

KIMURA UNITY GROUP

CSR Report 2021

Digest Edition Ver.1.1

KIMURA Challenge



Providing Dreams, Comfort, and Security for the car oriented lifestyle

KIMURA UNITY GROUP

KIMURA UNITY CO.,LTD.



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Reporting Period: FY 2020

(In principle, this report covers the period from April 1, 2020 through March 31, 2021).

※ It also includes some activities continuing from the past as well as more recent ones.

Front Cover Design:

The front cover design of this CSR report symbolizes our group stance continuously taking on a new challenge for a variety of reforms through CSR activities based on global perspectives of SDGs. Under the ever-changing business environment, we would like to meet the expectations and requirements of diverse stakeholders.

Through CSR activities based on the perspectives of Sustainable Development Goals (SDGs), we continue to make a contribution to society.



代表取締役 会長
Chairperson

木村 幸夫
Yukio Kimura

代表取締役 社長
President

成瀬 茂広
Shigehiro Naruse

First and foremost, we would like to express that our thoughts are with those affected by the spread of COVID-19 around the globe. We wish you a speedy recovery and sincerely hope that this worldwide corona epidemic will be contained immediately without further delay.

True to our founding spirit: "It takes buyer's view to make sales," the Kimura Unity Group has enlarged the business sphere of Logistics Services and Car Services, and made into new business fields---Information Services and Staffing Services. Through the optimized combination from the four multiplex services of each division, we have been delivering new values to our stakeholders.

Our business being closely related to the motorized society, we have prioritized the consideration on people, local communities and environmental issues, especially in the area of safety and security since its inception. We have spared no efforts to provide our services and products so as to contribute to the people and society in this regard. Thanks to the kind understanding of customers, the policy authority and other related public functions, we have been able to take initiatives for road traffic safety for a long period of time. Those positive understanding and recognition have always encouraged us to continue the promotion with strong ardor for road traffic safety. Having witnessed that our joint efforts gained ground, we reaffirmed the significance of our small and continual efforts. Our initiatives, small yet steadily accumulated over an extended period of time, have been recognized to be a valuable addition to the safety and security of the car oriented society.

At present, we have been going through a series of hardships to ensure profit due to the prolonged corona pandemic. Re-expansion of the corona would further impact on our group and other auto related industries, stagnating business activities worldwide.

In response to enormous uncertainty for the future, it is essential to be offered timely insights hidden in our company history by going back to the very beginning of KIMURA UNITY, as the proverbial phrase goes, "To know the new by exploring the old." We have since learned and re-acknowledged the essential value of Kimura Unity's conviction with its Founding Spirit and Management Philosophy, which have been reaffirmed and shared amongst us all. Accordingly, we address ourselves to solidifying yet stronger management foundation.

We are engaged as one team in the innovation of corporate culture, aiming to be an even better and stronger corporate group with better and more vitalized worksites, where the highest premium is placed on the value of "Teamwork" respecting each individual team member of our team.

We are committed to fully contributing to society through CSR activities based on the perspectives of Sustainable Development Goals (SDGs), while meeting the expectation and requirements of stakeholders flexibly coping with the change of business environment by the creation of new values for our customers. We humbly ask for your continued patronage.

CHRONOLOGY OF THE KIMURA UNITY GROUP HISTORY

Corporate History

Since its foundation in 1881, Kimura Unity Group has grown and expanded its business field from container equipment and products to packaging, forwarding, vehicle maintenance, insurance, vehicle leasing, and information services.

Content of Events

January, 1881	Established the Kimura Container Manufacturing Shop in Naka-ku, Nagoya.
March, 1951	Established Kimura Manufacturing, which took over the container equipment and product business from the privately owned Kimura Container Manufacturing Center.
May, 1958	Began the vehicle maintenance business.
November, 1958	Began the insurance agency business.
March, 1959	Began the packaging and forwarding businesses.
February, 1967	Began the traffic safety service business.
May, 1971	Began the information service business.
February, 1973	Began the vehicle leasing business.
October, 1973	Kimura Unity was founded.
April, 1976	Began the (used) car sales business.
November, 1990	Renamed the company KIMURA UNITY CO., LTD.
April, 1991	Merged eight affiliated companies, including KIMURA UNITY CO., LTD. (Took over the container equipment and product, packaging, forwarding, vehicle leasing, vehicle maintenance, traffic safety service, (used) car sales, insurance agency, and information service businesses from these affiliated companies.)
March, 1995	Listed in the Second Section of the Nagoya Stock Exchange.
March, 1997	Logistics Planning Department of the Information Services Division acquired a certificate of ISO9001" (Quality Management System)
October, 1997	Opened "Auto Plaza Rabbit" in the city of Inazawa to begin the car accessory sales business.
December, 2000	Tied an overseas logistics business partnership with Toyota Tsusho Corporation.
October, 2001	Listed in the Second Section of the Tokyo Stock Exchange.
November, 2001	Established a joint venture, TK Logistica Do Brazil Ltda., in Brazil.
April, 2002	Established an affiliated company, BUSINESS PEOPLE CO., LTD., to begin the human resource service business.
May, 2002	Established an affiliated company, KIMURA, INC., in South Carolina, U.S.A.
December, 2002	Established a joint venture, TTK Logistics (Thailand) Co., Ltd., in Thailand.
April, 2003	Integrated the forwarding business department into U-netrans Co., Ltd.
August, 2003	Former Suzuken Seibi Co., Ltd. was acquired and made into an affiliated company of Kimura Group under the name of Kimura Leasing Services Co., Ltd. The Toyota Plant acquired a certificate of ISO14001" (Environment Management System)
May, 2004	Established a joint venture, TK Logistica De Mexico S. De R.L. De C.V., in Mexico.
January, 2005	Established an affiliated company, TIANJIN KIMURA SHINWA LOGISTICS CO., LTD., in Tianjin, China.
March, 2005	Maintenance Management Department acquired a certificate of ISO9001" (Quality Management System)
September, 2005	The Kariya Business Center acquired a certificate ISO14001" (Environment Management System)
November, 2005	Established an affiliated company, Guang z hou Guangqi Kimura Shinwa Store Co., LTD., in Guangzhou, China.
January, 2006	Merged an affiliated company, Kimura Lease Service Co., Ltd.
September, 2006	Listed in the First Section of the Tokyo and Nagoya Stock Exchanges.
February, 2013	Established a joint venture TTK Asia Transport (Thailand) Co., Ltd., separating the Transport Division of Thailand TTK Logistics (Thailand) Co., Ltd.
December, 2013	Affiliated SUPER JUMBO CORPORATION.
February, 2014	The Nishiki Headquarters acquired a certificate of ISO39001" (Road Traffic Safety Management System)
March, 2014	The Information Department acquired a certificate of ISO27001" (Information Security Management System)
July, 2014	A New Warehouse completed at KIMURA, INC. (USA)
July, 2016	Established Yatomi Logistics Center.
August, 2018	Established a joint venture, KOI Distribution, LLC in U.S.A.



【 March 1951 】
Began the Kimura Container Manufacturing Center.



【 Nov. 1958 】
Established Toyopet Service Shop



【 May 1971 】
Began the information service business.



【 May 2002 】
Established an Affiliated Company, KIMURA, INC., in South Carolina, USA



【 Dec. 2000 】
Tied up a Business Partnership with Toyota Tsusho Corporation



【 Nov. 2005 】
Established an Affiliated Company with a Guangzhou Guangqi Kimura Shinwa Store Co., LTD.



【 Jan. 2005 】
Established an Affiliated Company with a TIANJIN KIMURA SHINWA LOGISTICS CO., LTD.



【 Sep. 2006 】



Listed in the First Section of the Tokyo and the Nagoya Stock Exchanges



【 Dec. 2013 】
Acquired Ownership of SUPER JUMBO CORPORATION



【 Aug. 2018 】
Established a joint venture, KOI Distribution, LLC in USA



【 July 2016 】
Established Yatomi Logistics Center

CORPORATE INFORMATION

Management Philosophy

The Company exists for the customers and prospers together alongside our employees.

Operating Style

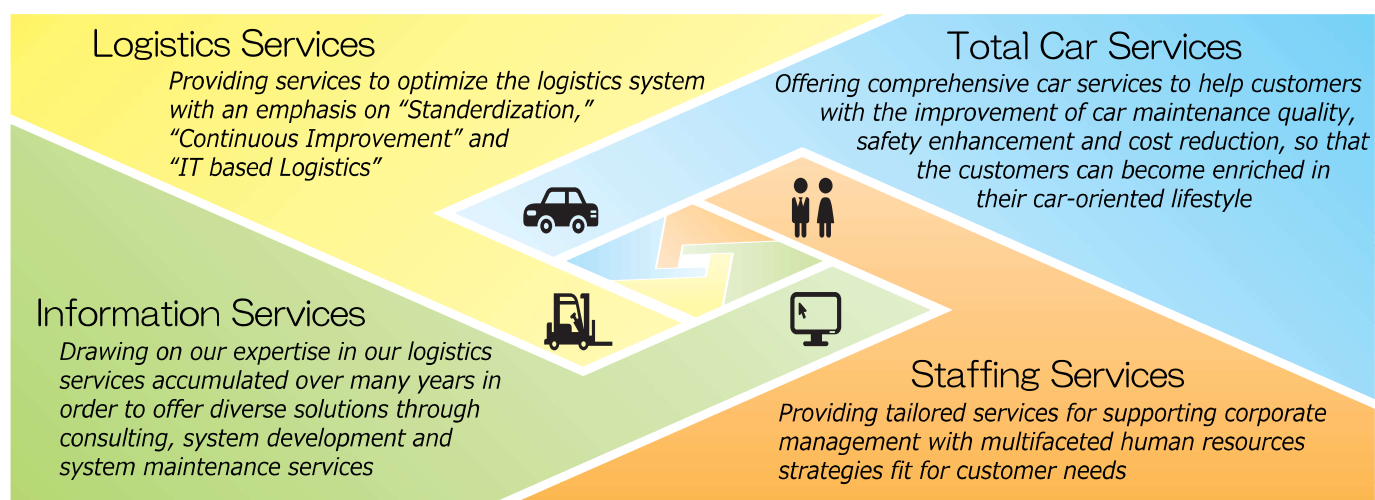
1. Create customer value
2. Strengthen profitable foundations
3. Enhance organizational performance with motivated personnel
4. Maintain our actions and commitment to sustain an eco-friendly environment and fulfill our corporate social responsibility

Corporate Codes of Ethics

1. Perform fair and healthy business activities in compliance with laws, regulations and other social ethics.
2. Contribute to society by providing excellent services, products and merchandise.
3. Value the individual characters of our employees and realize a motivated, creative work environment.
4. Contribute to improving satisfaction, and create customers, business partners and stockholder value.
5. Aim to become a good "corporate citizen" who contributes to local communities.
6. Maintain our commitment to preserve the global environment and create a prosperous and livable society.
7. Contribute to economic & social development respecting cultures and customs of each country or region.

