

KIMURA UNITY Report 2023



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



KIMURA UNITY GROUP

KIMURA UNITY CO., LTD.

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We aim to realize a corporation under our management philosophy by nurturing people in an environment where each individual can take on challenges while being aware of their own growth, leading to further contributions to our customers. Thereby, we will continue to be a company of choice by stakeholders, contributing to the sustainable development of society and the earth.



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

On the basis of “One Team Management by Total Participation,” we formed the Medium-Term Management Plan 2023 on the concept of promoting business strategies that go beyond the scope of existing businesses. In FY 2022, the second year of the project, we addressed ourselves to achieving the goal with the policy of 『Everyone steadily realizing “Normal Evolution” ---without being complacent with the status quo.』

With the rapid and drastic changes that we are confronted in the business environment of today, it has become very difficult to accurately understand the diverse customer needs with limited resources of the management layer. It is essential to have on-site experts involved to respond to the detailed customer needs by providing unfailing meticulousness fit for the requirements placed on the products and services by “One-Team Management by Total Participation.”

In order to further enhance the management of “One-Team with Total, Active and Responsible Participation,” even in the environment where changes takes place on a daily basis, it is essential for us to be particular about the “quality” of actions to meet the expectations of our customers with both the management and front-line members who understand the “Gemba” best. We continue to work on “how to further increase the value of our company,” to respond even to the fine detailed needs of customers.

We are always willing to change ourselves without ever being satisfied with the present state for yet another improvement and put our steps forward.

We were able to achieve the new record highs in both sales and profits in fiscal 2022. I am convinced it is due to the “quality” of the action plan at “Gemba” and “Change” in the management that brought us steady progress of “normal evolution.”

In order to further solidify our growth, in fiscal 2023, we will enhance the “One-Team management with the participation of all employees” and “normal evolution” in FY 2023. We aim not only to improve our organizational strength, but also to reach the target where all of us grow together with all team member. By creating an environment where each individual can take on challenges while being aware of their own growth, nurturing “people.” We believe our “people” are the assets and greatest competitive advantages. We are committed ourselves to make further contributions for the benefit of customers under our management philosophy.

THE VISION OF KIMURA UNITY GROUP

Since its inception, our group have addressed to meet the expectation of customers under the management philosophy by expanding business fields to such areas as logistics services, auto-related services and products, total car services, mobiles, information system and staffing services. In the course of business activities, we have also been engaged in the contribution of local communities in road traffic safety and environmental protection initiatives.

Confronted with increasing uncertainty about the future business today, we have reorganized our vision and specific direction in order to steadily achieve medium- to long-term growth and development toward the future.

We worked on and consider, “What do we exist for?—”How do we contribute to customers and local communities?”—to envision and clarify the direction for the coming future. This time, we have declared that we formulated six materiality issues out of various social issues we are facing today as important and high priority issues for us to address through our business activities. Each of these efforts being closely related to our business activities, each and every employee is aware that they are connected not only to our daily work but also to the local communities we find ourselves. We will promote our initiatives to solve those specific issues.

Restructuring the company's growth strategy and value creation story based on the materiality formulated, we will clarify the path toward our goal through growth and development for the realization of a sustainable society. We aim to be the Group of choice for stakeholders in 150, 160 years after our founding, and beyond.

FY2023 Priority Implementation Item 1: Create a workplace culture where everyone wants to continue working for a long time (Decent Work: For Everyone to Shine)

We are the Group with “One-Team management by total, active and responsible Participation,” where our frontline members are sensitive enough to understand customer needs, and particular about providing reliable services best fit for the customer. We believe in the fact that the basis of trust and reliability comes from “people” after all. With this day of changing times, the people working in the workplace are diversifying, and many people of different ages, genders, nationalities with different work style backgrounds are working together. That is all more the reason why it is essential to have a pleasant workplace culture where everyone wants to continue working for a long period of time.

As we promote people-centered management, each person is able to express his or her opinions freely, think for themselves and work, help each other with colleagues, and achieve their goals as a team.

As we achieve each goal, we work to create a workplace culture where everyone wants to continue working for a long time through daily work that gives them a sense of gratitude from colleagues and contribution to the team, sharing a sense of achievement and satisfaction.

FY2023 Priority Implementation Item 2: Product Thinking: “Endless Pursuit of the Ideal Product” (Customer Value: To help realize our customers’ success ensures our stable growth)

The Group have been engaged in four businesses: logistics, automobiles, information services and human resources, which deliver a wide range of products and services. In order to always provide the best products and services to customers in various industries, it is essential that we always ask ourselves with an awareness, “What is our product?” and what customer value we are trying to provide for the benefit of our customers. When considering the promotion of automation in the logistics field, it is an indispensable topic with high customer interest, due to the shortage of personnel of today. However, we do not simply believe that introducing automated equipment will solve the problem. It is inevitable that there will be work that links people and machines, in case where this link should not go well, we would not be able to produce the expected results even if we invest in automation equipment. End result would be a failure, not being able to live up to the expectations of our customers.

We consider how the movement of people will change at worksite to improve, evaluating the value at the operation site including the pre- and post-processes, and whether or not it will maximize the performance of machines and human intelligence to meet the expectation of customers. The whole process of our endeavors reflect on our product that includes our power of challenge to materialize the improvement of operation to provide the best merchandise to customers.

This mindset of ours applies to other business divisions, and we will continue to be conscious of “what our products are” and continue to address improvement of products and services so that customers will choose us, saying, “We want to entrust our company.”

Management Philosophy

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

Operating Style

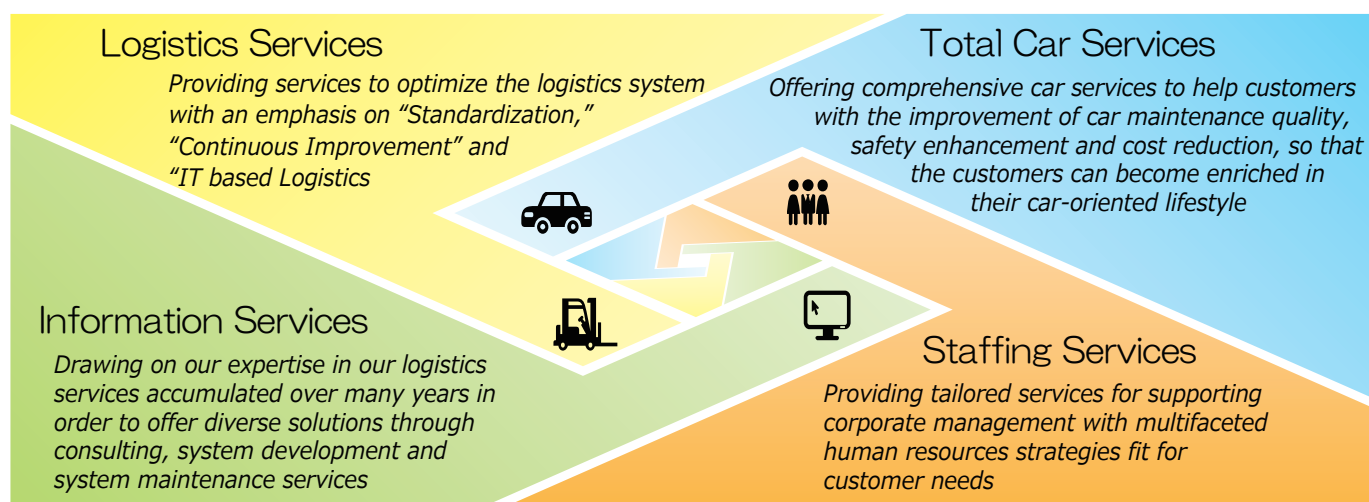
1. Create customer value
2. Strengthen profitable foundations
3. Enhance organizational performance with motivated personnel
4. Maintain our actions and commitment to sustain an eco-friendly environment and fulfill our corporate social responsibility

Corporate Codes of Ethics

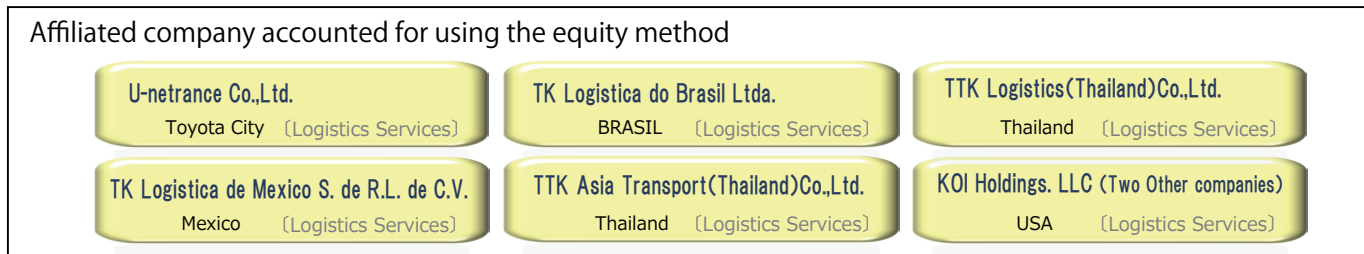
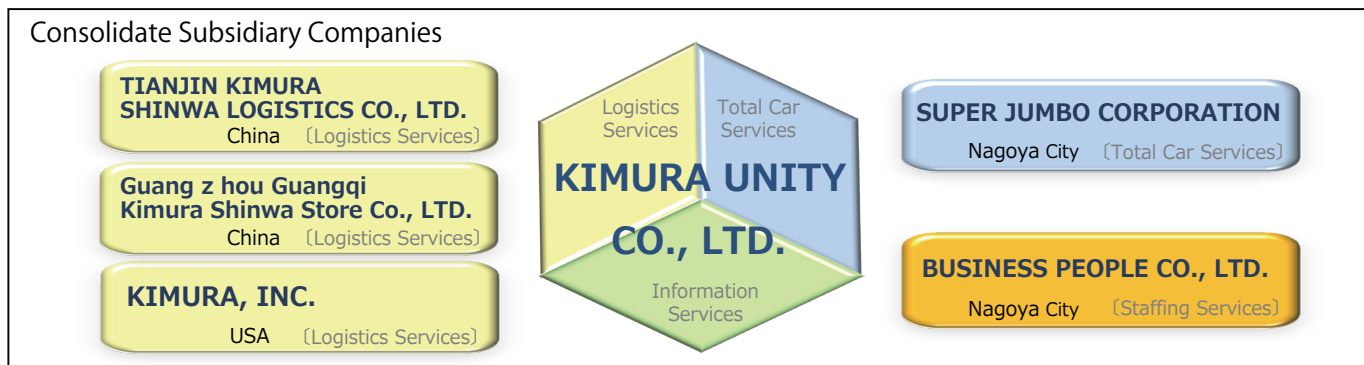
1. Perform fair and healthy business activities in compliance with laws, regulations and other social ethics.
2. Contribute to society by providing excellent goods and services.
3. Value the individual characters of our employees and realize a motivated, creative work environment.
4. Contribute to improving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

Business Fields

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

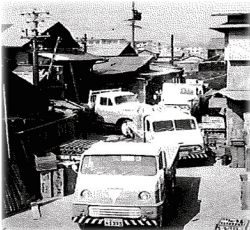


Affiliated Companies



BUSINESS OVERVIEW (The Origin of Each Business)

LOGISTICS SERVICES BUSINESS



Going back over the history of our company, we always come to our root back in 1881, when the founder started a box manufacturing business engaged in supplying wooden boxes mainly for textile wholesale companies. In 1950, we had an encounter with Toyota Motor Corporation (Currently TOYOTA MOTOR CORPORATION), and that was the impetus for us to start delivering wooden boxes for auto parts. In 1952, we established KIMURA BOX Limited Partnership Company. It was the expertise and the spirit of manufacturing that our forerunners had developed sharing among them in the initial period development, which have been inherited as our corporate DNA to this day. With the rise of corrugated cardboard, which took the place of wooden boxes, we started a packaging business in line with a transport business as our new business in 1959. This business has grown to be a logistics business, currently the main pillar of ours. Thanks to kind support and understanding of our stakeholders, we succeeded in expanding business overseas. In 2000, we began 3PL, which was not confined to the automotive industry but entered into non-automotive industries (currently NLS business), and has expended and grown on a large scale.

※ : Third-party logistics, or 3PL, is a system where an outside organization provides logistics services in general to companies that need inventory management and distribution.

TOTAL CAR SERVICES BUSINESS



During the changing period of declining wooden box needs, we established a totally different business of car servicing and maintenance under the name of "TOYOPET Service Shop" in 1958, in an effort to find a way out of the wooden box business, which lasted from its foundation. We also made an important decision to start in the same year. That is to initiate an insurance agent business with the view to being of help for the sake of customers against risks in the event of traffic accidents. We were encouraged by our philosophy: "It takes buyer's view to make sales." In 1973, due to the growing interest in leasing service by customers, we started a car leasing business, and subsequently, we also started the upstream business of car sales business in 1976. Following that event, we began the sales of car supplies and accessories in 1997, thus cementing the foundation of the total car services, the result of which formed the Total Car Services Business of today.

[The essence of business always lies in the philosophy, "It takes buyer's view to make sales."](#)

[With the essential value of business kept in mind, we always give considerations with buyer's view and put the essence into practice in our business conduct. This has been always true for other sales activities.](#)

[Good results will come by with the basic mindset of "It takes buyer's view to make sale."](#)

-----Excerpt from "KIMURA UNITY CENTENIAL HISTORY OF PROGRESS"

INFORMATION SERVICES BUSINESS



The roots of Information Services Business dates back to the time when we introduced a computer (IBM S/3-10) in 1971, mainly for the in-house sales management and salary calculation. Later, we began to undertake entrusted calculation business from outside, leading us to the currently the main business, of logistics systems development alongside in-site training and guidance focused on the information areas. In so doing, we have been taking an important part for Toyota Sales Company (Currently TOYOTA MOTOR CORPORATION) in an area of overseas projects.

STAFFING SERVICES BUSINESS



Established as an affiliated company under the name of "Business People Co., Ltd." in 2002, we began staffing services so as to meet a wide variety of demands on human resources. We were expanding our scale of business steadily. However, due to the shrinkage of the temporary staffing market caused by the Lehman Shock, we turned our direction, and are now in the process of going toward promoting the structural reform of business focused on the areas of business contracting, recruitment services and human resource development through education and training enriched in contents focused on the market needs.

BUSINESS OVERVIEW (at Present)

Corresponding
ESG SDGs



We provide high-quality services by utilizing our know-how and advanced skills we have accumulated and developed as a logistics partner for major automobile manufacturers. The scope of business includes all areas of logistics business such as planning of logistics center and operation to Kaizen (improvement) of logistics centers not to mention, arranging transportation. We also design and manufacture logistics equipment and incidental equipment such as dollies, carts and storage equipment fit for the needs of customers.

Operation of Logistics Center

We provide a total support to meet the needs of quality improvement of logistics that includes a series of operations such as purchasing, storage, receiving and shipping, distribution processing and transport and delivery together with design of business, operation and information systems, thus contributing to cost reduction.



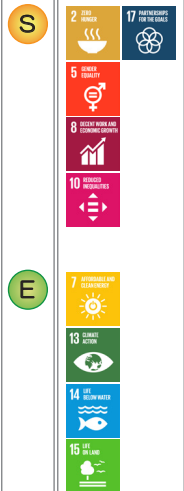
On-site Operation in Warehouse
Export Packaging/Packing
Transport and Delivery
Equipment/Packaging Heavy Wight Item

Logistics Equipment/ Incidental Equipment

We plan, design and manufacture logistics equipment and ancillary equipment to meet customer needs fit for the characteristics of products and parts that includes follow-up services, which materialize high quality and low cost.



4WS Dollies
Work Dollies
Containment Equipment
Ancillary Equipment



Kimura Unity offers a menu of optimized solutions handling all aspects of the vehicle-related needs such as car leasing, maintenance, insurance, sales of car, and car supply and accessories, accident prevention consulting and driver safety service, which are all focused on after sales service markets.

For corporate customers, we have a car management service, while providing car life services for individual customers.

Car Management Services (For Corporate Customers)

With a car management service that provides a comprehensive car management for corporate customers, we build optimal vehicle management system that realizes safety, quality improvement, compliance, and cost reduction.

Vehicle Procurement

- Car Lease
- Car Rental
- Sale of Cars



Insurance Coverage Issuance of Cards

Car Maintenance

- Periodical Legal Car Inspection·Inspection/Maintenance
- Visiting Inspection
- Sheet Metal Repair



Car Life Services (For Private Customers)

From purchasing a car to insurance, maintenance, sale, and replacement, we offer a wide range of services as a lifelong partner that supports the car life of our customers.

Car Sales

- Car Purchase
- Private Car Lease
- Insurance Agency
- Periodical Legal Car Inspection·Inspection/Maintenance
- Sheet Metal Repair
- Car Supplies



Support System

We provide services to build the optimal vehicle management system for our customers.

Call Center

- Operation Center
- DSS (Driver Safety Services)



Based on our past achievements of building logistics systems in Japan and overseas, we provide optimal systems for our customers, from consulting to system development and maintenance services.

Consulting / System development

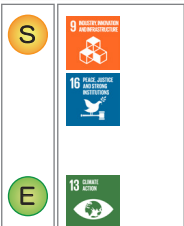
With the combined wisdom and expertise of two businesses (logistics and automobiles), we propose and build a composite system that contributes to operational efficiency and quality improvement.

Maintenance Service

We provide optimal maintenance services to realize stable system operation fit for the customer's operating environment.

Dispatch System Specialist

Engineers with high IT technology and logistics know-how support consulting and system development to solve various problems.



As a staffing consultant that connects people and jobs in specialized fields, Kimura Unity proposes solutions for securing, utilizing and training human resources while helping forward-looking company become more competitive.

Temporary Staff Placement

We select motivated staff after careful screening and due consideration through interviews by coordinators with the customer's view point. We provide one-on-one training and education with detailed follow-up supports. Kimura Unity wastes no time before responding to a wide range of customers' needs utilizing our strength of mobility in a more proactive manner.

Job Seeker Referral Services

Our dedicated consultants determine the needs of customers and then recommend highly matching jobseekers using an effective and thorough referral system.

Hiring Support Services

We contribute to the improvement of total performance undertaking the work of human resources personnel that includes such jobs as creating recruitment advertisements and job interviews.



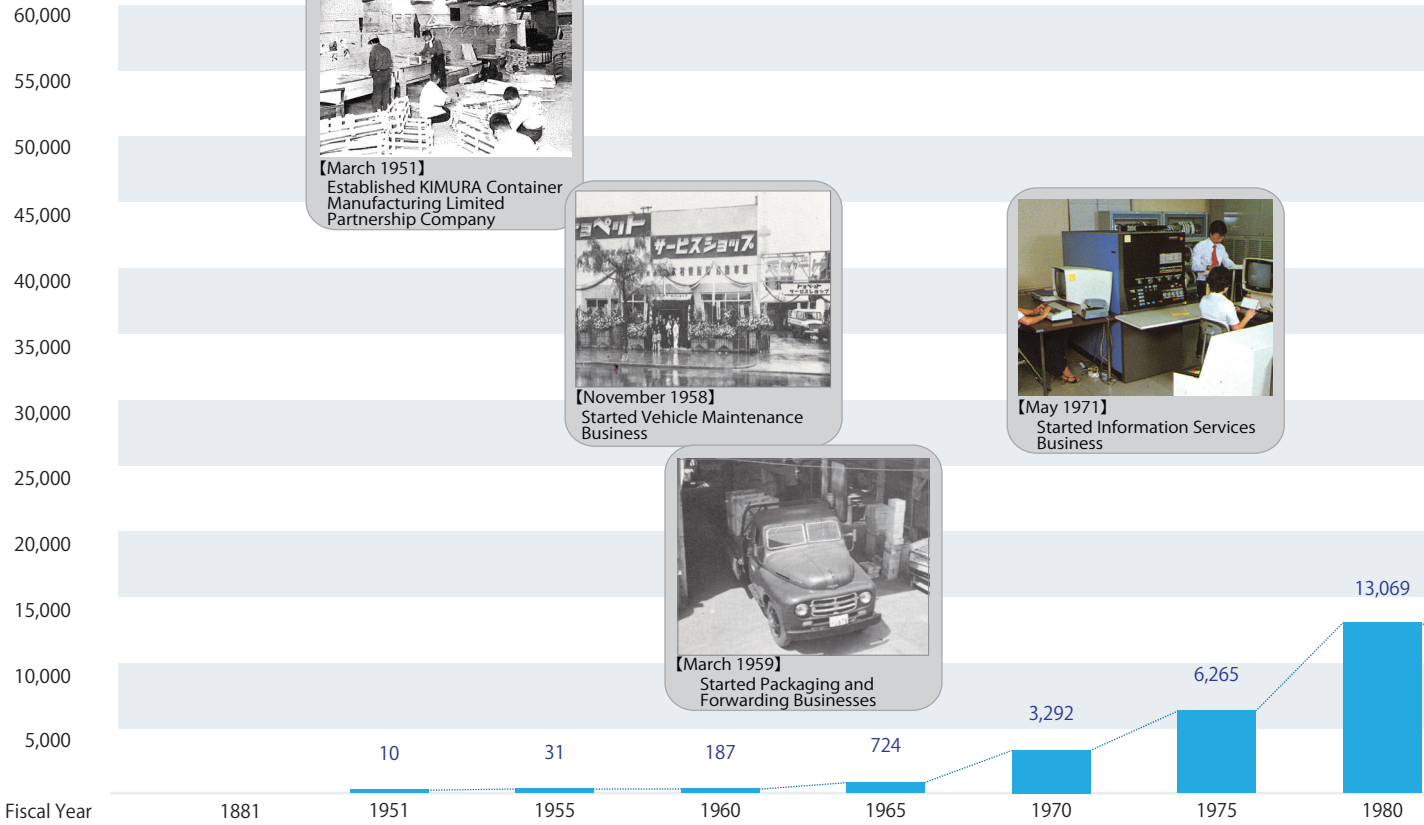
CORPORATE INFORMATION

Trust and Responsibility throughout 140 years of history of challenges

(Colorology of Key Events and Milestones in KIMURA UNITY GROUP HISTORY with its Trends in Sales)

KIMURA UNITY GROUP has grown and expanded its business fields from container equipment and products to packaging, forwarding, vehicle maintenance, insurance, vehicle leasing, and information services.

