing Executive Officer in charge of the Corporate Finance & Accounting Department and the Human Resources Department

Now that the Group middle-governance structures are well established at our regional headquarters, the corporate departments are taking a more active role in early identification of potential problems and cooperating in their resolution. Starting in FY2025, we have been sending staff from the Corporate Finance & Accounting and Human Resources departments to engage in face-to-face dialog with the people in charge at our Group companies outside Japan to deepen our understanding of the local challenges and provide more effective assistance. Specifically, this year we have collaborated with our Group companies on checking protective personal equipment and other safety equipment, appraising emergency response in the event of a disaster, and reviewing the working environment and contract conditions as part of human rights due diligence. The corporate departments are also monitoring Group company human capital investment and offering help as needed.

Wages, Aging Population, and Gender Equality in Japan

In Japan, with the aging population and increasing job mobility in mind, we are making wage increases and other improvements in working conditions and expanding our mid-career recruitment and post-retirement reemployment programs.

In FY2025, we increased wages for the second consecutive year and raised allowances for customs specialists and other specialized roles. Moving forward, we plan to extend allowances to the personnel who serve as mentors in specialized areas and continue to optimize cash allocation in human capital investment.

In mid-career recruitment, we are working on hiring experienced professionals in fields that require very high levels of expertise, such as information technology and customs, aiming to build up our pool of professional talent.

We have also revised the post-retirement reemployment program, gradually raising the retirement age from 60 to 65, with final implementation scheduled for FY2026.

In our ongoing efforts to improve gender balance, the number of women appointed to managerial positions in Japan has steadily increased, supported by measures such as narrowing the gender pay gap, introducing more flexible work arrangements and remote work, and providing support for childcare and caregiving. Specifically, we have extended eligibility for childcare short-time work for employees with children up to the sixth grade, made more flexible working arrangements available for caregiving, and provided the option of working remotely up to 15 days per month. With active promotion by the company we are also seeing a higher male parental leave uptake, an encouraging sign of changing corporate culture. Moving forward, we will continue to evolve these DEI initiatives to create a workplace where the diverse talent supporting Team KWE can fully thrive.

Continuing to Evolve

The Essence of Team KWE

To optimize corporate value through the principles of employees first and co-creation, the vision upheld by our new President, Mr. Yamanaka, it is essential that all of our employees maintain a customer-centric perspective and work in the spirit of Team KWE with their colleagues to ensure the task gets done. We have cultivated this spirit throughout the 55 years we have been in business, and our customers know and rely on our proactive approach and meticulous service, anticipating their needs before they arise. As the executive officer overseeing finance and human resources, I am committed to sustaining and developing the Team KWE spirit throughout the KWE Group worldwide with more strategically powerful human resource and cash allocation initiatives. Part of that effort includes encouraging talent exchange by enabling trainee assignments between different Group companies anywhere in the world, in addition to our existing Japan-outbound program. We are also promoting more direct dialogue between upper management and employees through town hall meetings led by President Yamanaka.

We will continue to harness the power of Team KWE to maximize the potential of both our people and our organization to drive further growth and value creation.

To Our Stakeholders
Message from the Managing Executive Officer in Charge of Sustainability

Integrating sustainability initiatives with our business activity supports Team KWE growth and enhances corporate value.

I will continue to drive sustainability initiatives as an integral part of our business strategy that supports sustainable growth and enhances corporate value.

Sustainability Achievements and Challenges

Robust Sustainability Governance

Increasing corporate value is the first of the KWE Group Corporate Guidelines, and the KWE Group Sustainability Basic Policy is closely linked to this priority. The KWE Group Sustainability Committee, chaired by the President and comprised of corporate directors, regional headquarters general managers, corporate department general managers, and APLL representatives, plans, monitors, and revises our corporate sustainability initiatives. The committee works in close coordination with the Board of Directors and the Corporate Management Meeting to align action on sustainability with the latest business strategy.

Based on the Sustainability Basic Policy and in engagement with our stakeholders, we have identified and set KPIs for six material topics: Emissions, Energy, Diversity and Equal Opportunity, Social Impacts in the Supply Chain, Data Security, and Anti-Corruption.

Environment: Linking Decarbonization to Business Opportunities and Lower Cost of Capital

In the material topic Emissions and Energy, we have focused on sustainable aviation fuel (SAF)

Yoshikazu Yashiki
Director, Managing Executive Officer in charge of the Corporate Planning & Administration Department and the Corporate Information Technology Department

initiatives in light of the fact that the aviation industry generates approximately 2–3% of global CO_2 emissions. KWE was the first Japanese air freight forwarder to participate in All Nippon Airways' SAF Flight Initiative: For the Next Generation in 2021. We have been involved in numerous pioneering SAF initiatives (see **p.34**) since then, including offering our own SAF program to customers. In March 2025, we co-hosted a forum with MUFG Bank to discuss decarbonization in the logistics industry focusing on international air transport, sharing current status, challenges, and exchanging views with customers, suppliers, and end users to promote SAF demand in Japan. The use of SAF serves not only to reduce KWE Group Scope 3 emissions but also as a key lever for decarbonizing the entire aviation sector, a major responsibility for us as an air freight forwarder. Going forward, we strongly believe that our efforts in SAF use and other environmental efforts contribute significantly to expanding business opportunities.

In FY2024, for the fourth consecutive year, we obtained third-party verification statements for our greenhouse gas emissions and related data. This year the scope of verification was expanded to include Scope 3 Category 4 and all our company locations worldwide (see **p.47**).

We are aiming to capture growing business opportunities and improve financing conditions to maximize the corporate value of the KWE Group with ongoing attention to these important global environmental issues, contributing to the creation of a sustainable global society.

Social: Employees First and Individual Talent

In the social area, one of our key efforts to realize the employees first principle championed by newly appointed President Yamanaka was the establishment of the Business Process Reengineering Division in April 2025. The division collects candid, bottom-up feedback from employees working hands-on in operations and strives to implement these insights as improvements. The division members are junior and mid-level employees seconded from various departments who represent the future core talent of the KWE Group. They openly discuss the challenges they encounter in their daily work and processes they believe can be improved, making concrete, actionable suggestions on inefficiencies and interdepartmental collaboration. This new division was established with the aim of creating a more satisfying work environment and increasing employee engagement.

As a light-asset forwarding business, our competitive strength lies in the ability and expertise of our people, and engagement is a key factor in attracting and retaining the individual talent we need to acquire and build good relationships with customers and business partners, and ultimately, drive the growth of earnings and corporate value.

Governance: Whistleblowing System and IT Security

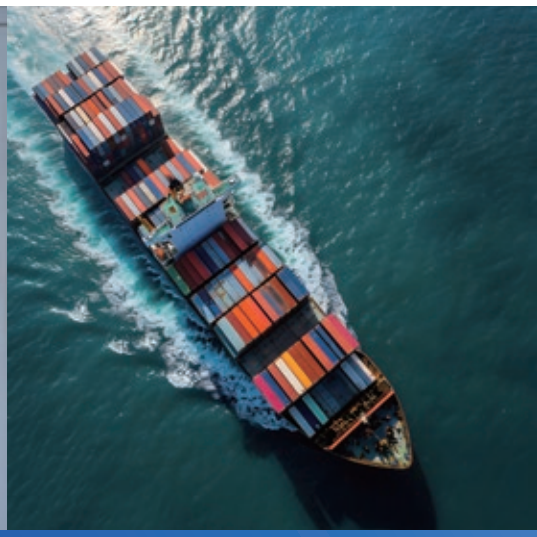
In the material topic Anti-Corruption, we have ensured that the global whistleblowing system introduced in FY2023 is functioning as intended. This reporting and response framework is taking hold across the KWE Group, which, combined with ongoing compliance education, is also contributing to improved engagement.

In the material topic Data Security, following a server outage caused by a cyberattack in April - May 2025, we took the first step in strengthening security by installing monitoring devices on all our computer terminals worldwide. We are now also minimizing risks through new cyber incident business continuity plans that include specific damage mitigation and recovery procedures.

We will continue working to enhance corporate value through robust sustainability governance.

KWE
KWE
Air-Suspension Conditioning System
130

KWE
D07
F05
F06



Business and Strategies

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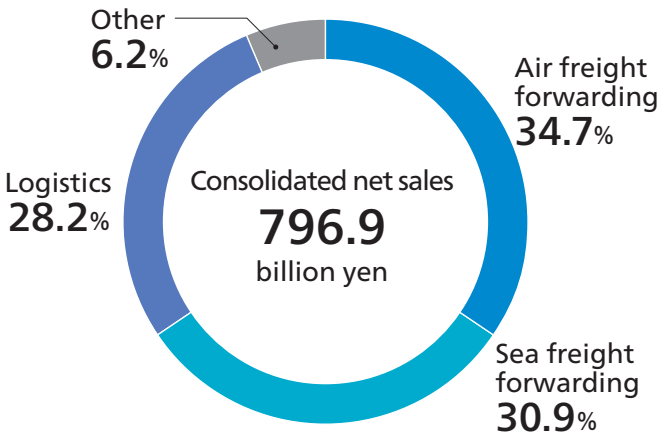
3 Services and 6 Segments

KWE provides a wide range of solutions across three core service areas—air freight, sea freight, and logistics—handling a diverse array of goods. This enables us to flexibly offer value-added services tailored to each customer, including speed, just-in-time delivery, high-volume transport, and inventory management and sorting.

Net sales by business
(FY2024)



Agile and sustainable value creation

Air freight forwarding

Net sales

276.3 billion yen

Key value propositions

- Speed
- Small-lot, multi-item transport
- Just-in-time delivery

Main services

- Air freight forwarding
- Trucking for pick-up and delivery
- Customs brokerage
- Customized packaging
- Installation of precision machinery

Products handled

- Electronics components and products
- Automotive parts and components
- Healthcare products
- Chemical products
- Machinery and parts
- Apparel
- Aircraft components
- Alcoholic beverages, more

Sea freight forwarding

Net sales

246.5 billion yen

Key value propositions

- High-volume transport
- Oversized and heavy cargo transport

Main services

- Sea freight forwarding (FCL, LCL)
- Container drayage
- Trucking for pick-up and delivery
- Customs brokerage
- Buyer's consolidation
- Container round use

Products handled

- Electronics components and products
- Automotive parts and components
- Plant equipment
- Machinery and parts
- Chemical products
- Equipment for events
- General merchandise and retail goods, more

Logistics

Net sales

224.8 billion yen

Key value propositions

- Last-mile delivery
- Inventory management and sorting
- Just-in-time delivery

Main services

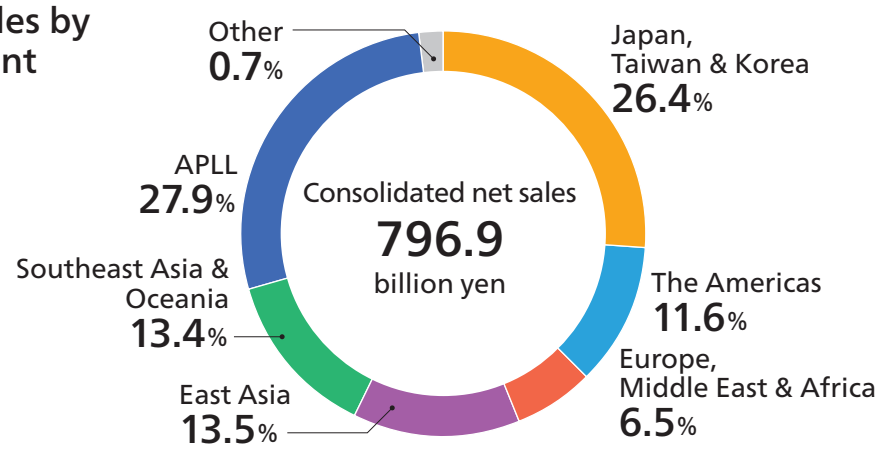
- Contract logistics
  PO management, inventory management, cross-dock operation, assembly work, call center functions, product inspection, VMI (Vendor Managed Inventory), more
- Logistics consulting
- Transportation via truck, trailer, and rail
- Automotive-related logistics (transportation of finished vehicles, auto parts)

Products handled

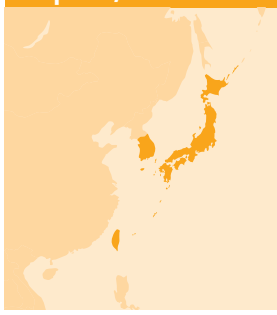
- Industrial products and components
- Automotive products
- Healthcare products
- Chemical products
- Retail goods
- Consumer goods, more

By combining these services with our presence across five global regions plus APLL, our value-creation potential is virtually limitless. Although we currently face a rapidly changing business environment, including increased U.S. tariffs, we leverage our broad service lineup and global network to transform these challenges into new growth opportunities.

Net sales by segment
(FY2024)



Japan, Taiwan & Korea



Net sales **217.1** billion yen

Operating income **6.4** billion yen

Number of employees **3,430**

Countries and regions:
Japan, Taiwan, and Korea

The Americas

Net sales **95.6** billion yen

Operating income **5.2** billion yen

Number of employees **1,476**

Countries and regions:
United States, Canada, Mexico, and Latin American countries

Europe, Middle East & Africa

Net sales **53.2** billion yen

Operating income **-0.2** billion yen

Number of employees **912**

Countries and regions:
The United Kingdom, Germany, France, Italy, the Netherlands, Belgium, Switzerland, Ireland, and other European countries, Russia, African and Middle Eastern countries

East Asia

Net sales **110.8** billion yen

Operating income **2.0** billion yen

Number of employees **2,584**

Countries and regions:
Hong Kong and China

Southeast Asia & Oceania

Net sales **110.1** billion yen

Operating income **3.2** billion yen

Number of employees **3,520**

Countries and regions:
Singapore, Malaysia, Thailand, India, Indonesia, Vietnam, the Philippines, Cambodia, Australia, Bangladesh, Sri Lanka, Laos, and Myanmar

APLL

APL Logistics
A member of the KWE Group

Net sales **229.8** billion yen

Operating income **3.4** billion yen

Number of employees **6,462**

APL Logistics Ltd

* 178 employees not included in the above segments.

Strategies by Business Segment

Air freight forwarding

FY2024
Air export handling volume
527,000 tons

Long-Term Vision target
Over **1** million tons

KWE Strengths

1. Tailor-made 3PL services
2. Reliable international and domestic transport services
3. In-house operations capable of meeting diverse needs
4. Logistics experts across the globe
5. Control tower staffed by dedicated personnel
6. Provision of various reports upon request
7. Consulting for supply chain development
8. End-to-end supply chain visibility

Supporting Services

- Stable, year-round consolidated services to major destinations
- Spot and regular charter services
- Time-specific delivery services
- Combined sea and air transport services
- Reliable cargo tracking system
- In-house customs clearance and established compliance framework
- Flexible and cost-effective cargo insurance

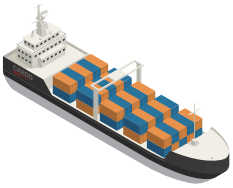
Key Strategies and Priority Products and Services

1. Increase volumes between Asia and Europe and Asia and North America (set target volume KPI)
2. Focus on sales activities (maintain and increase existing and potential global key accounts and repeat customers, build long-term business relationships, and develop new customers with prioritized products and trade lanes)
3. Focus on key product categories (automotive, healthcare, retail, electronics, materials, food, aerospace)
4. Focus on priority trade lanes (marketing to expand market share for Asia-related routes)
5. Improve global procurement function (increase global charter and BSA (Block Space Agreement), build relationships with preferred carriers)

Sustainability Initiatives

- SAF use promotion (more utilization contracts, demonstration projects, symposiums, more)
- “Fry to Fly Project” participation
- Smart Freight Centre membership

Sea freight forwarding



FY2024
Sea export handling volume

725,000 TEUs

Long-Term Vision target

Over **1** million TEUs

KWE Strengths

1. Stable space provision through partnerships with major global shipping lines
2. Flexible and comprehensive range of services
3. Integrated transport solutions
4. Handling by industry-specific experts in electronics, automotive, machinery and equipment, healthcare, energy, and more
5. End-to-end supply chain visibility

Supporting Services

- Handling of oversized cargo and refrigerated (reefer) container services
- Integrated specialized cargo transport
- Combined sea and air transport services
- Combined sea and rail transport services
- Reliable cargo tracking system
- In-house customs clearance and established compliance framework
- Flexible and cost-effective cargo insurance

Key Strategies and Priority Products and Services

1. Increase volumes between Asia and Europe and Asia and North America (set KPI)
2. Focus on sales activities (increase existing and potential global key accounts and repeat customers, build long-term business relationships, and develop new customers with prioritized products and trade lanes)
3. Focus on key products (automotive, healthcare, retail, electronics, materials, food, aerospace)
4. Focus on priority trade lanes (marketing to expand market share for Asia-related routes)
5. Improve global procurement function (increase available space on long-haul and intra-Asia routes, improve governance across the Group to increase volume)

Sustainability Initiatives

- More SMF utilization contracts
- Container round-use and container matching services

Logistics

FY2024
Warehouse and logistics facility area

Approx. 2 million m²

Certifications and Facilities

- ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 13485 (Medical Device Quality Management), GDP, WDA, TAPA, AEO, C-TPAT certifications
- Electrostatic Discharge (ESD) compliant warehouses, temperature-controlled warehouses

KWE Strengths

1. Tailor-made 3PL services
2. Reliable international and domestic transport services
3. In-house operations capable of meeting diverse needs
4. Logistics experts across the globe
5. Control tower staffed by dedicated personnel
6. Provision of various reports upon request
7. Consulting for supply chain development
8. End-to-end supply chain visibility

Supporting Services

- Sorting and kitting
- Order management
- Inventory cycle count
- Packing, palletizing, and wooden crate packing by specialist staff
- Tagging
- Weighing
- Outer box repair and replacement
- Reverse logistics
- Milk-run transport (scheduled collection)
- Shelving and storage
- Inventory management and Vendor Managed Inventory (VMI) services
- First-in, first-out (FIFO) and picking by inventory unit
- Barcode label printing and labeling
- Scanning
- Quality control and quality assurance inspections
- Cross-docking and consolidation services
- Just-in-time logistics

Key Strategies and Priority Products and Services

1. Contract logistics strategy (promote 3PL business to complement forwarding operations)
2. APLL: Position as a premium order management provider for U.S.-based global brand customers
3. APLL: Develop unique products in the automotive sector leveraging rail and truck transport platforms

Sustainability Initiatives

- Sustainable aviation fuel (SAF) promotion
- EV trucks
- Rail transport promotion
- Electric forklifts
- LED lighting

Management Plan 2027

As milestones toward achieving the Long-Term Vision formulated in 2019, the KWE Group has been implementing a series of medium-term management plans. Under Management Plan 2027, launched in FY2022, we are working to achieve sustainable growth and create corporate value by focusing on the following priorities, looking to realize our Long-Term Vision.