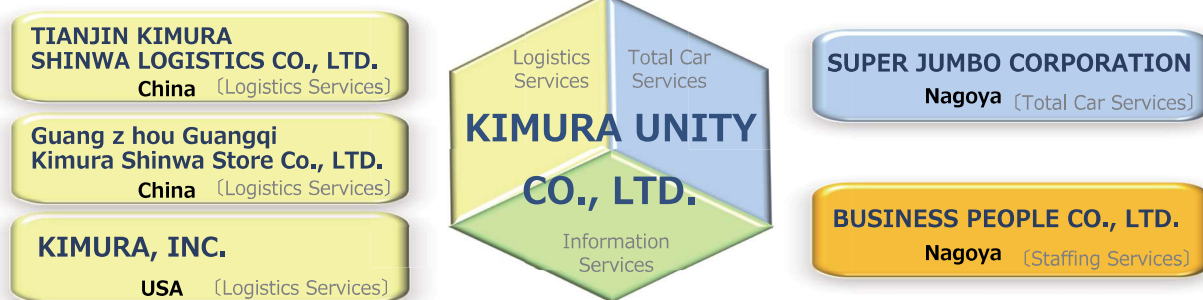
Business Field

Realizing our customer value through the four multiplex services of "Logistics Services," "Total Car Services," "Information Services" and "Staffing Services"

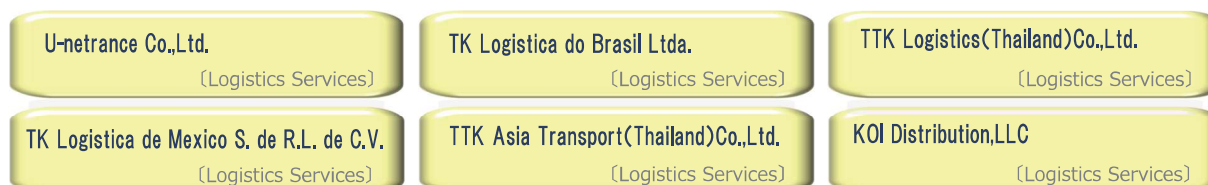


Affiliated Companies

Consolidate Subsidiary Companies

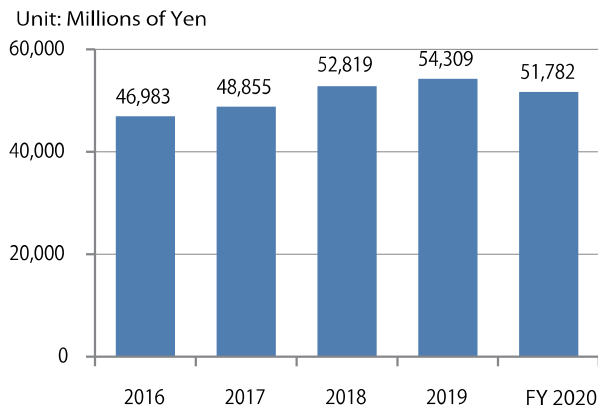


Affiliated company accounted for using the equity method

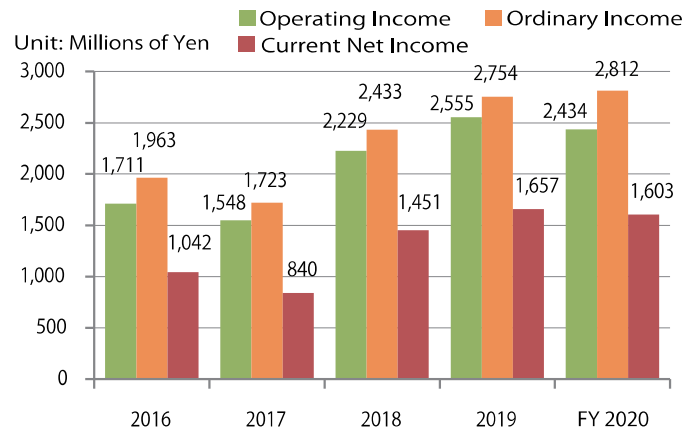


FINANCIAL HIGHLIGHTS (Consolidated)

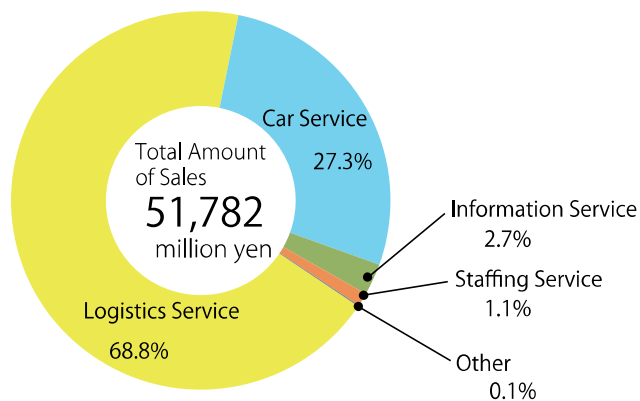
Trends in Sales



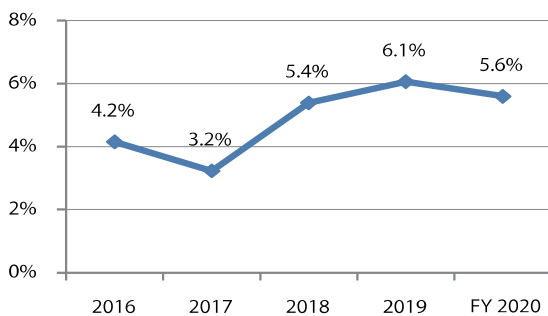
Trends in Operating Profit, Ordinary Profit, Current Net Profit



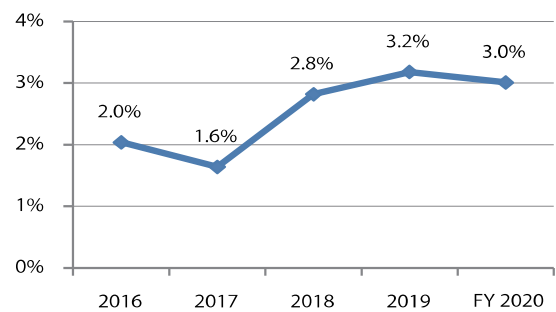
Net Sales by Business Category (FY 2020)



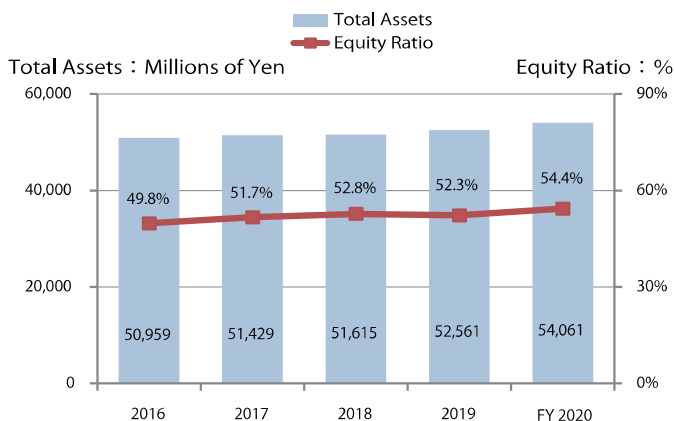
Trends in ROE (Return on Equity)



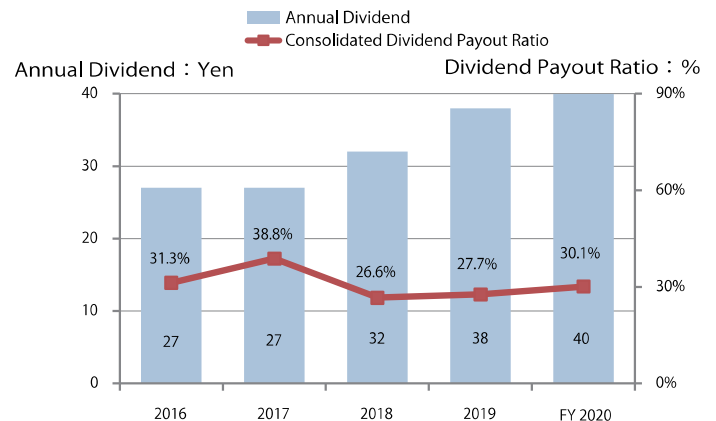
Trends in ROA (Return on Asset)



Trends in Total Assets and Owned Capital



Trends in Annual Dividend and Dividend Payout Ratio



MID-RANGE BUSINESS PLAN

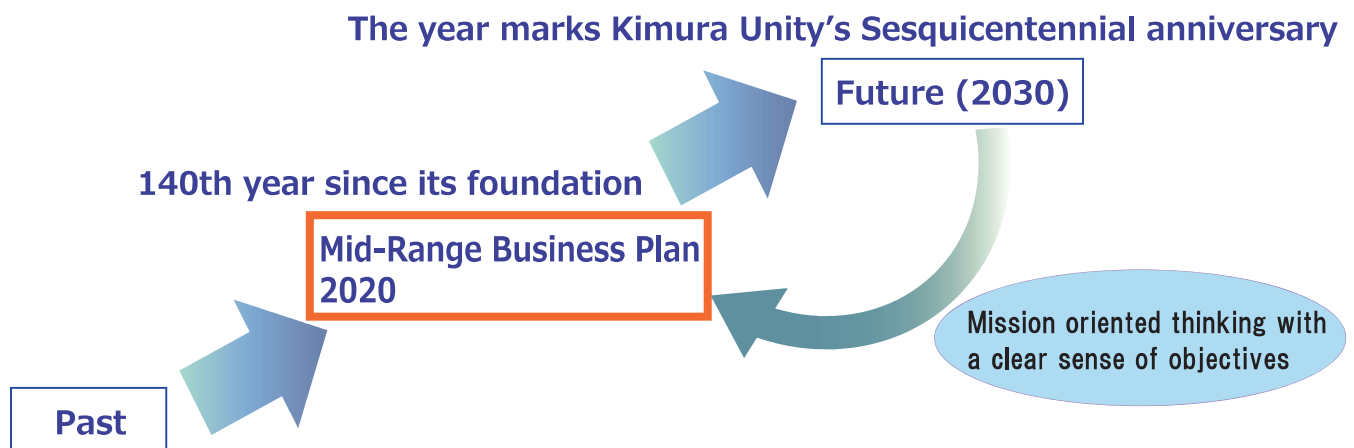
Mid-Range Business Plan 2020

Objective

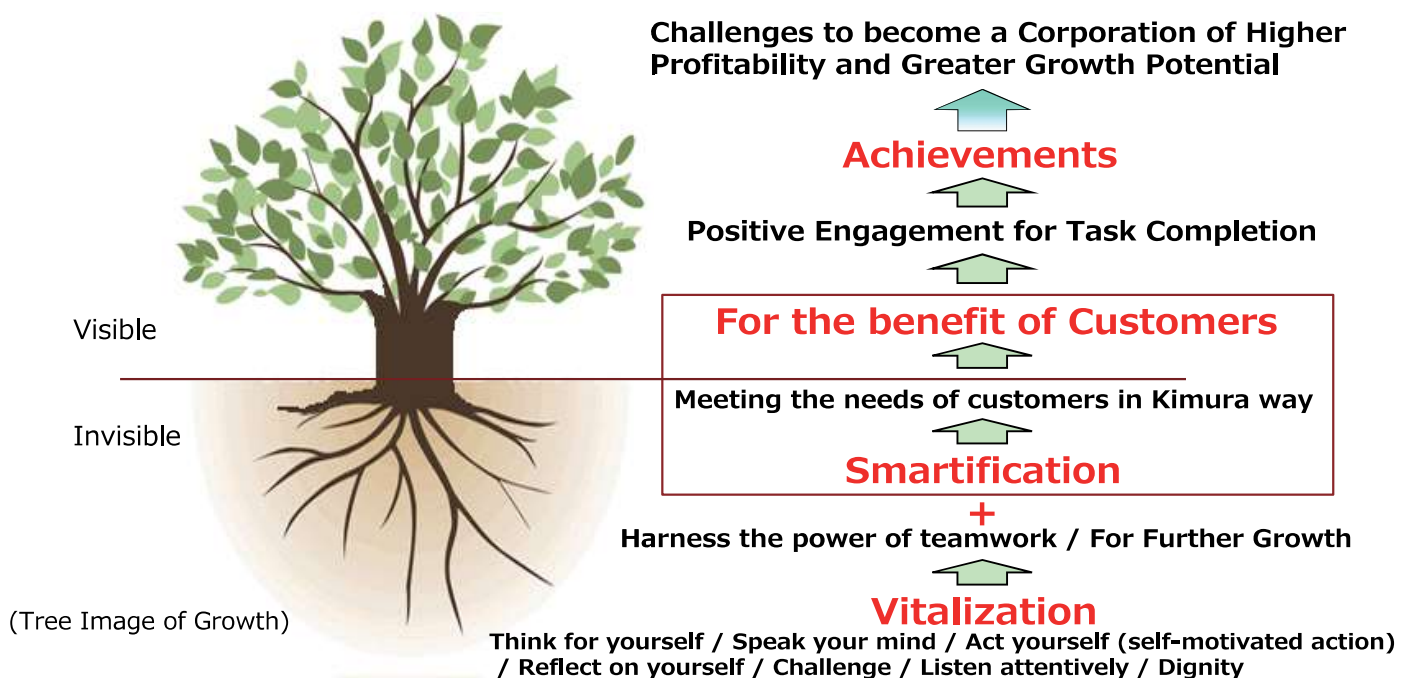
Considering the results and achievements of the “Mid-Range Business Plan 2017,” we aim to promote the initiatives on the “Management Reform to be a Company of Choice by our customers,” implementing work style reforms to foster a fair and sincere corporate culture. Realizing well-balanced “Profitability” and “Growth Potential,” we would like pursue new challenges that will exceed the expectation of customers. Thus, the Kimura Unity Group will continue to grow as a corporation, providing our “One of a Kind Operation” hand in hand with our stakeholders.