Unit: Millions of Yen



1881
Founded
Container
Manufacturing
Business in
Naka-ku, Nagoya

1951
Established KIMURA
Container
Manufacturing
Limited Partnership
Company

1969
Separated into 8
group companies

1973
Established
KIMURA UNITY
CO., LTD.

LS
Logistics Services
物流サービス

1881
Started Agricultural
Equipment Business

1959
Started Packaging and
Forwarding Business

TCS
Total Car Services
自動車サービス

1958
Started Car Maintenance,
Insurance Agent Business

1967
Started Traffic
Disaster
Prevention

1973
Started Car
Leasing
Business

1976
Started Car
Sales Business

IS
Information Services
情報サービス

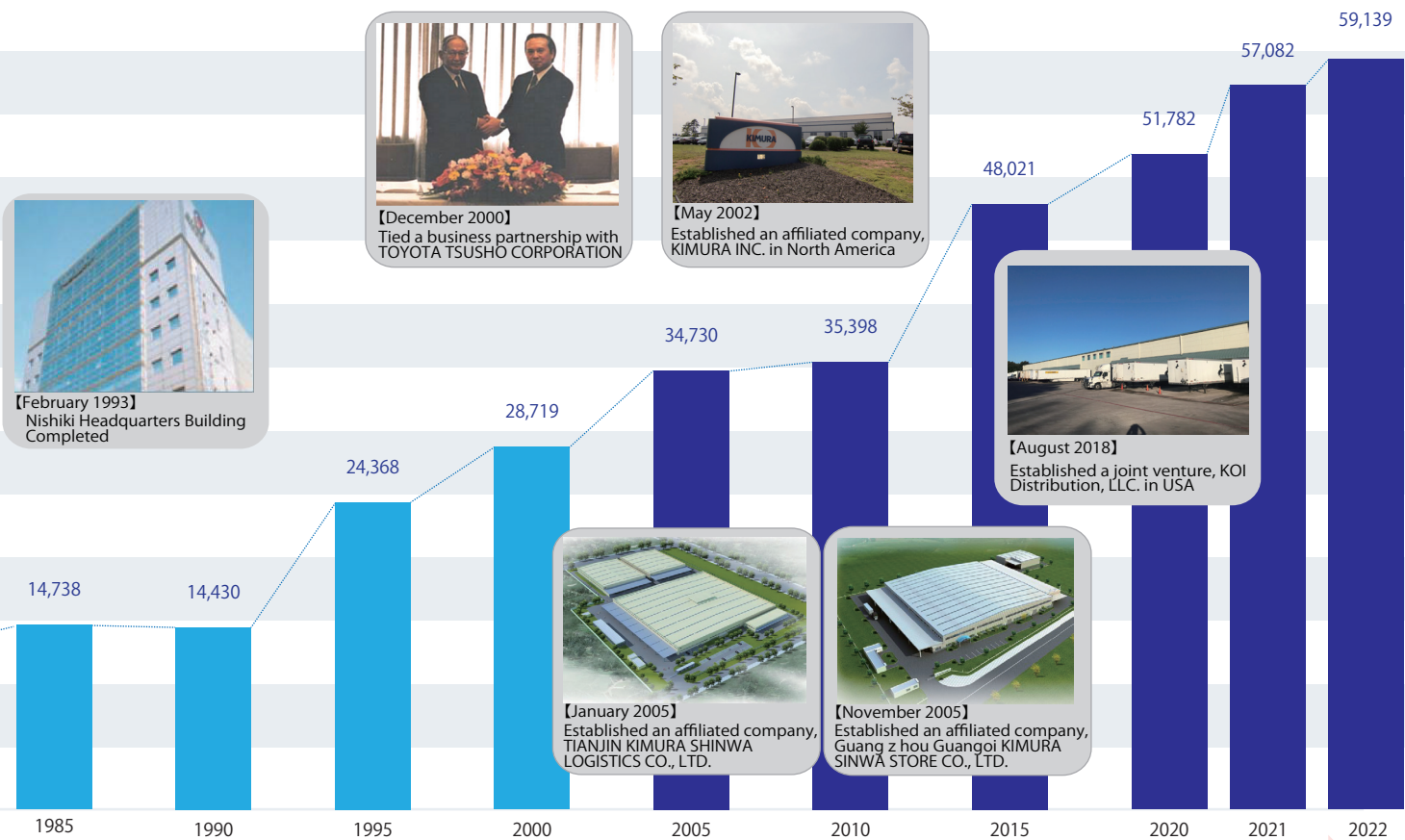
1971
Started
Information
Services Business

1978
Started System
Development for
Overseas
Operation Bases

SS
Staffing Services
人材サービス

We will continue to strive for further growth with the support of our stakeholders.

Non-Consolidated Consolidated



1990 Trade Name changed to KIMURA UNITY CO., LTD.
1991 Consolidated 8 group companies

1995 Listed on the second section of the Nagoya Stock Exchange Market

2000 Tied a business partnership with TOYOTA TSUSHO CORPORATION
2001 Listed on the Second Section of the Tokyo Stock Exchange Market

2006 Listed on the First Section of the Tokyo and that of Nagoya Stock Exchange Markets

2013 Started Electric Power Sales Business
2014 The Nishiki Headquarters acquired a certificate of ISO39001

2016 Change of Representative Directors (Change of President)

2021 Change of Representative Directors (Change of President)

2003 Transferred Transport Business to U-net Trans

2000 Full-scale Start of NLS Business

2001 Established a joint venture company in Brazil

2002 Established a joint venture company in Thailand

Established an affiliated company in North America

2003 The Toyota Plant acquired a certificate of ISO14001

2004 Established a joint-venture company in Mexico

2005 Established two affiliated companies in China

2013 Started logistics business at KIMURA INC.

Separated the transport division from the joint venture company in Thai and established a new joint venture company in Thailand

2018 Established a joint venture company in USA

1994 Started Parking Lot business

1997 Started sales business of Auto Supplies

2003 Made KIMURA Leasing CO., Ltd. a fully owned subsidiary

2006 Merged with a subsidiary company, Kimura Leasing Service Co., Ltd.

2013 Made Super-Jumbo Co., Ltd. a subsidiary company

1997 Logistics Planning Department of the Information Services Division acquired a certificate of ISO9001

2002 Started Maintenance Services

2005 Maintenance Management Department acquired a certificate of ISO9001
The Kariya Business Center acquired a certificate ISO14001

2014 The Information Department acquired a certificate of ISO27001

2002 Established a subsidiary company and started staffing

2016 Opened Kansai and Kanto business offices

THE PURPOSE OF KIMURA UNITY GROUP

Kimura Unity Group has reexamined the strengths of our group to identify values to provide for society, and has established our group purpose.

Purpose

KIMURA UNITY GROUP realizes society enriched in Dream, Comfort and Security by respecting humanity and solving social issues by the values created through people to people linkage.

Management Philosophy

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

Competitive Advantage of KIMURA UNITY

1. **Faith in Responsibility and Trust** backed by 140-year History of Progress
2. A bond of mutual trust between labor and management, a **strong sense of unity** that grows together with employees (Build rapport and develop great relationships with team members)
3. **Continuity** to face challenges sincerely and honestly
4. Capable of handling problem-solving for **improvement and optimization**, providing creative suggestions by diverse human resources

SOCIAL ISSUES FACING KIMURA UNITY

- Recruitment difficulties due to the decreased working population caused by declining birthrates and aging population
- Advancement of DX that contributes to work style reform and productivity improvement
- Rise in labor costs due to amendments to the Temporary Staffing Act and rising minimum wages
- The rapid development of e-commerce logistics due to the spread of corona and the resulting large fluctuations in the amount of incoming and outgoing shipments
- Initiatives toward SDGs such as carbon neutrality and improvement of expected value for social contribution
- Creation of new business opportunities through the development of CASE/MaaS
- Increased business opportunities due to the spread and expansion of eco-friendly vehicles such as EVs/FCVs, and expansion of business areas that require expertise such as aiming due to the spread of safety devices
- Shift from system of self-sufficiency to external transfer due to the spread of cloud systems

Kimura Unity Group's Strengths and Purpose — Raison D'être

Since its founding, we have consistently placed importance on “people” and “people-to-people relationships,” and we have made every effort to move forward with a strong desire to “do something about problems” and to “be of help” to all stakeholders, including customers, team members (all employees), business partners, shareholders, and local communities. We have been doing our utmost to help all of our stakeholders. This corporate culture will never change, and we aim to make people throughout the world happy.

Our strengths are “responsibility and trust backed by our 140-year history,” “a sense of unity that grows together with employees based on bonds of mutual trust between labor and management,” “the ability to continue to sincerely address issues,” and “the ability to optimize improvements and proposals to solve problems through a diverse workforce.” These strengths, accumulated by our forerunners, and our management philosophy of “It takes buyer’s view to make sales” born from our strong desire to be of service to our customers, have led to our reputation as an “indispensable company” and “a company we are happy to entrust” among our customers. We have established Kimura Unity's Purpose based on our management philosophy, the strengths we have cultivated. We have also considered the social issues we faced and solved to clarify what value we can provide to society through series of management discussions. We are fully resolved to achieve sustainable growth as a group with this Kimura Unity Group Purpose at the core of our management.



EPISODE : “IT TAKES A BUYER’S VIEW TO MAKE SALES”

[Excerpt from a story “Today makes Tomorrow” ---KIMURA UNITY CENNTENIAL HISTORY OF PROGRESS]

We exist for the benefit of customers is the corporate DNA handed down through generations since its foundation of KIMURA UNITY.

“Being of help with the view of customers” has always been our mindset throughout our history, we will continue to be of service with this basic attitude of “It takes a buy’s view to make sales.”

This happened long ago when some transport company was working on packaging “on-vehicle tools for a car” in the auto parts warehouse on the premises of a major auto sales company.

Those packaged sets were loaded on tracks for shipping to a car assembly plant in the Kanto District of the car sales company. It took approximately 5 to 7 days to complete the whole process of all those logistic operations in those days. Then-President of ours was spoken to and asked by manager of the auto sales company if he was interested in doing the job by any chance. He took it as a great and challenging opportunity to be of help to customers. In no time without hesitation, President decided to live up to the expectation of the customer.

We completed the packaging operation of on-vehicle tools by four-thirty P.M. after receiving those parts for packaging at 1 P.M. on the same day. Following that, we immediately loaded all the sets packaged on tracks, and shipped for the assembly plant in Kanto District. The trucks ran all through the night for the destination by way of TOKAI-DO, an arterial road, and arrived at the main entrance of the assembly plant before 9 o'clock A.M. the next morning, and waited for the opening of the gate.

Upon completing the delivery of all sets of on-vehicle parts without fail, our members cleaned up the worksite with the cleaning tools and equipment they took with them.

After confirming the cleanliness of the work-site, they came back with the feeling achievement and satisfaction. It was not the speed of operation which was rated, but the sincere attitude of our team members responding to the needs of the customer in the most natural manners with fresh sensitivity and active intelligence.

Highly efficient and impeccable performance meeting the needs of customer gained the confidence of the Auto Sales Company, which brought us many future orders as a designated contractor for the Auto Sales Company.



IDENTIFYING MATERIALITY ISSUES

The Group have come to strongly recognizes the necessity of working on the SDGs since the beginning of our CSR promotion, which encouraged us to declare the statement, which reads “We will contribute to the sustainable development of society and the earth through CSR activities based on the perspective of the Sustainable Development Goals (SDGs).”

In FY 2018, we identified materiality issues yet to be clarified for a better implementation of our initiatives. This time, we evaluated the appropriateness of the materiality process, results and issues of materiality. We had a series of discussions and considerations to review our activities at the Sustainable Committee, which was founded in October 2021.

Six items of materiality described here are based on discussions on what social issues we are confronted with what value we can provide from our strengths and resources for the solution. Setting 169 achievement targets of SDGs, based on CSR and ESG guidelines (GRI standards, ISO 26000, etc.), as well as Toyota Environmental Challenge 2050, etc., we have identified “Six Materiality Issues” that should be prioritized to address for the betterment of society and stakeholders.

PROCESS FOR IDENTIFYING MATERIALITY



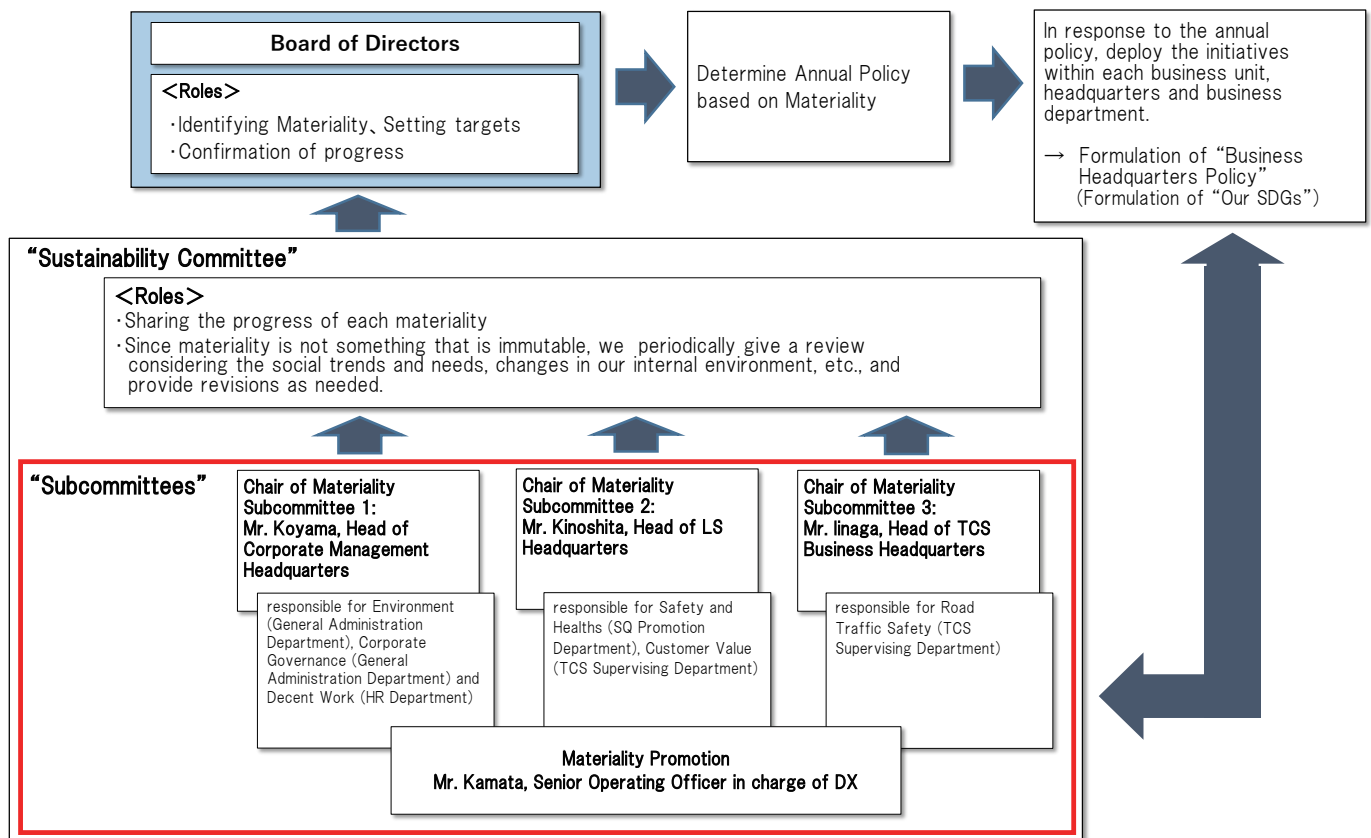
MATERIALITY (Key Sustainable Issues) OF KIMURA UNITY GROUP

[Raison D'être (Purpose)]

KIMURA UNITY GROUP realize society enriched in Dream, Comfort and Security by respecting humanity and solving social issues by the values created through people-to-people linkage.



Materiality Management Cycle



Challenges for Materiality

Customer Value



“To help materialize our customer’s success ensures our stable growth”

Upholding our principles of “Contribution to the Success of Customers,” all Kimura Unity Group Companies leverage our expertise and know-how which have been fostered by “Digital Technology + On-site Capability (skills acquired and developed at worksites to work on improvements with self-motivated actions.” In this way, we resolve issues for customers and achieve our corporate growth.



Takeshi Kinoshita Executive Vice President, Head of LS Business Headquarters

In order to achieve management goals, we continue to promote “One Team Management with the participation of all employees,” while creating friendly corporate culture where people are considerate of other members. We are always prepared to be of help to our customers, offering supports and solutions for the materialization of success.

Major KPI

Quantitative Aspect	<p>(Acquire New (Progressive) Opportunities)</p> <p>By solving customer problems,</p> <ul style="list-style-type: none"> • Total Amount of Sales of the Group ⇒ Compared to the Medium Term Plan in FY 2023 Sales Amount (FY2030) : 120% or more • Operating Profit Ratio ⇒ Operating Profit Ratio (FY2030) : 8% or more (Improved productivity by expanding strategies, etc.)
Qualitative Aspect	<ul style="list-style-type: none"> • Realization of R&D and value provision utilizing Automation, Robotization, AI, etc. • Realization of new service development and provision of the value through the deployment of CASE/MaaS for the next-generation in the mobility society.

Logistics Services Business

The environment surrounding the logistics industry has become increasingly severe in the face of chronic labor shortages, including a shortage of truck drivers due to the 2024 problem that will cause major damage to the transportation industry, CO₂ reduction from an environmental perspective, and cost increases due to soaring raw material and labor costs.

The automobile industry, which is the main customer of our logistics services business, is also undergoing major changes in the environment, such as the accelerated production of electric vehicles (EVs).

In light of these changes in the business environment, the Group aims to improve the efficiency of logistics operations in warehouses based on “logistics services + IT,” as well as overall optimization involving transportation and delivery, which is the pre- and post-process (to reduce the burden on drivers and CO₂ reduction, etc.). We will improve added value for customers, securing the business performance through further sales expansion. In the logistics services business, “people” are one of the most important management resources and it is the key factor to the business continuity and development. Creating a safe and pleasant working environment for employees is essential to ensure the high retention rate. All of us as one team will continue to grow and respond to customers' issues and concerns from the customer's perspective.

In addition, our worksite experts on Logistic Service and sales staff will work together to develop various improvement proposals so as to meet the expectation of customers with our strength, that is operational expertise and wisdom cultivated based on the Toyota Production System. Furthermore, we will further strengthen collaboration with the information services business and human resources services business, as part of our effort to promote sales expansion activities in each area.

For the future to come, we will continue to promote sustainability initiatives, as well as advance various R&D and DX deployments, in order to become a group that is chosen by both customers and employees.

Total Car Services Business

We contribute to the realization of “Dreams, Comfort and Security in the car-oriented lifestyle” by creating new value by combining digital technology and services, while providing trinity (service, sales, and assistant) centered on our own maintenance shop.

We provide a car management service that utilizes the system “KIBACO” (Our unique vehicle management service) to manage “people, organizations, and vehicles,” mainly for corporate customers who use vehicles nationwide. For the sake of corporate customers and private customers located in and around the area of our servicing workshop, we provide values that materialize safety and comfort as well as cost reduction through services including leasing, Insurance and others to efficiently cope with problems of customers. We are always ready to be of help to meet the needs of customers. In addition, in a world where vehicles are changing from vehicle ownership to usership, we will promote DX for “KIBACO” and strengthen our response to “EV vehicles and next-generation vehicles” to respond to more sophisticated needs.

We will contribute to address the realization of a new mobility society through MaaS and other technologies.

Information Services Business

By strengthening collaborated challenges with the logistics service business and promoting logistics DX (Deepening of IT + logistics operations), we will promote the creation of “higher quality, higher productivity, and more rewarding logistics worksites for operators.”

With Kimura's system development capabilities cultivated through over more than half a century history, we will support our customers' transformation by expanding to new customers while participating in new system development for existing customers.

Acquisition of Patent Rights with respect to “Warehousing/Shipping Work Time Management System”



--Realization of operation that achieves both minimum personnel and guaranteed shipping delivery date--

In March, 2023, we obtained a patent for a system that realizes optimal time management for warehousing and shipping/receiving operations at logistics sites.