Global Top 10 Solution Partner

A Global Brand Born in Japan

- KWE's brand recognition will continue to grow by our core strengths: superior quality, a collective and competitive spirit, and a solutions-driven attitude.
- KWE's market expansion will be paved by establishing our identity as a preferred partner across all regions.
- Through the merit of our work, KWE will become a company that brings pride to its diversified and talented workforce.

Targets

Net sales	Operating income	Air freight	Sea freight
1 trillion yen	50.0 billion yen	Over 1 million tons	Over 1 million TEUs

Growth strategy — **Target**: Cooperation between Corporate Sales, Marketing & Operation Department and Regional Sales & Marketing divisions to increase global volume
Air freight: Over 1 million tons Sea freight: Over 1 million TEUs

Strategy		Tactics
Increase global volume	Volume increase in Asia-Europe and Asia-U.S. lanes	• EA and SEO ⇔ AM and EMEA Increase air and sea freight volumes • Set target volume KPI
	Sales activities and marketing	Sales • Increase CA, CAC, and RA and build long-term business relationships • Project basis: Prioritize vertical and trade lane and develop new customers Marketing • Verticals: Automotive, healthcare, retail, electronics, materials, foodstuffs, aerospace • Trade lanes: Increase market share in trade lanes from and to Asia Unique product development • APLL segment
	Improve global procurement function	• Improve FSG (Forwarding Strategies Group) functions Air ▪Secure and increase space on international charter flights and with BSA ▪Build relationships with preferred carriers Sea ▪Expand available capacity on long-haul and intra-Asia routes ▪Improve governance across the Group to increase volume
	Premium order management (APLL segment)	• Become a premium order management provider for U.S.-based global brand customers ▪Invest in CFS terminals in Asia and automate operations to improve origin services and differentiate the Group from competitors ▪Utilize our retail order management services in automotive, industrial, and consumer verticals ▪Improve productivity of shared services (GSS) for higher margins and operational quality

Business Platform — **Target**: Establish a group platform to support growth

Strategy		Tactics
Corporate departments	Group governance (CPA)	• Legal: Group legal functions, Risk: Insurance and risk financing, Compliance: Ensure full compliance • Create corporate brand value
	Human resources (HR)	• Create sustainable corporate value through active investment in human capital • Establish and utilize HR management platform
	Information technology (CIT)	• Ensure business continuity • Contribute to sustainable growth
	Finance and accounting (CFA)	• Establish optimal accounting system • Develop finance strategy and raise funds • Develop tax strategy

Sustainability

Material Topics

Description	ESG category	SDG mapping
Anti-Corruption	Economic and Governance	16
Data Security	Social	16
Diversity and Equal Opportunity	Social	4, 5, 8, 10
Emissions	Environment	12, 13
Energy	Environment	7, 12, 13
Social Impacts in the Supply Chain	Social	5, 8, 16

Policy

- Reduce CO_2 emissions
- Contribute to the creation of a sustainable society through logistics
- Become a company selected by society
- Develop next-generation human resources to realize sustainability

Action

- Ongoing Group compliance training (e-learning)
- Ongoing phishing e-mail and other training, improvement of the information technology platform
- Specific action on human rights due diligence and disclosure of information
- Accurate Scope 3 emissions data
- Global SAF scheme with customers
- Improved TCFD disclosures (metrics and targets)
- 100% renewable energy at our own facilities, where technically feasible
- Aim for B rating in CDP and Silver in Ecovadis

Material Topics

We pursue sustainability initiatives from a business perspective, focusing on materiality to ensure that our environmental and social efforts, integrated with business activities, contribute to sustainable value creation and the enhancement of corporate value. We conducted materiality assessments through stakeholder engagement and impact assessment to identify six material topics.

Stakeholder Engagement

Survey response

A total of 51 stakeholders, including customers, suppliers, service providers, KWE managers and employees, labor union representatives, and investors answered an online survey on 21 important topics. The top 5 highest priority categories are shown below.

Priority	Category	Score	ESG
1	Anti-corruption	8.57	Economic and governance
2	Occupational safety and health	8.52	Social
3	Data security	8.38	Social
4	Training and education	8.29	Social
5	Forced or compulsory labor	8.21	Social

Interviews

Additionally, we interviewed over a dozen of the survey respondents, getting their opinion as follows on specific risks and opportunities.

	Key Issues or Risks	Opportunities
Environment	■ Climate change and CO_2 reduction ■ Stricter regulation in EU and the U.S. ■ IMO CO_2 reduction targets for shipping ■ Supply chain management	■ Sea container efficiency ■ Low-carbon options for customers ■ Alternative transport modes including rail ■ Alternative trucking solutions (such as EV)
Social	■ Employee safety and health (overtime) ■ Diversity and inclusion ■ Women at leadership level ■ Involvement with local communities	■ Technology to improve efficiency and reduce overtime
Other	■ Demand for transparency and reporting ■ Emerging competition such as GAFA ■ Delays in technological innovation ■ U.S.-China trade friction	■ Improving customer relationships and increasing sales ■ Improving customer experience with new technology ■ More proactive management

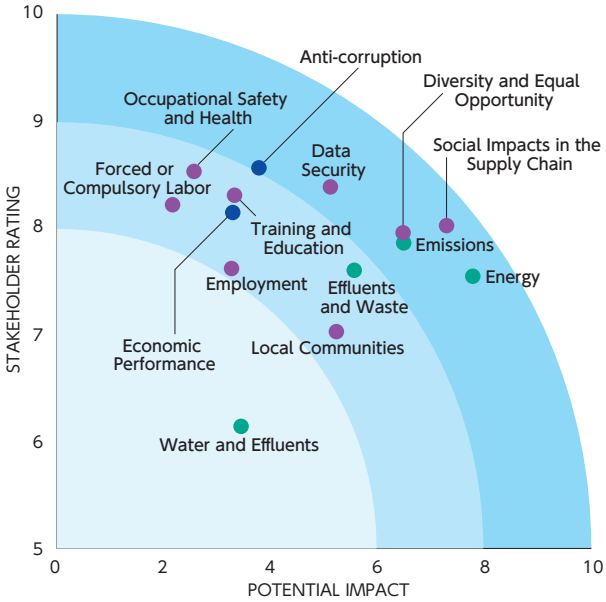
Impact Assessment

We assessed material topics for the potential degree of impact of KWE business activities on the environment and on society. We used over 60 different metrics to evaluate the potential impact on society, the economy, and the environment from industrial and geographic perspectives. The top 5 highest priority categories are shown below.

Priority	Category	Score	ESG
1	Energy	7.80	Environment
2	Social impacts in the supply chain	7.30	Social
3	Diversity and equal opportunity	6.51	Social
4	CO_2 emissions	6.49	Environment
5	Effluents and waste	5.57	Environment

Analysis of Material Topics

KWE determined the highest priority categories to be addressed using a combination of feedback from our stakeholders and assessment of potential impact.



Identification of Material Topics

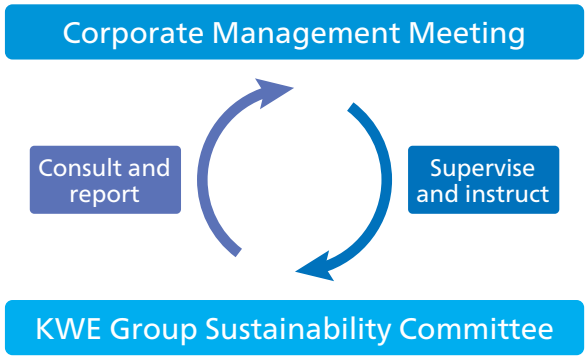
We identified the following six material topics most important to our stakeholders and that could have the highest social, economic, and environmental impacts related to our business. We have set goals and are implementing action plans for each topic.

Description	GRI category	SDG mapping
Anti-Corruption	Economic and governance	16
Data Security	Social	16
Diversity and Equal Opportunity	Social	4, 5, 8, 10
Emissions	Environment	12, 13
Energy	Environment	7, 12, 13
Social Impacts in the Supply Chain	Social	5, 8, 16

Sustainability Governance Framework

To promote sustainability activities, there is a KWE Group Sustainability Committee chaired by KWE's President & CEO, with members including the full-time board directors, regional headquarters general managers, corporate department general managers, representatives from APLL, and temporary members appointed by the chair as needed.

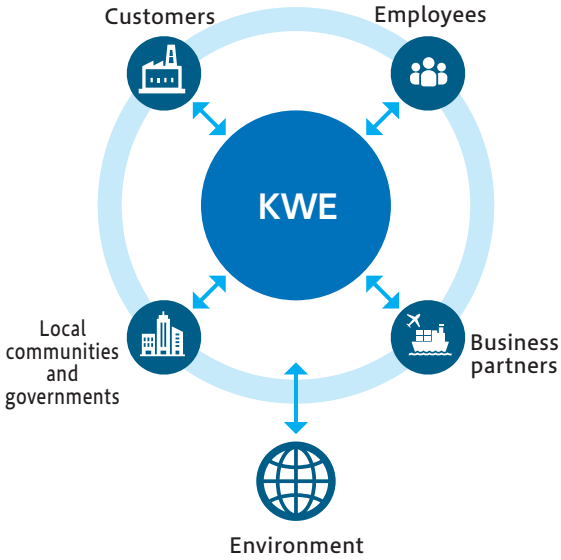
To ensure the effectiveness of these activities, the committee regular monitors, evaluates, and provides feedback on sustainability initiatives, driving a continuous PDCA cycle.



Chair	President & CEO
Members	Full-time board directors, regional headquarters general managers, corporate department general managers, and representatives from APLL
Secretariat	KWE Corporate Planning & Administration Sustainability Development Division APLL Strategy Management & Administration

Engagement with Stakeholders

Since its founding, the KWE Group has developed its international logistics business by building strong relationships with many stakeholders around the world, enabling sustainable growth to create corporate value. Since November 2020, under the KWE Group Sustainability Basic Policy (see p.2), the Group has been promoting initiatives that contribute to the sustainable development of society, taking into account the perspectives of each stakeholder, including customers, employees, business partners and suppliers, local communities and governments, and the environment.



	Shared value	Dialogue channels	Current initiatives
Customers	▪ Delivering high-quality services worldwide to achieve customer satisfaction ▪ Creating new value and addressing social issues through co-creation via dialogue	▪ Sales representatives and customer service ▪ Websites (corporate site, inquiry forms, cargo tracking service, video channel "KWE Stories," more) ▪ Customer satisfaction surveys	▪ Opening new sites and expanding the global network ▪ Improving efficiency and adding value to the supply chain ▪ Obtaining new certifications (BPJPH Halal certification, ISO 13485, more)
Employees	▪ Positioning human capital as one of the most important management resources, respecting diversity, and implementing talent management that enables high autonomy, creativity, and agility ▪ Effectively implementing programs to attract, retain, and develop outstanding talent worldwide	▪ One-on-one meetings and dialogue between staff and management ▪ Communication via company newsletters and intranet news ▪ Talent development and training programs ▪ Engagement surveys ▪ Human rights due diligence ▪ Global internal reporting system (hotline)	▪ Conducting engagement surveys (annually since 2023) ▪ Providing internal job application system (2022) ▪ Creating guidebook summarizing procedures related to pregnancy, childbirth, and childcare (2024)
Business partners	▪ Maintaining and strengthening trust-based, win-win relationships with carriers (airlines and shipping lines) that are directly linked to forwarding business competitive advantage	▪ Communication of KWE Vendor Code of Conduct to suppliers worldwide ▪ Participation in external initiatives	▪ Participating in Declaration of Partnership Building ▪ Establishing KWE Group Human Rights Policy (2024) ▪ Communicating the KWE Vendor Code of Conduct
Environment	▪ Creating environmental value by continuously responding through business to the expectations and requests of leading sustainability-focused customers in Europe and the U.S. ▪ Collaborating with business partners to focus on reducing GHG emissions	▪ Published environmental data (website, integrated report, etc.) ▪ Information disclosed in line with TCFD recommendations ▪ Biodiversity conservation initiatives	▪ Participating in SAF programs ▪ Obtaining SBTi certification ▪ Conducting seminars ▪ Participating in tree-planting activities
Local communities and governments	▪ Complying with laws and regulations of national and local governments and fulfilling our responsibilities as a good corporate citizen through social contribution activities that meet local community needs	▪ Social contribution activities ▪ Sponsoring events	▪ Sponsoring the Misato City Half Marathon (Misato City, Saitama Prefecture) ▪ Providing reconstruction support for flood-affected areas in northern Thailand (KWE Thailand) ▪ Improving a cancer support center's facilities (KWE Ireland)

People at KWE

We regularly update information on our employees' activities on our website and YouTube channel. Please take a look.

People

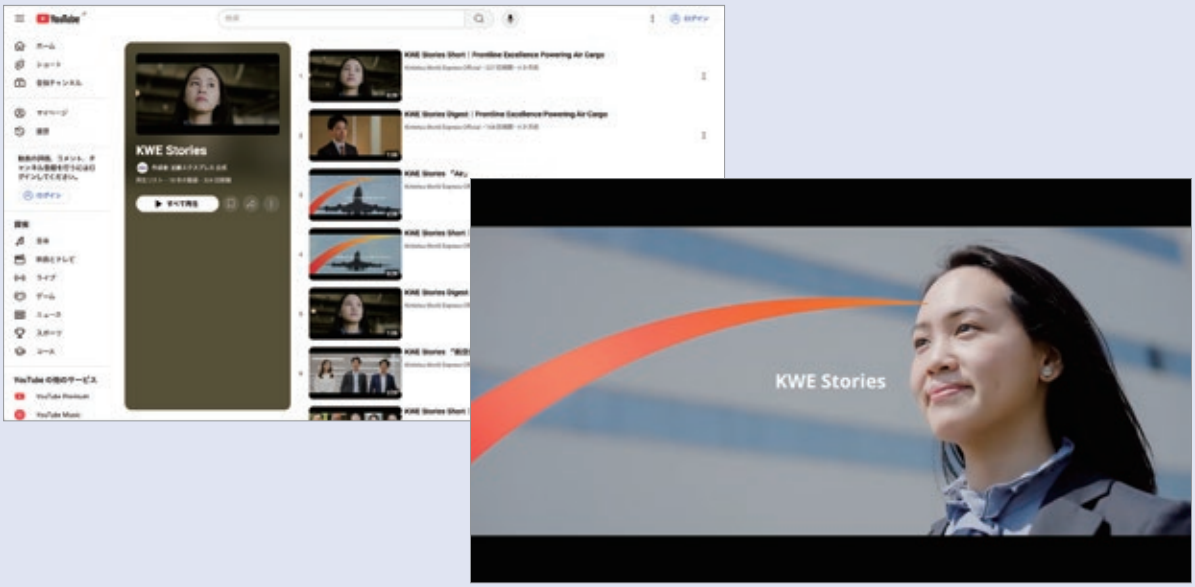
Crossing distances, time zones, national boundaries, and even conventional thinking—this site introduces our employees working on the front lines, all united by a single mission: "to deliver."

https://www.kwe-saiyo.com/work/interview/ (Japanese language only)

KWE Stories

With several episodes illustrating how we have consistently supported our customers and overcome various challenges, this video introduces the people of KWE who are always by our customers' side.

https://www.youtube.com/playlist?list=PLUqEXFClebqHjX0kZxFjRqI2FY-DovmI6



For more details on our human capital, please refer to the next chapter, "Players."

Players

Special Feature KWE Teamwork

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Investment in Human Capital ····· 37

Special Feature

KWE Teamwork

Case# 01

Semiconductor Logistics for Human Innovation

Semiconductors play a critical role in innovation that addresses societal challenges, from generative AI and autonomous driving to more efficient drug discovery. In the early 1970s, KWE started proactively seeking business opportunities in Silicon Valley, and continues to position transport of semiconductors and other electronic-related products as one of our areas of special expertise.