Philosophy and Vision

Coping with the changes in business environment and on-going technological innovation, Kimura Unity always takes measures to meet the needs of customers in an earnest and sincere manner. Our group believes that improving the profitability of the existing businesses and creating new customer values will make it possible for us to become a “Good, Strong and Friendly Kimura Unity,” staying competitive under any circumstances of severity. We regard the next three-year period as a critically important period, when reformation must be thoroughly implemented for achieving the assured profitability and realizing the sustainable growth of our group in accordance with the “Mid-Range Business Plan 2020.” We nurture human resources, as we believe people are the most important, and no less important is the cultivation of a group-wide organizational culture, which will surely result in laying a robust management foundation. The Kimura Unity Group curves out a new future by making great strides.



Road Map toward a Corporation with Higher Profitability and Growth Potential



Mid-Range Business Plan 2020

Mid-Range Group Management Policy

We develop “human resources,” as we believe that people are the most important of all management resources, and cultivate a group-wide “organizational climate” that will lay a robust management foundation. The Kimura Unity Group will continue to pursue higher profitability and sustainable growth, curving out a new future with our forward looking vision.

1. Achieving Sustainable Growth thorough the implementation of “Health and Safety” and “Compliance and Corporate Ethics,” and the promotion of “Strengthening Quality Assurance” activities are the underlying premise and lifeline for a corporation to exist.
2. “For all of our Customers”: Realization of higher Level of Customer Satisfaction by all employees, paying more attention to customers, supporting and dedicating more closely by the use of our intelligent emotions
3. “Smartification”: Realization of high value added operations (in terms of Quality, Delivery and Cost) by the full utilization of advanced IT technologies
4. “Activation”: Fostering an organizational culture and environment rewarding each effort, where all employees remember to be grateful and engage in duty, sharing “the spirit of unity as one team”
5. The realization of “Work Style Reform in the Kimura Group version” (Reformation of Personnel System/ Evaluation System etc.) that will give incentives to the activation of the organization where all members feel satisfied with duties and the corporate climate

The KIMURA UNITY GROUP’s Mid-Range Basic Strategies

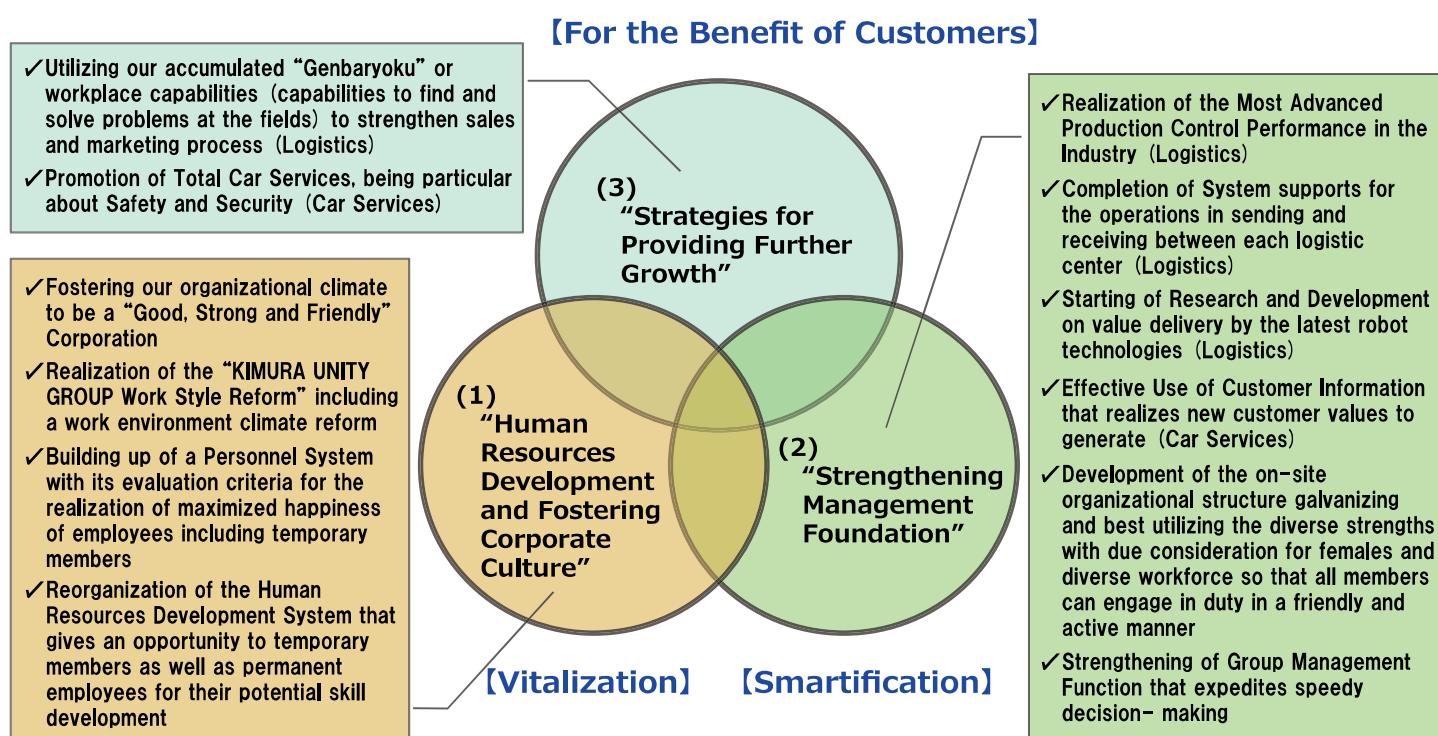
Looking ahead to the environmental changes by our tremendous foresight, we will develop sustainable competitive advantages over “our products and services” through the implementation of the “Management Reform to become a Company of Choice by Customers.” Forming a well-organized entity by expert employees with diverse background, we will think, act and reflect on our own initiatives with a sense of self-esteem.

We will advance steadily the “Work Style Reform” that will realize a highly improved work environment where each and every member acts for him or herself as a human being without overburden, sharing the spirit of Unity and Cooperation.

We will place the emphasis on the following three important perspectives in our strategies:

- (1) “Human Resources Development and Fostering Corporate Culture”
- (2) “Strengthening Management Foundation”
- (3) “Strategy for Further Growth”

We will continue to make an improvement as we share insights into our values and belief.



MID-RANGE BUSINESS PLAN

State of Progress in regard to the 2020 Mid-Range Business Plan

Consolidated Results

(Unit: Millions of Yen)

Consolidated Results	Results	Results	Results	Results	Mid-Range Business Plan	Progress Rate (Result of FY2020/FY2020 Plan) 100%
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2020	
	-	First Year	Second Year	Third Year	Third Year	
Net Sales	48,855	52,819	54,309	51,782	54,000	95.9%
Operating Income	1,548	2,229	2,555	2,434	2,700	90.1%
Ordinary Income	1,723	2,433	2,754	2,812	3,000	93.7%
Profit attributable to Owners Of Parent	840	1,451	1,657	1,603	2,000	80.2%
Net Income per Share (yen)	69.68	120.27	137.33	132.86	165.70	80.2%
ROE (%)	3.23	5.39	6.06	5.64	7.00	80.6%

By Segment

(Unit: Millions of Yen)

By Segment		Results	Results	Results	Results	Mid-Range Business Plan	Progress Rate (Result of FY2020/FY2020 Plan) 100%
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2020	
		-	First Year	Second Year	Third Year	Third Year	
	Logistics Service Business	32,186	36,021	37,639	35,885	35,000	102.5%
	Car Service Business	15,092	15,029	14,898	14,277	17,500	81.6%
	Information Service Business	1,400	1,599	1,583	1,409	1,500	93.9%
	Staffing Service Business	537	559	562	593	900	65.9%
	Other Service Business	47	44	46	45	45	100.0%
	Intersegment Offset	△409	△435	△422	△429	△945	
Net Sales		48,855	52,819	54,309	51,782	54,000	95.9%

	Logistics Service Business	2,127	2,899	3,095	3,045	2,700	112.8%
	Car Service Business	367	300	502	545	1,000	54.5%
	Information Service Business	152	168	135	103	155	66.5%
	Staffing Service Business	△0	7	22	14	50	28.0%
	Other Service Business	14	11	13	11	15	73.3%
	Intersegment Offset	△1,113	△1,158	△1,213	△1,286	△1,220	
Operating Income		1,548	2,229	2,555	2,434	2,700	90.1%

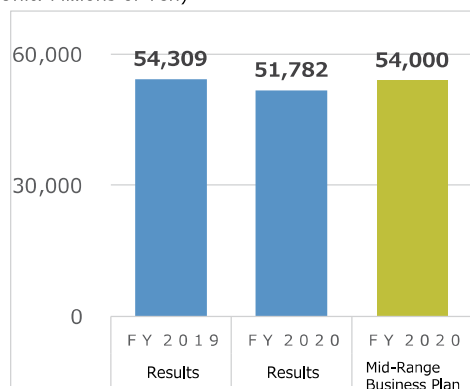
Net Sales

Operating Income

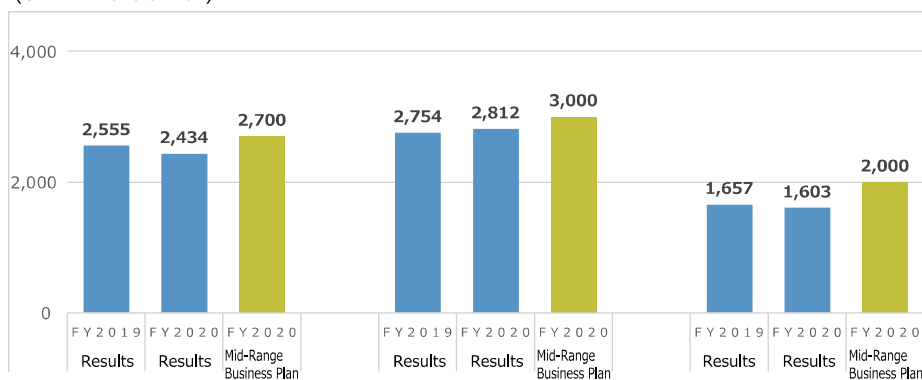
Ordinary Income

Net Income in Fiscal Year

(Unit: Millions of Yen)



(Unit: Millions of Yen)



Outline of Mid-Range Business Plan 2023

In the Mid-Range Business Plan 2023, we bring out more of our core competence and potentials through “One-Team Management by Total Participation” that we had developed in the Mid-Range Business Plan 2020.

Accelerating innovation of the existing business model with the concept of “Value Area” as a keyword, the KIMURA UNITY GROUP aims to be a corporate group that will help bring happiness to employees, business partners, customers, while further contributing to the development of the local communities as a public entity of society.