■ Summary of Patent

Patent Number : 7239652

Title of Invention : Shipping Management Device

Date of Patent Right Acquisition : March 6, 2023

Development Background

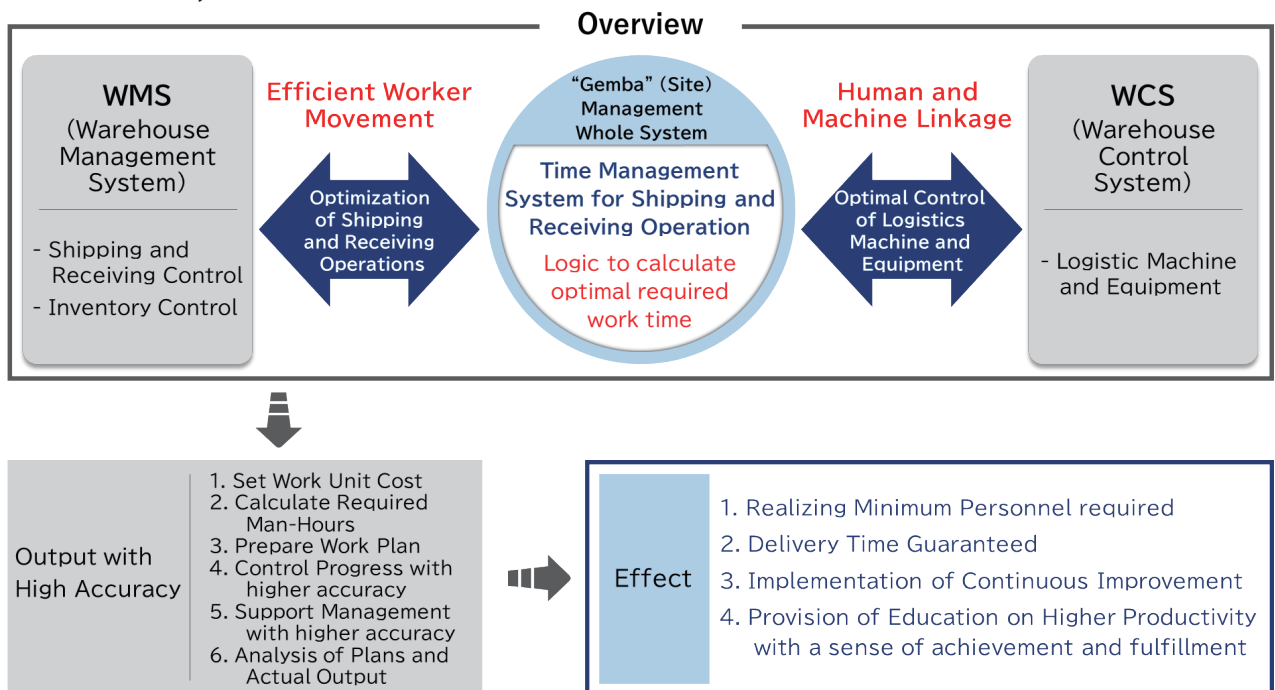
At logistics sites, work plans are primarily made based on past results, but it is extremely difficult to carry out work as planned as the work volume as well as and the type of work changes daily. For this reason, we deploy a larger number of personnel on-site than needed to ensure delivery times, but this used to cause increase of logistics costs, which use to be a long-standing issue in personnel management and delivery date control of logistics sites.

System Overview

In response to these issues, we developed this system based on the concept of realizing an operation that balances minimum personnel that guarantees the time of delivery.

This newly developed system makes it possible to calculate optimal required time with its logic. This can be likened with the existing system used by customers. In case where volume of work and type of work change on a daily bases, the operation is possible due to the streamlining the movement of personnel and by the appropriate control of equipment. Under these conditions, this system makes it possible to arrange the most suitable personnel assignment to guarantee the time of delivery and to create a work schedule with higher accuracy than ever before.

In addition, by managing the progress in real time based on this highly accurate work plan, it has become possible to have the required man-hours visible and to always operate with the minimum number of personnel while guaranteeing the time of delivery.



Future Deployment

The system developed this time was produced from our accumulated experience and know-how that we have been involved in the logistics industry for an extended period of time. Even in the current situation where there is a shortage of personnel, we can use our on-site wisdom and capabilities through this system to provide high-quality services fit for our customers' needs. We address to strengthen the promotion of our DX strategy, while making full use of our strengths in “logistics operations + IT” to further serve our customers on a deep and profound level.

Meeting Customer Needs

Efforts for Disaster Mitigation through Public-Private Co-Creation



We are considering the possibility of utilizing the co-creation service called “Gyaku-Propo, or Reverse Proposal,” in which companies present social issues of interest and local governments propose plans and ideas for solving them, to apply the knowhow we have accumulated over many years in the logistics industry regarding appropriate personnel allocation to environmental improvement for disaster mitigation, such as guiding residents to evacuation sites in the event of a major disaster. We are currently cooperating in an experimental test to build a contingency simulation system (disaster drills, etc.) that incorporates the opinions of local governments as part of efforts to co-create between the public and private sectors.



Screen image currently under development

This initiative is a disaster mitigation effort that utilizes our self-developed personnel deployment Management System [Smart Casting Board] to optimize the management of supplies and logistics, and to visualize the evacuees at evacuation centers in the event of a disaster, as well as the consideration given to each location by rescue workers and others.

We are committed to protecting the lives and prosperity of local residents from large-scale disasters and contributing to the maintenance and development of a sustainable society.

★Link to Disaster Reduction Project : <https://gyaku-propo.com/project/project008>

※What is “Gyaku-Propo” ?

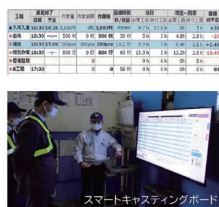
“Gyaku-Propo” is a public-private “co-creation” type platform provided by SOCIAL-X, Inc.

This is an innovative system for solving social issues, in which companies propose social issues they are interested in, and local governments provide plans and ideas for solving them, reversing the conventional system in which the idea-giver and the idea-selector are on opposite sides.

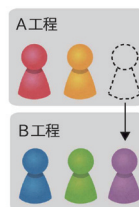
Smart Casting Board (Appropriate Personnel Deployment Management System)

Visualization of Man-Hours Makes It Easier to Work

Simplify personnel management, which has become increasingly complex due to recent changes in work styles. And make also more effective use of the skills of team members. This system makes it possible to assign tasks that match the skills of each worker, contributing to the realization of a rewarding workplace and the creation of new jobs.



The number of man-hours required for each process can be checked at a glance on the Smart Casting Board, and the creation of a human resource support plan is possible with a single mouse click. It is also easy to transfer people between processes.



Not only can the number of man-hours per process be checked, but also reflected on the Smart Casting Board through a health check taken each morning when the workers arrive at work. This allows supervisors to immediately see the health status of their members.

Initiatives to promote contributions to communities, companies, and workers through Website Platform “MINNA NO BA, (or the Squire for ALL)”



As part of our community engagement, we promote our initiatives to disseminate information via website in areas where the KUC Group Companies are located. Utilizing the website service “MINNA NO BA” provided by CUUSOO Co., Ltd, we have enhanced our services for the benefit of companies and private individuals.

For issues such as “Improvement of Work Environment and Recruitment,” we address creating “Working Ease Communities and Environment.” Since it is not an easy case where the solution is to come by one single company, we work on together with people and companies in communities under the key word of “Safety.”

- ①. Contribute to the local community by matching between situation wanted people living in the community with help-wanted companies that are conducting business activities in the same community and promoting employment.
- ②. Contributing to creating local communities and workplaces with good a working environment.
- ③. Promote business matching by communicating the appeal of a company's products, services, events, etc.

Our group will continue to promote contributions to local communities including companies and workers, providing a positive addition to building relationships with both customers and employees for their satisfaction.

Challenges for Materiality

Road Traffic Safety



“Achieve a Society with No Traffic Accident”

Contribute to creating a sustainable mobility society where there is no traffic casualty. Utilizing our advanced car management system based on know-how we acquired through a series of traffic accident prevention measures for over half a century, the Group will strive to provide excellent customer services that will change human and corporate behaviors so as to achieve a motorized society free of traffic accidents.



Koichi Inaga Managing Director, Head of TCS Business Headquarters

With the slogan “Providing Dreams, Comfort and Security for the car-oriented lifestyle,” our Group initiated providing traffic safety and disaster prevention services in 1967 with a business organization specializing in reducing traffic accidents. Since then, we have been vigorously engaged in the initiatives to contribute to a safe and secure automobile society for our customers and local communities.

Now that the automobile society has entered a period of drastic shift of mobility trends “from Ownership to Usership,” we began to provide “KIBACO,” a unique cloud-based vehicle management system that manages “vehicles, people, and behavior” for the sake of customers. “KIBACO” offers new high-quality services that achieve “safety and security” at “appropriate vehicle costs.” “KIBACO” also includes a “one-point advice service with traffic accident prevention videos” and “a system that provides excellent discount rates of automobile insurance for users who have achieved specific targets for accident reduction.” We will continue to work on together with customers to eliminate accidents. In addition, we launched the “Respect the Law 38” project in 2021 to disseminate “Pedestrian Priority” in accordance with Article 38 of the Road Traffic Act in local communities. We also started the “100 Days Accident-Free Campaign” in 2012 to challenge with customers to achieve 100 days without accidents. This challenge initiated with the cooperation of the police authority and industry organizations; we will further address the realization of a motorized society with No Traffic Accidents.

Major KPI

Quantitative Aspect	<p>(Realizing a “safe and secure” motorized society through the use of “KIBACO”)</p> <ul style="list-style-type: none"> •Reduction of fatal accidents and serious injury <p>For the change of human and organizational behavior</p> <p>Number of vehicles managed by “KIBACO” (FY 2022 Results: 38,410 units) ⇒ Number of vehicles managed by “KIBACO” (FY 2030) : 70,000 units</p>
Qualitative Aspect	<ul style="list-style-type: none"> •Enhanced Efforts for Zero Traffic Accident to “Achieve a Society with No Traffic Accident” <ul style="list-style-type: none"> - “Respect the Law 38” (Road Traffic Law Article 38 Pedestrian Priority), Promotion of Public Awareness Activities - Promoting “the 100-Day No-Accident Campaign” - Provision of unique traffic accident prevention activities through the “Traffic Disaster Prevention Service (DSS)”

Providing Service Fit for Customers

As a member of the automobile society, in 1967 when after-sales service for automobiles was still insufficient, the Group established a specialized organization for traffic accident prevention (now called Driver's Safety Service (DSS)). We have been engaged in safety activities aimed at eradicating accidents. In addition, we have always been close to our customers and solved their problems by operating our own maintenance shops and providing a response and support at the time of accident and also traffic disaster prevention services.

Promoting business development in various positions such as vehicle leasing, vehicle maintenance, and insurance agency, we have developed from both customer and professional perspectives based on the know-how we have cultivated through customer business operations and field operations centered on our own maintenance factories. By providing services, we will continue to develop services focused on "safety and security."

"KIBACO"

Our logistics service business grew from manufacturing wooden boxes, and later on, we began to use wooden boxes for packaging auto parts, which paved the way for the market of auto services. Entering the age of high economic growth age, we grew to be a company that also provides information services in order to respond to the diversification and expansion of the business structure of our customers. The current vehicle management service (CMS) was born by integrating the know-how and strengths acquired through these business needs. And the vehicle management system "KIBACO" will continue to deepen with the aim of creating a flexible system configuration.

With "KIBACO" as a platform, we will continue to contribute to society by providing "safe and secure vehicle management" in addition to "cost reduction," "compliance," and "quality improvement" for the benefit of our customers.

News & Topics FY 2023

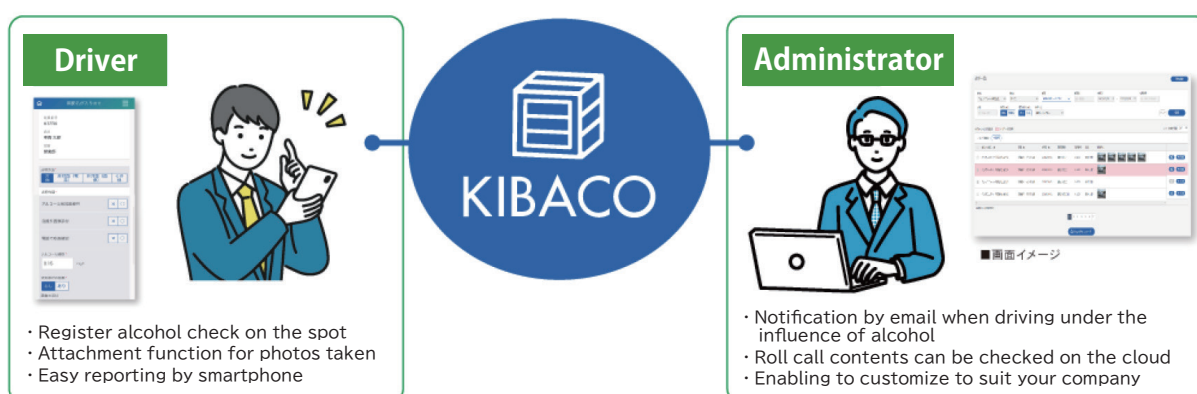
【The Industry's First】--Insured alcohol check option, collaboration with Tokyo Marine & Nichido Co., Ltd.



In consideration of the situation where serious accidents are caused under alcohol influence, we have additionally developed an "alcohol check option." That is an insurance attached to "KIBACO," a corporate vehicle management system that promotes safe driving and supports corporate compliance through cloud services. It has been materialized in collaboration with Tokyo Marine & Nichido Fire Insurance Co., Ltd.

Features of the alcohol check option

1. Enabling to structure business in accordance with regulation revisions
 - Even in the case of a direct trip or return, a photo of the driver's face is sent to the administrator, making it possible to conduct a non-face-to-face roll call.
 - Roll call results are also stored on the cloud for one year in accordance with the revised regulations.
2. Compatible with all breathalyzers
 - Compatible with all breathalyzers on the market.



【 The Industry's First 】 Launch of EV car rental service that gets cheaper the more you drive



We work on the campaign “RESPECT THE LAW 38” (hereinafter referred to as Respect 38) to disseminate the philosophy and practical actions in accordance with Article 38 of the Road Traffic Law to “protect pedestrians crossing at a cross walk.”

In order to further promote this initiative, we have launched the campaign “EV rental car service, the more you drive, it gets the cheaper” for the first time in the industry for the benefit of companies that support “Respect 38.”

Objectives:

- Eliminate traffic accidents at a crosswalk with increased awareness of “Respect 38” activities.
- Contribute to the further spread of EVs with more companies to experience electric vehicles (EV), and actively exposing EVs to society.



Major Initiatives Carried Out

Road Traffic Safety initiatives for Eradicating Accidents

Aiming to materialize Zero Accidents Society



INITIATIVE TO PROMOTE “RESPECT THE LAW 38” : (Short name: Respect 38)

In order to protect people in a footpath across a road, we launch the respect the law 38 project and develop the challenge to promote understanding and permeation of the “3 principles” and “8 action guidelines,” as part of initiative to disseminate the philosophy and practical actions for Article 38 of the Road Traffic Act to Society.

We aim to realize a friendly society without accidents.

< 3 Principles >

- / Give Priority to Pedestrians
- / Communicate that Pedestrians have priority
- / Spread Pedestrian Priority

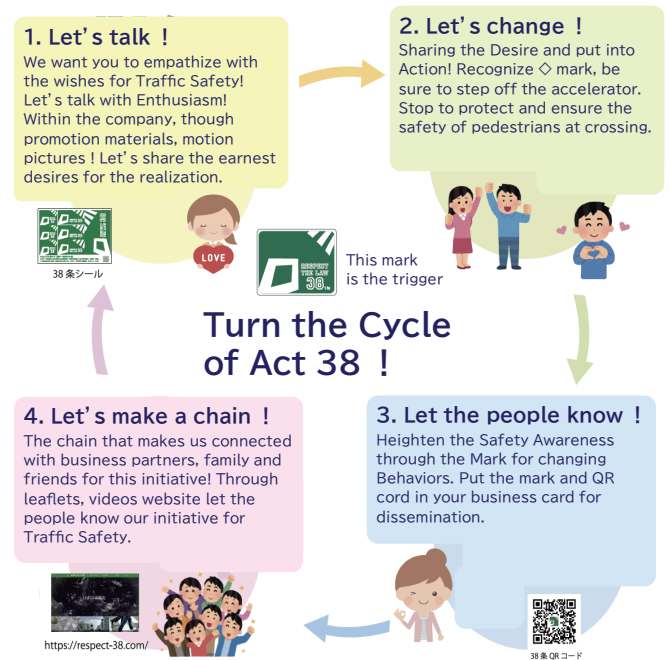
< 8 Action Guidelines >

- / The driver of vehicle shall turn off the accelerator, when seeing the first ◇ mark
- / The driver shall slow down when seeing the second ◇ mark
- / The driver shall stop and give way to a pedestrian when there is a pedestrian in and around the cross walk
- / When the driver of vehicle does not know whether there is a pedestrian or not, he or she shall proceed at the speed at which the vehicle can be stopped
- / When overtaking a vehicle in front of you at a pedestrian crossing, stop the car
- / The driver shall keep the car away from pedestrians
- / Apply the brakes early to avoid being rear-ended by a vehicle behind
- / When starting, thoroughly check the surroundings such as pedestrians

※ Diamond-shaped traffic signs painted on the road, notify that you are approaching to a pedestrian crossing soon.



★ Special site : <https://respect-38.com/>



Safety challenges to eliminate traffic accidents

100-day Zero Accident Campaign

The 100 Days Zero Accident Campaign was launched in fiscal 2012 with the aim of being of help to corporate customers who support us through the initiative to prevent traffic accidents. We aim to achieve zero accidents together with all participants, thereby contributing to the creation of society free of traffic accidents. In FY 2022, we had the 11th campaign during the period from Sept. 2nd to Dec. 10, aiming to achieve zero accidents for 100 days with the participation of companies.

In the campaign, based on the concept of eliminating accidents by changing awareness, behavior, and making the behavior a habit. One-minute danger prediction training was conducted by motion picture as well as online seminars led by expert instructors, and traffic safety goods provided. We also implemented new initiatives such as assessing the level of safety management systems, lending safety equipment, while holding a drawing contest.




The appreciation ceremony held as a closing ceremony every year was canceled this time due to the influence of the "CORVID-19," but we were able to successfully complete the campaign as many customers have achieved 100-day accident-free periods.



DSS (Drivers・Safety・Service)

Our Total Car Services Business provides DSS (Drivers・Safety・Service) that includes contents such as "Safe Driving Education," "Driving Aptitude Diagnosis" and "Road Traffic Accident Recurrence Prevention Education" in the most appropriate manners adjusting to the need of each customer.

Main Curriculum

<p>[Safe Driving Education]</p>  <ul style="list-style-type: none"> • Manager / Supervisor Seminar • General Employee Seminar • New Employees Seminar 	<p>[Driving Aptitude Diagnosis]</p>  <ul style="list-style-type: none"> • Driving Character Diagnosis • CTR Driving Aptitude Inspection (Metropolitan Police Department System) • Visual Recognition Ability Test 	<p>[Accident Recurrence Prevention Seminars]</p>  <ul style="list-style-type: none"> • Counseling for Recurrence of Accidents • Daily Management Advice for Superior • Reinforcement Seminar for Recurrence Prevention
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Safety Message

For more than 40 years, we have been providing the broadcast of "Safety Message" of Aichi Prefectural Police twice in the morning and once in the evening on Tokai Radio Broadcasting. The contents of the safety message that is broadcast are also posted on our website as "Traffic safety news," calling actively for traffic safety.

【 Sponsorship for Radio Message since 1978 ~ 】



Radio Personality : Police Officer, Traffic and General Affairs Division, Aichi Prefectural Police Headquarters



Traffic Safety News (Excerpt from contents in FY2022)

Challenges for Materiality

Environment



“Contributing to Solving Global Environmental Problems”

The Group will commit to such issues as global warming as part of corporate responsibilities with initiatives in the development and provision of eco-friendly logistics materials, car maintenance servicing, etc. towards the objectives of materializing the environmental protection such as the reduction of CO₂ and resource circulation.



Yukihiro Koyama Executive Vice President, Head of Management Headquarters

The Group has established an “Environmental Policy” in order to pass on the global environment in a better condition to the next generation. Establishing a promotion system in accordance with the policy, we are committed to environmental conservation as an active member of society to prevent any incidents that may impede the progress. We will work on environmental conservation such as CO₂ reduction and resource recycling so that our business activities and the services, products and merchandises we provide would not burden the global environment. We will commit ourselves to implement environmental management in which the company, society, and the global environment continue to exist in harmony. We will make environmentally friendly proposals (※1) to our customers.