Customer Value

Transport Services for Rapidly Changing Markets

KWE provides secure and reliable transport services to our customers in the semiconductor industry, who produce precision high-value products in a market characterized by rapid fluctuations in demand.

We leverage short lead times to handle time-sensitive air freight such as semiconductor devices and manufacturing equipment, and in addition to maintaining a stable supply of cargo space through our partnerships with major airlines, we offer flexible services tailored to meet individual customer needs, such as charter flights, time-specific deliveries, and temperature-controlled transport. Our experts in the semiconductor sector can create the optimal transport plan to address any urgent requirements.

In sea freight, we handle large semiconductor manufacturing equipment and bulk shipments of components and materials with cost-efficient transport solutions. We provide a wide range of

services, from less-than-container load (LCL) and full-container load (FCL) shipments to oversized equipment, as well as accommodate non-standard cargo, refrigerated container transport, and GHG-emission reducing modal shifts. In addition, by combining sea and air transport in integrated logistics solutions, we deliver the optimal balance of cost, lead time, and environmental sustainability.

KWE provides end-to-end logistical solutions including trucking, warehousing, and delivery over the final mile of the supply train. In Japan, we also offer specialized transport services for semiconductors and precision equipment, providing a one-stop solution from pickup anywhere in the country to final delivery. Based on our many years of expertise, we can recommend the most suitable packaging materials and transport methods for each product to ensure safe and reliable delivery. We also handle installation and ancillary services after transport and, when needed, offer temporary storage.

Of course, all our semiconductor-related transport services are carried out under strict scheduling and product management, supporting the precise production plans and supply chains of our customers.

Teamwork

It is estimated that a single semiconductor chip crosses national borders more than 70 times on average before becoming a finished product[*7]. We support the semiconductor supply chain with our global network spanning 131 companies in 294 cities across 44 countries.

Creating Value

Social and Economic Value

Semiconductors are not only the “lifeblood of industry”, but also generate significant social value by making daily life more convenient, comfortable, and safe for people. The global semiconductor market itself is approximately USD 600 billion[*1], and it has a ripple effect across the roughly USD 2 trillion electronics industry[*2], ultimately influencing an estimated 90% of global GDP[*3]. Semiconductor logistics therefore play a critical role in supporting both society and the economy. The semiconductor market is expected to grow at an average annual rate of 8% through 2030[*4], reaching a scale of USD 1 trillion[*5], with the semiconductor logistics market projected to increase 10% annually to approximately USD 125 billion[*6]. Our focus on semiconductor-related businesses enables the KWE Group to create more social and economic value while driving our own sustainable growth and corporate value.

Notes:
1. Source: WSTS 2. Source: Lloyd’s Futureset 3. Source: Calculated by KWE based on data from Lloyd’s Futureset and Institute for International Trade and Investment 4. Source: Calculated by KWE based on data from WSTS and SEMI Japan 5. Source: SEMI Japan 6. Source: Mordor Intelligence 7. Source: DHL

Special Feature

KWE Teamwork

The aviation industry is estimated to account for approximately 2.5% of CO_2 emissions worldwide (source: IEA). As a group whose core business is air freight forwarding, KWE is focusing on reducing Scope 3 emissions, which represent the majority of the Group's CO_2 footprint, by promoting the use of sustainable aviation fuel (SAF).

Environmental Value

Participation as an Air Freight Forwarder

KWE participated in Japan's first SAF utilization program in 2021 and since then continues to be a part of a number of SAF projects as a pioneer in Asia and Japan. We have also launched our own SAF program for our customers.

We are moving ahead on initiatives supporting customer demand for low-carbon transport options, including participation in programs for the issuance of CO_2 emission reduction certificates, the small-lot resale of SAF environmental attributes (KWE Green Consolidation), and schemes for the central management of SAF environmental attributes using blockchain technology.

Case# 02

Promoting SAF for a Carbon-Free Society

Social Challenges

How to Further SAF Adoption

While SAF is estimated to reduce CO_2 emissions by approximately 80% over its entire life cycle, there are several challenges for its broader adoption. The price of SAF is roughly 2.8 times that of conventional fuel (source: EASA), and it is currently derived from used cooking oil and animal fats. SAF produced from biomass and synthetic fuels has yet to reach commercial-scale production.

In addition, current aviation regulations limit blending with conventional fuel to a maximum of 50%, and large-scale investment is necessary to develop SAF with even greater decarbonization potential. As a result, policymakers around the world face the difficult decision of whether to prioritize existing technologies or make significant investments in new technologies such as synthetic fuels.

Expanding feedstock procurement networks, production systems, supply capacity, and establishing international networks are all required to make further progress in decarbonization with the use of SAF. The KWE Group is monitoring the latest developments and evolving its initiatives accordingly.

Teamwork

KWE is working to reduce CO_2 emissions worldwide, positioning SAF as a key driver of these efforts. Because sustainability initiatives require cross-border collaboration, we will work closely together with our colleagues in every country as Team KWE.

SAF Program Participation to Date

	Timing	Partner	Program	Highlights
First from Japan	September 2021, October 2022	All Nippon Airways	SAF Flight Initiative: For the Next Generation	Entered into further agreements after using the first SAF cargo flight departing from Japan
First in Asia	April 2022, August 2023, July 2025	Cathay Pacific Airways	Corporate-SAF Pilot Programme	Entered into further agreements after participating in Asia's first full-scale corporate SAF program for both cargo and passenger flights
First Japanese freight forwarder	October 2022	Lufthansa Cargo AG	Sustainable Choice - Bulk Agreement	Achieved 100% carbon-neutral transport from SAF production to departure airport
First Asian forwarder	April 2023, August 2025	Shell Aviation SAF	Book-and-claim demonstration program and usage agreement	Enabled secure and reliable receipt of allocation of SAF environmental attributes using blockchain technology
Launch customer	March 2024	Japan Airlines	SAF utilization demonstration program	Demonstrated full process from SAF procurement to issuance of CO_2 emission reduction certificates
First in Asia	June 2024	IAG Cargo	SAF purchase agreement	Purchased environmental attributes derived from approximately 640,000 liters of SAF
	July 2024	All Nippon Airways and Kyocera	Contract for CO_2 emission reductions through SAF use	Received CO_2 emission reduction certificates listing the names of KWE and the shipper as joint holders

Creating Value

Environmental Value

The KWE Group will continue to evolve its initiatives on SAF to address the material topic Emissions and Energy as we move toward our long-term vision of becoming a "Global Top 10 Solution Partner".

KWE plans to continue with the business model of a forwarder that does not own aircraft, unlike major competitors in Europe and the United States. This means that the strong relationships of trust we have built with our partner airlines is the basis for providing decarbonization services to customers through the use of SAF and other initiatives.

Special Feature

KWE Teamwork

Case#03

Healthcare Logistics for Human Well-Being

Pharmaceuticals, medical devices, and various healthcare equipment are essential for healthy living and well-being. While demand for the transport of healthcare-related products surged dramatically during the COVID-19 pandemic starting in 2020, the KWE Group recognized the growth potential and social value of this sector as early as 15 years prior. As one of our key focus areas, we have concentrated on building service capabilities, strengthening our global network, and expanding shipment volumes.

Customer Value

A Second Core Sector

A major catalyst for the KWE Group's entry into the healthcare sector was the revision of Japan's Pharmaceutical Affairs Act in 2005, which allowed logistics companies such as KWE to operate packaging, labeling, and storage services for medical devices, pharmaceuticals, and related products. Healthcare-related products, as with electronics, are often high-value and high-margin, requiring the strictest security. In the same year, we also enlarged our facilities certified as Technology Assets Protection Association (TAPA) Class A. Since then, we have obtained certifications worldwide, including ISO 13485, GDP, CEIV Pharma, and NMPA standards, expanding our global network in healthcare and ensuring increased reliability for our customers.

Today, healthcare-related products have become one of KWE's core areas, second only to electronics, accounting for roughly one-third of shipments to and from Japan based on customs clearance volumes.

Social Value

Teamwork for Society

One example of how we can create social value by leveraging the power of Team KWE was the transport of vaccines and medical devices during the COVID-19 pandemic.

KWE was entrusted with all logistics operations requiring high levels of safety and speed under a Japan-Europe joint vaccine transport project team that included not only KWE Japan and our Europe, Middle East & Africa regional headquarters, but also local partner companies, customs authorities, and law enforcement. We carried out these large-scale, rapid vaccine shipments under strict temperature and safety controls.

In addition, as part of humanitarian support organized by The Nippon Foundation, KWE transported 100 battery-powered oxygen concentrators, essential for home care, to Manipur, India, where hospital bed shortages had become critical. Through close coordination and flexible decision-making between KWE Japan and our Southeast Asia regional headquarters, truck transport was chosen within India instead of air transport, allowing the equipment to reach the destination safely while avoiding risks of damage or loss.

Teamwork

Being able to address non-standard requirements and unexpected problems is critical in healthcare logistics. It is precisely in such moments that Team KWE demonstrates its true value, with skilled specialists and experienced staff around the world working closely together to deliver the products where they are needed and so contribute to the well-being of society.

Further Value

Well-Being

Currently, investment in healthcare infrastructure is increasing in many countries, driving demand for the timely and safe transport of pharmaceuticals and medical supplies. The healthcare logistics market is also expected to grow with the globalization of pharmaceutical supply chains and the need for temperature-controlled transport of biopharmaceuticals.

The KWE Group will continue to offer services globally that meet the increasingly sophisticated and diverse needs of healthcare logistics.

Investment in Human Capital

We are investing in human capital to maximize the unique qualities and abilities of every member of Team KWE (see **pp.13–14**, "Message from the Managing Executive Officer in Charge of Finance and Human Resources").

KWE Global HR Guidelines

The KWE Global HR Guidelines summarize our approach to talent management. Recognizing human capital as one of the most important management resources, the KWE Group focuses on maintaining a management framework that respects diversity and enables employees to demonstrate high levels of autonomy, creativity, and agility.

Developing and Retaining High-Potential Talent

The KWE Group's talent management platform is designed to consistently identify high-potential employees, evaluate them fairly, and ensure their growth. It comprises five elements: (1) performance management, (2) talent identification and succession planning, (3) learning and development, (4) total rewards, and (5) talent acquisition. At the core of this framework are the KWE Leadership Competencies, which define the knowledge, skills, and behaviors required of leaders to achieve the KWE Group's long-term vision (see **p.4**). We use the concepts of these competencies as a tool for identifying and developing talent, and to ensure that the succession planning process places the right person in the right role, regardless of nationality, ethnicity, gender, or age. Importantly, the Leadership Competencies are not limited to leaders: they also articulate and convey the concept of the KWE culture to all employees, fostering a shared understanding of KWE Group values.

KWE Talent Management Platform

KWE Leadership Competencies

Investment in Human Capital

A key initiative of Management Plan 2027 is active investment in KWE Group human capital to enhance sustainable corporate value. Specific efforts include developing employees who can adapt to change and play an active role from a global perspective and providing more learning and development opportunities to increase employee motivation and engagement. The KWE Group aims to promote employee contributions to the organization while supporting their individual growth through a variety of programs.

Career Development

We have a career development system in place designed to effectively leverage our human resources and promote employee autonomy in career development. Employees who have been at Kintetsu World Express (non-consolidated) for a minimum of 3 years may apply for a position in a different department anonymously without any conditions.

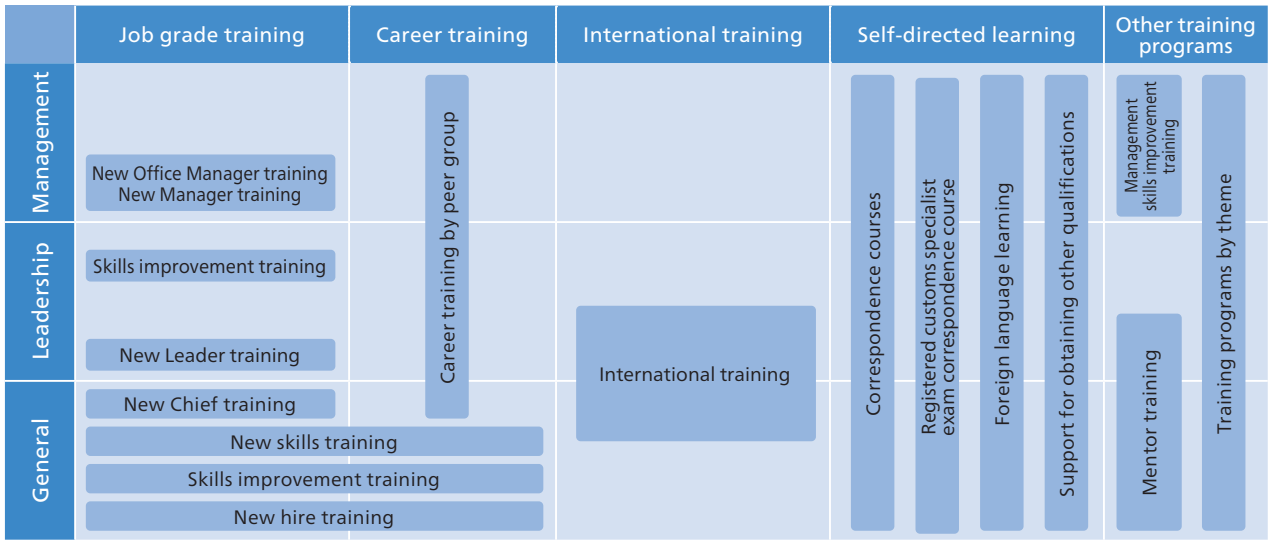
LinkedIn Learning

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

Correspondence Course Self-Directed Learning

KWE provides a self-directed learning 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.

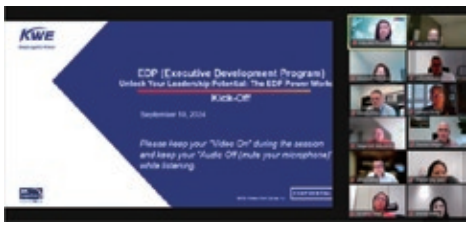
Human Resource Training and Development (as of April 2025, Kintetsu World Express (non-consolidated))



Global Human Resource Development Program

Successor Training

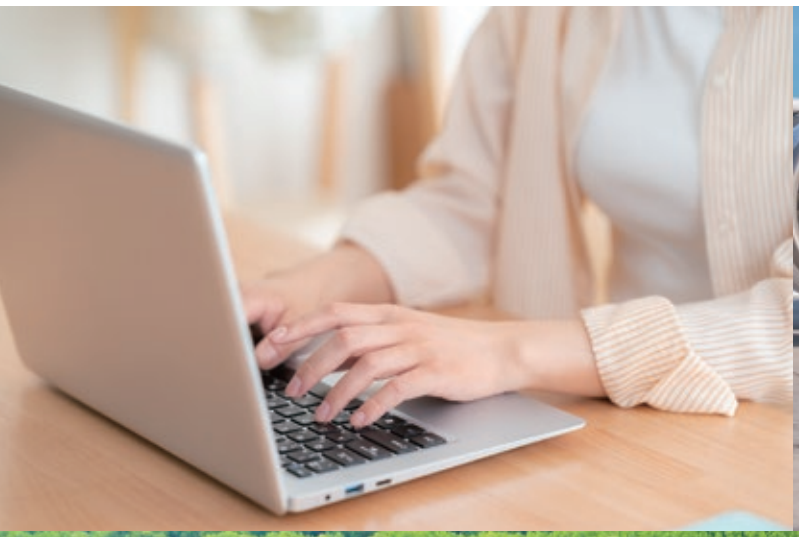
This is a six month training program for persons recommended by KWE locations worldwide, intended to develop leadership capability under the guidance of expert lecturers from outside the company. On the final day of training the president and other top executives of KWE Japan also participate in advising the trainees. Over the past four years 29 employees have gone through this program.