Mid-Range Business Vision of KIMURA UNITY Group

Ensuring well-balanced “profitability” and “growth” by enhancing its corporate value based on the business model reform and soundness of corporate culture, we co-create and share “satisfaction” with stakeholders.

Concept of Mid-Range Business Plan

Promoting a business strategy beyond the scope of existing business model based on the “One-Team Management by Total Participation”

- (1) Promote “One-Team Management by Total Participation”
- (2) Promote Growth Strategy

Mid-range Group Sustainability Policy

The KIMURA UNITY GROUP ensures even higher corporate value by implementing CSR activities linked with our group business activities, and aim to co-create and share satisfaction with stakeholders.

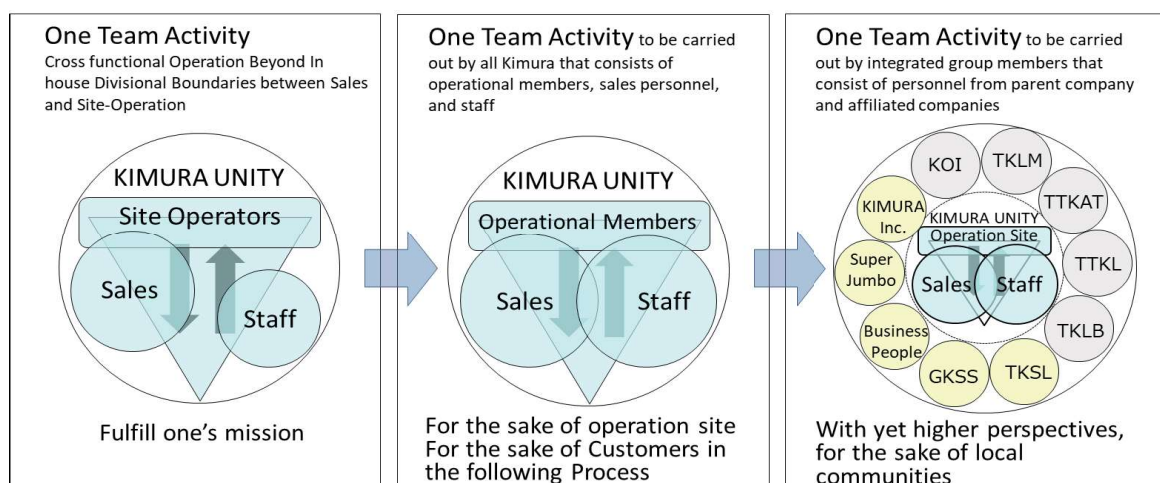
Making our communities attractive and sustainable, we aim to be a good corporate citizenry helpful to provide safety and comfort. As a corporation engaged in the car related industries, we actively continue to participate in a road traffic accident eradication campaign as part of efforts to protect health and to save lives of all citizens so as to make all people happy.

Mid-Range Management Plan Numerical GOAL

(Unit: Millions of Yen, %)

	Results	Mid-Range Plan	Comparison of FY 2020 (YoY)	
	FY 2020	FY 2023	Progress Amount	Progress Rate
Net Sales (Millions of Yen)	51,782	65,000	13,218	125.5
Operating Income (Millions of Yen)	2,434	4,000	1,566	164.3
Ordinary Income (Millions of Yen)	2,812	4,300	1,488	152.9
Profit (Millions of Yen)	1,603	3,000	1,397	187.1
Earnings per Share (EPS, Earning per Share)	1332.86	248.58	115.72	187.1
ROE (Return on Equity) (%)	5.64	8.00	2.36	141.8

Promotion of One Team



Basic Concept of CSR Activities

We aim to co-generate and share the satisfaction together with stakeholders by developing higher corporate values through our business activities, fulfilling its related CSR (Corporate Social Responsibility).

【Definition】

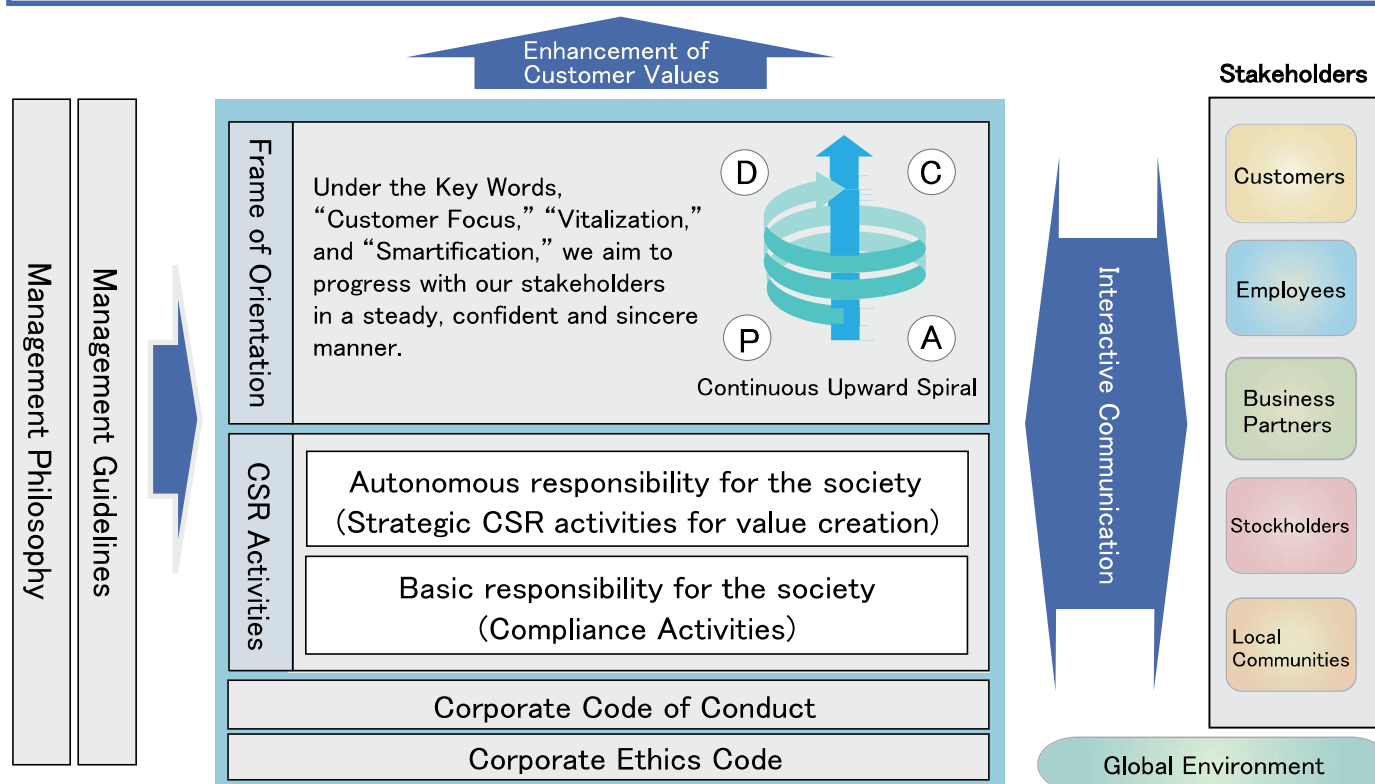
For the “Contribution to the Sustainable Development Society and the Globe,” we aim for a trusted and reliable corporate group, sharing the Management Guidelines, Corporate Ethics Code and Corporate Code of Conduct with all members of the group companies and engaging thoroughly in daily activities simply, humbly and honestly.

【Basic Policy】 (※7 key words)

1. Thorough enforcement of compliance
2. Provision of superior services and products for comfort and safety
3. Realization of creative work environment full of motivation
4. Improvement of Stakeholders’ satisfaction
5. Contribution to local society
6. Preservation of global environment
7. Respect for culture and human rights and prohibition of discrimination

Overview of CSR Activities

Contribution to the Sustainable Development Society and the Globe and the Growth of the Business



Sustainable Development Goals (SDGs)

Our group will actively promote CSR activities through various efforts toward addressing social issues from the SDGs perspectives, thereby making a contribution in the sustainable development of Society and the Globe for the generations to come.



Sustainable Development Goals : SDGs





SDGs are “the International Common Goals” adopted by the United Nations, which specify the world priority issues to solve and the vision to materialize by 2030, taking steps to contribute to the sustainable development of society at large.

In the SDGs, it is declared that “no one shall be left behind” in the implementation of the plan. SDGs aim to create a better world in all three essential aspects of economic, social and environmental development in a balanced and integrity manner for the realization of sustainable society. There are 17 objectives and 169 targets formulated in the action plan.

ACTIONS TO MAKE TOWARDS THE TARGETS OF SDGs

SDGs with Targets Action Table


Our Group Initiatives and Relation to SDGs

Applicable Sustainable Development Goals (SDGs)	SDGs with Target and Index		Initiatives implemented by KUCG to date (through CSR promotion activities)
3 GOOD HEALTH AND WELL-BEING  Ensure healthy lives and promote well-being for all at all ages	3.6	By 2020, reduce the number of fatalities caused by road traffic accidents of the world by half.	Safety Initiatives for eradicating Road Traffic Accidents •Periodical Delivery of Road Traffic Safety Message •Broadcasting “Aichi Prefectural Police’s Road Traffic Safety Message” (on Tokai Radio) •Concerted Promotion of Road Traffic Safety Campaign together with Customers / Continued promotion of the 100 day Zero Road Traffic Accident Campaign •Initiatives on Road Traffic Safety /Acquisition of ISO39001 Certificate and its continuous implementation of the said •Accelerating the spread of “KIBACO,” a new fleet system to support safe driving and corporate compliance •Total support for fleet management and safe driving (In collaboration with SmartDrive Inc.) •Commissioned by Naka Police Station to serve as a supporter of “Hishigata or Diamond-Shaped Traffic Signs.”
	3.2	By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under 5 mortality to at least as low as 24 per 1,000 live births.	Other initiatives contributing to society •Promotion of the Eco Cap Movement /The Eco Cap movement is to donate polio vaccines, etc. to children in developing countries.
4 QUALITY EDUCATION  Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	4.3	By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	Initiatives for advanced knowledge for road traffic safety •Driver’s Safety Services (DSS) / Safe Driving Education, Driving Aptitude Diagnosis, Accident Recurrence Prevention Education •Safe Driving Manager Training Seminar /Promoting effective implementation of workshop by specialist Instructor Other Social Contributions Initiatives •Support Child Education (Registered as a supporter of “the Aichi Nurture Dream Initiatives,” promoted by the Board of Education, Aichi Prefectural Government) /Implementing activities such as opportunities for students to make company tours, welcome student interviewers at our workplaces and dispatching corporate experts to seminars on road traffic safety, etc.
	4.3.1	Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex	
5 GENDER EQUALITY  Achieve gender quality and empower all women and girls.	5.1	End all forms of discrimination against all women and girls everywhere.	Promotion of Diversity (Respect for Diversity) •Women’s Empowerment (for a vibrant and growing society to create an environment where women can demonstrate their power to the fullest extent) /Certified as a leading company in which women shine by Aichi Prefectural Government /Certified as “an excellent corporation to promote female employee participation in the workplace” by Nagoya City Government Appointed a director in charge of facilitating and supporting women’s empowerment (Specified as an important concurrent position)
	5.1.1	Whether or not legal frame works are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex.	
6 CLEAN WATER AND SANITATION  Ensure availability and sustainable management of water and sanitation for all.	6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	Environment Protection Activities within the Company •Management of the Chemical Substances /Management in accordance with Act on Confirmation, etc., of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (Law concerning Pollutant Release and Transfer Register / PRTR Law) •Management of Wastewater /Annual Emergency Response Drill against Outflow of Wastewater /Waste Water Analysis of the Drainage Port and the Oil Separation Tank
	6.3.1	Proportion of wastewater safely treated	
	6.3.2	Proportion of bodies of water with good ambient water quality	