(※1) Proposal Samples

- Reducing CO₂ by the reduced weight of product (including material weight itself) and reviewing specifications, while cutting down on the number of transportation vehicles by improving transport efficiency.
- Reducing the number of vehicles used by customers and promoting x-EV (environmentally friendly vehicles)

Major KPI

Quantitative Aspect	<p>(Strengthen efforts to reduce in-house CO₂ emissions)</p> <p>Conservation of the global environment through our business activities</p> <ul style="list-style-type: none"> • Reducing CO₂ emissions (FY 2018 results : 3,710 t-CO₂) <p>Compared to FY2018 ⇒ FY 2030 : 50% reduction FY 2050 : 100% reduction</p>
Qualitative Aspect	<ul style="list-style-type: none"> • Converting to recycled materials and eliminating plastics by improving packaging specifications for a recycling-oriented society. • Mobility concept through zero-emission factories, provision of next-generation mobility sharing services, etc. Contribution to (Regional Smart Initiative)

ENVIRONMENTAL POLICY

The KIMURA UNITY GROUP have established an environmental policy and are committed to the preservation of the global environment and to achieving this policy through its business activities.

1. We recognize that our group's business is deeply related to the global environment, and we will work to realize this environment preservation through our business activities.
2. We will comply with environmental laws and regulations and other requirements to which we agree, and strive to prevent environmental pollution.
3. We will accurately assess the environmental impact of our business activities, set environmental objectives and targets, conduct improvement activities, and engage in sustainable environmental improvement.
4. Provide education on the environment and raise awareness of environmental measures.

Climate Change Risk and Response

The Group have established a Sustainability Committee, chaired by the president in order to respond not only to physical risks such as wind and flood damage caused by climate change, but also respond to transitional risks such as various systems and business environments to curb climate change. We control and promote environmental responses through the business activities of each division of our group.

We are promoting carbon initiatives in order to mitigate climate change with the focus on “energy saving” by promoting the switch to equipment with high environmental performance, the use of renewable energy, raising awareness of energy conservation during operation, side by side improving the environmental performance by renovating existing properties. In addition to achieving the goal of keeping the increase in global average temperature to less than 2°C above pre-industrial levels, which was concluded in the Paris Agreement, There is also a demand for achieving net zero greenhouse gas emissions by the end of this century.

Our Group aims to achieve “Zero CO₂ emissions by 2050.” In addition to the various business activities, we have cultivated to date, we are leveraging our ability to develop new methods, products, and services with an eye toward next-generation automobiles. We will push forward in our efforts toward the goals up to the implementation plan. Furthermore, as an interim target for fiscal 2030, we have set a target of reducing CO₂ emissions by 50% compared to fiscal 2018. We will proceed with step-by-steps and for the reduction of CO₂ emission.

Realization of a Recycling-oriented Society

In order to effectively use limited resources and to realize a recycling-oriented society, we are eliminating and/or streamlining packaging materials, using materials with low environmental impact, reducing the amount of product materials used, while decreasing waste through thorough separation.

We are working on the effective use of resources, such as product design that is easy to recycle and reuse.

Compliance with Laws and Regulations related to Chemical Substance Management and the Environment

In order to strengthen the management of chemical substances contained in products, we have established the “Management Procedures for Chemical Substances Contained in Products” that stipulates management procedures for chemical substances contained in products both domestically and overseas.

We are engaged in the implementation of chemical substance to thoroughly ensure that we do not use prohibited substances in accordance with domestic and international prefectural police laws, related industry standards, and customer requirements.

Introduction of Low Carbon Equipment



We invested in replacement renewal of processing machines as a low-carbon facility.

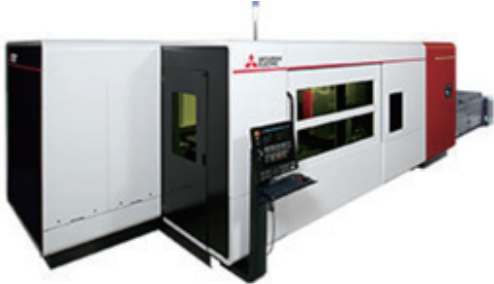

Reasons for the Investment on Equipment

In order to respond to the need for shorter delivery of time and complex processing in small quantity, it has become necessary to have an increased frequency of processing high-tension materials. As Kimura Unity Group publicized the sustainability policy in “the Medium-Term Management Plan 2023,” in March 26, 2023, we have replaced with low carbon laser processing machines in Inazawa Plant, in Inazawa City, Aichi Pref. and also in our overseas subsidiary KIMURA, INC., in USA. By introducing new equipment, we will further improve our production technology and establish a new mass production system to expand sales of the high-quality products that are required. Electricity consumption will be reduced by approximately 20%, while CO₂ emissions will be expected to reduce approximately 9 tons annually. It will mitigate the environmental impact. The machinery introduced this time falls under the category of decarbonized equipment that meets the standards set by the Ministry of the Environment, which is a “low-carbon facility” that has higher energy efficiency than the conventional type, thus providing a positive addition to the reduction of electricity consumption.

The Group will continue to reduce energy consumption and replace with environmentally friendly, low-carbon equipment in order to contribute to a sustainable society.

※High-tension materials mean the steel with higher strength (tensile strength) than general steel materials. As the high strength of the structure, the durability of the product (harder to break) is increased. Since the thickness of the pipe used for each corner of a work piece can be made thinner, there are benefits such as “weight reduction of the product.”

Description of Equipment

	Domestic (Inazawa City)	Overseas Affiliated Company (South Carolina, USA)
Equipment Name	Two-D Fiber Laser Processing Machine 	Two-D Fiber Laser Processing Machine 
Start of Operation	March, 2023	September, 2022
Amount of Total Investment	Approx. 100 million yen	Approx. 90 million yen
Electricity Consumption	Approx. 20% Reduction(Compared to Current Equipment)	Approx. 20% Reduction(Compared to Current Equipment)
CO ₂ Emissions	Approx. 5t Reduction/year(Compared to Current Equipment)	Approx. 4t Reduction/year(Compared to Current Equipment)

Major Effects of Introducing Alternative Equipment

[Productivity] Capable of processing at higher speeds than current equipment (Domestic Equipment – approx. 5 times faster, overseas Equipment – approx. 7 times faster)

- Shorter Production Lead Time
- Improved Production Efficiency by Just-In-Time Production System and One-Piece-At-A-Time Production System

[Cost] Cost efficiency enabling to process thick materials and 100% in-house production, which gives a new perspective on in-house production and outsourcing processing costs are reduced to zero.

- Due to the introduction of new equipment, in-house production of parts has been made possible.
- Widen a scope of processing capability (e.g. Thick Sheet Metal etc.), in-house production

[Environment] Reduction of Electricity Consumption

Reduced consumption of electricity in both domestic and overseas production bases by 20%, the annual reduction of CO₂ emission (by 5t in domestic and by 4t overseas respectively)

BUSINESS ACTIVITIES FRIENDLY TO THE ENVIRONMENT

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, 2024	JUSE-EG-117
Kariya Sales Office	September 29, 2005	September, 28 2023	JUSE-EG-244

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 1 : Reviewed Packaging Materials (Change of Packaging Specifications and Materials)

【Before Kaizen】
Packaging operation was made for each item individually using air caps, and placed horizontally.



【Kaizen Suggestion】
Reduction of plastic waste by changing packaging specifications to use cardboard dividers and pads.

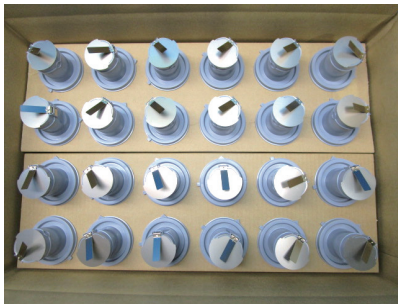


Improvement Example 2 : Reviewed Packaging Materials (Change of Packaging Specifications and Materials)

【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.



Improvement effect

- Reduced Interior Packaging Cost
- Reduction of environmental impact during on-site packing and packaging material disposal. (Reduced Waste Disposals)

BUSINESS ACTIVITIES FRIENDLY TO THE ENVIRONMENT

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

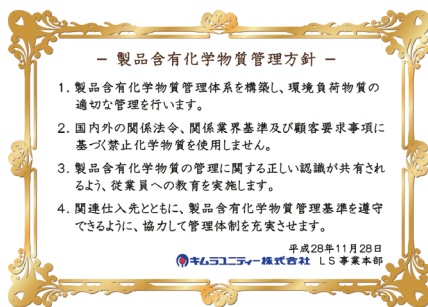
Nagoya Kita Business Office

Chemical Substance Management

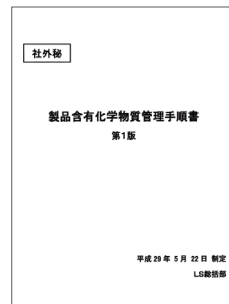


The paints and thinners used in the painting operations for containers and fixtures as well as auto servicing and mobile maintenance work contain substances subject to notification by PRTR Law (Pollutant Release and Transfer Register Law). We monitor and measure the volume and quantity of emissions from our facilities into the atmosphere, etc., which is to be report to the government.

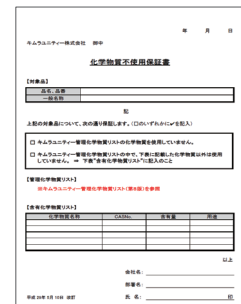
In FY2017, we established the “Product Chemical Substance Management Procedures,” which stipulates management procedures for chemical substances contained in products in Japan and overseas, to strengthen chemical substance management at our company and related management partner companies, and to ensure “non-use of prohibited substances in accordance with relevant laws and regulations in Japan and overseas, complied with industry standards, and customer requirements.”



Guidelines for Management of Chemical Substances Contained in Products



Management Procedure



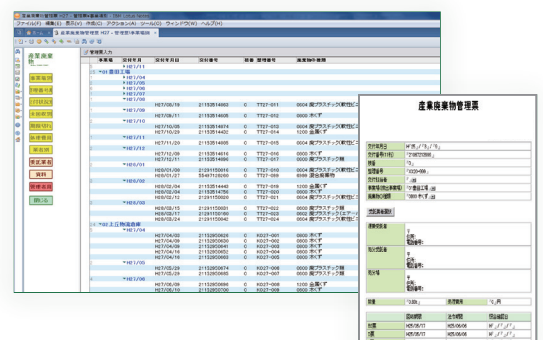
Certificate of Non-Use of Prohibited Substances

Waste Reduction / Reinforcement of Managing Fuction



As activities for reducing waste, we promote thorough separation of waste, reuse of carried-in wooden pallets, and recycle of scrap metals and waste plastic etc.

Also, in order to reduce the risk regarding industrial waste, we reinforce our managing function of waste materials by monitoring industrial waste operator’s operation as well as computerizing management by creating database of industrial waste management form (Manifest).



Industrial Waste Data Control Screen and Manifest Input Screen

BUSINESS ACTIVITIES FRIENDLY TO THE ENVIRONMENT

Environmental Conservation Initiatives

We pursue environmental initiatives to reduce energy consumption required of business activities to minimize the adverse effect on global warming.

【 Energy Consumption in FY2022 in accordance with Energy Saving Act 】

Electricity 5,919,791 kwh Gas 230 t (in LPG Gas Unit) Gasoline/ Light Oil/ Kerosene 11,307 ℓ

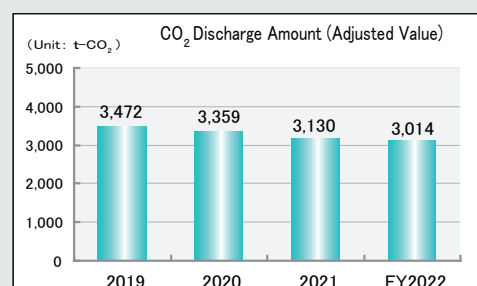
CO₂ Emission



3,014 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.

◇ In regard to CO₂ Emission coefficient, we apply the publicized value adjusted in accordance with “Act on Promotion of Global Warming Countermeasures.”

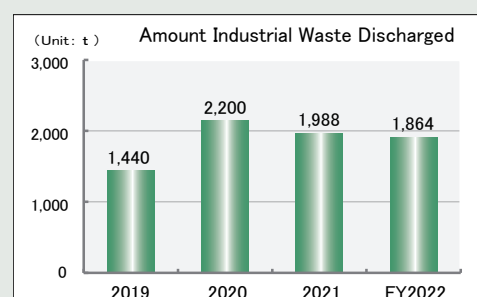


Output of Industrial Waste



1,864 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, etc.” (a person who establishes a factory or office or other business establishment) as defined by the Act on the Rational Use of Energy is a target business field. However, “Transportation” is not applicable.

◇ As stipulated by the Act on the Rational Use of Energy, energy (electricity, heat, and fuel) used by the entire business (head office, plants, branches, sales offices, stores, etc.) is subject to management, and energy (※1) used outside our offices, such as sales vehicles, is not included above. (※1) is not included because it is not within the scope of the report. However, energy used outside of our offices is strictly controlled and we are striving to reduce the consumption.

“Energy used outside our offices” shown in (※1) above Gasoline, diesel fuel 309,022 ℓ

Challenges for Materiality

Decent Work (Job Satisfaction)



“For Everyone to Shine”

The Group will strive to create a rewarding work environment where all people grow and make a challenge, sharing the management principles, while promoting “Total Participation with All People as One Team.”

Yukihiro Koyama Executive Vice President, Head of Management Headquarters

Towards the material issue of “making every human resource into a brilliant human resource,” the Group will create an environment in which all people who share the management philosophy, “The Company exists for the customers and prospers together alongside our employees” and work together can grow and take on challenges by promoting “One-Team management by Total Participation.” In addition, as part of our efforts to promote “Diversity and Inclusion,” we have established a policy of “Respect for human rights” based on Clause 3 of the Kimura Unity Group Corporate Ethics Code, “Respect the personality and individuality of employees, and realize a work environment full of autonomy and creativity.” At the same time as promoting the creation of a workplace culture in which employees are encouraged, we will promote the acceptance of diverse human resources, including the active participation of women, and the creation of an environment in which they can thrive.

Major KPI

Quantitative Aspect	<p>(Promotion of Diverse Human Resources)</p> <ul style="list-style-type: none"> • We will create an environment and corporate culture where all employees can work worthwhile every day with a sense of purpose. <ul style="list-style-type: none"> ※ “Work Satisfaction Index” based on survey results by self-declaration Index out of 5 points (Survey Target): Full-time employees FY 2022 results 3.5 points ⇔ FY 2030 results 4.5 points or more
Qualitative Aspect	<ul style="list-style-type: none"> • Develop the system to enhance and strengthen where the voices of people are widely listened for the improvement in regard to human rights and job satisfaction that leads to the creation of the most worthwhile workplace.

Work Satisfaction

Our group's greatest asset is our people, and we are committed to providing reliable services through the power of people who can listen to our customers' concerns sincerely, and provide reliable services with a strong desire to solve and help our customers, building up relationships of trust with our customers.

As a corporate group that value “people,” our greatest asset, we aim to help all employees who work with us to realize fulfilling lives that are rewarding, and create new value to our company. This is the way to nurture people based on our management philosophy, creating true competitiveness for our survival. To this end, we aim to foster an organizational culture based on our management philosophy and further strengthen our management foundation, with the goal of “making any human resources shine through a worthwhile job” as one of our sustainability goals.

In this day and age where the future is so uncertain with no role models, we need to leverage our strengths to the fullest extent for the promotion of organizational power to be even stronger so as to continue to advance value creation efforts for the benefit of our customers and society. To this end, we will work to create a rewarding work environment, side by side working to “strengthen recruitment and retention.”

We need to “train and educate human resources centered on leaders,” “further strengthening on-site capabilities.” We also need to pursue the sense of satisfaction and contribution of all employees with non-regular employees included. While also working to improve the satisfaction of customers. Thereby pursuing the excellence with all team members as ONE Team to respond to customer problems.

Advancing Diversity and an Inclusive Society

Our group promote the cultivation of a corporate organization and enhancement of systems that enable continued growth by leveraging the diversity of each employee's individuality, regardless of nationality, gender, age, handicap, experience, background, life stage, etc. As a concrete initiative, we focus on creating a system in which women can play an active role, “providing opportunities for female workers in their professional lives” and “creating an employment environment, which will be conducive to balancing work and family life.”

We have formulated an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace (in accordance with Act on the Promotion of Women's Active Engagement in Professional Life) , and are working towards its realization. In addition, when promoting core human resources such as managers, we evaluate the abilities and achievements of individuals fairly and equitably to promote them regardless of whether they are women or mid-career employees. We are also working to create an environment where personnel with diverse backgrounds, such as local employees, can play an active role in executives at overseas subsidiaries.

Promoting “Respect for Diversity,” we will continue to create an open workplace where frank and candid discussions are made accepting diverse values. We will actively work on diversity management so that each employee can enthusiastically take on challenges and lead a fulfilling life.

Creating a system where each employee views management issues as their own and can take on challenges

We will continue to create an organizational culture that honors people who take on the challenge of tackling difficult issues as their own, and keep on the challenges even when they should fail. We will keep up to enhance the system that encourages unending efforts. Globalization, innovation, DX, etc. are all important management issues for our company. If we leave these big words unaddressed, we will never find a solution.

It is only when each member takes each issue as his or her own, people can put it into action, taking on challenges by pulling far-reaching issues into familiar themes. By continuing to support such unflagging efforts of each and every member, we aim to become a company where all employees feel excited and continue to advance towards the realization of a dream corporation.

Strengthen Promotion of DX (Digital Transformation)

We are strongly accelerating to promote DX toward “normal evolution” as stated in our company policy. We place particular emphasis on X (transformation). That is to say, changing the way to think and work, and will actively use D (digital) as a means to an end. In this initiative, each division works closely with the information services business at its core, and strongly promotes X to accurately grasp customer needs. The aim is nurture “Gemba personnel versed in systems” and/or “Gemba personnel versed in systems to produce outputs,” which will strengthen the strategies of each business.

Concept on Human Resource Development

Considering the enhancement of human capital to be one of the important issues for our management foundation, we focus on developing human resources to support our corporate growth strategy. We provide a variety of growth opportunities for each and every employee to grow to be core human resource and professional who can play an active role globally.

The Company also conducts a variety of education and training programs including leadership training and self-participation-type seminars. In addition, a self-development supplementary learning system is available.

All those programs are designed for everyone to share a sense of accomplishment at each level of acquisition, which encourages people to challenge for yet another big step forward.

INITIATIVES TO PROMOTE DIVERSITY & INCLUSION

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

Promoting Female Employees Participation in TheHE 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

Employment of the Disabled



Fiscal Year	2018	2019	2020	2021	2022
Legal Employment Rate for the disabled	2.00%	1.89%	1.94%	2.12%	2.00%

Due to business expansion, etc., the number of employees fluctuates greatly during the period, and the average employment rate for people with disabilities has been sluggish. We continue to work on active employment by strengthening regular recruitment while increasing the number of model workplaces that have improved the environment.

Continued Employment System (Work System After 60 Years of Age)



Fiscal Year	2018	2019	2020	2021	2022
Number of rehired employees	31	32	21	30	22

In line with the enforcement of the Act on Stabilization of Employment of Elderly Persons, we will continue to actively promote the re-employment of elderly employees and provide opportunities for them to play an active role.

Child Care and Family Care Leave and Flexible Work System



Fiscal Year	2018		2019		2020		2021		2022	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Number of people taking childcare leave	0	16	0	7	3	19	3	9	10	11
Number of employees who used reduced working hours for childcare	0	9	0	10	0	9	0	10	0	12
Nursing care leave users	0	1	1	4	1	0	1	3	0	1
Number of people using reduced working hours for nursing care	0	0	0	0	0	0	0	0	0	1

In order to support employees' work-life balance, we have introduced a childcare/nursing care system and a short-time work system.

Acquisition of Paid Leave



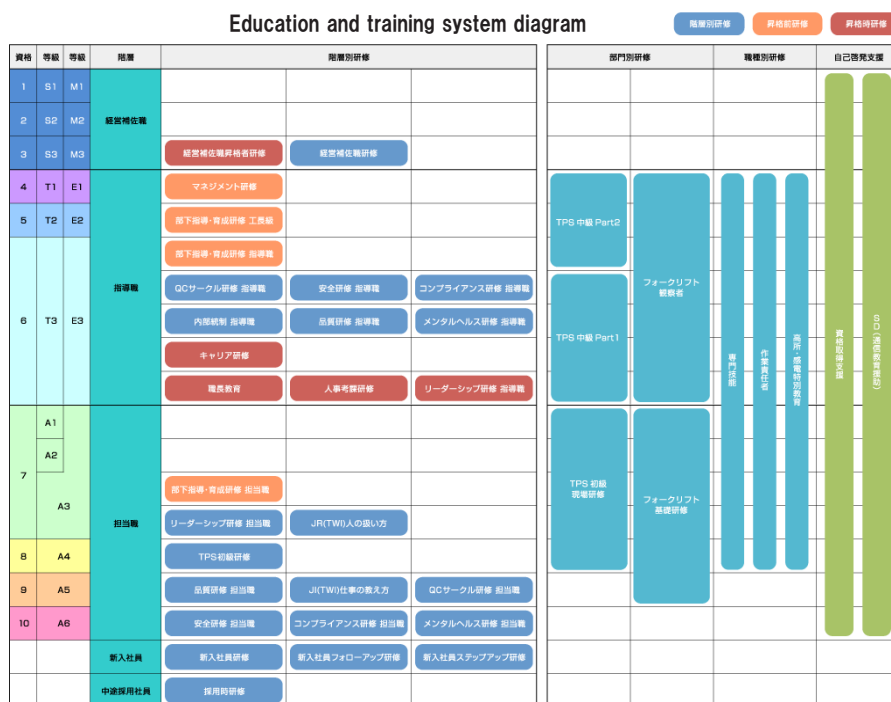
Fiscal Year	2018	2019	2020	2021	2022
Acquisition Rate of Paid Leave	71.7%	68.9%	71.0%	74.0%	72.0%

We promote systematic acquisition of annual paid leave.