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=xsiBUFthhQU



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Material Topic Initiatives

Current-Year Progress and Future Initiatives

ESG	Category	Objectives	Progress in FY2024
Emissions Reduce CO_2 emissions to address climate change **Energy** Promote the use of green energy	Environmental	■ Reduce CO_2 emissions ■ Promote the use of green energy	■ Obtained third party certification of Scope 1 and 2 CO_2 emissions at KWE locations outside Japan ■ Collected Scope 3 data on a consolidated basis, received third party certification, set reduction targets ■ Expanded participation in SAF programs, including new IAG Cargo program, and in demonstration projects ■ Continued promoting SAF using waste cooking oil as feedstock ■ Continued promoting SMF use ■ Contributed to more widespread use of biofuels and establishment of international standards by providing knowledge on SAF to the Smart Freight Centre ■ Promoted shift to LED lighting ■ Promoted rail transport ■ Promoted using trucks fueled by hydrotreated vegetable oil (HVO) ■ Promoted container round use for sea freight
Data Security Strengthen data security	Social	■ Improve information security architecture ■ Increase employee awareness of information security	■ Implemented regular third-party assessments, with improvements planned and implemented by information security experts ■ Continued fast and effective measures to improve IT security ■ Utilized generative AI to improve competitive advantage and operations efficiency, and built framework to improve risk management
Diversity and Equal Opportunity Promote diversity and equal opportunity	Social	■ Promote equal opportunity in promotion to management ■ Promote hiring from minority groups ■ Promote educating employees about human rights and equal opportunity	■ Increased employee awareness of KWE Group Diversity and Equal Opportunity Policy ■ Moved ahead on activity in line with local characteristics
Social Impacts in the Supply Chain Promote responsible procurement	Social	■ Fulfill supply chain ethical, social, and environmental responsibilities	■ Moved ahead on the KWE Group Human Rights Policy ■ Moved ahead on supplier survey with a checklist including human rights due diligence
Anti-Corruption Ensure compliance with anti-corruption policy	Economic and Governance	■ Promote communication about anticorruption policy and procedures	■ Continued quarterly group-wide compliance training
		■ Identify risks and confirmed cases of misconduct in the workplace, and implement preventative measures	■ The Head of Group Compliance and General Counsel continued to lead employee training to ensure that the global whistleblowing system is operating effectively ■ Added regional headquarter training programs to the unified global compliance training program to improve effectiveness

FY2025 initiatives	Related SDGs
▪ Obtain SBTi certification for short- and long-term greenhouse gas reduction targets as a "Net-Zero Target" ▪ Be selected for second year in a row as a subsidy recipient under the Tokyo Metropolitan Government's program promoting SAF use in air cargo transport for corporate Scope 3 initiatives ▪ Obtain third party certification of Scope 1 and 2 CO_2 emissions at KWE locations outside Japan ▪ Collect Scope 3 data on a consolidated basis, obtain third party certification (Scope 3 Category 4 only) ▪ Continue promoting SAF use (additional contract with Cathay Pacific Airways and new contract with Shell Aviation) ▪ Achieve a "B" score in CDP evaluation for second year in a row ▪ Continue promoting SMF use ▪ Contribute to more widespread use of biofuels and establishment of international standards by providing knowledge on SAF to the Smart Freight Centre ▪ Promote shift to LED lighting ▪ Promote rail transport ▪ Promote using trucks fueled by hydrotreated vegetable oil (HVO)	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
▪ Respond to the server outage incident by focusing on minimizing risks through BCP, including recurrence prevention measures, impact mitigation during incidents, and recovery actions ▪ Improve security assessments for data centers and server and network environments to improve security across the entire KWE Group ▪ Ensure continuous operation and reduce cybersecurity risks through data center decentralization, cloud adoption, and network redundancy ▪ Implement malware and spam email countermeasures using AI and big data	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
▪ Increase representation of women in managerial and expatriate roles ▪ Establish a new reemployment system extending the retirement age to 65 ▪ Identify and resolve local issues directly through dialogue between headquarters and offices outside Japan ▪ Advance initiatives for health and productivity management (Japan)	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
▪ Expand human rights due diligence to sites outside Japan ▪ Prepare to conduct human rights due diligence for suppliers	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
▪ Maintain quarterly group-wide compliance training	
▪ The Head of Group Compliance and General Counsel continues to lead employee training to ensure that the global whistleblowing system is operating effectively ▪ Continue education activities led by dedicated compliance officers and the General Counsel ▪ Continue region-specific training and programs based on a unified global compliance training program	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Environment — Emissions and Energy

Policy KWE Group Environmental Policy

In addition to our corporate philosophy to contribute to the development of a global community through logistics services, KWE Group sets forth the following policy to conserve the earth's valuable natural resources and strive to preserve the environment:

1. We promote global pollution prevention.
2. We comply with the environmental protection laws, regulations, and requirements in each country in which we operate.
3. We define the following items as the key environmental management objectives related to business activities:
   - Reducing greenhouse gas emissions
     - Reducing electricity consumption
     - Reducing exhaust from vehicles and equipment
   - Reducing waste and promoting recycling
4. We work to prevent environmental pollution in cooperation with clients, affiliated companies, and subcontractors.
5. We make KWE group employees and the public aware of our environmental protection policy through internal and external communications.

Creating Corporate Value

The KWE Group has built an extensive global network for its forwarding business of 655 locations in 294 cities and 44 countries (as of March 31, 2025). All our locations worldwide are focused on the short-, mid-, and long-term targets that will result in achieving carbon neutrality by 2050.

Of our short-term goals, first, we received third party certification of Kintetsu World Express (non-consolidated) Scope 1 and 2 CO_2 emissions for FY2022. In FY2024, we expanded the verification scope to the entire KWE Group, excluding APLL, and published consolidated Scope 3 data. In 2025, we achieved a "B" score in the CDP evaluation for the second consecutive year. In addition, to reduce Scope 3 emissions, we were among the first forwarders in Japan to participate in a sustainable aviation fuel (SAF*1) program.

In the mid-term, our GHG reduction targets were certified by the SBTi in July 2025. As our reduction targets, we aim to reduce Scope 1 and 2 emissions by 42% and Scope 3 emissions by 25% by FY2030 compared with FY2023. In addition, we are currently focusing on developing and providing low-emission transport services using synthetic fuels, improving our GHG emissions visualization tools, and obtaining third-party verification of consolidated Scope 3 data while establishing reduction targets.

We are steadily pursuing our short- and mid-term initiatives, and we are working toward achieving our long-term target, certified by the SBTi, of a 90% reduction in GHG emissions by FY2050 compared with FY2023.

*1 Sustainable aviation fuel (SAF) is produced from biomass, waste cooking oil, tallow, and other replenishable resources, reducing life cycle CO_2 emissions by approximately 80% compared to conventional jet fuels.

Player's Voice

Promoting SAF in the Industry

Ryo Naniwa
Kyoto Export Sales Office
Export Sales Department

Major airlines have set a goal of replacing 10% of fuel used with SAF by the year 2030, however, the supply of SAF is still less than 1% of aviation fuel consumption worldwide. Increased awareness and active participation by all stakeholders involved in air transport is needed to promote the use of SAF. When I explained the SAF program to our customers, they listened with great interest and appeared very positive about it. We believe the ability to quantify CO_2 emission reductions also serves as a valuable indicator for customers working to reduce their environmental impact. As this area is expected to become increasingly important, we will continue promoting the SAF program to as many customers as possible, contributing to both economic activity and environmental sustainability.

Air freight accounts for almost 35% of KWE Group consolidated sales, and we will continue moving forward on reducing our Scope 3 emissions by participating in SAF programs and offering related services as low-carbon transport options for our customers who are working to mitigate their impact on the environment. This will support the reduction of CO_2 emissions throughout the supply chain, the decarbonization of international transport, and assist in achieving carbon neutrality by 2050.

Disclosures Based on TCFD Recommendations

Support of Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

In December 2021 KWE announced its support of the recommendations made by the Task Force on Climate-related Financial Disclosures, an organization established by the Financial Stability Board to consider the financial impacts of climate change on business and financial planning. We analyze the risks and opportunities for our business associated with climate change and continue to provide information to our stakeholders about the potential financial impacts. Our current scenario analysis is as shown on the following page.

*The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) based on a G20 request to investigate how to disclose climate-related information and respond to financial institutions. The task force issued its final report in June 2017, encouraging companies and others to disclose climate change-related risks and opportunities.

FY2024 Agenda Related to Climate Change

- Deliberation on participation in various SAF initiatives
- Reporting on the status of GHG reduction measures (e.g., transitioning to EV trucks and electric forklifts)
- Improving value chain and supply chain management to reduce CO_2 emissions (e.g. switching to renewable energy, introducing energy-efficient equipment, installing solar power systems, investing in wind power)
- SBTi target certification application, low-emission transport services using synthetic fuels, sustainability-related sales support, and other action

Governance

The KWE Group Sustainability Committee, headed by the President & CEO, addresses basic policy, material topics, and risks and opportunities related to climate change. The committee meets at least twice a year, with additional meetings as necessary. The committee met twice in FY2024. The topics related to climate change that were discussed are shown on the right (FY2024 Agenda).

Committee members include company directors, corporate department general managers, regional headquarters general managers, and representatives from APLL, ensuring diversity in its deliberations. Matters discussed and decided by the committee are presented to the Corporate Management Meeting*2 and reported to the Board of Directors as needed.

Under the oversight of the Board of Directors, matters discussed and decided by the Corporate Management Meeting are disseminated to all divisions within the organization and reflected in their management plans and business operations.

Strategy

We have identified climate change as a mid to long term risk. We have analyzed long term scenarios to 2050 for potential impact on our business, with reference to International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC) scenarios (Below 1.5℃*3 and 4℃*4) for risks and opportunities in order to consider the resilience of our business strategy and organization (see **p.45**).

Risk Management

Our climate change-related risk working group is planning, implementing, and managing the progress of our response to the risks and opportunities we have identified. Scenario analysis began in February 2022 and is reviewed at least once a year. We are focusing on addressing the risks and opportunities shown on the next page (see **p.45**) based on likelihood and degree of impact. Climate change-related risks will continue to be analyzed by the KWE Group Sustainability Committee, reported to the Corporate Management Meeting, and integrated into our overall risk management.

Metrics and Targets

We are using total GHG emissions (CO_2) as a metric to assess and manage the impact of climate-related issues on our business. In line with the SBTi approval obtained in July 2025, we have revised our FY2030 reduction targets as follows. The Scope 1, 2, and 3 emissions for FY2023 and FY2024 are shown below.

	Emissions*5		
	Scope 1	Scope 2	Scope 3
FY2023	25,379t	47,871t	1,875,255t
FY2024	19,994t	51,864t	1,846,352t

	Targets	
	Scope 1 and 2	Scope 3
FY2030	42% reduction from FY2023	25% reduction from FY2023
FY2050	90% reduction from FY2023	

*2 The Corporate Management Meeting is composed of the company's full-time directors, fulltime Audit & Supervisory Board members, executive officers, and division managers. It meets at least twice a month to decide important matters related to overall business policy and the conduct of business.
*3 Below 1.5℃: IEA SDS, IPCC AR6, RCP2.6, etc.
*4 4℃: IPCC AR6, RCP8.5, etc.
*5 All KWE Group companies (including APLL)

Environment — Emissions and Energy

Climate-Related Risks and Opportunities (Scenario Analysis)

	Category	Risk	Business Impact	Timeframe	Impact 1.5°C Scenario	Impact 4°C Scenario	Strategy
Transition Risk	Policy and Legal	Carbon tax	Risk: Higher operating costs due to stricter national environmental regulations	Mid – long term	High	Low	❶ Set GHG emissions targets and fulfill them on an ongoing basis ❷ Shift to eco-friendly vehicles and electric forklifts ❸ Change to renewable energy source electric power ❹ Pass along freight charges appropriately
Transition Risk	Technology	Next generation air, sea, and land vehicles	Risk: Higher operating costs due to development and introduction of new technologies	Short – long term	High	Low	❶ Plan investments while monitoring social trends and new technology ❷ Participate in pilot programs and consider implementation while evaluating cost
Transition Risk	Technology	Next generation air, sea, and land vehicles	Opportunity: Lower carbon tax and other regulatory costs with reduced GHG emissions	Short – long term	High	Medium	
Transition Risk	Technology	New fuels (such as SAF and bio-fuel)	Risk: Slower adoption and higher procurement costs with inadequate supply	Short – mid term	High	Low	❶ Actively participate in SAF programs and promote social implementation ❷ Approach governments and associations toward increasing adoption in the industry
Transition Risk	Technology	New fuels (such as SAF and bio-fuel)	Opportunity: Lower carbon tax and other regulatory costs with reduced GHG emissions	Mid – long term	Medium	Low	
Transition Risk	Market	Modal shift	Risk: Reduced revenue due to increase in use of sea and rail with higher demand for transport modes with less impact on the environment	Short – mid term	High	Medium	❶ Develop sea and rail transport services in line with customer needs and build a business model adapted to the changing market ❷ Develop low environmental impact air transport products leveraging SAF in collaboration with airlines ❸ Propose low CO_2 emission routes and transport modes leveraging AI
Transition Risk	Market	Modal shift	Opportunity: Development of new services and expanded business areas	Short – mid term	Medium	Low	
Transition Risk	Reputation	Corporate environmental reputation	Risk: Reduced revenue due to loss of orders and exclusion from bidding with falling reputation, negative impact on recruiting	Short – mid term	High	Low	❶ Improve reputation with customers by including active environmental initiatives in business strategy
Transition Risk	Reputation	Corporate environmental reputation	Opportunity: Increase in revenue by acquiring more business with improved reputation, increase in opportunities to hire talented human resources	Short – mid term	High	Low	
Physical Risk	Acute	Extreme weather	Risk: Reduced revenue with fall in freight volume due to difficulty in providing transport services and increased recovery costs	Short – mid term	Low	High	❶ KWE and service providers respond to flood and other damage in the case of logistics warehouses owned by KWE, and KWE coordinates with lessors to respond in the case of rented warehouses ❷ Select alternative forwarding warehouse facilities and routes to build a stable logistics network ❸ Manage risks in coordination with the KWE Risk Management Committee
Physical Risk	Chronic	Rising sea levels with rising average air temperature	Risk: Difficulty using ports and airports in low elevation areas. Also limited usable facilities.	Mid – long term	Low	High	❶ Work with local authorities and business partners to respond to flood and other kinds of damage ❷ Manage risks in coordination with the KWE Risk Management Committee

Impact timing Short term: within 3 years Mid term: by 2030 Long term: by 2050

Specific Initiatives and Topics

Decarbonizing with Electric Forklifts

At KWE Ireland, electric forklifts have been actively deployed for some time, delivering lower-carbon operations, reduced running costs, lower maintenance expenses, and a cleaner, healthier working environment compared with engine-powered forklifts.

In addition, in May 2024, the Narita Distribution Center introduced KWE's first lithium-ion battery electric forklift. Compared with conventional lead-acid battery forklifts, it offers higher energy efficiency and faster charging, contributing to further CO_2 emissions reductions.

Almost 75% of the forklifts required for KWE Group terminal operations are now running on battery power, and we will continue actively introducing lithium-ion battery forklifts to advance decarbonization.

Electric forklift equipped with a lithium-ion battery

Power Consumption by All KWE Sites and Affiliated Companies in Japan is 100% Renewable Energy Sourced

We are working on a number of initiatives to reduce Scope 2 CO_2 emissions, the greenhouse gases associated with our energy consumption worldwide. In March 2025 Kintetsu World Express purchased renewable energy certificates (with tracking)*1 as we did in FY2023, totaling 25.5 million kWh, which reduced our Scope 2 CO_2 emissions of approximately 11,770 tons*2 in FY2024 to essentially zero. We will continue this initiative to shrink our CO_2 emissions in Japan, as well as other initiatives to reduce emissions from our business activities worldwide.

*1 Renewable energy certificate with tracking: A certificate attesting to the environmental attributes of not emitting CO_2, including through electricity generated from non-fossil fuel sources such as solar power, wind power, and biomass.
*2 Greenhouse gas tonnage calculated using electric power company adjusted emission factors.

Renewable Energy Certificate

Using the Green Power Certificate System and Supporting Renewable Energy

In 2024 we purchased a Green Power Energy Certificate*3 for 1,500,000 kWh of electric power for use at our Misato Green Warehouse in Japan. The Misato Green Warehouse is ISO 14001 certified for environmental management and has obtained LEED certification*4 for its green roof and walls, LED lighting, and other measures to protect the environment.

*3 The Green Power Certificate System is a framework for trading renewable energy certificates that represent the environmental attributes of renewable energy. Certification is conducted by the Japan Quality Assurance Organization.
*4 LEED: Leadership in Energy and Environmental Design. Certification issued by the U.S. Green Building Council based on building operations, site management, energy efficiency, and other evaluation categories.

Green Power Certificate

100% Renewable Energy at Our Headquarters in Japan

Our headquarters in Japan are located in the Shinagawa Intercity office complex in Tokyo. The building boasts efficient energy use with a local area heating-cooling system and LED for shared lighting, and has earned superior rank certification from the Comprehensive Assessment System for Built Environment Efficiency (CASBEE). Starting in April 2022, all the power consumed at this location is obtained from 100% renewable energy sources. Renewable energy certificates for the environmental attributes of solar and other renewable energy sources can also leveraged for RE100*5, leading to further reductions in our Scope 2 emissions.

*5 RE100: A collaborative initiative in which businesses commit to 100% renewable energy for the electricity they use in their operations. By bringing together businesses as consumers, it is intended to send a signal to policymakers and investors to accelerate the energy transition.

Environment — Emissions and Energy

Third Party Verification of GHG Emissions

Our GHG emissions and energy consumption figures have been verified and certified since FY2021. In FY2021 verification was conducted for Kintetsu World Express on a non-consolidated basis, and in FY2022 for all KWE locations in Japan. In FY2023 and FY2024, our GHG emissions and energy consumption figures for all locations outside Japan were also verified and certified by LRQA Group Limited based on ISO14064-3:2019 standards.

In the future we will expand the scope of third party verification to include Scope 3 emissions in order to increase the accuracy and reliability of our CO_2 emissions data.

Period covered by the FY2024 verification:

April 1, 2024 - March 31, 2025

Scope of verification:

Scope 1 and 2 GHG emissions, Scope 3 Category 4 GHG emissions, and energy consumption (including KWE (non-consolidated) and all locations outside Japan)

Other Initiatives Across Our Global Sites

Below are some other initiatives we are taking to reduce emissions at our facilities worldwide with the aim of decarbonizing and reducing the risks of climate change.