ACTIONS TO MAKE TOWARDS THE TARGETS OF SDGs

SDGs with Targets Action Table




Our Group Initiatives and Relation to SDGs

Applicable Sustainable Development Goals (SDGs)	SDGs with Target and Index			Initiatives implemented by KUCG to date (through CSR promotion activities)
7 AFFORDABLE AND CLEAN ENERGY  Ensure access to affordable, reliable, sustainable and modern energy for all.	7.1	By 2030, ensure universal access to affordable, reliable and modern energy services		Environmental Conservation Activities •Consumed amount of energy in year in accordance with Act on the Rational Use of Energy /Amount of Consumption—Electricity, Gas, Gasoline•Light Oil•Kerosene /Co ² emissions /Amount of Discharged Industrial Waste Environment Protection Efforts within the Company •Reduction of Energy Consumed (Expert of some of the activities) /Reduction of Fluorescent Lights and Introduction of LED /Change to Energy Saving Devices /Environmental Patrol for inspection of the state of a thorough implementation of Environment Protection Efforts /Optimization of Electricity Consumption etc. by Demand Monitoring Devices •Photovoltaic Power Generation System Introduced
	7.1.2	Proportion of population with primary reliance on clean fuels and technology		
	7.2	By 2030, increase substantially the share of renewable energy in the global energy mix		
	7.2.1	Renewable energy share in the total final energy consumption		
8 DECENT WORK AND ECONOMIC GROWTH  Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value		Promoting effective implementation of workplace diversity (Respect for Diversity) •Child Care•Family Care Leave and Flexible Working System •Promoting Employment of People with Disability •Continued Employment System (Re-employment System for People up to 65 years of age)
	8.5.1	Average hourly earnings of female and male employees, by occupation, age and persons with disabilities		
	8.5.2	Unemployment rate, by sex, age and persons with disabilities		
10 REDUCED INEQUALITY  Reduce inequality within and among countries	10.2	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disabilities, race, ethnicity, origin, religion, or economic or other status		Promoting effective implementation of workplace diversity (Respect for Diversity) •Continued Acceptance of International Trainees •Reorganization of employment system, and Promotion of permanent (or non-fixed term) employment system (Conversion from fixed-term labor contract to indefinite-term employment)
	10.2.1	Proportion of people living below 50 per cent of median income, by sex, age, and person with disability		
11 SUSTAINABLE CITIES AND COMMUNITIES  Make cities and human settlements inclusive, safe, resilient and sustainable	11.2	By 2030, provide access to safe, affordable, accessible and sustainable transport system for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons		Road traffic safety and contribution to local communities •Donation of materials and equipment for traffic safety and regional security /Road traffic safety•crime prevention materials and equipment, multi-purpose police vehicles for traffic safety• public relations, audio-visual equipment for road traffic safety awareness building campaign, security cameras, LED electric light board, etc. Road Traffic Safety Initiatives for achieving a society with no traffic accidents •Participation in traffic safety events as a sponsoring company, supporting road safety fund by organizing fund raising causes •Road Traffic Safety Initiatives with the objective to attain the road traffic safety with the goal of No Traffic Accidents /Commissioned to be a Model Office for Safe Driving Management (Super-Jumbo Corp. Nakagawa store) /Support to creating a corporate climate focused on safety by providing "an insurance premium discount service."
	11.2.1	Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities		
	11.7	By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities		Support to Local Community Development in Safety and Security •Active participation in the activities encouraged by "the All-Japan security CSR promotion conference with Safety Japan Declaration"
	11.7.2	Proportion of persons victim of physical or sexual harassment, by sex, age, disabilities status and place of occurrence, in the previous 12 months		Other social contribution •Support local communities in the event of a major disaster (Support the movement for "Creation of disaster proof city with safety and peace of mind movement" promoted by Nagoya City Government)

ACTIONS TO MAKE TOWARDS THE TARGETS OF SDGs

SDGs with Targets Action Table

Our Group Initiatives and Relation to SDGs

Applicable Sustainable Development Goals (SDGs)	SDGs with Target and Index		Initiatives implemented by KUCG to date (through CSR promotion activities)
12 RESPONSIBLE CONSUMPTION AND PRODUCTION  Ensure sustainable consumption and production pattern	12.4	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impact on human health and the environment	Environmental Conservation Initiatives • Consumed amount of energy in year in accordance with Act on the Rational Use of Energy / Amount of industrial waste discharged Environmental Conservation Activities in Business Facilities • Reduction of industrial waste/ Reinforcement of management function / Inspection of subcontractors' industrial waste disposal facilities / Collection of industrial waste control check sheets (Manifest control sheets to be submitted by industrial waste disposal contractors)
	12.4.2	Hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment	
	12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	
	12.5.1	National recycling rate, tons of material recycled	
	12.6	Encourage companies, especially large and multinational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Acquisition of ISO Certificate (Quality•Environment•Information Security)
	12.6.1	Number of companies publishing sustainability reports	
13 CLIMATE ACTION  Take urgent action to combat climate change and its impacts	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Environmental Management Initiatives / Acquired ISO14001 at the Toyota plant and the Kariya business center of Kimura Unity for continued maintenance and management Business Activities in due consideration for the environment / Super Jumbo Business Center in Nakagawa was certified as "ECO Friendly Business Facility" by Nagoya City Government
	13.1.1	Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population	
	13.2	Integrate climate change measures into national policies, strategies and planning	Provision of products and services friendly to the environment • Eco-friendly containers and packaging equipment / Returnable packing materials (containers and equipment)
	13.2.1	Number of countries that have communicated the establishment or operationalization of an integrated policy/ strategy/ plan which increase their ability to adopt to the adverse impacts of climate change, and foster climate resilience and low greenhouse gas emissions development in a manner that does not threaten food production (including a national adaptation plan, nationally determined contribution, national communication, biennial update report or other)	• Environmentally friendly packing services / Review of packing materials for improvement
16 PEACE, JUSTICE AND STRONG INSTITUTIONS  Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.5	Substantially reduce corruption and bribery in all their forms	Thorough implementation of compliance • Implementation of seminar on compliance • Periodical in-house journal named "the Conpra Support Bin" released by Human Resources and General Administration Dept. • Distribution of compliance cards for strict observance of applicable rules • Consultation support system established
	16.5.1	Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by these public officials during the previous 12 months	
	16.5.2	Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those officials during the previous 12 months	Integrated Activities with corporate customers by concerted efforts • Holding policy meetings for customers • Holding a seminar on compliance • Implementation of activities for higher safety awareness

Corporate Governance

Board of Directors and Auditors

〔 As of July 1, 2021 〕

Chairperson of the Board and Representative Director
Yukio Kimura



President and Representative Director
Shigehiro Naruse



Executive Vice President
Takeshi Kinoshita



Executive Vice President
Yukihiro Koyama



Managing Director
Koichi Iinaga



Director and Executive Advisor
Shoji Kimura



Director
Tadaaki Kimura



Outside Director
Yoshinori Hirano



Outside Director
Jun Eyama



Standing Statutory Auditor
Shin Yoshimura



Outside Company Auditor
Hisashi Horiguchi



Outside Company Auditor
Chikai Onoda



Outside Company Auditor
Hideki Yasui



Title	Name	Role/ Responsibility/ Concurrently Held Principal Position
Chairperson of the Board and Representative Director	Yukio Kimura	
President and Representative Director	Shigehiro Naruse	
Executive Vice President	Takeshi Kinoshita	In charge of production, safety and quality of the group/ In charge of IS Business/ Head of SQ Promotion Headquarters (※2)
Executive Vice President	Yukihiro Koyama	Head of Administration Headquarters/ In charge of Accounting Dept., General Administration Dept. and Corporate Planning Dept./ In charge of promoting female employees' initiative and active participation in the workplace/ Managing Director of Kimura Unity Corporate Pension Fund/ CEO of KIMURA, INC.
Managing Director	Koichi Iinaga	Head of TCS Business Headquarters/ In charge of Contact Center, and TCS Supervising Dept. (※2)
Director and Executive Advisor	Shoji Kimura	
Director	Tadaaki Kimura	
Outside Director (※1)	Yoshinori Hirano	Certified Public Accountant
Outside Director (※1)	Jun Eyama	CEO of Global Parts • Logistics Headquarters of Toyota Tsusho Co., Ltd.
Standing Statutory Auditor	Shin Yoshimura	
Outside Company Auditor (※1)	Hisashi Horiguchi	Attorney at Law
Outside Company Auditor (※1)	Chikai Onoda	Certified Public Accountant/ Licensed Tax Accountant
Outside Company Auditor (※1)	Hideki Yasui	Licensed Tax Accountant

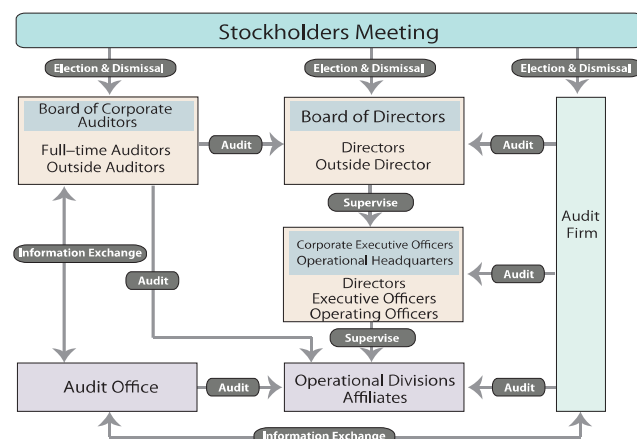
(※1) Independent Officer

(※2) IS : Information Services
SQ : Safety & QualityLS : Logistics Services
TCS : Total Car Services

Corporate Governance System

In our group, Corporate Governance philosophy stems from the Management Philosophy, through which the sustainable growth is ensured and thereby we materialize our medium and long-term corporate value enhancement. By the swift and accurate information gathering and prompt and rational decision making, we maximize values for corporation, stockholders and customers.

In line with the corporate governance structure described in the chart on the right, we take our initiatives to work on the corporate governance. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy, ensuring the transparency of our corporate management, thereby strengthening the function of management supervision. In so doing, we generate a sense of satisfaction and share together with stakeholders thereof, contributing to the realization of healthy and harmonious development. We are now in the process of striving for further enrichment, while complying with the Corporate Governance Code which has been applicable since June 2015. We have been addressing ourselves to the promotion of appropriate and smooth implementation of management interactions in this regard, such as disclosure in accordance with each principle of the code, hence safeguard the integrity of the management.





Goal 3 : Ensure healthy lives and promote well-being for all at all ages

Target : By 2020, reduce the number of fatalities caused by road traffic accident of the world by half.

(※ Continue to pursue for the attainment of this target even after 2020)

Basic Concept

Being a corporate group engaged in the car society, the KIMURA UNITY Group takes initiatives to make people happy by continuous contribution to the eradication of road traffic accidents to protect the lives and health of people through our corporate endeavors.

Meeting Customer Needs

Total support for fleet management and safe driving

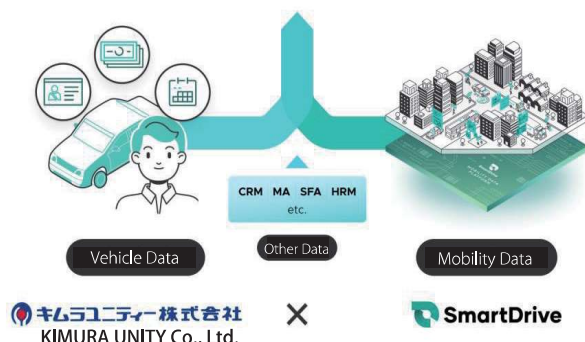


KIMURA UNITY GROUP started a joint effort with SmartDrive Inc. in the domain of data platform, where we pursue new solutions to the services utilizing mobility data provided by SmartDrive Inc. in our collaborated development.

This time, we focus on data linkage and coordination in creating synergies with our cloud based fleet management system “KIBACO” and “Mobility Data Platform” provided by SmartDrive Inc. in the area of driving data acquisition and accumulation as well as analysis.