We continue to actively promote initiatives to improve the rate of taking paid leave with labor-management cooperation.

Enhancing education and training systems

Feeling a sense of achievement and satisfaction, each member grows to be capable personnel member playing an active role in a global arena. Education and training are prepared for each job category as well as classification to acquire professional skill and knowledge. Respecting self-motivated personnel development, we have a variety of correspondence education courses readied for our members in accordance with the objective, career and job function.



Sample of Seminar Material

Education and Training Tailored to Individual Skills

The purpose of human resource development is “to enable employees to acquire the working knowledge and skills necessary to perform their duties, improve their own abilities, and meet the needs of customers and employees.”

※Education and Training are conducted based on the following policy.

- (1) Nurture team members to be resourceful to survive in this era of fierce competition.
- (2) Implement education and training systematically and continuously based on the organized education system.
- (3) Revitalize the organization by reforming the corporate culture to a rewarding workplace where people learn from each other.
- (4) Support employee job satisfaction and individual career-building efforts.
- (5) Implement education and training in close coordination with other human resources development systems.



Implementation of forklift skills training

With permission and approval from the Aichi Labor Bureau, we have established an indoor all-weather forklift training center, where we conduct not only in-house training but also forklift skill training for the general public outside the company.



Challenges for Materiality

Safety and Health



“Ensure a Healthy and Safe Work Environment”

With all people from top management to front line workers sharing the same principles in safety, the Group will promote implementation of mutually enlightening and safety-oriented corporate culture to evolve and disseminate in every corner of the workplace with the emphasis on “the development of human resources, work style as well as our work environment.” We commit to protecting and enhancing the physical and mental health of all members.

Takeshi Kinoshita Executive Vice President, Head of LS Business Headquarters

Under the Safety and Health Policy, the Group positions occupational safety and health initiatives as the most important management issue, and gives priority to ensuring the safety and health of all employees.

1. We will establish in-house standards as needed in addition to complying with laws and regulations related to occupational safety and health, and strive to improve the level of management.
2. We will identify hazards and harmful factors in the workplace and to reduce those risks.
3. We will operate the occupational safety and health management system without fail and strive to improve safety and health through continuous improvement.
4. We will strive to improve safety knowledge and raise the awareness through the education and training necessary to ensure occupational safety and health.
5. We will maintain good communication with all employees and carry out occupational safety and health activities with the participation of all employees.

Based on the above five action guidelines, we aim for zero accidents.

Major KPI

Quantitative Aspect	<p>(Raising safety awareness among all company employees and creating a safer workplace)</p> <ul style="list-style-type: none"> • Total Accident Frequency Rate (FY2022 results 0.58) ⇒ FY2030 Frequency Rate: 0.3 or less • Number of lost-time accidents (FY2022 result : 1 Case) ⇒ FY2030 Number of Case: Zero case <p>(Deepening Health Awareness of All Employees and Creating a Pleasant Work Environment)</p> <ul style="list-style-type: none"> • Health checkup re-examination follow-up rate (FY2022 results 82.5%) ⇒ FY2030 : 100 % <p>※Complete Medical Check-up included</p>
Qualitative Aspect	<ul style="list-style-type: none"> • Achieved zero occupational accidents by collecting opinions from workers, continuous improvements and thorough prevention activities through top management inspections.

Promotion of Safety and Health Activities

Based on the idea that “safety and health, quality, and compliance are the most important prerequisites for a company’s survival,” the people involved in the worksites and top management work together to promote safety and health activities. Initiatives for Safety and Health are the foundation of corporate activities, which we consider as one of the most important issues. We strive to maintain and improve the mental and physical health of all the people we work with, striving to create a people-friendly, safe, and secure work environment.

- Regarding the safety activities for the operation sites, we have SQ (Safety and Quality) Promotion Department responsible for the promotion of safety and quality within our group. Staff members of SQ Promotion Department actually enter and see the actual operation site first hand and gather primary information on “working difficulty and potentially dangerous work, etc.” from workers, and get informed of troubles of operation-sites while doing the work themselves, which will be feedback for accident prevention activities. We are promoting activities aimed at achieving zero occupational incidents.
- In the event of a disaster or property damage at a work site, we hold a countermeasures meeting with people at on-site to prevent recurrence. In cases where there is a good countermeasure, we share the measures and knowhow group-wide as a lateral deployment to further enhance the safety.
- In addition, SQ Promotion Department conducts a “safety and health awareness survey” twice a year targeting all members of the group, and the results are feedback to improve actions and behavior, not to say Safety awareness and mindset for the realization of yet higher safety.
- For the interest of partner companies, we conduct a “safety level survey” every year, and share the survey results. That is part of our joint efforts with partner companies to further improve the level of safety awareness.
- In order to create a healthy workplace, we strive to improve the environment where it is easy for our team members to work in. We have health checks at the time of clock-in and clock-out, while encouraging to report injuries or poor health to superiors. In addition, we implement heat countermeasures on-site so that employees can work with vigor and a healthy body and mind. We are always working on improving the working environment.
- In order to provide systematic and continuous care for mental health, and to enable each and every employee to lead a healthy and lively social life, we have opened a “Mental Health Consultation Desk” since FY2009, with our sincere hope to help ease the Mental burden of each employee even a little. We also work to prevent mental health issues by having counselors and mental health staff regularly visit workplaces to understand employees' true feelings and report them to top management. Furthermore, we have mental health training aimed at improving self-care and care by managers and supervisors, and create regular information pages in the company newsletter by councilor.

Major Initiatives Carried Out

Create Safer Working Environment

We will further strengthen the importance of awareness in safety and health promotion through nurturing law-abiding personnel and create more worthwhile workplaces where employees can work more safely and healthy conditions, mutually enlightening orientation in safety. We will foster our corporate culture where all people from the top all way to the front-line operators share the same principles in safety and health.

Continued Implementation of Workplace Health and Safety Survey



We continuously conduct an awareness survey of all employees (including part-time employees and partner employees) on items of safety perception culture such as awareness of compliance with safety rules, correct disaster reporting, awareness of walking safety, and health promotion. In addition to raising safety awareness, we aim to cultivate an open workplace culture where people have honest, expressive communication. We have introduced this survey to our overseas subsidiary companies such as TKSL in China and KI in North America since FY 2012. We are promoting initiatives throughout the Group.

Result of the 20th Awareness Survey	
Survey Target: All people working in the Kimura Unity Group	
No. of Respondents: 4,753 people (Valid Answer: 4,743 people (99%) 4,350 people of Japan, 393 people of Overseas)	
Survey Period: July 25, 2022 ~ August 30, 2022	
Question Content:	
1. Culture and Awareness of Observing Safety Rules	
2. Correct disaster reporting status	
3. Status of walking accident prevention	
4. Health Promotion	
Level of Awareness: 84.1 %	Last Survey (83.9%)
Level of Compliance: 90.2 %	Last Survey (89.1%)

CREATING A SAFE WORKPLACE

Maintaining a Safe Workplace through Inspections by SQ Promotion Headquarters Manager and Ensuring of Same

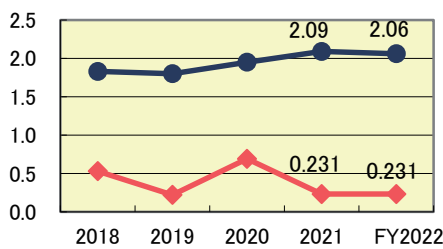
From the perspective of top management, led by the General Manager of the SQ Promotion Division, we will confirm examples of improvements in various workplace activities onsite and in person, and continue to follow up on feedback from the workplace, leading to the strengthening of cheerful and energetic workplace capabilities. In addition, with the aim of raising awareness of safety, health, compliance, quality, productivity (cost reduction), directors and executive officers also carry out on-site inspections, regular and continuous inspection activities. We are also actively developing safety activities together with our customers side by side.



Head of SQ Headquarters on site for Inspection

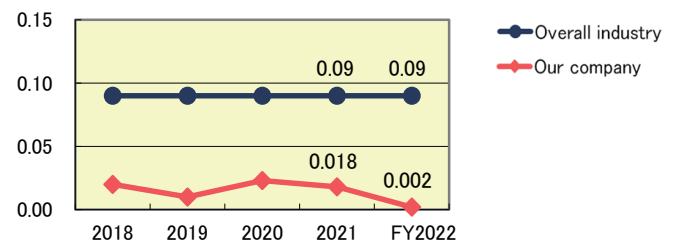
Rate of lost-worktime injuries

(Frequency rate: Disaster occurrence rate)



Severity rate

(Severity rate: Seriousness of disaster)



※The values of “Rate of lost-worktime injuries” and “Severity rate” for overall industry are based on the research by the Health, Labor and Welfare Ministry.

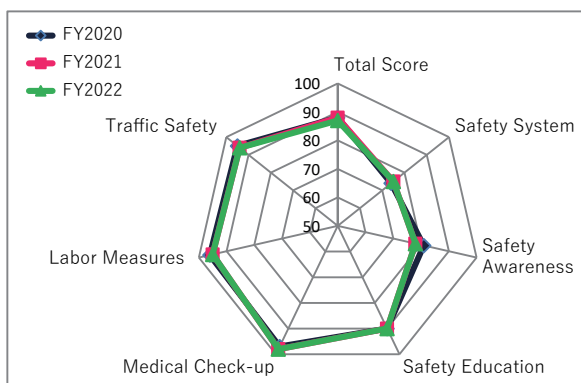
Number of disaster requiring down time in 2022: 2 cases (In 2021: 2 cases) It remains at the same level as the previous year. consequently, holiday frequency rate is 0.231 (In 2021: 0.231) With intensity rate of 0.002 (In 2021: 0.018) and the severity of the disaster is slightly lower.

We strive to achieve “Zero Accident” at all workplaces by cause analysis to clarify the problems so as to prevent accidents while making an effort to prevent recurrence of disaster.

Initiatives for Improving Safety



Safety evaluation by item (out of 100 points)



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

In FY 2022, 95 companies were inquired into in the survey on Safety, which resulted the overall average score of 87 points (out of 100 points), the same level as last year, and the safety level is maintained at a high level.

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

CREATING A HEALTHY WORKPLACE

Employee Health Management and Improvement of Work Environment

We have introduced the following systems to “improve employee health management and the work environment” so that employees can work vigorously and soundly both mentally and physically.

- Nurses visit workplaces to conduct health checkups
- Conducting face-to-face meetings with industrial physicians for employees who work long hours
- Mental health activities include starting of the “Mental Health Consultation Service” and conducting mental health seminar, etc.



Mental health seminar scene

Counseling and Mental Health Care

We believe that the most important thing is to systematically and continuously take care of company members’ mental health so that each employee can lead a healthy and lively company life.

In FY 2009, the Group established a section to provide counseling and mental health consultation to improve the work environment where members can get off negative thoughts, anxiety, worries and anger so that they can remove the burden off the chest.



We also have a counselor page in our company newsletter, to send out various information about mental health care.

Article about mental health runs in a series of in-house newsletters
(Excerpt from the Company Newsletter 2022)

Activities for disease prevention and health promotion

In addition to ongoing activities, we are also working on new activities, such as promoting health through worksite exercises to prevent diseases and promote health, besides activities to reduce smoking rates.

Worksite Exercise



Exercise Scene



We implement “workplace exercise” with the participation of all employees by distributing radio exercise CDs and DVD for stretching as needed.

Health promotion activities “Deliver a newsletter”



Challenges for Materiality

Corporate Governance



“Fair and Sound Business Practice”

The Group will continue to be the best partner for stakeholders by avoiding risks and preventing misconduct and irregularities.

Through our compliance procedures, The Group also commit to strengthening our risk management, maintaining an open and highly transparent management policy.

Yukihiro Koyama Executive Vice President, Head of Management Headquarters

Corporate governance is the cornerstone of business activities. In order to conduct fair and transparent management, companies required to continue to improve their governance mechanisms, and governance organizations need to predict and take measures from a medium-to long-term perspective to various ever-changing global risks and opportunities. To this end, it is essential to listen to stakeholders to understand their wide range of expectations. Strengthening governance is one of the important issues for companies, and in order to become a company that is trusted by various stakeholders, it is necessary to establish a corporate governance system that ensures transparency and discipline. The Company has been implementing initiatives to strengthen governance by monitoring internal control with enhanced risk management systems, while reinforcing the linkage between the Nomination and Compensation Committee and the Board of Directors.

We will continue to work to strengthen governance for further enhancement of effectiveness of the Board of Directors by increasing its independence and diversity.

Major KPI

Quantitative Aspect	<p>(Establishing and Maintaining an Optimal Governance System)</p> <ul style="list-style-type: none"> • Compliance with each principle of revised corporate governance ⇒ Compliance rate for each principle : 100% • Thorough implementation of corrections for priority risks and matters pointed out to improve ⇒ Critical Deficiency : None Correction of minor deficiencies : 100%
Qualitative Aspect	<ul style="list-style-type: none"> • Materializing functional enhancement by conducting effectiveness evaluations on the board of directors and audit functions, and implementing improvement measures based on the evaluation results

Compliance with the Corporate Governance Code

We monitor all items of the Corporate Governance Code at least once a year to confirm our compliance status with the Corporate Governance Code.

Strengthening Corporate Governance

The corporate governance system has a hybrid intuitional design that combines management and monitoring functions organized by a nomination committee and a compensation committee in a company with a board of corporate auditors. The Company's Board of Directors makes important business decisions. We place the importance on high-quality decision-making by leveraging the knowledge and expertise of outside directors and outside corporate auditors. The Nomination and Compensation Committee, established to strengthen the supervisory function of the Board of Directors, has outside members as the majority, and the chairperson is also selected from outside the company.

At this point, we believe that the current system is optimal as it emphasizes management functions while also ensuring monitoring functions, as the Company has been working to strengthen corporate governance. From the perspective of further strengthening our monitoring functions, we are continually considering the optimal structure, including organizational design, the ratio of outside directors, the appointment of international directors, and increasing the ratio of female officers. The skills and experience possessed by our directors and auditors are indicated in the skill matrix below.

We will respond to ever changing diversified business environment by the board of directors with expertise and extensive experience of world excellence.

SKILL MATRIX OF DIRECTORS (Specialty and professional experiences of Directors and Audit & Supervisory Board Members)

Job Title	Classification	Name	① Corporate Management	② Industrial/Knowledge/ (Engineering/Production)	③ Sales/Marketing	④ Finance/Accounts	⑤ Legal Affairs	⑥ IT/DX	⑦ Overseas Experience	⑧ Human Resources and Labor Affairs
Director	Internal	Yukio Kimura	○	○	○				○	
		Shigehiro Naruse	○	○			○	○		
		Takeshi Kinoshita	○	○	○		○			
		Yukihiro Koyama	○			○	○			○
		Koichi Inaga	○		○		○			○
		Tadaaki Kimura	○		○	○	○			
	Outside	Yoshinori Hirano	○			○	○			
		Jun Eyama	○	○				○		
Auditor	Internal	Eriko Suzuki Schweisgut	○		○				○	
		Shin Yoshimura	○				○		○	
	Outside	Hisashi Horiguchi					○			
		Chikai Onoda				○				
		Chieko Murata				○				

Division/Function	Requirements
① Corporate Management	Vast experience of management and achievement to realize sustainable growth strategies.
② Industrial/Knowledge/ (Engineering/Production)	Industrial (and Production) Engineering Knowledge and experience in the field of production (with build-in quality expertise) and industrial engineering to carry out continuous improvement. Ensuring Safety, Security, and Thorough Compliance are the key factors a company's survival.
③ Sales/Marketing	Solid knowledge and experience in understanding customer needs as essential requirements for sustainable growth.
④ Finance/Accounts	Solid knowledge and experience in the finance and accounting field; as we build a strong financial foundation and formulate financial strategies that promote growth investments to continuously improve corporate value and strengthen shareholder returns in addition to accurate financial reporting.
⑤ Legal Affairs	Required solid knowledge and experience in the areas of corporate governance, risk management, and compliance. Establishing an appropriate governance system is the foundation for sustainable improvement of corporate value, and it is essential to improve the effectiveness of management supervision by the board of directors.
⑥ IT/DX	Knowledge and experience required of for further development. Corporate innovation through IT and DX is essential for future corporate growth.
⑦ Overseas Experience	In order to formulate growth strategies and supervise management of international business, it is necessary to have extensive knowledge and experience in overseas business management as well as international life, culture and business environment.
⑧ Human Resources and Labor Affairs	In order to develop our business, it is necessary to formulate a human resources strategy that allows each employee to maximize their abilities. Solid knowledge and experience in the field of human resource development, including promoting diversity is essential.

CORPORATE GOVERNANCE

Board of Directors and Auditors

〔As of July 1, 2023〕

Chairperson of the Board and Representative Director
Yukio Kimura



President and Representative Director
Shigehiro Naruse



Executive Vice President
Takeshi Kinoshita



Executive Vice President
Yukihiko Koyama



Managing Director
Koichi Inaga



Director
Tadaaki Kimura



Outside Director
Yoshinori Hirano



Outside Director
Jun Eyama



Outside Director
Eriko Suzuki Schweisgut



Standing Statutory Auditor
Shin Yoshimura



Outside Company Auditor
Hisashi Horiguchi



Outside Company Auditor
Chikai Onoda



Outside Company Auditor
Chieko Murata



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/ Head of LS Business Headquarters / Head of SQ Promotion Headquarters and IS Business (※2)
Executive Vice President	Yukihiko Koyama	Head of Administration Headquarters/ Head of Administration Dept. in charge of Planning and Promotion, responsible for 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 Inaga	Head of TCS Business Headquarters/ In charge of Business Headquarters, and TCS Supervising Dept. (※2)
Director	Tadaaki Kimura	CEO of Adlight Inc.
Outside Director (※1)	Yoshinori Hirano	Certified Public Accountant
Outside Director (※1)	Jun Eyama	CEO of Global Parts・Logistics Headquarters of Toyota Tsusho Co., Ltd.
Outside Director (※1)	Eriko Suzuki Schweisgut	CEO and Founder of Kind Capital 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)	Chieko Murata	Licensed Tax Accountant

(※1) Independent Officer

(※2) LS : Logistics Services
IS : Information Services

SQ : Safety & Quality
TCS : Total Car Services

Corporate Governance System

We maximize values for corporations "group," stockholders and customers by swift and accurate information gathering, and prompt and rational decision-making. With the application of the Corporate Governance Code due to the enforcement of revised listing regulations, we are conducting disclosure based on each principle and are considering further enhancement of initiatives.

Board of Directors

Regular meetings of the Board of Directors are held once a month, and as required, a board meeting is held to supervise and monitor decision-making on management strategy and performance of duties.

Outside Directors

We have two outside directors out of the eight directors to supervise the Company's business execution with a high level of insight into management. Appointing outside directors, we strive to ensure the transparency of the Board of Directors and mutual management supervision between directors, and a thorough implementation of compliance.

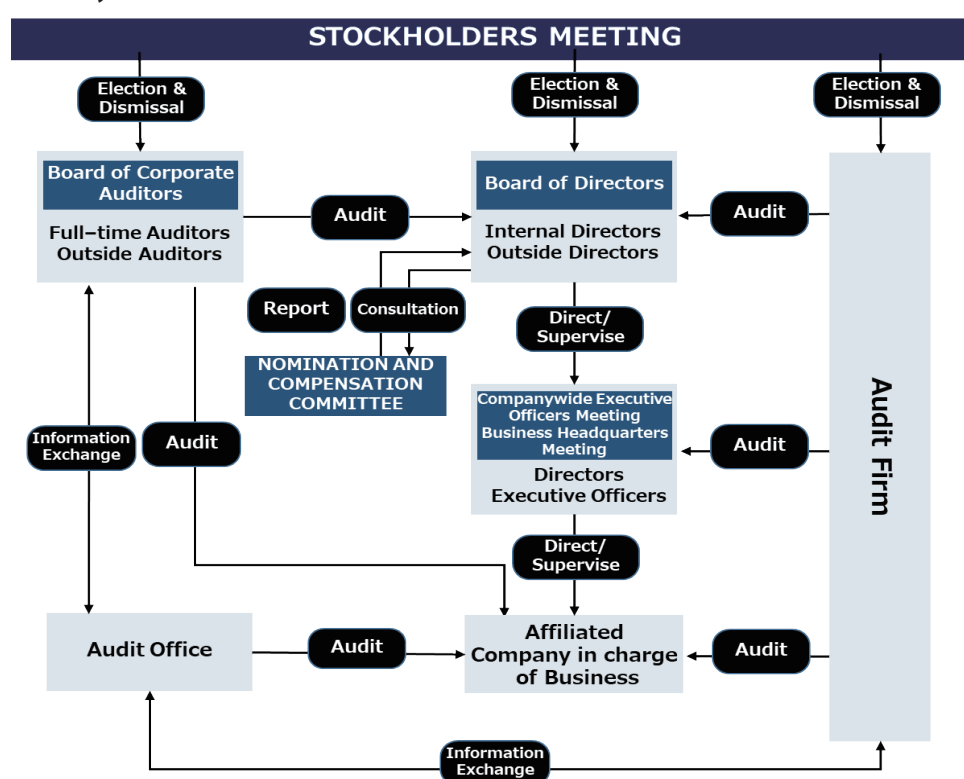
Companywide Executive Officers Meeting/Business Headquarters Meeting

With the aim of speeding up decision-making, strengthening the supervisory system and reenforcing business execution, the Company introduced an executive officer system in June 1999. The Company has also established a company-wide executive officers' meeting, which consists of executive officers as well as directors. In addition, a business headquarters meeting organized by directors, executive officers and executive members was founded to supervise to supervise management and monitor the status of business execution.