Narita Terminal

We started generating solar power for use at our Narita Terminal in 2009. From 2017 to 2019 we replaced a total of 40 warehouse air conditioners with more efficient models and updated the office air conditioning equipment in 2020, resulting in reduced CO_2 emissions.

Narita Terminal solar power generation

Penang Logistics Center solar panels

Penang Logistics Center

Our Penang Logistics Center in Malaysia installed a solar power generating system in January 2023, generating enough energy to cover about 40% of the center's electricity consumption.

Participation in Japan Airlines SAF Pilot Program

In March 2024 KWE began participating in the JAL Corporate SAF Program as a launch customer. JAL has set a target of switching 10% of its aviation fuel consumption to SAF by the year 2030. This program for both cargo transport and business travel visualizes actual CO_2 emission amounts, and issues third party SAF certificates for its corporate customers, aiming to reduce Scope 3 emissions. We will continue to partner with JAL to help promote the use of SAF and decarbonize the industry as a whole.

Contract with IAG Cargo to Expand SAF Use

In June 2024 KWE signed a contract for expanded SAF use with IAG Cargo, International Airlines Group's cargo division, and purchased the environmental attributes for 640,000 liters of SAF. The SAF purchased is certified by ISCC (International Sustainability and Carbon Certification) and produced from used cooking oil and food waste, reducing lifecycle emissions by over 90% compared to conventional jet fuel. KWE will continue to leverage this kind of opportunity to decarbonize.

Contract with ANA and Kyocera to Reduce CO_2 Emissions with SAF

In July 2024 KWE signed a tripartite contract with All Nippon Airways and Kyocera for the SAF Flight Initiative: For the Next Generation cargo program run by ANA. In 2021 KWE participated as a launch customer in ANA's SAF Flight Initiative to visualize and reduce indirect CO_2 emissions in the industrial value chain through air cargo transport using SAF. Since then, we have continued to purchase SAF CO_2 emission reduction environmental attributes from ANA to reduce our supply chain Scope 3 emissions. At the same time, we had discussions with ANA and other stakeholders, resulting in certification of the validity of the CO_2 emission reduction certificate issuance process, making it possible for ANA to issue certificates to the attention of both KWE and the shipper. The certificates are issued by ANA to shippers that use KWE consolidation services on ANA flights, after calculating the emissions based on actual usage and allocating the SAF environmental attributes required for reductions. The shipper can then report their Scope 3 emission reductions to CDP and SBTi.

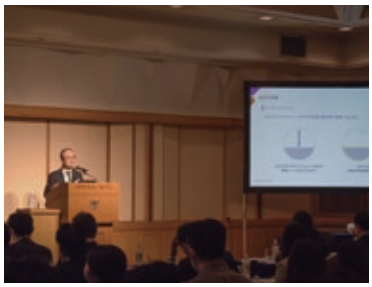
Re-Selected by Tokyo Metropolitan Government as a Designated Forwarder for its Program Promoting SAF Use in Air Cargo Transport for Corporate Scope 3 Initiatives

KWE applied for the Tokyo Metropolitan Government's program promoting SAF use in air cargo transport for corporate Scope 3 initiatives and was selected as a designated forwarder for the second consecutive year in June 2025. Under the program, TMG subsidizes part of the cost of SAF environmental attributes, which is in addition to the normal freight cost, on the premise that our customers purchase and use the SAF environmental attributes for air cargo transport to and from Haneda and Narita airports and receive a CO_2 emission reduction certificate issued by KWE (certified by a third party organization).

Increasing Demand and Awareness of SAF

Recognizing the need to increase demand for and awareness of SAF, in March 2025 we co-hosted a logistics industry decarbonization forum on international air transport with MUFG Bank, Ltd.

More than 120 persons attended, participating in panel discussions with SAF-related companies and our executive officer Yoshikazu Yashiki to share the current status and challenges of SAF and exchange views among stakeholders. We will continue these initiatives to enhance understanding of sustainability activities, facilitate information sharing, and strengthen relationships with our customers.



Keynote speech

Strategic SMF Partnership with Roper Rhodes

In August 2023 KWE UK entered into a strategic partnership with UK bathroom furniture and product supplier Roper Rhodes for the use of sustainable maritime fuel (SMF)*. Under the program, SMF is used for cargo transport from China to Portbury, Somerset, in southwest UK, replacing conventional maritime fuel. KWE has been actively promoting SAF for some time, and is now moving forward on promoting SMF in order to reduce CO_2 emissions in both air and sea transport.

* Sustainable maritime fuel is produced from biomass, waste cooking oil, tallow, and other sustainable resources, reducing life cycle CO_2 emissions.

Environment — Emissions and Energy

KWE Participates in Fry to Fly Project

KWE participated in the Fry to Fly Project in December 2023. The project was established through participation and partnership between JGC Holdings and a wide variety of businesses, local governments, and associations, with the aim to create a world where aircraft fly fueled by SAF made from used cooking oil. Almost no waste cooking oil from individual households is recycled in Japan, unlike that from restaurants, and about 100,000 tons of the waste oil actually collected is exported outside the country. KWE is actively involved in promoting participation from individual consumers and all other stakeholders in the stable manufacture and supply of SAF, and in creating an environment for the collection of waste cooking oil.

FRY to FLY Project

Official Member of the Smart Freight Centre

In July 2023 KWE officially joined the Smart Freight Centre, an international non-profit organization in The Netherlands dedicated to reducing greenhouse gas emissions from freight transportation. With an ambitious goal of reducing global greenhouse gas emissions from freight transport by 1 billion tons by 2030, and zero emissions by 2050, the SFC is developing guidelines for calculating emissions and setting reduction targets specific to various sectors of the logistics industry. Before becoming an official member, KWE participated in the SFC's SAF Book & Claim demonstration project*1 in April 2023. KWE provides its knowledge on SAF to the SFC, helping to promote SAF and other biofuels and set international standards.

*1 The Book & Claim demonstration project verified the reliability of the book and claim model of SAF environmental attribute allocation to users utilizing a block chain technology system developed by Shell Aviation, the aviation fuel division of the major petrochemical company Shell PLC.

Smart Freight Centre

KWE Canada Achieves SmartWay Certification

SmartWay Transport Partner
Getting There With Cleaner Air

KWE Canada has obtained SmartWay certification, a North American program that promotes fuel efficiency and reduces GHG emissions in the transportation sector. Through this certification, we will work with our customers to advance a cleaner supply chain. SmartWay was established in 2004 by the U.S. Environmental Protection Agency (EPA) as a voluntary, collaborative initiative to measure, compare, and improve fuel consumption and emissions across the transportation supply chain. In Canada, Natural Resources Canada has managed SmartWay since 2012, supporting companies with benchmarking and annual fuel and GHG data management. The EPA collaborates with Canadian and Mexican authorities to implement and harmonize the program across North America.

Purpose of Certification

- To externally demonstrate our commitment to environmental conservation and net-zero, and contribute to GHG reductions across the industry
- To meet customer demand for transportation partners that are genuinely committed to sustainability
- To continuously monitor and improve our own fuel efficiency and emissions performance based on cross-industry data (measurement, calculation, comparison, peer benchmarking, and annual tracking)

Key Initiatives

- Fleet operation optimization: Implement advanced fleet management technologies to optimize routes, reduce idling, and minimize empty runs, visualizing vehicle activity to curb fuel waste and GHG emissions
- Monitoring and disclosure: Monitor fleet carbon emissions monthly and evaluate and manage performance annually using the SmartWay framework
- Electrification assessment: Explore opportunities for vehicle electrification in major metropolitan areas

KWE Thailand Gets New EV Trucks

In June 2024 KWE Thailand introduced electric vehicle trucks (one van, two 4-wheel trucks, and two 6-wheel trucks) and installed charging stations at KWE Thailand headquarters and the Navanakorn Distribution Center. The Thai government has set a goal of 30% of domestic automobile production being EV by 2030, so more and more delivery vehicles are sure to be EV in the future. The KWE Group is moving forward on reducing CO_2 emissions by using EV trucks for pickup and delivery in Bangkok and the Navanakorn district.

New EV trucks

Promoting Shift to Rail Transport

Shifting shipping transport modes from air, sea, and truck to rail where possible is an effective way to reduce KWE's Scope 3 CO_2 emissions. In May 2021, KWE Japan began actively pursuing domestic rail shipping options, both to reduce environmental impacts and to secure domestic cargo capacity.

In collaboration with Japan Freight Railway Company, we provided rail transport to a customer in July 2022 that had previously been using trucking to ship cargo from Tokyo to Niigata. This solution was possible in light of increasing awareness of the importance of decarbonization, and as a way to address the 2024 problem concerning trucking in Japan. The customer was eager to collaborate, stating that they wanted to help fulfill their social responsibility as a corporation, despite lead times for rail being longer than those associated with trucking. Niigata is about 350 km away from the Port of Tokyo. Using rail instead of trucking between these locations reduced per-shipment emissions by about 75%. We will continue to actively offer our customers the option of rail instead of truck for long-distance transport in order to reduce Scope 3 CO_2 emissions.

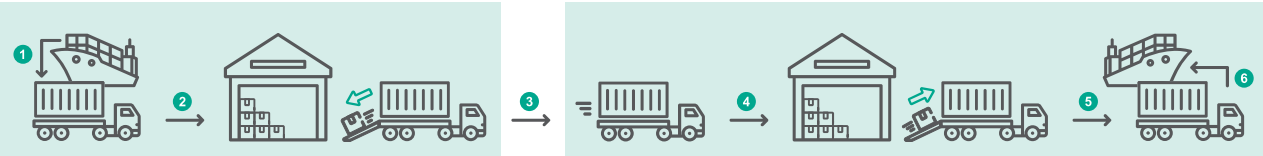
Rail transport (terminal station image)

Reusable Containers and Matching Services

We are promoting reusable container use and matching service for sea freight to help reduce Scope 3 emissions. Reusable containers in this context means using empty import containers for export from the destination instead of immediately returning them to the port. This technique reduces the cost of shipping and the burden on the environment. Container matching services find the optimal match between an empty container and export cargo, facilitating container reuse.

KWE Indonesia was able to reduce annual GHG emissions by 35 tons in FY2022 by reusing containers with the help of matching services. We will roll out the use of this technique to more sites worldwide to reduce our Scope 3 CO_2 emissions.

Container Matching Services



After arrival, imported freight is devanned[*2] at customer site A

The empty container is moved to customer site B, matched to optimal export cargo and then exported

*2 Devanning: Unloading a container

Environment — Emissions and Energy

KWE CO_2 Calculator

The KWE CO_2 Calculator went online in June 2022, providing customers with estimated CO_2 emissions for their air and sea shipments and helping to visualize Scope 3 emissions, as part of our worldwide decarbonization efforts. The online calculator uses data from EcoTransIT World provided by IVE mbH*1, using shipment origin, destination, and cargo volume inputs. KWE customers can enter their shipment waybill number to calculate emissions.

As part of our responsibility as a freight forwarder, KWE is working on setting specific targets and goals to reduce direct CO_2 emissions from its operations (Scope 1 and 2). We are also helping reduce our indirect emissions (Scope 3) that result from customer use of KWE-purchased airline and ocean carrier services by enabling the visualization of greenhouse gas emissions using the KWE CO_2 Calculator.

*1 The EcoTransIT World CO_2 calculator provided by IVE mbH is used by many international freight forwarders and other global enterprises to estimate greenhouse gas emissions attributable to cargo transport.

KWE CO_2 Calculator

Reduced Use of Paper

KWE is actively reducing the use of paper documents in its operations. This initiative serves not only to reduce the environmental impact of operations but also to improve service quality with reduced operation times, higher employee and customer satisfaction, and more business in the future.

Kintetsu World Express in Japan has been working on digitizing internal forms and procedures since 2021. The company is seeing positive results from improved efficiency while saving over 50,000 sheets of paper annually. In 2021, KWE Japan performed a trial run of automatically sending selected documents to the customer in electronic format instead of paper. This trial resulted in clear benefits including fewer delays at KWE and fewer reminders from customers. "Going paperless" also creates the opportunity to streamline verification and other manual operations as well, for even higher quality in the future.

Business Card Material Contributes to Sustainability

KWE started using FSC*2 certified paper for business cards for KWE employees in Japan in March 2024. Using FSC certified paper indirectly helps address climate change by preserving biodiversity. And showing the FSC logo on the cards helps raise awareness of environmental issues and KWE sustainability efforts among employees and customers.

*2 FSC is the Forest Stewardship Council established in 1994. The FSC logo shows that lumber, wood products, and paper products come from forests managed under global standards for sustainability.

FSC MIX Papper FSC® C074519

FSC certification logo

Environment — Biodiversity

Specific Initiatives and Topics

KWE Indonesia Plants 100 Mangroves

In July 2023 thirty KWE Indonesia employees helped plant 100 mangroves at Mangrove Ecotourism Centre PIK in North Jakarta. Mangrove forests play an important role in lowering the risk of climate change and preserving biodiversity with the capacity to absorb and store carbon dioxide, and provide a rich environment for living organisms. After learning about the benefits of mangrove forests, the participants had the opportunity to deepen their understanding by actually planting mangrove saplings. KWE intends to continue participating in this kind of activity to promote biodiversity.

KWE Indonesia staff

Planting mangroves

The newly planted mangroves

KWE Thailand Plants Mangroves in Klong Kone

In March 2024 ten KWE Thailand employees participated in planting trees at the Klong Kone Mangrove Forest Conservation Center in Samut Songkhram in central Thailand. The KWE Thailand employees worked alongside staff from Canon Marketing (Thailand) and its affiliated companies as well as other participants to plant 1,000 mangrove saplings. The KWE Thailand domestic transport team also gifted the conservation center with tables constructed from wood leftover from pallet construction.

KWE Thailand staff

Initiating Disclosure in Line with the TNFD Framework

Through these activities and engagement with our customers and business partners, the KWE Group has deepened its understanding of the importance of biodiversity and natural capital. We have begun preparing disclosures in line with the Taskforce on Nature-related Financial Disclosures (TNFD) framework. Going forward, we plan to gradually assess our business sites and value chains using the LEAP (Locate, Evaluate, Assess, Prepare) approach to evaluate our dependence on, and impact on, natural capital in our operations.

Social — Data Security

Policy

The KWE Group handles customer, personal, and business-related information during the conduct of business and established the KWE Group Information Security Basic Policy in 2007. In 2020 the KWE Group established the KWE Group IT Security Policy conforming to the ISO 27001 standard to improve the security management framework.

KWE Group Basic Policy on Information Security

KWE Group will run our business operations successfully and continuously improve information security in order to increase stakeholders' trust, while maintaining confidentiality, integrity, and availability of information assets. Our Basic Policy includes the following:

1. Build organizational structures to improve our information security
2. Comply with all information security laws, regulations, and other internal rules
3. Regularly evaluate and re-examine measures for information security
4. Reliably protect information assets against threats (unauthorized access, computer viruses, etc.)
5. Take measures aimed at enabling the rapid recovery of business activities from setbacks and natural disasters

KWE Group IT Security Policy

Summary

- Establishing appropriate local IT security policy, planning, and governance
- Implementing appropriate security controls
- Regularly reviewing the suitability, adequacy, and effectiveness of the security controls
- Improving the suitability, adequacy, and effectiveness of the security controls

Creating Corporate Value

For the material topic Data Security, the KWE Group continues to improve information technology security in order to address threats that are becoming increasingly more sophisticated.

After establishing the KWE Group IT Security Policy in 2020, in 2021 we assessed security levels, built a security management framework, and began employee education and training. In 2022, we focused on standardizing our IT infrastructure and implementing periodic assessments.

We are moving forward on building a zero trust security platform, utilizing services that can guarantee security in the cloud, and educating users including employees and business partners.

Also, under the important theme of improving security across the KWE Group, we are performing security assessments of our data center, server, and network environments.

We will continue to take swift and appropriate action to improve information technology security, remain a trusted business partner for our stakeholders, reduce potential impediments to future growth, and thereby drive the KWE Group's sustainable growth and create corporate value.

Cybersecurity Measures

We install and implement hardware and software cybersecurity including entrance control, exit control, and vulnerability prevention measures. In addition to server management, we always monitor potential security anomalies 24/365, with prompt discovery and corrective action in the event of an incident.

Based on the circumstances and details of the server failure that occurred within our systems in April–May 2025, we have defined the following key measures to prevent recurrence:

1. Improve security governance
2. Implement measures against emerging threats
3. Prevent the spread of damage by consolidating networks
4. Ensure business continuity by improving disaster resistance

Employee Education

E-learning for employees on information security was held four times in FY2024. And in light of the increasing number of cyber-attacks via email and the risk of fake news created by generative AI, phishing email drills were held twice as well.

Employee Education (FY2024)

When	Content
April - June 2024	Representative threats in 2024
July - September 2024	Social engineering and multi-factor authentication
October - December 2024	How to use the phishing alert button
January - March 2025	Security awareness training by Kevin Mitnick (2024)

Periodic Security Assessments

KWE Group data security undergoes regular third-party assessments, with any required improvements planned and implemented by information security experts.