Abundant car information accumulated by “KIBACO” being combined with the information on the current car usage facts and statistics and safe driving condition obtained from “Mobility Data Platform” developed by SmartDrive inc. will enable to provide a total solution to problems in common to the corporate support services such as streamlining of business operations, cost reduction and safe driving.

Total Support for Corporate Customers in Problem-Solving



Since its foundation in 2013, SmartDrive Inc. has been delivering mobility services with a clear corporate vision of “Optimizing Mobility.”

“Mobility Data Platform” designed and developed by Smart Drive are not limited only for the devices of SmartDrive’s development but it is also applicable for mobility data collected from various devices, which allows to solve customers’ problems and helps to create new services.

Development and expansion of fleet management system “KIBACO”



The concept of “KIBACO” is to realize “Safety, Comfort, Compliance and Cost Reduction” utilizing its data, while offering a wide range of services that help you maintain your fleet with data base function of vehicles.

Introduction of Function



Dashboard

Enable customer to be informed of matters of extreme importance including the completion of businesses, the expiry of insurance and leasing contract term as well as urgent notification of an accident, which ensures no professional negligence will be missed.



Insurance Policy Folder

Enable to keep an insurance policy within the centralized control of management, as the folder is designed to accommodate any types of insurance contracts registration whether it be an insurance company or an agency.



Safety Education

KIBACO makes it possible to attend safety education by means of e-learning motion picture and/or still picture transmitted by car maintenance manager anytime, which leads to the enhancement of safety awareness of drivers.

※The tradename “KIBACO” (or wooden box container for the use of logistics), derives from the original business of Kimura Unity. In fact, it was the main product during the founding period over 140 years ago, which has always reminded us of the founding principles of our business “Focused on customers” as our symbol. This trademark represents our sincere desire to develop and enhance the systems to help our customers in time of trouble with many different sorts of drawers of “KIBACO” for the solutions to the problems.



KIBACO
<https://kimura-kibaco.jp/>



Goal 5 : Achieve gender equality and empower all women and girls

Target : End all forms of discrimination against all women and girls everywhere.



Goal 8 : Promote inclusive and sustainable economic growth, full and productive employment and decent work for all

Target : By 2030, achieve full and productive employment and decent work for all women and men including for young people and persons with disabilities and equal pay for work of equal value.



Goal 10 : Reduced inequality within and among countries

Target : By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disabilities, race, ethnicity, origin, religion or economic or other status.

Basic Concept

We aim to continuously provide high quality workplace and educational environment for all people working together to have learning opportunities and skill development, irrespective of sex, age and disabilities and thereby reducing inequality within and among people and countries as well as resolving social and economic disparities.

Initiatives to promote Diversity

Respecting for diversity and creativity of all employees, we promote the initiatives to create work environment where diverse human resources play an active role.

Acceptance of International Trainees



We continuously develop human resources from abroad in Japan as candidates for high ranking personnel and future leaders in affiliated companies of our group companies overseas.

Trainees from China (11th class---19th class)	: 98 people in total
Trainees from Vietnam (2nd class ---6th class)	: 111 people in total
Trainees from Myanmar (1st class)	: 6 people in total



Technical Skills Assessment Test

Promoting female employee participation in the workplace



Our Initiatives for Promoting Work-Life Balance and Creating Environment for Child Care and Family Care were evaluated by Aichi Prefectural Government, which earned us a certificate of recognition as an “Excellent Company of Aichi where Women Shine.” We were also recognized by Nagoya City Government as an “Excellent Company in Promoting Women’s Role in the Workplace.” We continue to improve and settle an environment to promote women’s participation vigorously in the workplace, and expand it to an even larger extent.



※ Certificate issued as a leading company where women shine by Aichi Prefectural Government



※ Certificate issued as being an “excellent corporation to promote female employee participation in the workplace” by Nagoya City Government

Other Kimura Initiatives

Promoting working ease for female employees



- As part of our initiatives at KIMURA Unity Group, we created a 5-year action plan that supports our employees for balance of work and childcare and family care, and submitted it to Ministry of Health, Labor and Welfare, which are to be studied to make a specific policy in this regard on the basis of the results obtained from the questionnaire survey.



GOAL 16 : Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Target : Substantially reduce corruption and bribery in all Forms

Basic Concept

We comply with laws and regulations as well as other norms, while working to strengthen a thorough implementation of risk management and to tighten security. We continue to conduct fair and sound corporate activities.

Activities in collaboration with Business Partners

Implementation of Policy Briefing Sessions for Business Partners



We hold a policy explanatory meeting for our business partners at the Logistics Services Headquarters once a year. Unfortunately, due to the COVID-19, we had to call off the meeting in FY 2020. However, as to the excellent partner prize awarding, we had an individual ceremony for those who made a great contribution.

Compliance Seminar



As part of our initiatives, we used to organize a compliance seminar for a thorough implementation of compliance with an outside specialist instructor regularly. However, due to the CORONA virus, we had to cancel this time. Instead, we regularly send the partner companies our guiding information on “Safety/Compliance” to share information with them periodically.

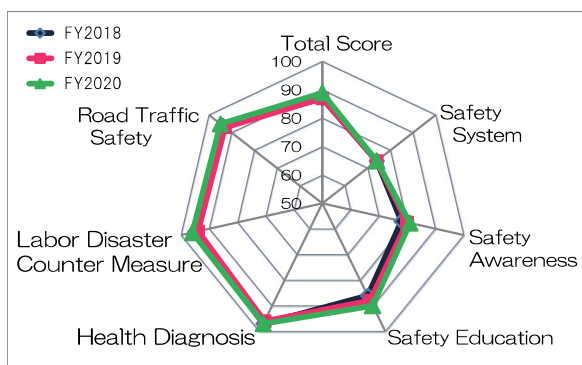
External mail transmission board for business partners

Guidance document on safety and compliance (example)

Initiatives for Improving Safety



Safety Level Evaluation by Item



We conduct an annual “Safety Level Survey” against business partners. The result is fed back for achieving yet higher level of safety.

In FY 2020, 112 companies were inquired into in the survey on Safety, which resulted 89 points out of 100, showing increase by 2 points.

We continue to make further efforts to attain a higher goal by providing a follow-up measure periodically.

Communication with Stockholders and Investors

Disclosure of IR Information

We make a timely disclosure of accurate information on investment that includes a summary of financial results, securities report, financial data, IR materials (reference material for account explanation meeting, shareholders & investors news), etc. in the investor relations page of our website in an easy-to-understand manner.

- ※ Our website was recognized among the BEST in the survey ranking (AAA Website) out of “All Japanese Listed Companies’ Website Ranking” in the sector of Warehousing and Harbor Transportation in FY 2020, which makes our achievements of success for three consecutive years.
- The survey on website quality assessment is conducted annually by Nikko Investor Relations Co., Ltd.



★当社ホームページ：

<https://www.kimura-unity.co.jp/>

Stockholders Meeting/Financial Settlement Explanatory Meeting

We hold a result briefing session on our business results and management guidelines geared for securities analysts and investors two times a year.

In FY 2020, however, due to the spread of the new type of corona virus, the meeting was unfortunately canceled, and we were not able to provide an opportunity to have a private meeting in person to avoid “the Three Cs.” Instead, we made ourselves available to communicate on the phone and other means of remote communication through the use of online technology without a corresponding in-person meeting for investors and shareholders.

In June 2020, we had the 49th annual stockholders meeting with special considerations for the corona, which no one had experienced before.

We were determined to avoid corona infection among stockholders, directors and staff members without fail, and put every possible safeguard in place.

We reviewed the agenda, while having a thermography equipment prepared to detect body temperature, side by side with acrylic divider panels set up to keep appropriate distance.

We had the pleasure of approximately 40 stockholders attended the meeting, who were listening to the report ardently.



Stockholders Meeting

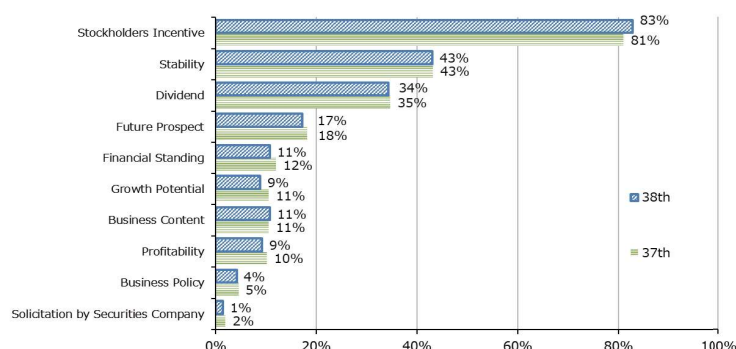
Measurement of Body Temperature at the Reception Desk

Efforts to make the most of feedback and meet expectations in our management

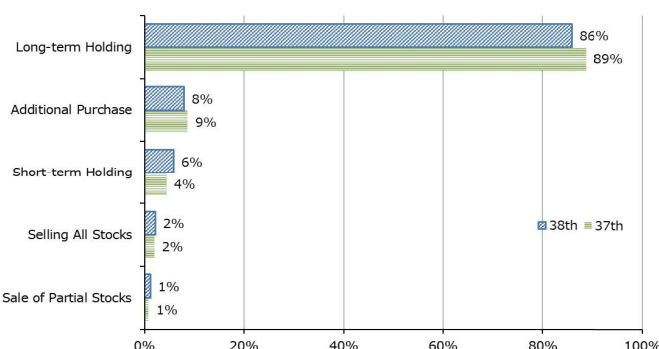
We conduct a questionnaire survey against stockholders periodically so as to gather opinions and leverage the findings for a further improvement of our management. This survey initiated in FY1999, and we have had 38 surveys up to FY 2020 ever since. In the survey conducted in December 2020, we received 2,673 responses.

Occupancy Ratio (Compared with the previous result)
Calculation Formula: Number of Votes/Response rate

Reason for Stock Purchasing (Multiple Response Allowed)



Shareholding Policy (Multiple Response Allowed)



(This is the result of the 38th Questionnaire Survey conducted in December 2020)



Goal 3 : Ensure healthy lives and promote well-being for all at all ages

Target : By 2020, reduce the number of fatalities caused by road traffic accidents of the world by half.
(※ Continue to pursue for the attainment of this target even after 2020)



Goal 4 : Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Target : By 2030, ensure equal access for all women and men to affordable and quality technical vocational and tertiary education, including university



Goal 11 : Make cities inclusive, safe, resilient and sustainable

Target : By 2030, provide access to safe, affordable, accessible and sustainable transport system for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situation, women, children, persons with disabilities and older persons

Target : By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities

Basic Concept

We aim to be a good corporate citizenry that contributes to make our cities and towns attractive and sustainable by providing safety and comfort.

Being A Part of Corporate Citizenry of Local communities

Road Traffic Safety initiatives for Eradicating Accidents

We rigorously address the traffic accident eradication campaign as a corporate group engaged in the betterment of the car oriented life style. In addition, we sponsor “Aichi Prefectural Police’s Safety Message” on Tokai Radio as well as many other events for road traffic safety.

Donation in commemoration of 140-year Anniversary of KIMURA UNITY



On the occasion of 140th anniversary, we made a commemorative donation as a small token of our sincere hopes and desires for “Eradicating Road Traffic Accidents” and “Making our communities attractive and sustainable by providing Safety and Comfort.”

Materials and Equipment for Road Traffic Safety and Security



Publicity Vehicle for Road Traffic Safety
(White Mini Motor Cycle)



Symbol Mascot (Stuffed Dolls)



Road Traffic Safety Plates



Wire Locks for Bicycles, etc.