Board of Auditors / Audit Office / Audit Firm

We have elected three outside corporate auditors in addition to one managing corporate auditor from our company to ensure thorough supervision of the execution of duties and to enhance auditing. We strive to improve the effectiveness of corporate governance by holding regular audit meetings of three parties, including Corporate Auditor, Audit Office, and Auditing Firm so as to exchange information on the status of audits from each standpoint.

Corporate Governance System



For Increased Effectiveness of Board of Directors

We implement effectiveness evaluations of the Board of Directors with the goal of maintaining and enhancing the effectiveness of the Board of Directors once a year. In order to ensure that the evaluation reflects the opinions of everyone participating in the Board of Directors, we conduct a survey of all Directors and Auditors regarding the operation and functioning of the Board of Directors and the results are reported to the board of directors to leverage the findings for a further improvement of our management.

Securing Risk Management System

In accordance with the "Risk Management Regulations," we conduct risk management by holding regular risk management committee meetings to investigate and evaluate risks, formulate countermeasures, and check the status of countermeasures for each department and division.

In addition to developing and thoroughly disseminating BCP (Business Continuity Plan), we conduct BCP-related training such as safety confirmation drills, evacuation drills, and communication training using satellite mobile phones.

In addition, in light of the recent occurrence of cyber security incidents, we will promote measures to strengthen security more strongly than ever, by establishing internal rules, educating employees, and installing various defense systems.

COMPLIANCE AND RISK MANAGEMENT

Compliance

Internal Control System



Internal Control Activities

In order to implement the Management Philosophy, the Code of Corporate Ethics, and corporate governance, the Group formulated the “Basic Policy on the Internal Control System.” On that solid foundation, we have established and practiced an internal control system with the main objectives of “Enabling and Improving the Efficiency of Operations,” “ensuring the Reliability of Financial Reporting,” “Party Compliance with Laws and Regulations Concerning Business Activities,” and “Preservation of Assets.”

Internal Auditing Activities

The Group conducts risk assessments of companies and business processes on a consolidated basis. In addition, we select targets after considering comprehensiveness and risk reduction, and conduct internal audits for the purpose of ensuring the reliability of existing reports, improving the effectiveness and efficiency of operations, and complying with laws, regulations, internal rules, etc. related to corporate activities.

Main Audit Activities Implemented in FY 2022

- Company-wide Control, IT (Information Technology) Control, Business Process Audits : [53 Bases]
- Subsidiary Audits : Business People CO., LTD. Super Jumbo CO., LTD. KIMURA, INC., TIANJIN KIMURA SHINWA LOGISTICS CO., LTD. Guanzhou Guanqi KIMURA SINWA Store CO., LTD.
- Daily Audits : [58 Bases], Specific Business Audits [4 Bases]

Thorough Implementation of Compliance



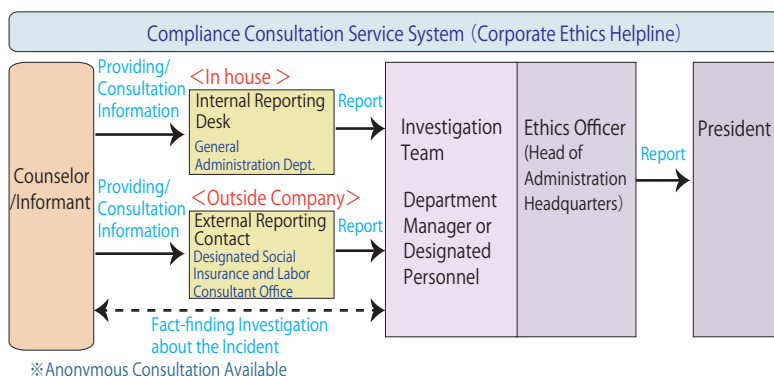
In the midst of drastic changes in the environment surrounding our company, such as the development of corporate globalization and the diversification of deregulation by the government, we recognize that compliance with laws and regulations and thorough corporate ethics are the foundation of our corporate activities. Compliance seminar for executives and individual training materials conducted on-site ensure unity of intent and compliance with laws and regulations within the Group.

In addition to striving to improve knowledge and awareness in order to prevent harassment and various labor issues from occurring, we will continue to disclose information through “Compliance Support Mail” and “Personnel and Labor Relation Mail,” etc.

We are trying to ensure that everyone is well informed of the rules and understood without fail.

Consultation Desk

We have established the Corporate Ethics Helpline as a compliance consultation desk to promptly detect and prevent illegal and unethical acts.



“Compliance Support Mail” and “Personnel and Labor Relation Mail”

We regularly distribute commentary based on case studies.



Risk Management

Risk Management Initiatives



In order to maximize corporate (group) value, shareholder value, and customer value in a rapidly changing business environment, we believe it is important to recognize the surrounding environment in a timely and appropriate manner and respond accurately to various risks.

The Group analyzes risks and examines countermeasures in the relevant divisions and, when necessary, receives advice from relevant external organizations in response to risks related to important management decision-making, such as business restructuring, establishment of new bases including overseas, major capital investments, and alliances with other companies. In addition, regarding risks related to business execution such as quality complaints and workplace accidents, departments and staff in charge working on risk management on a daily basis.

Initiatives for BCP (Business Continuity Plan)



We have formulated a BCP Action Plan for all business units with the aim of protecting the interests of all stakeholders by ensuring the early restoration of our ability to supply products and provide services in the event that our company or our customers' or suppliers' bases are stricken by a large-scale earthquake, tsunami, other disaster or accident, making business activities difficult to continue.

We conduct BCP desk training to verify the effectiveness of the initial response to the formulated BCP and to address areas for improvement that have been clarified, as well as conducting a comprehensive review and company-wide deployment of the "Earthquake Response Manual" (including various procedure manuals) and other documents in order to firmly establish and raise the level of activities.



For the purpose of raising awareness of various activities related to disaster response and disaster prevention, we have a publication corner set up to post newsletters as part of our efforts to actively promote information dissemination to all employees.

Information page on disaster prevention serialized in the company newsletter (Excerpt from the 2022 internal newsletter)

Initiative for Improved Information Security



We have acquired international standard ISO27001 (ISMS) certification in our information service business to maintain and control the information risk of the "confidentiality, integrity, and availability" of our customers' important personal information and various information assets that belong to individuals and organizations by continuously maintaining to operate the "management system." In addition, within the company, each department checks the level of understanding and thoroughness of information security rules over the previous 22 items, such as "management," "PC purchase," and "introduction software standards," and clarifies areas for improvement. In so doing, we are working to steadily improve the level of information security.

管理項目	NO	区分	質問事項	項目	運用チェックポイント
基本規程	1	管理	情報セキュリティ基本規程と21の運用細則をNotesDBの規程集から確認できますが、部門責任者、部門担当者の役割を理解していますか	①	情報セキュリティ部門責任者(責任者)は自部門の情報セキュリティの維持管理を実施する責任を負い、情報セキュリティに関する問題が発生した場合や見直しが必要となった場合は速やかに情報セキュリティ委員会に報告しなければならない
				②	情報セキュリティ部門担当者(責任者の在命者)は担当部門内における情報セキュリティ関連及び情報の取扱い等であり、収集した情報は情報セキュリティ部門責任者(責任者)へ報告しなければならない
PC利用	2	PC購入	PCを購入する場合、OA機器見積り依頼書にて情報システム単に申請しますが、PCの買い替基準は正しく認識していますか	①	標準品(標準製品リストで定められた)PCを購入・導入しなければならない
				②	標準外のPCを購入する場合は、特別な事情がない限り購入することは出来ない。(お客様都合にて機種指定が必要なもの、システム開発機等が該当する)

Check Items for Information Security Rules (Excerpt from checklist)

No	区分	関連資料名	確認事項												
5	PC基本設定	スクリーンセーバー パスワードロック確認表	スクリーンセーバーパスワードロックがされている (※事前調査資料を元に確認) スクリーンセーバー待ち時間の設定が60分未満になっている (※事前調査資料を元に確認)												
6	パスワード 設定	-	Windows及びNotesパスワードがルール通りになっている (英数字記号含む8文字以上) (※持ち持ちで数値確認) PC周辺に印刷やWindowsのパスワードが貼られていない												
8	商業手帳 (商業帳簿)	-	商業手帳の保管状況 キャビネットなどに施錠して保管されている												
13	選抜PC	PC管理状況一覧表	選抜PCの保管状況 キャビネットなどに施錠して保管されている												
14	データ維持	-	ファイルサーバ、データバックアップ (データの保管) 確認 重要なファイルがサーバで管理されている												
18	外観記憶媒体、 装置利用	USBメモリ 利用状況一覧表	USBメモリの保管状況 施錠して保管されている USBメモリの管理状況 管理票にて毎日、存在チェックをしている USBメモリのデータ管理状況 返却時にデータが削除されている												
<table border="1"> <thead> <tr> <th>発出 確認</th> <th>社内</th> <th>社外</th> </tr> </thead> <tbody> <tr> <td>A. 保管場所に有り</td> <td></td> <td></td> </tr> <tr> <td>B. 誰が何処へ持ち出しているか明確になっている</td> <td></td> <td></td> </tr> <tr> <td>C. 持ち出し申請が出ている (Notesの「出社持ち出し申請書」を提出してもらう)</td> <td></td> <td></td> </tr> </tbody> </table>				発出 確認	社内	社外	A. 保管場所に有り			B. 誰が何処へ持ち出しているか明確になっている			C. 持ち出し申請が出ている (Notesの「出社持ち出し申請書」を提出してもらう)		
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Confirmation Chart (Excerpt from charts for in-house use)

INITIATIVES FOR VALUE CREATION

KIMURA UNITY VALUE CREATION STORY

SOCIAL ISSUES FACING KIMURA UNITY

- Recruitment difficulties due to the decreased working population caused by declining birthrates and aging population
- Advancement of DX that contributes to work style reform and productivity improvement
- Rise in labor costs due to amendments to the Temporary Staffing Act and rising minimum wages
- The rapid development of e-commerce logistics due to the spread of corona and the resulting large fluctuations in the amount of incoming and outgoing shipments
- Initiatives toward SDGs such as carbon neutrality and improvement of expected value for social contribution
- Creation of new business opportunities through the development of CASE/MaaS
- Increased business opportunities due to the spread and expansion of eco-friendly vehicles such as EVs/FCVs, and expansion of business areas that require expertise such as aiming due to the spread of safety devices
- Shift from system of self-sufficiency to external transfer due to the spread of cloud systems

Management Philosophy

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

Expansion of capital through continuous improvement of corporate value

【Financial Capital】

- Generate cash flow for growth investment
 - Sales Amount : Maintain Financial Base
 - Equity Ratio: Maintain High Equity Ratio

【Social Capital】

- Trust and Responsibility Cultivated in 140 Years of History of Progress
- Capital tie-up with a company for the purpose of overseas business development
- Building network relationships with various stakeholders
- Relationships of trust with government agencies

【Human Capital】

- Ability to improve and propose optimization for solving customer problems
- Ability to tackle issues with a cross functional approach in company wide
- Management driving force by front-line leaders

【Intellectual Capital】

- Ability to optimize operations based on TPS
- Ability to develop IT solutions with thorough knowledge of logistics operations
- Promoting the use of IT and DX to improve operational efficiency

【Natural Capital】

- Provision of renewable energy
 - Solar Power Generating Capacity

Realizing customer value through multiple services



Logistics Services

While maximizing the strengths of our diverse human resources, we will accelerate our efforts in DX and CN, further improve the quality of logistics operations, and provide new solutions to regions and companies.



Staffing Services

Contribute to workers, customers, and local communities by securing employment that responds to diversifying work styles through the collective efforts of the Kimura Unity Group.



Information Services

Utilizing the logistics know-how cultivated over many years in the automobile industry, etc., we will help solve social issues by providing services as a set with IT.



Total Car Services

Through the evolution of solutions for DX (human/vehicle management) × Actual Sites (maintenance workshop), the promotion of CASE/MaaS·CN and the eradication of traffic accidents, we provide Dreams, Comfort and Security for the car oriented life style.

Other Services (Solar Power Generation Business)

Corporate Culture with All Team Members Working Together to Solve Customer Problems



Initiatives for

Management Foundation that supports Value Creation

Management Quality

I S O

T P S

Management Philosophy / Operating Style

Safety / Quality

INPUT

BUSINESS MODEL

Competitive Advantage of KIMURA UNITY

1. **Faith in Responsibility and Trust** backed by 140-year History of Progress
2. A bond of mutual trust between labor and management, **a strong sense of unity** that grows together with employees (Build rapport and develop great relationships with team members)
3. **Continuity** to face challenges sincerely and honestly
4. Capable of handling problem-solving for **improvement and optimization**, providing creative suggestions by diverse human resources

Purpose

KIMURA UNITY GROUP realizes society enriched in Dream, Comfort and Security by respecting humanity and solving social issues by the values created through people to people linkage.

Materiality

Customer Values
"To help realize our customers' success ensures our stable growth"

Road Traffic Safety
"Achieve a Society with No Traffic Accidents"

Environment
"Contribution to Solving Global Environment Issues"

Decent Work
"For Everyone to Shine"
--Talented and Shine Human Resources Development--

Safety and Health
"Ensure a Healthy and Safe Work Environment"

Corporate Governance
"Fair and Sound Business Practice"

Human Resources Strategy

DX Strategy

Growth Strategy

Two-way Communication

Stakeholder

Customers

Employees

Business Partners

Stockholders

Local Communities

Global Environment

Corresponding Thematic SDGs

【Financial Capital】

Realization of sustainable growth
 • Consolidated Profit
 Capital that meets shareholder expectations
 Maintain and improve efficiency
 • Consolidated ROE
 Diversification that supports earnings stability
 • Risk diversification ratio
 • Overseas business ratio



【Social and relationship capital】

Contribution to society through activities to eradicate traffic accidents
 • Achievement of Social Contribution Activities



【Human Capital】

Strengthening diversity of human resources
 • Ratio of female management positions
 Improving employee job satisfaction and happiness
 • ES Survey Results
 Increase safety and health awareness
 • Results of employee awareness survey
 Protection of Workers' Rights
 Providing a high-quality work environment
 • Number of trainees enrolled



【Intellectual Capital】

A lineup of services that provide customers with "Dreams, Comfort and Security"
 • IT improvement, etc.



【Natural Capital】

Business activities that consider the global environment, including climate change
 • Greenhouse Gas Reduction
 • Replacement rate of EVs and FCVs in company fleet
 • Ratio of renewable energy introduction



With the Spirit of Total Participation as One Team

SDGs

BCP (Business Continuity Plan) Internal Control System Corporate Governance

/ Corporate Code of Ethics / Management Philosophy (Hand Book)

/ Compliance

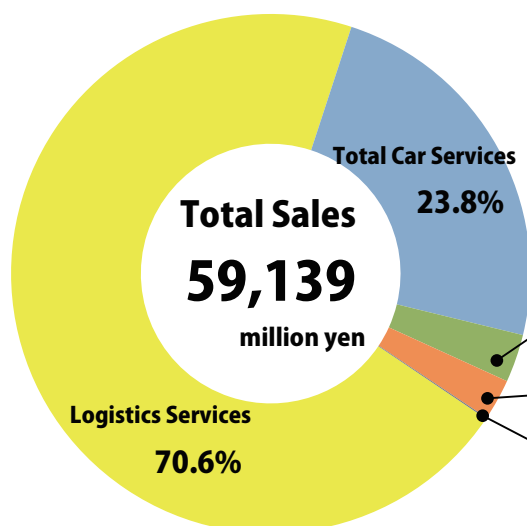
OUTCOME

INITIATIVES FOR VALUE CREATION

Initiatives in Each Business

FY2022 sales results by business segment

※Occupancy ratio indicates the figure before inter-segment offset



FY2022 Sales, Operating Income, Operating Profit Ratio

(Unit: Millions of yen)

Segment	Sales	Operating Income	Operating Profit Ratio
Logistics Services	42,264	3,848	9.1%
Total Car Services	14,232	763	5.4%
Information Services	1,792	246	13.7%
Staffing Services	1,538	7	0.5%
Other	46	13	28.3%
Corporate Total ※1	△ 735	△ 1,609	—
Total Amount	59,139	3,269	5.5%

※1: including elimination adjustment

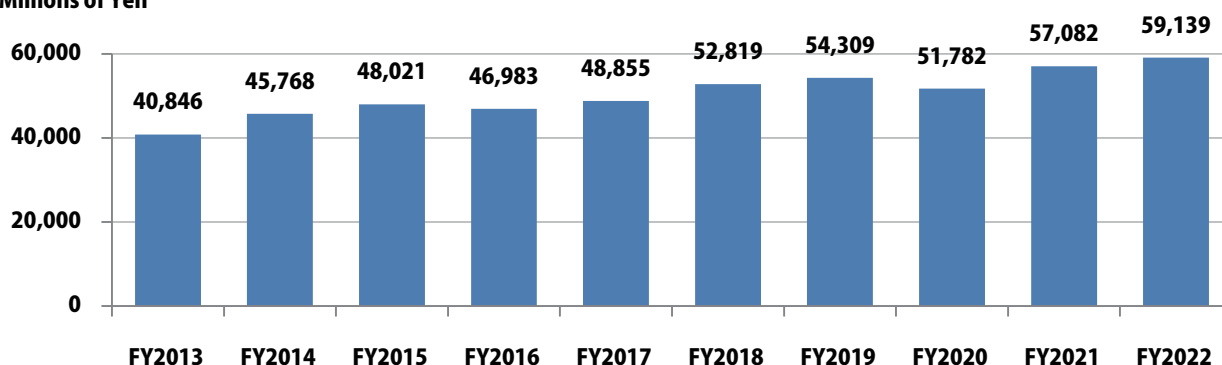
Priority Enforcement Strategy

Segment	Marchndise /Item	Priority Enforcement Strategy				
		Expanding Toyota Strategy	New Sales Expansion Strategy	Area Strategy	Overseas Strategy	Digital Strategy
Logistics Services	Packaging /Container Equipment	○	○	○	○	○
Total Car Services	Car Leasing	○				○
	Car Maintenance	○				○
	Car Sales					○
	Car Supplies					○
	Insurance Agency Fees					○
	Other					○
Information Services		○	○			○
Staffing Services			○	○		
Other service (power sales business)						

Key Financial Data

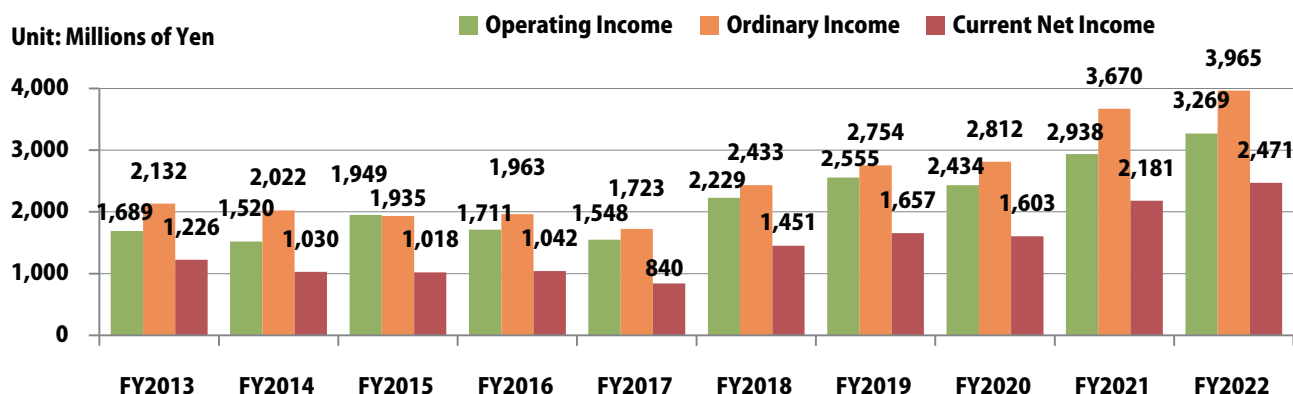
Sales Trend

Unit: Millions of Yen



Transitions in operating income, ordinary income, and net income

Unit: Millions of Yen



Results		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
	Fiscal Year ended →	(March 31, 2014)	(March 31, 2015)	(March 31, 2016)	(March 31, 2017)	(March 31, 2018)	(March 31, 2019)	(March 31, 2020)	(March 31, 2021)	(March 31, 2022)	(March 31, 2023)
Amount of Sales	Unit: Millions of Yen	40,846	45,768	48,021	46,983	48,855	52,819	54,309	51,782	57,082	59,139
Operating Income	Millions of Yen	1,689	1,520	1,949	1,711	1,548	2,229	2,555	2,434	2,938	3,269
Ordinary Income	Millions of Yen	2,132	2,022	1,935	1,963	1,723	2,433	2,754	2,812	3,670	3,965
Current Net Income	Millions of Yen	1,226	1,030	1,018	1,042	840	1,451	1,657	1,603	2,181	2,471
Total Assets	Millions of Yen	47,873	51,030	51,117	50,959	51,429	51,615	52,561	54,061	56,024	57,770
Net Assets	Millions of Yen	23,737	26,656	26,251	26,786	27,986	28,523	28,763	30,736	33,519	35,114