Other Risk Reduction Measures

We use decentralized data centers, cloud resources, and redundant network lines to minimize cybersecurity risks and ensure availability. Each Group company's outward facing servers undergo vulnerability scans to reduce the risk of breach of confidential information. We are also implementing functions that use AI and big data to counter malware and spam email, and KWE uses automated processes to speedily deal with threats that are detected. We are adding scenarios to the Microsoft 365 chatbot to assist users in identifying suspicious email. This helps prevent security incidents by enabling employees to use the chatbot to decide what to do with suspicious emails in a timely manner.

Social — Diversity and Equal Opportunity

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 FY2025, our KWE Group companies will 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/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:

- **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.

Equal opportunity 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 diversity and inclusion
▸ Participation in diversity and inclusion training: 99.94%

Achievements in FY2024 (Kintetsu World Express (non-consolidated))

Disabled persons hired	2.8%
Men taking childcare leave	89.5%
Gender wage differential	72.7%

Promoting Diversity and Inclusion, and Preventing Harassment

Between October and December 2024 we conducted e-learning for all KWE Group employees on the topic of promoting diversity and inclusion. Training was 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

To achieve our vision, the KWE Group focuses on business growth, talent acquisition, and promoting diversity. We provide equal opportunities for all employees and adapt our workforce strategies to local demographics and environments—for example, supporting the active participation of senior talent in Japan, where the population is aging and birthrates are declining.

Social — Diversity and Equal Opportunity

Flexible Work Styles

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.

Initiatives

Remote Work

KWE rapidly expanded remote work in response to the COVID-19 pandemic and has since formalized and adapted the system to fit the operations of each country. For example, at KWE Japan, employees can work remotely up to 10 days per month (15 days per month for those on reduced hours due to childcare or caregiving), enabling each employee to flexibly balance work with their lifestyle and their other responsibilities.

Childcare and Caregiving Support

We have established a range of programs related to childcare and caregiving, creating an environment where employees can work flexibly according to their family circumstances. This supports the balance between work and family while enhancing employee sense of security and overall ease of working.

Key Initiatives

- Providing comprehensive childcare and caregiving information on the company intranet
- Expanding childcare and caregiving programs beyond statutory requirements
- Offering paid leave for caregiving, maternity, spouse's childbirth, and childcare
- Establishing consultation services for childcare and caregiving-related matters

Parental Leave and Caregiving Guidebooks

KWE Japan has created guidebooks summarizing company programs and internal procedures related to childbirth, childcare, and caregiving, and distributed them to employees. The guidebooks provide not only program overviews but also practical examples of leave-taking patterns and combinations with public support, making them easy to use and helping to create a work environment where everyone can feel secure.

Content on Work Styles

We regularly provide employees with content on work styles, including related policies and rules. In July 2024, we launched the "Working at KWE" course to deepen understanding of relevant laws, labor-management agreements such as the 36 Agreement, and internal rules, with 1,088 employees participating. Going forward, we will continue to regularly provide content and conduct programs to make the workplace more accommodating, promote new ways of working, and foster organizational vitality and awareness of operational improvements.

Achievements and Future Outlook

The introduction of flexible workstyles has improved employee work-life balance, reduced resignations due to childbirth or caregiving, and created an environment where employees can continue to develop their careers positively through life events. Moving ahead, we will continue to develop and refine various programs to reflect societal changes and employees' needs, while improving internal communication through the intranet and other channels.

FY2024 Average Overtime Hours

Kintetsu World Express (non-consolidated)	16.5 hours per month

Social — 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.

Promotion Framework

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 occupational safety and health officer without delay.

KWE Group Occupational Safety and Health Committee

FY2024 Action

In FY2024, 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.

Social — Occupational Safety and Health

Health Management

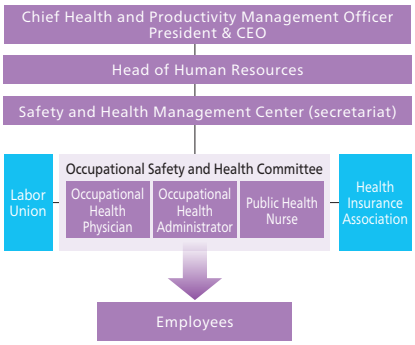
In April 2023, Kintetsu World Express (non-consolidated), in the consideration that the health of employees is the major prerequisite for the company's business philosophy, issued its Health and Productivity Management Declaration stating the commitment of top management to addressing this important area. In addition to fundamental measures such as ensuring regular health checkups, we are focusing on addressing the challenges outlined in our "Strategy Map." Through a variety of programs—including health education, health consultations, and stress checks—we aim to increase the number of employees who are physically and mentally healthy and able to work with motivation and pride, thereby supporting both employee growth and the company's development.

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.

For more information on the Health Management Strategy Map, please refer to the following:
https://www.kwe.com/jp/about/workingatkwe/health/ (Japanese language only)

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 Japan's 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. In FY2024, we expanded initiatives addressing health issues, including improving regular health checkup and follow-up examination rates, promoting awareness of health consultations with occupational health nurses and physicians, and implementing health checks for trainees returning to Japan. We also evaluated the effectiveness of our programs based on organizational analysis results from stress checks. In recognition of these efforts, KWE was certified for the second consecutive year in March 2025 as a Health & Productivity Management Outstanding Organization 2025 (Large Enterprise Category). Going forward, we will continue embedding health management practices, creating an environment where each employee can work in good physical and mental health, and striving to improve health literacy, overall health outcomes, and corporate value.

Health Promotion Initiatives

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

Support women's health
- Female hormones and life stages
- Call to take cancer screening exams
- Seminars for all employees

Share information on preventing lifestyle-related diseases
- 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 Human Resources

Dangerous Goods Handling

KWE Korea completed construction of Terminal 3 at the Pyeongtaek Logistics Center, which began operations in October 2024. In addition to the already operating Terminal 1 and the hazardous goods–dedicated Terminal 2, Terminal 3 is equipped with refrigerated and frozen storage rooms. This allows high-quality handling and storage tailored to the characteristics of various products, including semiconductors and healthcare items.

In addition, in May 2025, KWE Korea obtained ISO 13485 certification at the Incheon Airport Logistics Complex to ensure quality management for medical devices. This marks the KWE Group's sixth location to achieve the certification, following sites in Singapore, Japan, China, India, and Vietnam.

We will continue to improve the Group-wide hazardous materials handling framework to enhance customer service capabilities and increase the value-added nature of our business.

Social — Social Impacts in the Supply Chain

Policy KWE Vendor Code of Conduct

The KWE Group established the vendor code of conduct in January 2020. The code sets standards for sustainable, fair, and ethical business practice for all KWE Group partner vendors around the world.

Summary Policy; General principles and standards of conduct (7 principles: 1. Compliance with laws, 2. Business practices, 3. Ethical principles and conflict of interest, 4. Safety and health, 5. Labor, 6. Vendor management, 7. Environmental compliance); In the event of non-compliance; Where to report ethical matters

Requirements 1. Working environment, 2. Machinery and equipment (forklifts, material handling equipment), 3. Emergency action plan, 4. Personal protective equipment, 5. Cargo layout, 6. Working conditions, 7. Others

For more information about KWE Vendor Code of Conduct, see: https://www.kwe.com/about/whoweare/policy/vendor-code-of-conduct/

Creating Corporate Value

To address the material topic of social impacts in the supply chain, the KWE Group shares best practices for ongoing improvement in the social, environmental, and governance dimensions, and applies them at KWE sites and vendors throughout the entire supply chain.

At the core of this initiative is the KWE Vendor Code of Conduct which was notified to our global vendors from 2020 to 2021. During 2021 and into 2022, we prioritized safety and health, a topic our stakeholders were highly interested in. Specifically, we looked at safety and health in KWE's warehouse operations. Through this analysis, we determined seven requirements for vendor work environments. Starting in 2023, we have been formulating uniform vendor safety and health standards aligned with the KWE Group Occupational Safety and Health Regulations. Currently in 2025, the KWE Vendor Code of Conduct applies to about 90% of KWE Group suppliers.

In order to build sustainable supply chains with our suppliers, the Kintetsu Group joined the UN Global Compact, and we participated in the Partnership Building Declaration in 2023.

We will continue working on the material topic of social impacts in the supply chain as part of our effort to ensure responsible procurement and build sustainable supply chains.

Participating as Kintetsu Group in the UN Global Compact

KWE's parent company Kintetsu Group Holdings became a participant in the UN Global Compact in October 2023. The United Nations Global Compact is the world's largest corporate sustainability initiative, and its 10 principles reflect the fundamental responsibilities of a business in the areas of human rights, labor, environment, and anti-corruption. Participation in this initiative accelerates realization of a sustainable global society.

Participating in Partnership Building Declaration

Endorsing the objectives of the Council for the Promotion of Partnership Building for the Future, whose members include the chair of the Japan Business Federation, the chair of the Japan Chamber of Commerce and Industry, the chair of the Japanese Trade Union Confederation, and the ministers involved (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism), the KWE Group participated in the Partnership Building Declaration in September 2023. This is a declaration by the representative of a company of the company's transaction policy from the position of an ordering party, aiming to increase the value of the entire supply chain and to promote the coexistence and co-prosperity of large and small and medium size businesses, regardless of company size. Participating in the declaration presents the opportunity to actively work in new partnerships to build sustainable relationships with supply chain transaction partners and other businesses creating value.

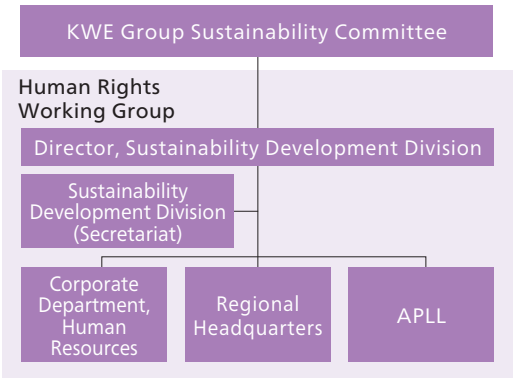
Social — Human Rights

Human Rights Policy

In February 2025, we established the KWE Group Human Rights Policy, which formally articulates our approach and commitment to respecting human rights. The policy specifies compliance with international standards and laws, its scope of application, the KWE Group's initiatives on human rights issues, the implementation of human rights due diligence, and engagement with external experts.

This policy applies to all officers and employees of the KWE Group. In addition, we promote understanding of and support for the policy among business partners and suppliers involved in the KWE Group's business activities and services.

Organizational Framework



Promotion Framework

To promote human rights initiatives, a Human Rights Working Group has been established under the KWE Group Sustainability Committee. The Sustainability Development Division serves as the secretariat, driving human rights efforts across the entire KWE Group.

Human rights due diligence workshop

Human Rights Education and Awareness

KWE provides education and awareness-raising opportunities on business and human rights for both management and employees. In November 2024, a workshop on human rights due diligence was held for managers in Japan, and in April 2025, all employees of Group companies participated in e-learning training.

Human Rights Due Diligence

KWE first analyzed information from both external and internal perspectives to identify potential human rights risks in our business activities and established key human rights themes for Group-wide prioritization. In February 2025, focusing on working conditions for subcontractors and foreign workers at warehouses in Japan, we conducted human rights impact assessments at Baraki Terminals 2 and 4. Interviews were held with foreign workers and their supervisors, and site visits were conducted to observe actual working conditions. We are now making progress on addressing the various issues identified through these activities.

Going forward, we will continue to implement the human rights due diligence process—identifying issues, taking action, conducting follow-ups, and disclosing information—on an ongoing basis.

Key Human Rights Themes for Prioritized Action

- Working conditions of subcontractors and foreign workers at warehouses in Japan
- Working conditions of workers at warehouses outside Japan
- Working conditions of employees (drivers) of transport companies

For more information on the KWE Group Human Rights Policy and our human rights initiatives, see:
https://www.kwe.com/sustainability/human-rights/

Impact Assessment and Action

Issues	Action under consideration or in progress
Language accessibility of employment contracts and payslips	Phase in employment contracts and payslips in employees' native languages
Language accessibility of safety and health notices within workplaces	Plan to implement multilingual notices and pictograms for safety and health information
Establishment and awareness of consultation channels in case of problems	Now considering the introduction of a third-party consultation channel

Social — Social Contribution Activities

The KWE Group works to fulfill its responsibilities as a good corporate citizen through social contribution activities, helping meet the needs of local communities in support of environmental protection, public welfare, and culture.

In FY2024, the entire KWE Group carried out various social contribution activities. Below are examples from Japan, Thailand, and Ireland.

Japan

Valuing connections with local communities, KWE supports the Misato City Half Marathon as part of its initiatives to promote health through sports and contribute to regional revitalization.

Held annually in Misato City, Saitama Prefecture, this citizen-participation event attracts numerous runners and local residents. Recognizing its role in fostering community ties and raising health awareness, KWE continues to provide ongoing support.

Supporting community ties and health awareness through the event

KWE Thailand

In November 2024, KWE Thailand donated 100,000 baht (approximately 450,000 yen) to the Thai Red Cross Society to support recovery efforts in areas affected by flooding in northern Thailand. The severe floods, caused by typhoons since September of the same year, impacted regions including Chiang Rai and Chiang Mai, where local residents continue ongoing recovery activities.

Thanks to the efforts of KWE Thailand employees and support for recovery, the floods had minimal impact on our operations. KWE will continue fulfilling its social responsibilities in Thailand, contributing to the sustainable development of both local communities and the KWE Group.

Making the donation to the Thai Red Cross Society

KWE Ireland

KWE Ireland participated in improving the outdoor space of a local cancer support center, which offers counseling, mindfulness classes, and other support services for cancer patients and their families, funded entirely through donations.

Contributing to such an essential community service was highly rewarding for KWE Ireland, and sharing the experience internally sparked strong employee engagement, providing momentum for expanding future social contribution activities.

Employees helped to improve the cancer support center

Governance — Anti-Corruption

Policy KWE Group Compliance Policy

KWE Group governs itself with great accountability and high ethical standards. We conduct our corporate activities to the greatest degree of legitimacy to maintain trust and credibility.

1. All Board Members, Officers, and employees sincerely and sensibly comply with all applicable laws and regulations, including but not limited to internal regulations.
2. In the course of making business decisions, conducting business transactions, and while managing daily operations, we are mindful of any and all applicable laws and regulations governing those activities, and we make compliance with those laws and regulations a priority.
3. We take immediate and strict disciplinary action against any individual reported to be in violation of this policy. Once a potential violation has been reported, we implement necessary corrective and preventive measures.

Compliance Framework

The KWE Group compliance framework operates as part of the overall risk management framework.

- The Chief Risk Officer has overall responsibility for ensuring compliance within the KWE Group and for addressing any instances of non-compliance.
- General managers of regional headquarters control the compliance frameworks of the subsidiaries under their regional headquarters and are responsible for ensuring compliance in the regional headquarters and for addressing any instances of non-compliance.
- General managers and the presidents of affiliated companies report to the Chief Risk Officer and follow their instructions in these cases:
  (1) When a significant instance of non-compliance related to company business is discovered or suspected.
  (2) When a question of compliance cannot be determined for a matter for approval.
- The president of an affiliated company promotes appropriate corporate conduct based on the guidance of the general manager of their regional headquarters, and in accordance with the KWE Code of Conduct and the KWE Group Compliance Policy.

There are increasingly complex and diverse legal and regulatory requirements in our global business, including widespread extraterritorial application and higher financial penalties, increasing complexity and diversity in compliance awareness in the supply chain, and the globalization of compliance risk. In light of these complexities, we appointed a Group General Counsel, a qualified attorney, in April 2021 and a Head of Group Compliance in April 2023. In April 2024, we established the KWE Group Ethics and Compliance Committee, which is overseen by two governing bodies: the KWE Group Ethics and Compliance Executive Committee, consisting of three full-time directors and one executive officer, and the KWE Group Ethics and Compliance General Committee, consisting of one full-time director and four executive officers. As a rule, the committee meets twice a year.

Through these initiatives, we are improving compliance, risk management, and governance across the entire KWE Group.

For more information about the KWE Group risk management framework, see: https://www.kwe.com/sustainability/risk/

Close Coordination Between the General Counsel and Corporate Departments Ensuring Compliance at the Group Level

Under close coordination with the General Counsel, the Head of Group Compliance provides advice on compliance and ethics, develops Group-wide policies, conducts training, and investigates reported compliance violations.

KWE Group Compliance Training Program (e-learning)

Schedule		Course
2022	April – June	Ethics and code of conduct
	July – September	Antitrust and competition law (basic)
	October – December	1. Workplace harassment (for employees) 2. Diversity, equity, and inclusion (for managers)
2023	January – March	Global anti-bribery and corruption (basic)
	April – June	Workplace violence and bullying
	July – September	Conflicts of interest
	October – December	Global workplace harassment (for employees)
2024	January – March	Antitrust and competition law (advanced)
	April – June	Global anti-bribery and corruption (advanced)
	July – September	Financial integrity
	October – December	Diversity, equity, and inclusion

Improved Internal Hotline Operations

Our global whistleblowing hotline started in May 2023 to provide a more appropriate way for employees to report problems under a unified group-wide framework accessible to all employees worldwide, enabling reporting of actual or potential non-compliance with law and group policy. The hotline accepts anonymous reports in different languages via a web site, phone, email, or fax, making it easy to share concerns and encouraging early detection and addressing of potential problems. Employee awareness of the importance of compliance is also being encouraged.