Aiming to materialize Zero Accidents Society

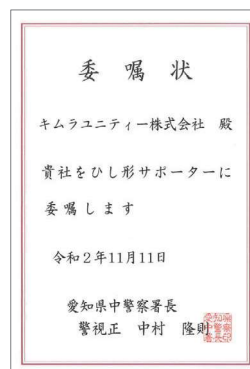


“Hishigata” supporter for the road traffic safety campaign

KIMURA UNITY is commissioned by Naka Police Station to serve as a “Hishigata” supporter for the road traffic safety campaign.

When recognizing this “Diamond-shaped traffic signs painted on the road before a pedestrian crossing, let us step off the accelerator.” This campaign for zero accidents has been promoted by the Road Traffic Section of Naka Police Station.

The KIMURA UNITY GROUP will further accelerate the initiatives that pursue Zero Accidents.





GOAL 6 : Ensure availability and sustainable management of water and sanitation for all

Target : By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.



GOAL 7 : Ensure access to affordable, reliable, sustainable and modern energy for all

Target : By 2030, ensure a universal access to affordable, reliable and modern energy services.

Target : By 2030, increase substantially the share of renewable energy in the global energy mix.



GOAL 12 : Ensure sustainable consumption and production patterns

Target : By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

Target : By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Target : Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



GOAL 13 : Take urgent action to combat climate change and its impacts

Target : Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries Indicator.

Target : Integrate climate change measures into national policies, strategies and planning.

Environmental Principles

THE KIMURA UNITY GROUP makes utmost efforts in the conduct of our business providing services, products and merchandizes so as not to impact on the global environment for the generations to come.

Eco-friendly business activities

Initiatives for Environmental Management



With the growth of world-wide interest in global environment, we are expected to develop eco-friendly business activities that contribute to the reduction of carbon dioxide emission and the effective use of natural resources, etc. In the present society where the social value of a company is closely related with its effort toward environmental measures, we have developed company-wide activities for environmental preservation following the acquisition of ISO14001 (Environmental Management System) at the Toyota Plant and the Kariya Sales Office.

ISO14001 Acquired at:	Date of Acquisition	Date of Expiry	Registration Number
Toyota Plant	August 21, 2003	August 20, 2021	JUSE-GE-117
Kariya Sales Office	September 29, 2005	September 28, 2023	JUSE-GE-244

Initiatives for Environmental Management in the Premises of Facilities

Introduction of Solar Photovoltaic Generation Facilities



We promote the introduction of a Solar “Photovoltaic Generation System” to reduce environmental loads associated with our business activities.

Solar Photovoltaic generation has been in operation in our facilities at the Kamioka Logistics Warehouse, the Inuyama Plant and the Nagoya Kita Business Office. It is our corporate social responsibility to continue to promote and disseminate “renewable energy” friendly to the environment. We actively contribute to environmental conservation.



Kamioka Logistics Warehouse



Inuyama Plant



Inazawa Plant



Nagoya Kita Business Office

※In regard to electric power generated in these facilities, we trade the environmental value to a third party.

Business Activities Friendly to the Environment

Initiatives for Environment Improvement within the Premise of Operation Facilities

Packaging Services Friendly to the Environment



At the packaging service division, we have been engaged in creative Kaizen efforts for better packaging specifications and dimensions based on customer needs friendly to the environment. The basic concepts focused in this endeavor underpin our efforts for the improvement in “packaging specifications with no use of packaging materials and/or package downsizing,” depending on the item and also “reuse and recycle” and “use of materials with low environment impact, etc.”

In consideration of those assessment items for improvement, we would like to continue to make more concrete proposals in line with the sustainability development for the environment friendly to the earth.

■Improvement Example : Sustainability efforts reviewing packaging materials (Change of packaging specifications and materials)

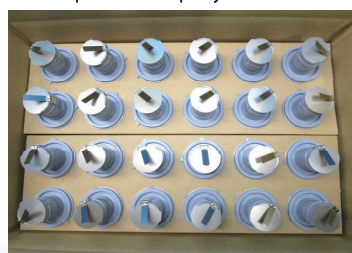
【Before Kaizen】

Positioning parts sideways, using inner separators and pads with poly chloride sheet



【Kaizen Suggestion】

Changing packaging specifications to positioning parts vertically by using dunnage receptacles made of corrugated cardboard for parts acceptance will reduce the use of pads and poly chloride sheet.



【Effect】

- Reduction of inner packaging cost
- Reduction of environmental load at the receiving end when disposing of packing and packaging materials (Reduction of waste)

Environmental Conservation Initiatives

Kimura Unity has pursued environmental initiatives to reduce energy consumption required for business activities to minimize the adverse effect on global warming.

Energy consumption in FY 2020 in accordance with Energy Saving Act

Electricity: 6,607,240 kwh

Gas: 174 t (In terms of LPG)

Gasoline/Light Oil/kerosene: 9,806 ℓ

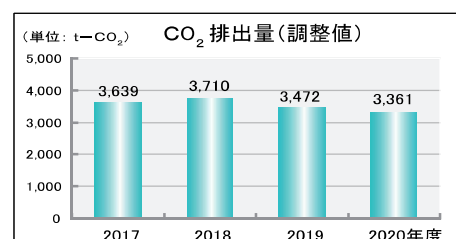
CO₂ emission : 3,361 t-CO₂

We continue to work on the reduction of CO₂ emission by actively promoting energy saving activities such as replacing the existing facilities equipment into energy saving type.

◇ CO₂ emission factors used here have been calculated and made public in accordance with “Act on Promotion of Global Warming Countermeasures”

Output of Industrial Waste : 2,198 t

Although the amount of output has been increasing due to the expansion of our facilities, we continue to promote recycling and re-use of wooden pallets and scrap metals so as to reduce industrial waste output.



- ◇ “Factories” (one who sets up “factories, offices or other workplaces” and carries on an undertaking) stipulated in Act on the Rational Use of Energy are the applicable business fields. “Transportation” is not included in the applicable business field.
- ◇ Responding to the amendment in 2008, all energy (electricity, heat, fuel) consumed by the entire business operations (headquarters, branch offices, sales offices, stores and so on) has been regarded as a target for management. However, the energy (※1) which was used outside our business places such as commercial vehicles has not been included.
- (※1) indicated above: “the energy which was used outside our business places” gasoline and light oil: 323,707 ℓ

Major Corporate Social Index and Performance

※ Figures indicate Non-consolidated value of Kimura Unity Co.Ltd.

ISO26001 Core subjects	Activity targets	Unit	Performance		
	Index		FY2018	FY2019	FY2020
6.2 Organizational Governance	Strengthen corporate governance				
	Number of Director, Figures in () indicate outside Director	Persons	8 (2)	8 (2)	9 (2)
	Number of Auditor, Figures in () indicate outside Auditor	Persons	4 (3)	4 (3)	4 (3)
	Dialog with stakeholders				
	Number of Questionnaire Survey Conducted with Stockholders	Time	1	1	1
	Risk Management				
6.3 Human Rights	Wellbeing Confirmation System Training, First Day Response Rate	%	97.0	98.0	99.0
	Strengthening Diversity Promotion				
	Ratio of Female Directors and Managers (※1)	%	1.0	1.0	1.8
	Disability Employment Rate	%	2.00	1.89	1.94
	Number of Re-employed Senior People	Persons	31	32	21
	Number of Registered International Trainees	Persons	103	170	215
6.4 Labor Practices	Supporting Diversified Work Innovation				
	Number of Employees (※2)	Persons	1,624	1,611	1,646
	Average Age	Years	43.1	43.0	43.3
	Average Length of Service	Years	18.2	18.0	17.3
	Sex Ratio (Masculinity Proportion)	%	85.7	85.5	84.7
	Number of Employees Utilizing Childcare Leave System	Persons	16	7	22
	Number of Employees Utilizing Childcare Short Time Working System	Persons	9	10	9
	Number of Employees Utilizing Nursing Leave System	Persons	1	5	0
	Number of Employees Utilizing Nursing Leave Short Time Working System	Persons	0	0	0
	Usage Rate of Annual Paid Vacation	%	71.7	68.8	71.0
	Industrial Safety and Health				
	Total Hours Worked Per Year (Average)	Hours	2,084	2,083	2,014
	Total Overtime Per Year (Average)	Hours	268	258	203
	Ensured Safety of Employees				
	Frequency of Industrial Accident (Holiday Frequency Rate)	—	0.530	0.220	0.690
	Gravity Level of Industrial Accident (Gravity Rate)	—	0.020	0.010	0.023
	On-site Inspection by Top Management (Number of Departments)	Department	27	36	29
	Ensured Health of Employees				
	Health Examination Receipt Rate	%	98.8	99.3	98.1
	Follow-up Health Examination Rate	%	78.2	82.3	80.1
6.5 Environment	Environment Conservation (Preservation)				
	<Energy Saving Activity1>				
	Energy Consumption (Total Electrical Power Consumption)	kwh	6,730,172	6,459,331	6,607,240
	Energy Consumption (Gas Consumption) In Terms of LGP	t on	165	175	174
	Total CO2 Emission (from Energy Use)	t -Co2	3,737	3,504	3,394
	<Energy Saving Activity2>				
	Industrial Waste (Total Amount)	t on	1,109	1,440	2,198
	Water Consumption (Total Amount)	Thousand m ³	26.7	25.6	24.0
	<Countermeasure Against Environmental Hazardous Substance>				
	Consumption of Gasoline and Light Oil (Within Our Facilities)	ℓ	16,177	11,036	9,806
	Amount of Specified Chemical in Pollutant Release and Transfer Register	kg	16,100	9,500	8,000
6.6 Fair Operating Practices	Compliance				
	Number of Seminars Held for Compliance	Time	23	24	24
6.7 Consumer Issues	Improvement of Quality and Safety Ensured				
	Number of Loss or Leakage of Personal Information	Consultations	0	0	0
6.8 Community Involvement and Development	Continuous Company-wide Promotion of Social Contribution				
	Social Contribution Activities (Number of Cases)	Consultations	38	37	29
	Social Contribution Activities (Expenditure)	Thousand Yen	5,089	1,581	10,868

(※1) [Reference] There are 3 females personnel playing an important role in management positions as of April 2021.

(※2) The number of employees includes employees on loan from outside companies, while excluding employees dispatched to outside companies on loan.

(※3) The term “On-Site Patrol Inspection by TOP Executive” has been changed to “On-Site Inspection Patrol by Head of SQ Promotion Headquarters”.