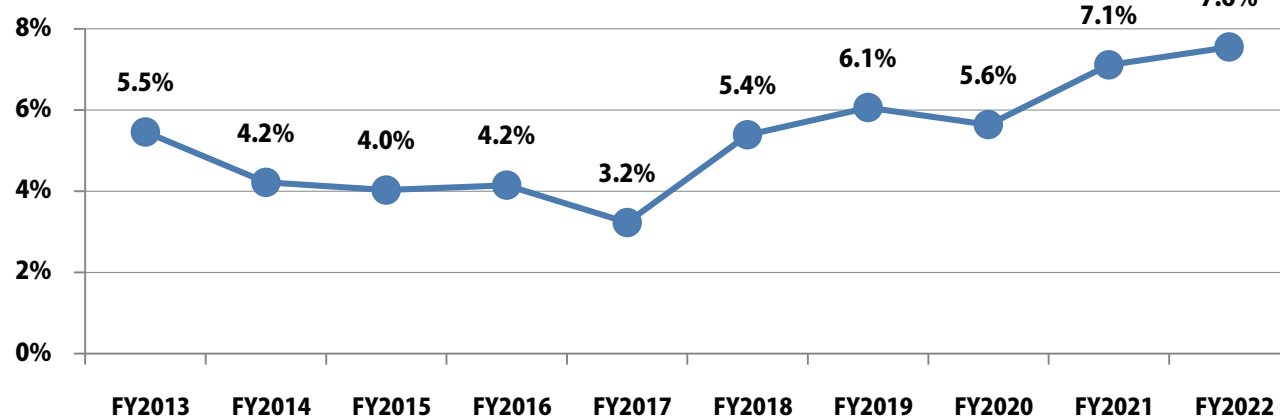
Sales by Segment (Before Inter-Segment Offset)		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
	Fiscal Year ended →	(March 31, 2014)	(March 31, 2015)	(March 31, 2016)	(March 31, 2017)	(March 31, 2018)	(March 31, 2019)	(March 31, 2020)	(March 31, 2021)	(March 31, 2022)	(March 31, 2023)
Logistics Services	Unit: Millions of Yen	28,036	30,180	31,635	31,113	32,186	36,021	37,639	35,885	40,973	42,264
Total Car Services	Millions of Yen	11,544	14,344	15,078	14,571	15,092	15,029	14,898	14,277	14,071	14,232
Information Services	Millions of Yen	1,070	1,102	1,162	1,149	1,400	1,599	1,583	1,409	1,495	1,792
Staffing Services	Millions of Yen	672	552	451	462	537	559	562	593	1,039	1,538
Other Services	Millions of Yen	45	47	47	46	47	44	46	45	44	46
Intersegment Offset	Millions of Yen	△522	△458	△353	△359	△409	△435	△422	△429	△542	△735
Total Amount	Millions of Yen	40,846	45,768	48,021	46,983	48,855	52,819	54,309	51,782	57,082	59,139

Investment on Plant and Equipment /Value Depreciation		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
	Fiscal Year ended →	(March 31, 2014)	(March 31, 2015)	(March 31, 2016)	(March 31, 2017)	(March 31, 2018)	(March 31, 2019)	(March 31, 2020)	(March 31, 2021)	(March 31, 2022)	(March 31, 2023)
Company Equipment	Unit: Millions of Yen	1,223	1,539	708	1,571	994	1,351	1,666	1,608	1,220	1,256
Rental Assets	Millions of Yen	3,622	2,940	2,985	3,336	2,935	2,830	2,776	2,836	1,851	1,899
Total Capital Investment	Millions of Yen	4,846	4,480	3,694	4,908	3,930	4,182	4,442	4,444	3,071	3,156
Depreciation	Millions of Yen	1,084	1,297	1,406	1,321	1,375	1,424	1,562	1,553	1,766	2,054

Key Financial Data

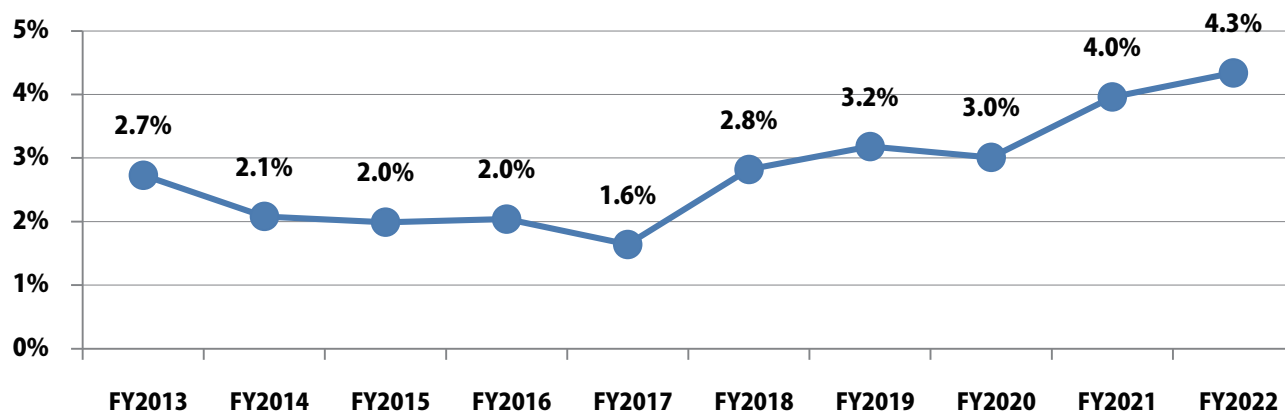
Changes in Return On Equity (ROE)

Unit: %



Changes in Return On Assets (ROA)

Unit: %

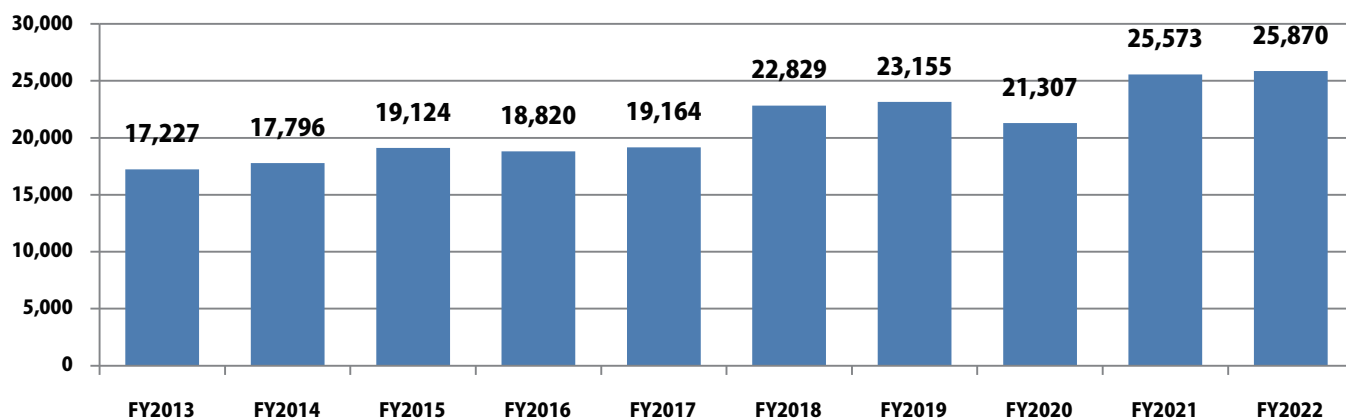


Index		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
		Fiscal Year ended → (March 31, 2014) (March 31, 2015) (March 31, 2016) (March 31, 2017) (March 31, 2018) (March 31, 2019) (March 31, 2020) (March 31, 2021) (March 31, 2022) (March 31, 2023)									
ROE	Unit: %	5.5%	4.2%	4.0%	4.2%	3.2%	5.4%	6.1%	5.6%	7.1%	7.6%
ROA	%	2.7%	2.1%	2.0%	2.0%	1.6%	2.8%	3.2%	3.0%	4.0%	4.3%
Ordinary Income to Net Sales	%	5.2%	4.4%	4.0%	4.2%	3.5%	4.6%	5.1%	5.4%	6.4%	6.7%
Equity Ratio	%	48.2%	50.5%	48.6%	49.8%	51.7%	52.8%	52.3%	54.4%	57.1%	57.9%
Number of Employees	Persons	2,439	2,507	2,486	2,613	2,465	2,514	2,533	2,491	2,429	2,415

Key Financial Data

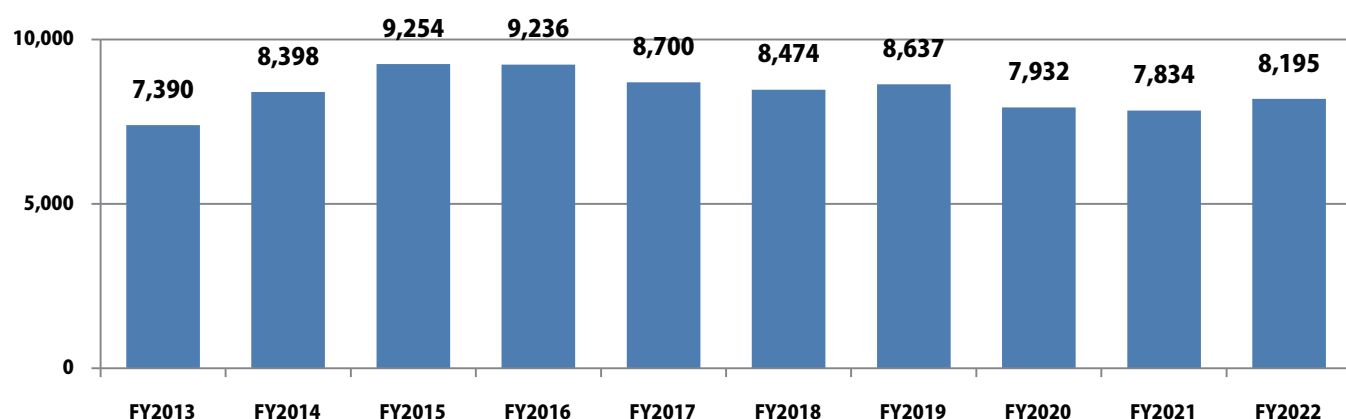
Changes in Status with Major Business Partners, etc.

Unit: Millions of Yen



Status of NLS (New Logistics Services) Business

Unit: Millions of Yen



Status of Major Customers, etc.		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Fiscal Year ended →		(March 31, 2014)	(March 31, 2015)	(March 31, 2016)	(March 31, 2017)	(March 31, 2018)	(March 31, 2019)	(March 31, 2020)	(March 31, 2021)	(March 31, 2022)	(March 31, 2023)
Toyota Motor Corporation ※1	Unit: Millions of Yen	10,935	10,887	11,409	11,141	11,692	12,534	12,169	11,882	13,214	12,205
Toyota Group ※2	Millions of Yen	6,292	6,908	7,714	7,678	7,472	10,295	10,986	9,425	12,358	13,665
Total Amount	Millions of Yen	17,227	17,796	19,124	18,820	19,164	22,829	23,155	21,307	25,573	25,870
Occupancy Ratio	%	42.2%	38.9%	39.8%	40.1%	39.2%	43.2%	42.6%	41.2%	44.8%	43.8%

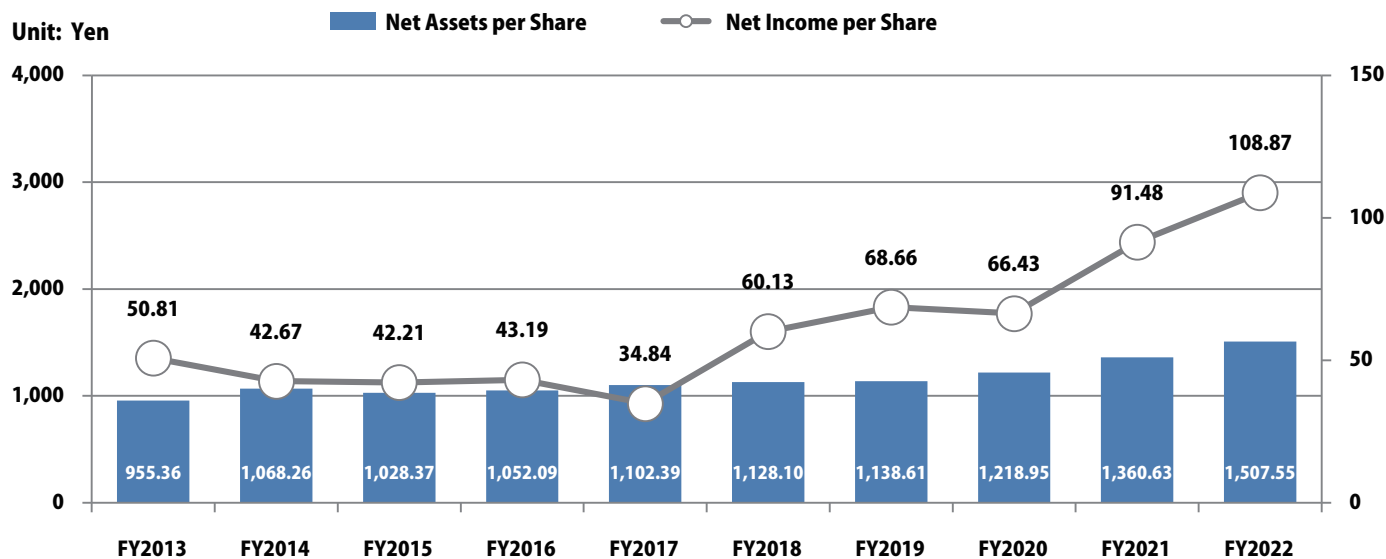
※1 Sales to Toyota Housing Corporation, which was separated from Toyota Motor Corporation in October 2010, are included for convenience of comparison.

※2 Transactions of the Toyota Group include overseas subsidiaries of Toyota Motor Corporation

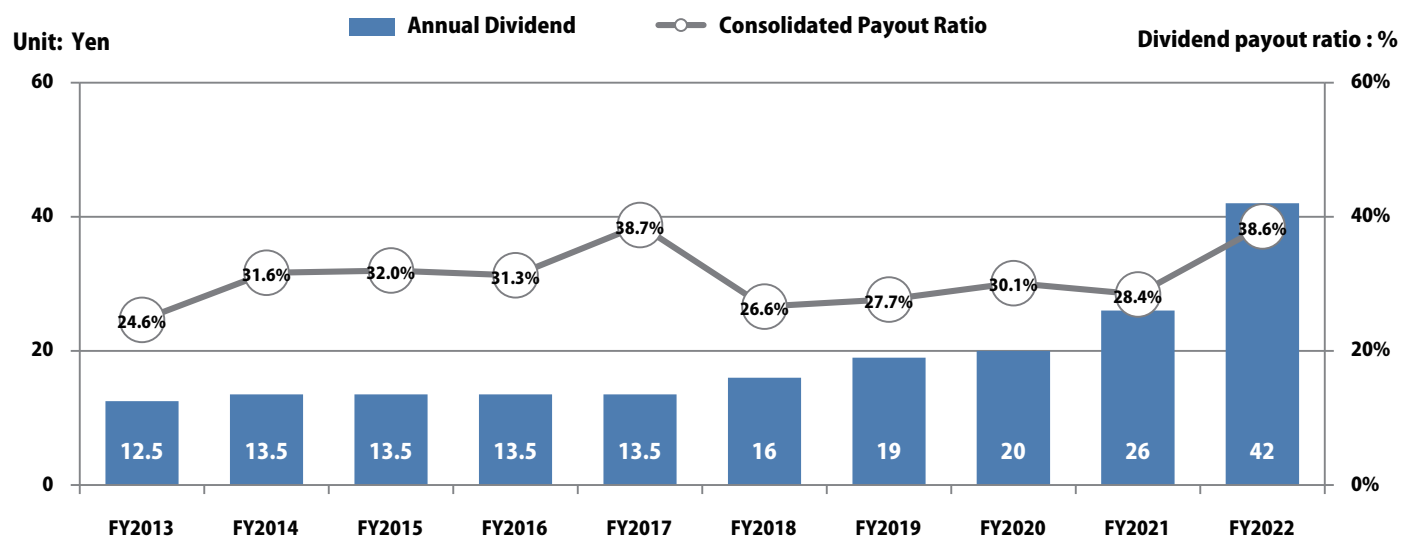
NLS (New Logistics Services)		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Business Status		Fiscal Year ended →	(March 31, 2014)	(March 31, 2015)	(March 31, 2016)	(March 31, 2017)	(March 31, 2018)	(March 31, 2019)	(March 31, 2020)	(March 31, 2021)	(March 31, 2022)
Sales of NLS Business	Unit: Millions of Yen	7,390	8,398	9,254	9,236	8,700	8,474	8,637	7,932	7,834	8,195
Occupancy Ratio	%	18.1%	18.4%	19.3%	19.7%	17.8%	16.0%	15.9%	15.3%	13.7%	13.9%

Key Financial Data

Changes in Net Assets and Net Income per Share



Changes in Dividends



Information per Share		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
	Fiscal Year ended →	(March 31, 2014)	(March 31, 2015)	(March 31, 2016)	(March 31, 2017)	(March 31, 2018)	(March 31, 2019)	(March 31, 2020)	(March 31, 2021)	(March 31, 2022)	(March 31, 2023)
Net Income per Share	Unit: Yen	50.81	42.67	42.21	43.19	34.84	60.13	68.66	66.43	91.48	108.87
Net Assets per Share	Yen	955.36	1,068.26	1,028.37	1,052.09	1,102.39	1,128.10	1,138.61	1,218.95	1,360.63	1,507.55

Dividend		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
	Fiscal Year ended →	(March 31, 2014)	(March 31, 2015)	(March 31, 2016)	(March 31, 2017)	(March 31, 2018)	(March 31, 2019)	(March 31, 2020)	(March 31, 2021)	(March 31, 2022)	(March 31, 2023)
Consolidated Dividend Payou	Unit: %	24.6%	31.6%	32.0%	31.3%	38.7%	26.6%	27.7%	30.1%	28.4%	38.6%
Annual Dividend	Yen	12.5	13.5	13.5	13.5	13.5	16	19	20	26	42

(Note) Net assets per share and net income per share are based on a 2-for-1 stock split of shares of common stock, effective July 1, 2022. For this reason, historical data is also presented adjusted for stock splits.

Key Non-Financial Data

◇Actual Value of Kimura Unity Co.,Ltd.Alone

ISO26001 Core subjects	Activity Goal		Results					
	Index	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	
6.2 Organizational Governance	Strengthening Corporate Governance							
	Number of Internal and External Director (): No. of External Director	Persons	8(2)	8(2)	8(2)	9(2)	8(2)	
	Number of Internal and External Auditor (): No. of External Auditor	Persons	4(3)	4(3)	4(3)	4(3)	4(3)	
	Dialog with stakeholders							
	Number of Questionnaire Survey Conducted with Stockholders	Time	1	1	1	1	1	
6.3 Human Rights	Risk Management							
	Safety confirmation system training/Response rate on the first day		%	97.0	98.0	99.0	99.0	91.0
	Strengthening the Promotion of Diversity							
	Percentage of women in executives and management positions (※1)	%	1.0	1.0	1.8	1.8	1.8	
	Employment rate of persons with disabilities	%	2.00	1.89	1.94	2.12	2.00	
6.4 Labor Practices	Number of people rehired by the elderly		Persons	31	32	21	30	22
	Number of International Trainees Enrolled		Persons	103	170	215	207	185
	Supporting Diversified Work Innovation							
	Number of Employees (※2)		Persons	1,624	1,611	1,633	1,592	1,597
	Average Age		Years	43.1	43.0	43.3	43.6	43.5
	Average Length of Service		Years	18.2	18.0	18.1	18.4	18.4
	Male-Female Ratio (Male Ratio)		%	85.7	85.5	84.4	83.5	82.2
	Number of employees using the childcare leave system		Persons	16	7	22	12	21
	Number of users of the shortened working hours system for childcare		Persons	9	10	9	10	12
	Number of users of the nursing care leave system		Persons	1	5	0	4	1
	Number of users of the shortened working hours system for nursing care		Persons	0	0	0	0	1
	Percentage of annual paid leave taken		%	71.7	68.8	71.0	74.0	72.0
	Occupational Health and Safety							
	Total working hours per year (Average) Total		Hours	2,084	2,083	2,014	2,038	1,993
	Total Overtime Per Year (Average)		Hours	268	258	203	248	214
	Ensuring the Safety of Employees							
	Frequency of Occupational Accidents (Frequency rate of time off work)		—	0.530	0.220	0.690	0.231	0.231
	Gravity of Occupational Disaster (Severity Rate)		—	0.020	0.010	0.023	0.018	0.002
	Inspection by the General Manager of SQ Promotion Headquarters		Department	27	36	29	26	22
	Ensuring the Health of Employees							
Health Checkup Rate		%	98.8	99.3	98.1	97.7	98.0	
Rate of Health Follow-up Inspection		%	78.2	82.3	80.1	84.8	82.5	
6.5 Environment	Environment Protection (Conservation) Activity							
	<Energy Saving Activity>							
	Energy Consumption (Total Amount of Electricity)	kwh	6,730,172	6,459,331	6,607,240	6,533,892	5,919,791	
	Energy Consumption (Total Amount of Gas) in terms of LPG	ton	165	175	174	210	230	
	CO ₂ emissions total (Energy Origin)	t-CO ₂	3,737	3,504	3,394	3,307	3,375	
	<Resource-Saving Activities>							
	Industrial Waste Emissions (Total Amount)	ton	1,109	1,440	2,200	1,988	1,864	
	Water Consumption (Total Amount)	Thousand m ³	26.7	25.6	24.0	31.6	25.8	
	<Measures against Environmentally Hazardous Substances>							
	Amount of Gasoline and Light oil Consumed (Within Our Facilities)	ℓ	16,177	11,036	9,806	10,153	11,307	
Amount of chemical substances discharged and transferred subject to PRTR	kg	16,100	9,500	8,000	8,700	18,000		
6.6 Fair Operating Practices	Compliance							
	Number of in-house compliance training conducted	Time	23	24	24	24	15	
6.7 Consumer Issues	Improving Quality and Ensuring Safety							
	Number of incidents involving loss or leakage of personal information	Consultations	0	0	0	0	0	
6.8 Community Involvement and Expansion	Continued Promotion of Company-wide Social Contribution Measures							
	Achievements in Social Contribution Activities (No. of Activities)	Consultations	38	37	29	19	24	
	Achievements in Social Contribution Activities (Cost of activities)	Thousand Yen	5,089	1,581	10,868	920	1,348	

(※1) [Reference] As of April 2023, three female managers take an active role in the workforce.