In FY2023 we moved forward on unifying existing local company hotlines with the global whistleblower hotline, with the cooperation of the regional headquarters, in order to assure uniform treatment of reports and to visualize compliance issues at the group level. Building on this, in FY2024 we made the global hotline fully operational, starting with internal awareness and promotional activities.

Compliance Training

Employee knowledge and awareness is critical for ensuring that internal controls function properly and effectively. That is why we have been conducting group-wide compliance training since April 2022. We will continue working to create additional training programs and increase employee understanding of compliance issues and the internal hotline system throughout the group.

Based on the unified global compliance training program, group companies may add their own programs tailored to that company's specific legal and regulatory environment in order to improve the effectiveness of the training overall, for example, Kintetsu World Express in Japan's tiered training program and APLL's global anti-corruption interactive webinar program.

No Incidents of Non-compliance

In FY2024, there were no cases of legal action for anti-competitive practices or infringement of antitrust or antimonopoly law.

Leader's Voice

Improved Compliance and Risk Management

Under the KWE Group Compliance Basic Policy and Management Plan 2027, we are focusing on globally unified compliance initiatives to support sustainability, enhance corporate value, and maintain the trust of society and our stakeholders.

As part of this, the KWE Group Ethics and Compliance Executive Committee established under the KWE Group Ethics and Compliance Committee, monitors and investigates violations (including whistleblower reports) and issues directives for corrective action. Meanwhile, the KWE Group Ethics and Compliance General Committee develops and implements compliance policies and regulations, establishes reporting processes for violations, monitors and investigates violations (including whistleblower reports), directs corrective action, and reports to the Executive Committee.

While managing these councils—handling the necessary investigations, coordinating with global locations, and running compliance training programs—I have observed that, alongside the KWE Group's business expansion and increasing number of stakeholders, the scope and diversity of compliance requirements continue to grow.

In response, from 2024 we added "Financial Soundness" to our compliance training program, offering sessions to help participants understand why financial soundness is important for all organizations, why accurate financial information matters and how to ensure it, and the requirements for coordination with auditors.

Going forward, I will continue contributing to the KWE Group's sustainable growth and enhancement of corporate value through broad global compliance activities.

Head of Group Compliance
Stephen Walton

Governance — Corporate Governance

Messages from Outside Directors

Sanae Tanaka
Outside Director

Supporting Initiatives for Sustainable Growth Centered on Human Resources

Human resources that support sustainable growth under our long-term vision are always at the core of creating corporate value. The KWE Group is steadily advancing investments in human capital and maintaining a management foundation that respects diversity. In addition, achieving the goals in the Group's long-term vision requires talented personnel to support the agility and speed of KWE's light-asset business model, and so human resource strategy is a key source of competitive advantage.

As an outside director, I monitor and provide recommendations from an objective standpoint to ensure that these initiatives function effectively on the ground and contribute to increasing corporate value. At the same time, I continue to support the KWE Group in fulfilling its social responsibilities and achieving sustainable growth while maintaining strong relationships with stakeholders.

Jun Yanai
Outside Director

Supporting Sustainable Value Creation and Strengthening Governance

Amid significant changes in the global logistics industry, the KWE Group is working to enable sustainable growth.

Geopolitical risks are currently at unprecedented levels, increasing the number of situations in which the KWE Group must make flexible and swift decisions. As an outside director, I support KWE as a global company in expanding its business while fulfilling its social responsibilities and creating corporate value over the medium to long term. Specifically, I provide sound external oversight of business execution and offer practical advice, based on my accumulated knowledge and experience, on improving risk management and sustainability initiatives. I will continue to faithfully fulfill my responsibilities to ensure that management and operational teams collaborate closely to steadily advance transformation.

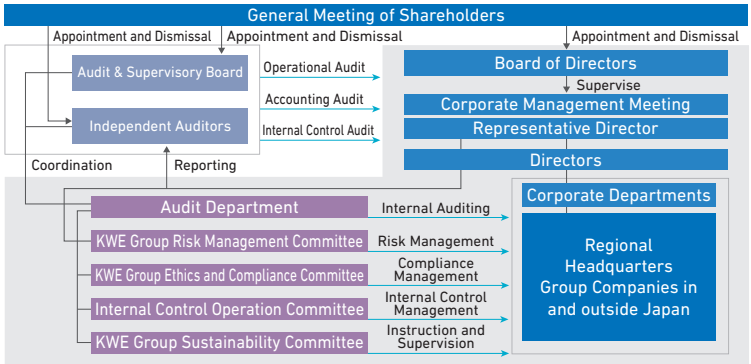
Basic Approach

The KWE Group Corporate Philosophy is to "Contribute to the development of a global community through logistics services by creating new value, sustaining the environment and collaborating with our clients, shareholders and employees." The primary management goal of the KWE Group is to improve corporate value while maintaining good relationships with all our stakeholders. To achieve this goal, it is important to maintain robust corporate governance and the transparency and fairness of our decision-making processes.

Characteristics

KWE's governance framework is based on the Board of Directors and the Audit & Supervisory Board, while also adopting a managing officer system to accelerate decision-making and clearly separate management oversight from execution functions. KWE's Corporate Management Meeting is composed of standing Directors and Audit & Supervisory Board Members, managing officers, division managers and other relevant personnel. The Meeting meets twice monthly under the supervision of the Board of Directors.

Corporate Governance Framework



Board of Directors, Audit & Supervisory Board, and Group Governance

Number of Directors	Number of Audit & Supervisory Board Members
8	2
including two outside directors and one woman	* Established a new Audit & Supervisory Board

KWE's Board of Directors consists of eight members, of which two are outside directors. The Board resolves on important matters related to management and makes decisions.

The Audit & Supervisory Board consists of two members and meets once a month as a rule. In addition to determining basic policies regarding auditing and other matters, board members report to each other the findings of their daily auditing activities and exchange views. We have also established mechanisms that enable the board members to require reports as needed from directors, managing officers, or employees, and to investigate the status of business and assets at KWE Group companies at any time.

KWE manages and oversees its Group companies through seven business units, enabling consolidated management, operational, and audit and oversight systems while maintaining strong corporate governance and internal controls.

For more information about corporate governance, see: https://www.kwe.com/sustainability/governance/

Risk Management

The KWE Group Risk Management Basic Policy provides the foundation for unified, ongoing risk management on a global basis. A board director is appointed as the Chief Risk Officer as provided for by the KWE Group Risk Management Regulations. These regulations clearly state the responsibilities of each position involved in risk management. The KWE Group Risk Management Committee reviews risks that should be addressed at the Group level and ensures they are handled appropriately. In addition, the KWE Group Crisis Management Regulations and crisis plans are in place in the event of emergencies posing a critical threat to our business.

The KWE Group Risk Management Committee, composed of 3 full-time directors, 8 managing officers, 5 heads of Corporate Departments, and 5 heads of regional headquarters, met twice in FY2024, with 2 full-time corporate auditors, the head of the Audit Department, and the head of the Internal Control Division also in attendance to define risks brought up by international regional headquarters as critical risks for the KWE Group. Centralized risk management continues using the PDCA cycle, with the regional headquarters drafting risk maps and action plans to avoid and reduce the risks.

For more information about the KWE Group risk management framework, see: https://www.kwe.com/sustainability/risk/

Our Leadership

Directors

Chairman of the Board
Yoshihiro Yasumoto

Apr. 1978 Joined Kintetsu Corporation (currently Kintetsu Group Holdings Co.,Ltd.)
Dec. 2003 General Manager, Accounting and Finance Department, Kintetsu Corporation
Jun. 2015 Director, Senior Managing Executive Officer, Kintetsu Group Holdings Co.,Ltd.
Jun. 2017 Audit & Supervisory Board Member, Kintetsu World Express, Inc. (retired June 2021)
Jun. 2020 Director, Senior Executive Vice President, Kintetsu Group Holdings Co.,Ltd.
Jun. 2022 Audit & Supervisory Member, Kintetsu Railway Co., Ltd.
Oct. 2022 Chairman of the Board, Kintetsu World Express, Inc. (present)

Representative Director
Tetsuya Yamanaka

Apr. 1984 Joined Kintetsu World Express, Inc.
Apr. 2010 General Manager, Logistics Sales Department
Jun. 2012 Executive Officer, General Manager, Import Sales Department
Jun. 2017 Senior Executive Officer, General Manager, The Americas Region
Apr. 2021 Managing Executive Officer, General Manager, Japan Headquarters and The Americas Region, in charge of Corporate Sales & Marketing Department
Jun. 2023 Director, Managing Executive Officer
Apr. 2024 Director, Senior Managing Executive Officer
Jun. 2025 Representative Director, President & CEO (present)

Director
Yoshikazu Yashiki

Apr. 1985 Joined Kintetsu World Express, Inc.
Apr. 2010 President, KWE-Kintetsu World Express (S) PTE LTD.
Jun. 2017 Executive Officer, General Manager, Planning & General Affairs Department
Jun. 2019 Executive Officer, General Manager, Corporate Planning & Administration Department
Apr. 2021 Senior Executive Officer, General Manager, Corporate Planning & Administration Department
Apr. 2024 Managing Executive Officer, overseeing Corporate Planning & Administration Department, General Manager, Corporate Planning & Administration Department
Apr. 2025 Managing Executive Officer, overseeing Corporate Planning & Administration Department and Corporate Information Technology Department
Jun. 2025 Director, Managing Executive Officer (present)

Director, Advisor
Nobutoshi Torii

Apr. 1982 Joined Kintetsu World Express, Inc.
Jun. 2009 General Manager, Forwarding Department
Jun. 2010 Executive Officer, General Manager, Forwarding Department
Jun. 2012 Director
Jun. 2016 Representative Director, President
Jun. 2017 Representative Director, President & CEO
Jun 2025 Director, Advisor (present)

Director
Tetsuya Kobayashi

Apr. 1968 Joined Kintetsu Corporation (currently Kintetsu Group Holdings Co., Ltd.)
Jun. 2001 Director, Kintetsu Corporation
Jun. 2005 Representative Director, Senior Managing Executive Officer, Kintetsu Corporation
Jun. 2007 Representative Director, President, Kintetsu Corporation
Jun. 2013 Director, Kintetsu World Express, Inc. (present)
Apr. 2015 Chairman, Kintetsu Group Holdings Co.,Ltd.
Jun. 2020 Chairman and Group CEO, Kintetsu Group Holdings Co.,Ltd.
Jun. 2023 Chairman, Kintetsu Group Holdings Co.,Ltd.
Jun. 2024 Director, Advisor, Kintetsu Group Holdings Co.,Ltd. (present)

Director
Akimasa Yoneda

Apr. 1982 Joined Kintetsu Corporation (currently Kintetsu Group Holdings Co.,Ltd.)
Sep. 2008 President & CEO, Kintetsu Enterprises Co. of America
Jun. 2012 Director, Kintetsu Hotel Systems Co., Ltd. (currently Kintetsu Miyako Hotels International, Inc.)
Jun. 2016 Director, Managing Executive Officer, Kintetsu Group Holdings Co.,Ltd.
Jun. 2019 CEO, KNT-CT Holdings Co., Ltd.
Jun. 2023 Director, Kintetsu Group Holdings Co.,Ltd.
Jun. 2024 Chairman, KNT-CT Holdings Co., Ltd. (present)
Jun. 2025 Executive Vice President, Kintetsu Group Holdings Co.,Ltd. (present)
Jun. 2025 Director, Kintetsu World Express, Inc. (present)

Outside Director
Sanae Tanaka

Apr. 1989 Registered as attorney-at-law
Sep. 1991 Representative, Sanae Tanaka Law Office (present)
Jun. 2015 Director, Kintetsu World Express, Inc. (present)

Outside Director
Jun Yanai

Apr. 1973 Joined Mitsubishi Corporation
Apr. 2004 Executive Officer, Mitsubishi Corporation
Apr. 2008 Executive Vice President, Mitsubishi Corporation
Apr. 2013 Senior Executive Vice President, Mitsubishi Corporation
Jun. 2013 Member of the Board, Senior Executive Vice President, Mitsubishi Corporation
Jun. 2016 Corporate Advisor, Mitsubishi Corporation (retired Jun. 2024)
Jun. 2018 Director, Kintetsu World Express, Inc. (present)

Audit & Supervisory Board Members

Shigehiro Tanida

Satoshi Takimoto

Managing Officers

President & CEO

Tetsuya Yamanaka

Managing Executive Officer

Yoshikazu Yashiki	Corporate Planning & Administration Department and Corporate Information Technology Department
Makoto Saito	Japan Affiliates Headquarters, General Manager, Audit Department
Yoshihiro Kusakabe	Corporate Finance & Accounting Department and Human Resources Department
Shin Ogawa	The Americas Region, General Manager, Corporate Sales, Marketing & Operation Department, APL Logistics Ltd

Managing Officer

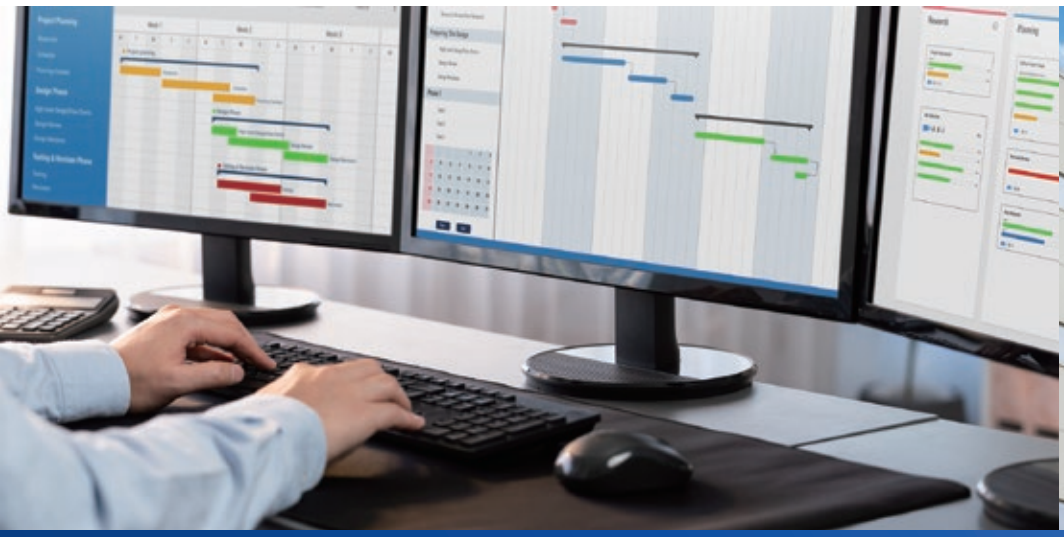
Tatsuya Narasaki	Corporate Planning & Administration Department, General Manager, General Affairs Department, Customs Compliance Department, and APL Logistics Department
Shuhei Murata	Corporate Finance & Accounting Department
Yoshitaka Furukawa	Human Resources Department
Hakan Yaren	Corporate Information Technology Department
Takashi Ito	Corporate Sales, Marketing & Operation Department, General Manager
Hiroshi Azuma	JTK Region, General Manager, Export Sales Department and Import Sales Department
Hiroshi Michimune	East Asia Region, General Manager
Yasuyuki Tani	South East Asia & Oceania Region, General Manager
Hideyuki Hasegawa	Kintetsu Cosmos, Inc., President & CEO
Thad Bedard	APL Logistics Ltd, President
Samuel Eric Lee	General Counsel

Officer

Toshiro Nakajima	Corporate Finance & Accounting Department, General Manager, Finance & Accounting Department
Seiji Kariya	Corporate Information Technology Department, General Manager, Information System Department
Takanari Harada	Audit Department, General Manager
Toru Kitani	Europe Middle East & Africa Region, General Manager
Yutaka Aoki	Export Sales Department, General Manager
Shin Yamashita	Import Sales Department, General Manager

KWE

KWE



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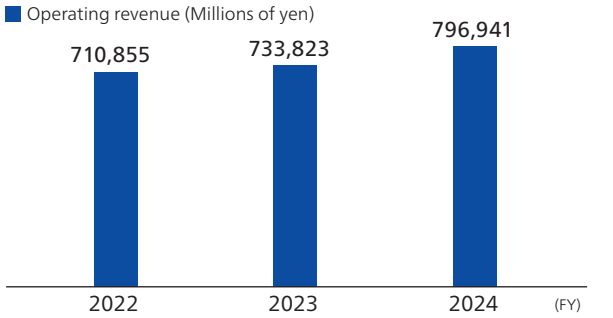
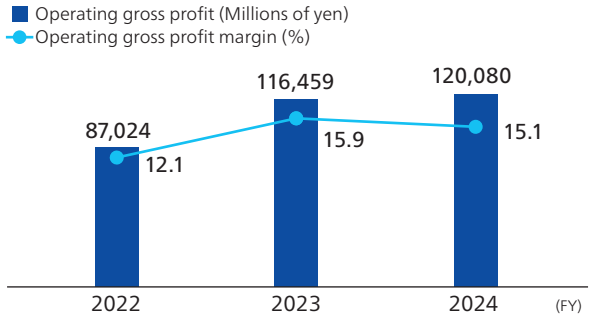
Financial and ESG Highlights