◇Main performances and indices are classified in accordance with the 7core subjects (the subjects to be considered to fulfill social responsibility) within the frame of ISO 26000 in regards to Corporate Social Responsibility

FINANCIAL INFORMATION

Main financial data of 5 years

Consolidated Balance Sheets・Consolidated Statements of Income・Consolidated Statements of Cash Flows

(Unit : Millions of yen)

[Consolidated Balance Sheets]	FY2016	FY2017	FY2018	FY2019	FY2020
Cash and deposits	5,852	5,049	5,154	6,505	8,426
Notes and accounts receivable - trade	7,066	8,000	8,729	8,353	8,461
Lease investment assets	10,163	9,856	9,322	8,975	8,521
Merchandise and finished goods	478	679	640	566	420
Work in process	37	55	55	27	115
Raw materials and supplies	165	275	275	366	184
Deferred tax assets	286	252	—	—	—
Other	781	978	774	898	886
Allowance for doubtful accounts	△0.4	△0.6	△1	△0	△0
Current assets	24,833	25,146	24,952	25,691	27,015
Buildings and structures, net	9,434	9,353	9,099	9,200	8,678
Machinery, equipment and vehicles, net	517	534	611	501	469
Leased assets, net	282	315	375	446	475
Leased assets, net	—	—	—	376	797
Land	6,753	6,748	6,807	6,805	6,795
Construction in progress	20	55	189	207	117
Other, net	1,052	915	936	821	1,040
Property, plant and equipment	18,061	17,922	18,020	18,359	18,374
Goodwill	234	199	167	62	45
Other	678	737	716	786	945
Intangible assets	913	936	884	848	991
Investment securities	4,185	4,557	4,603	4,002	4,840
Deferred tax assets	392	87	352	841	253
Other	2,578	2,783	2,808	2,854	2,613
Allowance for doubtful accounts	△5	△5	△5	△37	△29
Investments and other assets	7,150	7,423	7,758	7,661	7,679
Non-current assets	26,125	26,283	26,663	26,869	27,045
Assets	50,959	51,429	51,615	52,561	54,061
Accounts payable - trade	1,296	1,176	1,286	1,069	1,071
Short-term loans payable	720	1,032	875	805	760
Current portion of long-term loans payable	2,000	1,000	1,000	2,000	1,000
Accounts payable - other	3,438	3,749	3,300	3,268	3,214
Accrued expenses	2,026	2,155	2,410	2,499	2,830
Lease obligations	304	257	241	336	423
Income taxes payable	428	316	586	607	539
Provision for bonuses	806	837	977	1,122	1,159
Provision for directors' bonuses	12	20	30	50	30
Other	565	678	756	948	1,058
Current liabilities	11,597	11,223	11,464	12,706	12,088
Long-term loans payable	2,000	3,000	3,000	2,000	3,000
Long-term accounts payable - other	6,926	6,514	6,196	5,916	5,571
Lease obligations	872	685	571	699	1,185
Net defined benefit liability	1,571	810	588	1,215	214
Deferred tax liabilities for land revaluation	871	874	874	874	874
Other	332	334	396	385	390
Non-current liabilities	12,574	12,219	11,627	11,091	11,236
Liabilities	24,172	23,443	23,092	23,797	23,325
Capital stock	3,580	3,580	3,580	3,580	3,580
Capital surplus	3,444	3,444	3,444	3,444	3,444
Retained earnings	17,340	17,855	18,981	20,217	21,325
Treasury shares	△1	△1	△1	△1	△1
Valuation difference on available-for-sale securities	1,006	1,158	1,088	961	1,401
Revaluation reserve for land	538	534	534	534	534
Foreign currency translation adjustment	454	593	221	△30	△264
Remeasurements of defined benefit plans	△969	△557	△621	△1,223	△600
Minority interests	1,392	1,378	1,294	1,281	1,314
Net assets	26,786	27,986	28,523	28,763	30,736
Liabilities and Net assets	50,959	51,429	51,615	52,561	54,061

FINANCIAL INFORMATION

Main financial data of 5 years

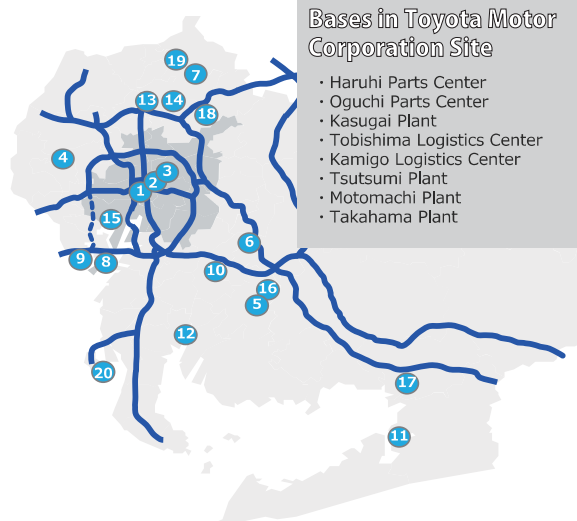
(Unit : Millions of yen)

[Consolidated Statements of Income]	FY2016	FY2017	FY2018	FY2019	FY2020
Net sales	46,983	48,855	52,819	54,309	51,782
Cost of sales	39,394	41,278	44,111	44,847	42,439
Gross profit	7,588	7,577	8,707	9,462	9,343
Selling, general and administrative expenses	5,877	6,028	6,477	6,906	6,908
Operating income	1,711	1,548	2,229	2,555	2,434
Interest income	17	21	27	31	40
Dividends income	63	55	60	63	62
Commission fee	15	7	7	5	5
Foreign exchange gains	—	—	—	—	52
Equity in earnings of affiliates	247	198	160	198	231
Other	61	41	41	40	39
Non-operating income	405	324	297	338	485
Interest expenses	82	74	74	73	83
Foreign exchange losses	59	48	6	57	—
Settlement package	—	19	3	0	0
Credit losses	—	—	—	—	11
Other	11	8	8	7	12
Non-operating expenses	154	150	93	139	107
Ordinary income	1,963	1,723	2,433	2,754	2,812
Gain on sales of non-current assets	2	1	6	2	2
Gain on sales of investment securities	0.2	—	—	—	—
Gain on on contribution of securities to retirement benefit trust	271	—	—	—	—
Extraordinary income	274	1	6	2	2
Loss on sales of non-current assets	—	—	—	—	—
Loss on retirement of non-current assets	18	85	14	63	19
Impairment loss	282	26	—	70	—
Loss on valuation of investment securities	—	—	2	—	—
Other	4	1	0.8	—	2
Extraordinary loss	305	113	18	133	21
Income before income taxes and minority interests	1,931	1,611	2,421	2,623	2,793
Income taxes — current	616	516	770	971	897
Income taxes — deferred	125	90	45	△167	108
Income before minority interests	1,188	1,003	1,605	1,819	1,787
Profit attributable to non-controlling interests	146	162	154	162	183
Profit attributable to owners of parent	1,042	840	1,451	1,657	1,603

(Unit : Millions of yen)

[Consolidated Statements of Cash Flows]	FY2016	FY2017	FY2018	FY2019	FY2020
Net cash provided by (used in) operating activities	1,894	568	2,250	3,805	3,238
Net cash provided by (used in) investing activities	△1,496	△1,064	△1,326	△1,597	△402
Net cash provided by (used in) financing activities	△663	△354	△694	△794	△928
Effect of exchange rate changes on cash and cash equivalents	△128	47	△125	△62	13
Net increase (decrease) in cash and cash equivalents	△394	△803	104	1,351	1,921
Cash and cash equivalents at beginning of period	5,777	5,382	4,579	4,684	6,035
Cash and cash equivalents at end of period	5,382	4,579	4,684	6,035	7,956

Domestic



《 In Aichi Prefecture 》

- 1 Head Office Nishiki Plant
Head Sales Office
- 2 Shiga Sales Office
- 3 Nagoya Kita Sales Office
Auto Plaza Rabbit
Nagoya Kita Branch
- 4 Inazawa Plant
Inazawa Sales Office
Auto Plaza Rabbit
Inazawa Head Center
- 5 Toyota Plant Toyota Sales Office
Auto Plaza Rabbit
Toyota Kamigo Center
- 6 Kamioka Distribution Warehouse
- 7 Inuyama Plant
Inuyama Sales Office
- 8 Meiko Plant Meiko Sales Office
- 9 Yatomi Logistics Center
- 10 Kariya Plant Kariya Sales Office
Auto Plaza Rabbit Kariya Center
- 11 Toyohashi Office
- 12 Hekinan akashi Office
- 13 Komaki Office
- 14 Komaki Honjo Office
- 16 Toyota learning Center
- 17 Otowa Office
- 18 Kasugai Higashi Office
- 19 Fuso Office
- 20 CENTRAIR Office

《 Outside Aichi Prefecture 》

Chubu Region

Kosai Office
Tajimi Office
Minokamo Office

Kanto Region

Tokyo Branch
Kuki Office
Yachiyo Office
Inzai Office
Funahashi Logistics Center
Atsugi Office
Atsugi nairiku Office
Zama Office
Ashikaga Office
Oume Office
Kitamoto Office

Kansai Region

West Japan Sales Office
Kobe Office
Nanko Office
Kumiyama Office
Kobe Kita Office
Kobe Nishi Office
Neyagawa Office

Kyushu Region

Fukuoka Office
Fukuoka Karita Office

《 Domestic Group Companies 》

BUSINESS PEOPLE CO., LTD.

- 2 Head Office
Kanto Office
Kansai Office

SUPERJUMBO CORPORATION

- 15 Nakagawa Main Store
- 4 Inazawa Store
- 10 Kariya Store
- 15 CAR SEVEN National Route 1
Nakagawa Store

Overseas

TIANJIN

Share: 89.7%
Founded: Jan. 2005
Main Business :
Warehousing/Packaging services

GUANGZHOU

Share: 59.3%
Founded: Nov. 2005
Main Business :
Warehousing/Packaging services

THAILAND

Share: 23.0%
Founded: Dec. 2002
Main Business :
CKD packaging service
Share: 23.0%
Founded: Feb. 2013
Main Business :
Milk-run/Transfer distribution

● Consolidated Subsidiary ○ Equity method affiliate

AMERICA

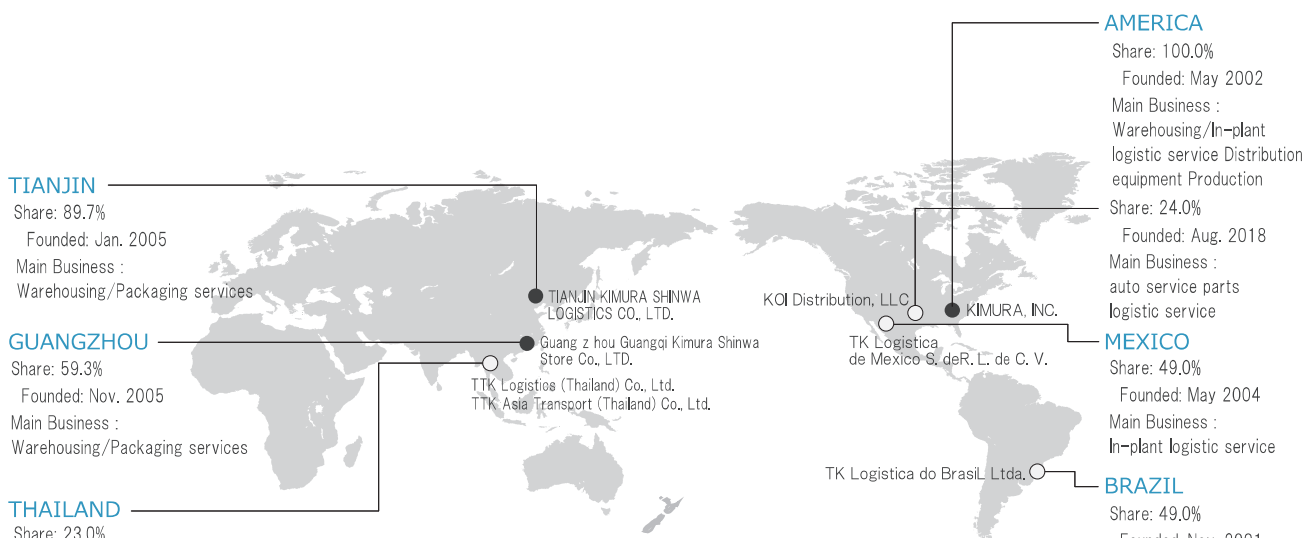
Share: 100.0%
Founded: May 2002
Main Business :
Warehousing/In-plant
logistic service Distribution
equipment Production
Share: 24.0%
Founded: Aug. 2018
Main Business :
auto service parts
logistic service

MEXICO

Share: 49.0%
Founded: May 2004
Main Business :
In-plant logistic service

BRAZIL

Share: 49.0%
Founded: Nov. 2001
Main Business :
Milk-run/Transfer distribution
and CKD packaging service



KIMURA UNITY GROUP

CORPORATE OUTLINE

Company Name: KIMURA UNITY CO., LTD.
Head Office: 3-8-32, Nishiki, Naka-ku, Nagoya, Aichi Prefecture
Telephone: +81-52-962-7051
President and Representative Director: Shigehiro Naruse
Date of Foundation: October 1, 1973
Capital: 3.58035 billion yen
Number of Employees: 2,491 (As of the end of March, 2021)
Account Settlement Period: March 31 (Annually)
Listing Open Stock Market: The first section of the Tokyo Stock Exchange
The first section of the Nagoya Stock Exchange
Securities Code: 9368