Operating revenue



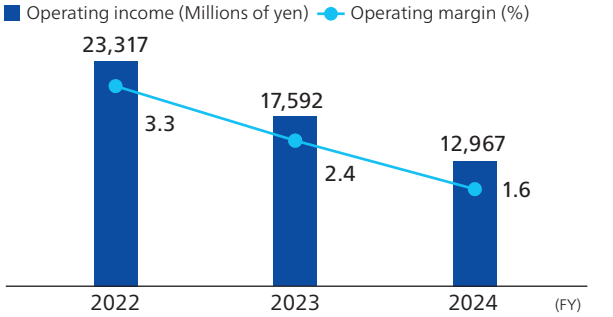
Scope: KWE Group
* FY2022: Nine months from July 2022 to March 2023

Operating gross profit and operating gross profit margin



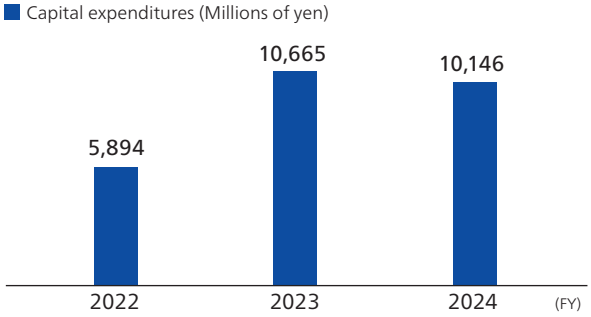
Scope: KWE Group
* FY2022: Nine months from July 2022 to March 2023

Operating income and operating margin



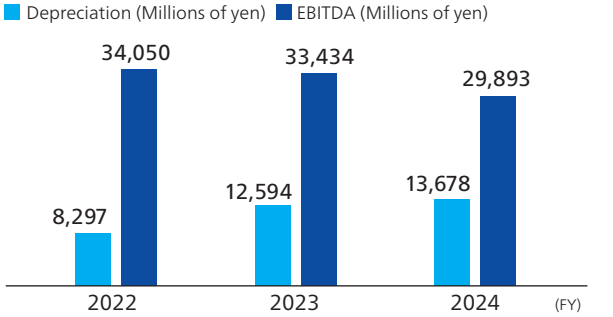
Scope: KWE Group
* FY2022: Nine months from July 2022 to March 2023

Capital expenditures



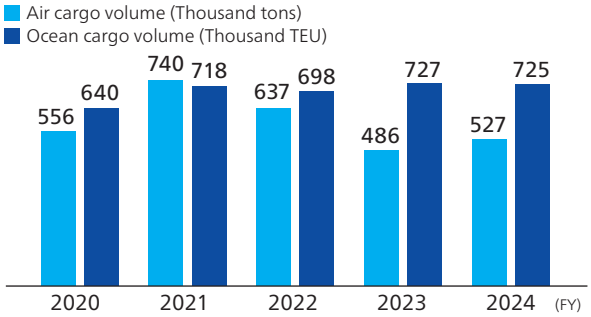
Scope: KWE Group
* FY2022: Nine months from July 2022 to March 2023

Depreciation and EBITDA



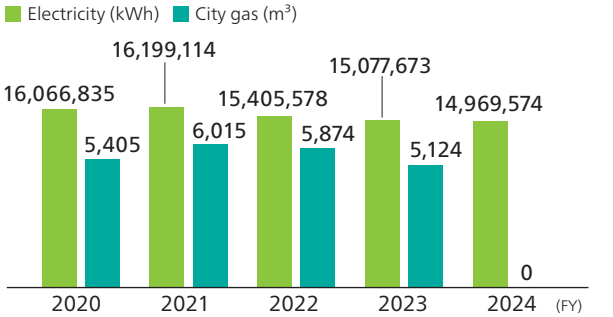
Scope: KWE Group
* FY2022: Nine months from July 2022 to March 2023

Air cargo volume and ocean cargo volume



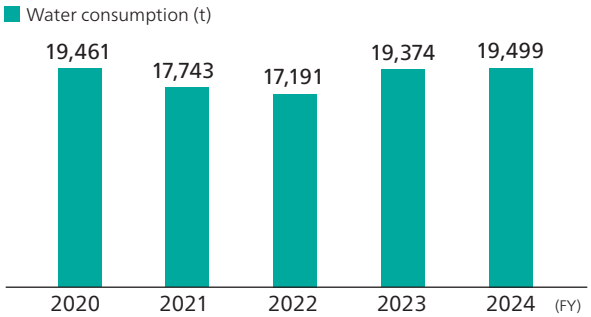
Scope: KWE Group
* TEU: A unit representing the number of containers converted to 20-foot equivalents.

Energy consumption



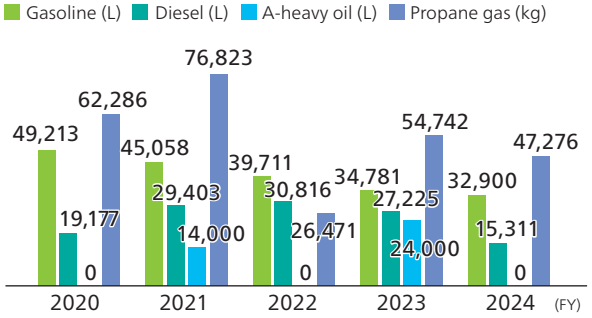
Scope: In FY2020, all offices and warehouses of KWE Japan and Japan affiliates; from FY2021 onward, all KWE offices and warehouses
* No city gas was used in FY2024.

Water consumption



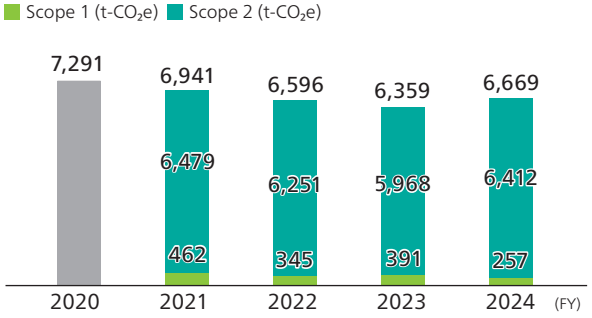
Scope: In FY2020, all offices and warehouses of KWE Japan and Japan affiliates; from FY2021 onward, all KWE offices and warehouses

Fuel consumption



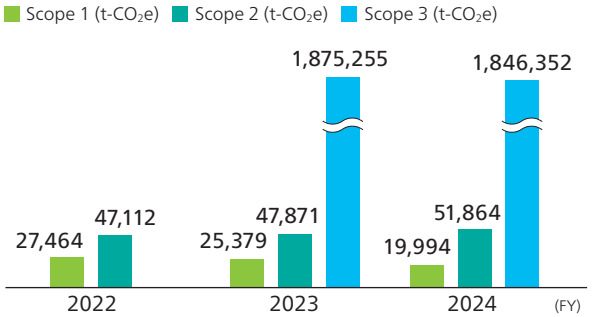
Scope: In FY2020, all offices and warehouses of KWE Japan and Japan affiliates; from FY2021 onward, all KWE offices and warehouses
* No A-heavy oil was used in FY2020, FY2022, or FY2024.

Total CO2e (Kintetsu World Express (non-consolidated))



Scope: In FY2020, all offices and warehouses of KWE Japan and Japan affiliates; from FY2021 onward, all KWE offices and warehouses
* In FY2020, only the total of Scope 1 and Scope 2

Total CO2e (KWE Group)

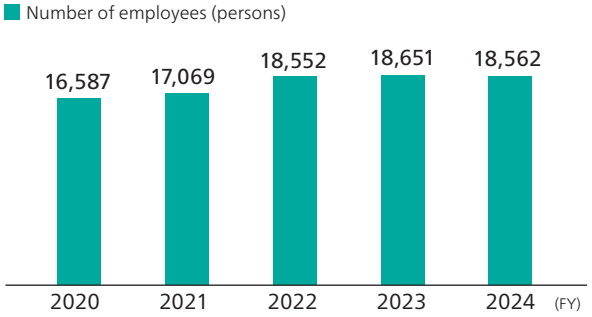


Scope: KWE Group
* Scope 3 is calculated from FY2023.

(t-CO2e)

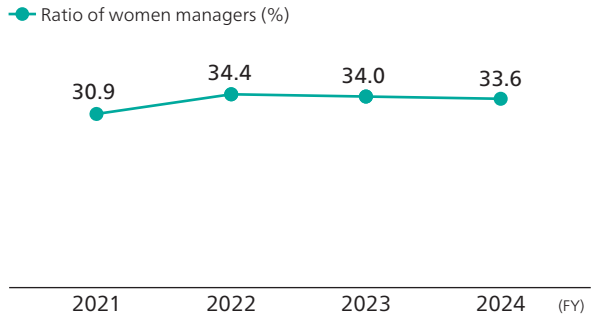
			FY2023	FY2024
Scope 1			25,379	19,994
Scope 2			47,871	51,864
Scope3	Category 1	Purchased goods and services	108,450	88,565
	Category 2	Capital goods	4,256	40,210
	Category 3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	1,029	6,647
	Category 4	Upstream transportation and distribution	1,753,526	1,675,095
	Category 5	Waste generated in operations	235	1,439
	Category 6	Business travel	7,078	32,048
	Category 7	Employee commuting	681	645
	Category 8	Upstream leased assets	0	1,701
Scope 3 total			1,875,255	1,846,352
Total			1,954,173	1,918,211

Number of employees



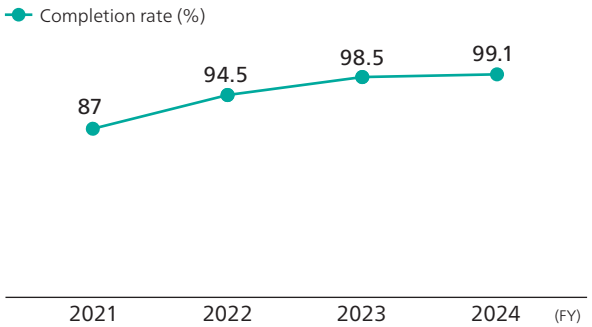
Scope: KWE Group

Ratio of women managers



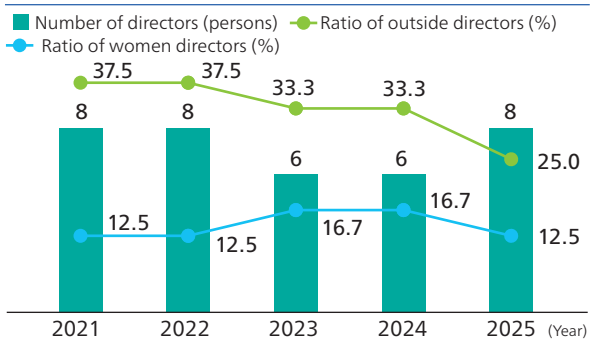
Scope: KWE Group

Information security e-learning completion rate



Scope: KWE Group

Number and composition of directors



Scope: KWE Japan

Corporate Data (As of March 31 2025)

Name of Corporation	Kintetsu World Express, Inc.
Parent Company	Kintetsu Group Holdings Co.,Ltd.
Head Office	24th Fl., Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo 108-6024 Japan
Paid-in Capital	¥ 7,216 million
Start of Business	May 1948
Established	January 1970
Representative	Tetsuya Yamanaka, President and Chief Executive Officer
Number of Employees	1,241 (KWE Japan), 18,562 (Consolidated)

Business Overview

Air freight forwarding

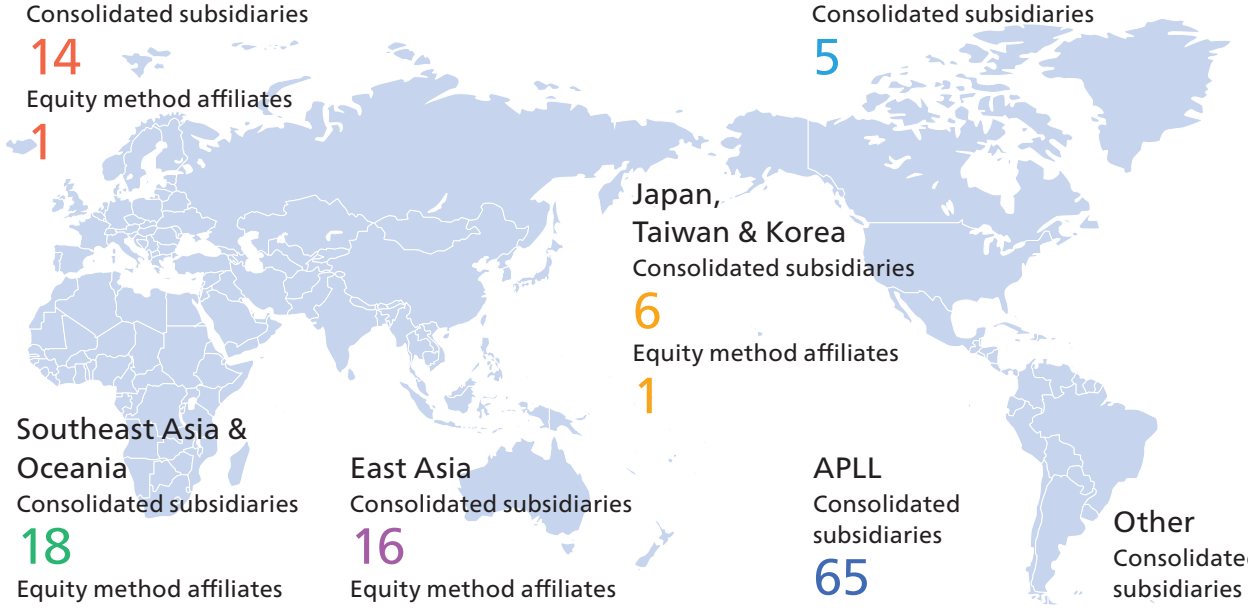
Sea freight forwarding

Logistics

Other

Global Network

44 countries **294** cities **655** sites



Europe, Middle East & Africa
Consolidated subsidiaries
14
Equity method affiliates
1

The Americas
Consolidated subsidiaries
5

Japan, Taiwan & Korea
Consolidated subsidiaries
6
Equity method affiliates
1

Southeast Asia & Oceania
Consolidated subsidiaries
18
Equity method affiliates
1

East Asia
Consolidated subsidiaries
16
Equity method affiliates
1

APLL
Consolidated subsidiaries
65

Other
Consolidated subsidiaries
2

* Excluding Kintetsu World Express, Inc.

Japan Group Companies

Name of Corporation	Head office location	Business Overview
Kintetsu Logistics Systems, Inc.	Shinagawa-ku, Tokyo	Domestic transportation business, logistics business
Kintetsu Cosmos, Inc.	Chuo-ku, Tokyo	Human resources services, logistics, handling of business-related consumer goods
Kintetsu World Express Sales, Inc.	Minato-ku, Tokyo	Integrated international transport and installation of equipment, event logistics, trade agency services, etc.
Kintetsu Trading Service Co., Ltd.	Kadoma-shi, Osaka	Comprehensive import/export and triangular trade procedures

Certifications (As of July 2025)

Certifications	Outline	Certified site
ISO 9001 Quality management system	International management standards aimed at achieving the management goals of the organization	34 affiliates: Japan, U.S., Singapore, etc.
ISO 14001 Environmental management system	International management standards aimed at management of reduction and prevention of environmental impacts and environmental risks caused by business operations and service provision of company	13 affiliates (60 sites): Japan, Malaysia, etc.
ISO 13485 Quality management system for medical devices	International management standards aimed at management of safe, useful and continuous supply of medical equipment in medical domains	7 sites: Japan (Baraki No. 4 Terminal), Singapore, China, India, Vietnam
ISO 45001 Occupational safety and health management system	International management standards aimed at continuous maintenance and improvement of the occupational safety and hygiene level at workplaces	6 affiliates: Hong Kong, Philippines, Taiwan, India, Indonesia (2)
AEO (Authorized Economic Operator) Certification	Certification given to operators whose security operation and compliance system conform to AEO global standard guidelines, as a system to secure the safety and security of international distribution	28 affiliates: Japan, Korea, U.K., etc.
GDP (Good Distribution Practice) Certification	Certification given to operators that satisfy the requirements aimed at securing the quality of pharmaceutical products, etc. in the distribution processes including transportation and storage	10 affiliates: Ireland, Germany, Benelux, Italy, U.K., India, Singapore (*), Thailand, Taiwan, U.S.
CEIV Pharma (The Center of Excellence for Independent Validators in Pharmaceutical Logistics) Certification	Certification system for air transportation of pharmaceutical products established by IATA	Japan (Narita), Germany (Frankfurt), Netherlands (Amsterdam), Belgium (Brussels)
TAPA (Transported Asset Protection Association) Certification	Certification given to operators that satisfy the security requirements in the storage and transport processes of high-tech products, etc.	14 affiliates (19 sites): U.S., U.K., China, etc.

* Singapore: GDPMDS (Good Distribution Practice for Medical Devices)

Evaluations

CDP "B" score, February 2025

Health and Productivity Management Outstanding Organization 2025 (Large Organization) certification, March 2025

Global Logistics Partner

Kintetsu World Express, Inc.

Corporate Planning & Administration

24th Floor Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo 108-6024 Japan

TEL: +81-3-6863-6441 (Inquiries about this report)

https://www.kwe.com