(※2) The number of employees includes those dispatched the Company from outside the Company on loan and excludes those dispatched from the Company to outside the Company.

◇Utilizing the framework of ISO 26000, an international standard on social responsibility, we organize the main activities and achievements in accordance with the seven core themes

Medium-Term Management Plan 2023

In the Mid-Term 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-Term Management 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.

[Concept of Mid-Term Management 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”

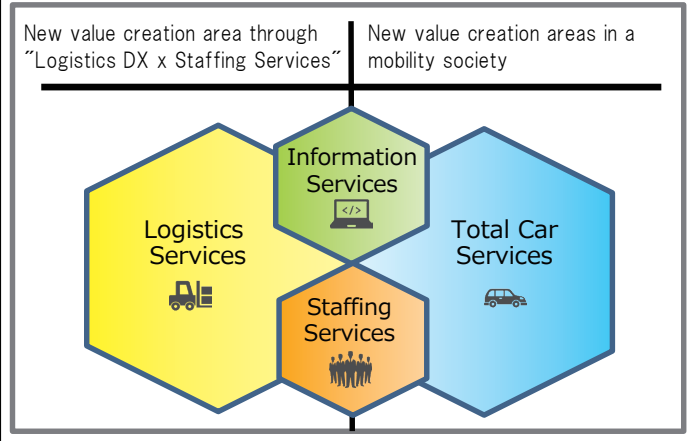
Aiming to be a “strong and friendly” company that responds immediately to changes in the business environment, we accelerate inter-departmental collaboration and inter-group collaboration with subsidiaries, make proposals that respond quickly to diversifying customer needs, promote employee independence, and realize both employee growth and company growth.

(2) Promote Growth Strategy

While maximizing the strengths of our group, such as information systems and smart operations, we will provide services tailored to business characteristics that meet the true needs of our customers, with area as our keyword. Through the contribution of our employees, we will realize the growth of the company along with the growth and happiness of our employees.

[Mid-Term Group Management Policy]

In order to steadily promote the concept of the mid-range management plan, we will build services in new areas without being bound by existing business areas and aim to become a comprehensive service company.



Mid-Term Group Basic Strategy

Strengthen IT and DX (Digital Transformation) initiatives in each business field, promote operational efficiency and marketing, and group management of “Self-Reliance” and “One Team” that transcends each field. The synergistic effect of business division management will lead to further growth strategies.

Logistics Services Business

- Further development, and preparation for ensured development by strengthening the foundation of existing businesses with “Logistics Services + IT”
- Create new value as a group (collaboration with subsidiaries) with “Logistics Services + Staffing Services”
- Ensure the technology development for logistics services and products of the next-generation by investing in logistics IT and robot R&D

Total Car Services Business

- Expand sales by strengthening area marketing centered on existing bases, while contributing to customers with new value through “safe and secure automobile services + IT”

Information Services Business

- With “IT + Logistics Service”, the operation function is to be driven centering on “Logistics Service Business” by accumulating new know-how

Staffing Services Business

- Strengthen human resources, which is the foundation of the logistics business, while reinforcing the management foundation through group-wide sales initiatives

Mid-Term Group Sustainability Policy

The KIMURA UNITY GROUP ensure 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.

State of Progress on Medium-term Management Plan for FT 2023

Consolidated Results

Unit: million yen

Consolidated Results	Results	Results	Results	Forecast	Medium-term management plan	Plan Progress Rate (FY2023 Forecast/Medium-term Management Plan)
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	
	-	First Year	Second Year	Third Year	Third Year	100%
Amount of Sales	51,782	57,082	59,139	60,000	65,000	92.3%
Operating Income	2,434	2,938	3,269	3,600	4,000	90.0%
%	4.7%	5.1%	5.5%	6.0%	6.2%	
Ordinary Profit	2,812	3,670	3,965	4,200	4,300	97.7%
%	5.4%	6.4%	6.7%	7.0%	6.6%	
Net Income Attributable to Owners of Parent Company	1,603	2,181	2,471	2,800	3,000	93.3%
%	3.1%	3.8%	4.2%	4.7%	4.6%	
ROE (%)	5.64	7.11	7.55	8.06	8.00	100.8%

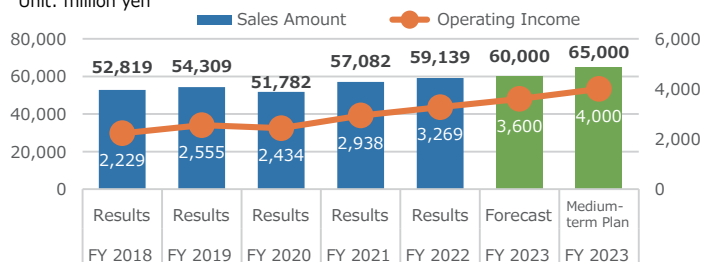
By segment

Unit: million yen

By Segment		Results	Results	Results	Forecast	Medium-term management plan	Plan Progress Rate (FY2023 Forecast/Medium-term Management Plan)	Factor
		FY 2020	FY 2021	FY 2022	FY 2023	FY 2023		
		-	First Year	Second Year	Third Year	Third Year	100%	
Logistic Service Business	Sales Amount	35,885	40,973	42,264	42,700	45,300	94.3%	<input type="checkbox"/> Decrease in quantity due to the impact of the Covid-19 pandemic and the situation in Ukraine, etc. <input type="checkbox"/> Improved profitability by promoting One-Team Management with Total Participation
	Operating Income	3,045	3,802	3,848	4,240	4,000	106.0%	
	%	8.5%	9.3%	9.1%	9.9%	8.8%		
Total Car Service Business	Sales Amount	14,277	14,071	14,232	14,600	15,900	91.8%	<input type="checkbox"/> Decrease in quantity due to the impact of the Covid-19 pandemic <input type="checkbox"/> Impact of decreased revenue
	Operating Income	545	657	763	810	950	85.3%	
	%	3.8%	4.7%	5.4%	5.5%	6.0%		
Information Service Business	Sales Amount	1,409	1,495	1,792	2,030	2,000	101.5%	<input type="checkbox"/> Increase in volume from major customers by strengthening customer proposal capabilities in regards to "Logistics Operations + IT" Services <input type="checkbox"/> Increased revenue effect. Improved profitability through cost reduction activities
	Operating Income	103	88	246	270	150	180.0%	
	%	7.3%	5.9%	13.7%	13.3%	7.5%		
Staffing Service Business	Sales Amount	593	1,039	1,538	1,900	3,000	63.3%	<input type="checkbox"/> Decrease in quantity due to the impact of the Covid-19 pandemic <input type="checkbox"/> Impact of shortage of personnel due to rapid increase in demand <input type="checkbox"/> Increase in human resources recruitment costs due to shortage of human resources, etc.
	Operating Income	14	5	7	10	200	5.0%	
	%	2.4%	0.5%	0.5%	0.5%	6.7%		
Other Service Business	Sales Amount	45	44	46	45	45	100.0%	
	Operating Income	11	11	13	15	15	100.0%	
	%	24.4%	25.0%	28.3%	33.3%	33.3%		
Intersegment Offset	Sales Amount	△ 429	△ 542	△ 735	△ 1,275	△ 1,245		
	Operating Income	△ 1,286	△ 1,628	△ 1,609	△ 1,745	△ 1,315		
Total	Sales Amount	51,782	57,082	59,139	60,000	65,000	92.3%	
	Operating Income	2,434	2,938	3,269	3,600	4,000	90.0%	

Sales Amount · Operating Income

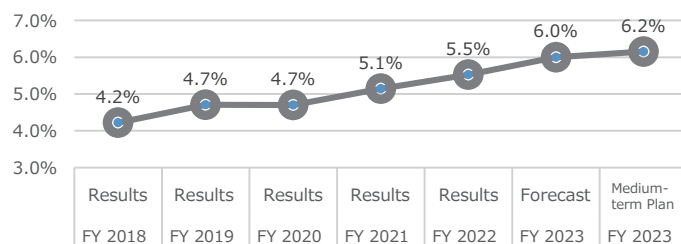
Unit: million yen



【Sales Amount】

Expected to not reach the target due to the impact of the Covid-19 pandemic, the situation in Ukraine, etc.

Operating Profit Ratio



【Profit】

Although we anticipate that we will not achieve our profit target at the moment, we aim to achieve a profit margin of 6% through initiatives such as increasing the improving management speed on the front lines.

BASIC POLICY

With our continuous improvement that respects and leads people to their full potential, combined with DX(Digital Transformation), we continue to grow and to contribute the sustainable development of society.

～ Evolving into a well-being state for customers, society, employees, and society through a logistics business focuses on people ～

- 3 unique capabilities to be developed: ① Optimization of operating costs ② DX for the future
③ Contribution to the region by the entire Group

RECOGNIZING BUSINESS ENVIRONMENT AND ISSUES

Our Main Customer Segment: Automotive Industry

- The automotive industry is undergoing a major technological innovation called CASE in the ‘Once-in-a-Century Transformation Period’
- With the electrification of automobiles themselves (transition to HEV, PHEV, BEV, FCEV, etc.), changes are taking place in energy infrastructure and materials.
- Toyota Motor Corporation, a major customer, has announced a strategy to expand the battery EV lineup to 30 types by 2030.
- Risks include a decrease in the number of component parts due to the electrification of automobiles, and the possibility of a corresponding decrease in parts logistics. In addition, sluggish growth in automobile sales due to the spread of car sharing
- As for opportunities, increased demand for new materials, raw materials, and resources associated with the electrification of automobiles would be included in addition to the creation of new business markets due to the spread of sharing

The Logistics Business Industry in which our company exists

- The decline in the working population has led to a serious labor shortage in the logistics industry, and “Labor Saving” and “Standardization” are the keys to the issue
- From the viewpoint of labor saving, the automation of shelf transport robots and collaborative robots that work together in warehouses have been increasing advanced, and in transportation, transportation and delivery using automatic trucks and drones, self-propelled delivery robots, etc. are being put to practical use
- From the standpoint of standardization, functions and information are shared beyond the boundaries of companies and industries, and logistics efficiency is promoted through joint logistics that shares logistics functions
- In April 2024, there will be a so-called “24-year problem” in which the upper limit of overtime hours for drivers will be set at 80 hours on average per month. In order to deal with this problem, securing human resources and digitalization are urgently needed in the logistics industry.

COMPETITIVE ADVANTAGE IN BUSINESS

3 Key Strengths Utilized in the Current Business

- Human Resources Development: Initiatives for diverse human resources to grow and work better in our corporate culture that respects people
- Creation of Systems: Mechanisms and systems to continuously improve the quality of logistics
- Ingenious Tool Making: Tools and Equipment and Systems developed enable to make contribution

R&D and Investment for the Future

We have a team of specialists that meets the needs of customers, realizing “faster, cheaper, and more reliable logistics” through new technology research in such areas as robots, AI, and IoT, product development with new materials, through training curriculum development for advanced skills so as to turn the cycle of PDCA at the actual operation-sites

TOPICS (Introduction of Initiatives)

Smart Casting Board (Appropriate staff allocation management system)

We have been making efforts in this process of improvement after improvement endlessly year by year so as to optimize the allocation of personnel according to the ever-changing logistics needs. It was the target to “distribute personnel more efficiently” in terms of efficiency and accuracy.

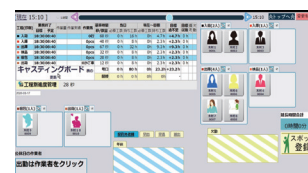
What we were concerned and particular about most was “the heart of people.” “How would people feel when they were assigned to other processes?” “What is the condition of the receiving side?” We focused on the people so that they could make utmost performance. Everything was so arranged and “prepared for the people to demonstrate their performance to create the maximum value.”

Co-creation Initiatives for Disaster Mitigation with Local Governments (System Construction)

I want to help the people who live in this area, and I want the local businesses I have seen since I was a child to continue to be active and meet with us. We started this co-creation with the idea of “how can we make use of our company’s know-how in response to the recent earthquakes and floods that are becoming more and more severe?”

Leadership Education

Training to become managers who can achieve smart operations (operating warehouses with optimal staffing while realizing customer expectations). In addition to management skills and know-how, we also provide human resource development based on our unique “spirit of leadership” curriculum. We provide training that enables participants to realize growth in both practical working knowledge and personality while preparing them for higher level of operations and the next level of sales expansion.



Screen of Smart Casting Board



Screen in system development for mitigation of disaster



Wrap-up Presentation of the Training Seminar

VISION FOR THE FUTURE

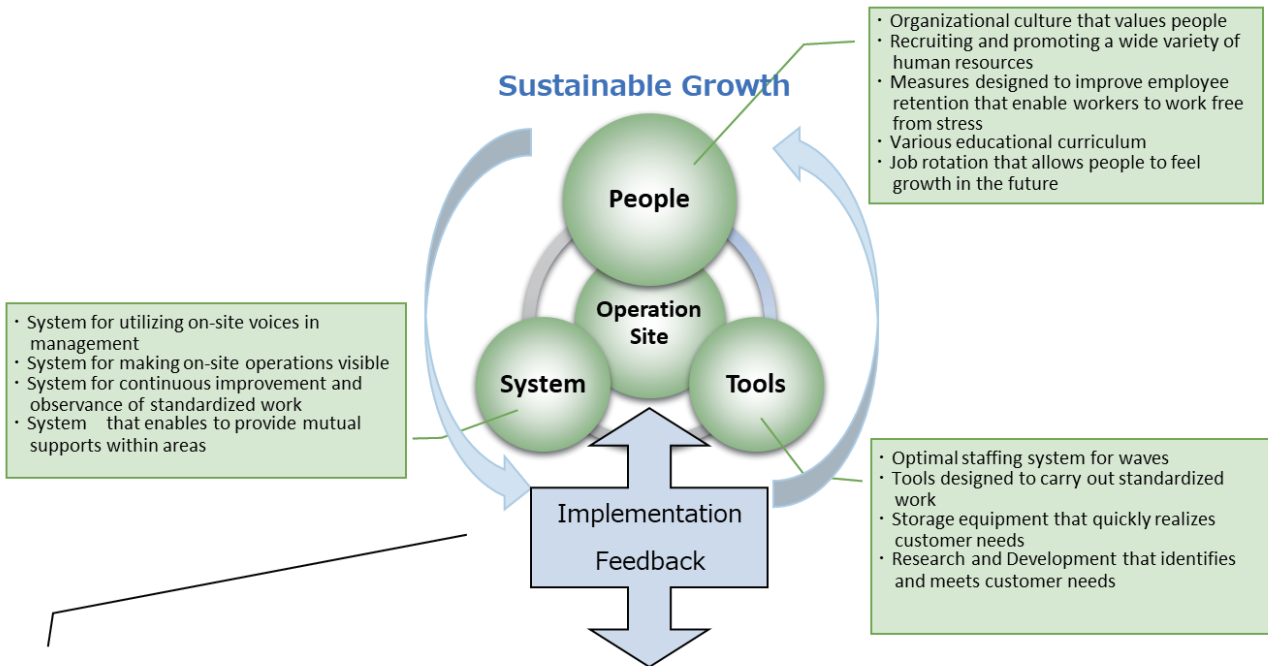
【Mid-Term Basic Strategy】

- Ensure and prepare for further development by strengthening the foundation of existing businesses with “logistics services + IT”
- Create new value as a group (collaboration with subsidiaries) in “Logistics + Staffing Services”
- Improving Next-Generation Logistics Service and Product Development Capabilities through R&D Investment in Logistics IT/Robots

IT+TPS Smart Operation

Sales Expansion contributing to Areas

Promotion of Logistics DX



R&D and Investment for the Future

- We have a team of specialists that meets the needs of customers, realizing "faster, cheaper, and more reliable logistics" through new technology research in such areas as robots, AI, and IoT, product development with new materials, through training curriculum development for advanced skills so as to turn the cycle of PDCA at the actual operation-sites

PRIORITY BUSINESS STRATEGY

Priority Business Strategy		Corresponding SDGs
“Personnel Development” that lays the foundations and implements strategies	Of the management resources (people, goods, money, and information), human resource is only one that can grow by itself. As people grow, the speed of growth will be accelerated, which also accelerates execution of strategies as it is an important factor as a driving force.	
Promotion of DX: IT+ Logistics	In order to realize customers satisfaction, it is essential to continuously demonstrate maximum performance at minimum cost. We continue to improve the quality of logistics by utilizing digital technology that maximizes human capabilities in accordance with the theory and practice of Toyota Production System.	
Priority Regions and Focus Domains Automotive Service Parts centering around Kansai and Kanto	Up till now, we have developed our business in Chubu District in the field of service parts of automotive industries. We expand our efforts to the Kansai and the Kanto markets, targeting automobile parts shifting to EVs, while meeting the needs of evolving E-commerce business by setting small area units for the future to come.	

Direction of Growth Strategy

In order to overcome the age of uncertainty with unpredictable times ahead of us, and to continue to grow and develop our Group by establishing and executing a stronger growth strategy that will guide the future expansion of the Logistics Services Division.

Toward hopeful Future

Listening to the voices of our employees, we will present the “Ideal Workplace” to be realized at Kimura Unity in five years, giving everyone hope for the future.

Future Image of KUCG in 5 years	Establishment of “KIMURA BRAND” representing its uniqueness and competitive advantage of KIMURA UNITY GROUP							
What are Kimura’s strengths and competitive advantages?	<p style="text-align: center;">① Inverted Triangular Pyramid Structure</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">a</td> <td>Set a vision and present strategies and policies to make it happen (start with the mindset alignment)</td> </tr> <tr> <td style="text-align: center;">b</td> <td>Think, speak, act, and reflect on your own initiative to embody the concepts of the upper hierarchy.</td> </tr> <tr> <td style="text-align: center;">c</td> <td>Trust subordinates and monitor their efforts to lead them to success (Leading Management)</td> </tr> </table>	a	Set a vision and present strategies and policies to make it happen (start with the mindset alignment)	b	Think, speak, act, and reflect on your own initiative to embody the concepts of the upper hierarchy.	c	Trust subordinates and monitor their efforts to lead them to success (Leading Management)	<p>③ A workplace where all employees can thrive and shine. (environment of challenging, rewarding, highly motivating, easy-to-work-in elements)</p> <p>Work environment based on the management philosophy sharing the same principles and mindset in business practice, nurturing leaders to be rich in humanity that attracts people</p>
	a	Set a vision and present strategies and policies to make it happen (start with the mindset alignment)						
b	Think, speak, act, and reflect on your own initiative to embody the concepts of the upper hierarchy.							
c	Trust subordinates and monitor their efforts to lead them to success (Leading Management)							
<p>② Gemba Capabilities that surpass competitors (Daily financial results, service quality, site operations, kaizen (continuous improvement), creative suggestions, problem-solving)</p> <p>Establishment of “Kimura Logistics System” Enrichment of a range of services leading to grow to become a logistics solution and service provider</p>	<p>④ Building new spontaneous customer relationships. (Get out of the world of passive orientation, beyond doing only what you’re told)</p> <p>We become a logistics partner that grows together with our customers by identifying potentiality to grow and responding to their latent needs.</p>							

We are in pursuit of the future image of ours with the Management Philosophy; “The Company exists for the customers and prospers alongside our employees.”

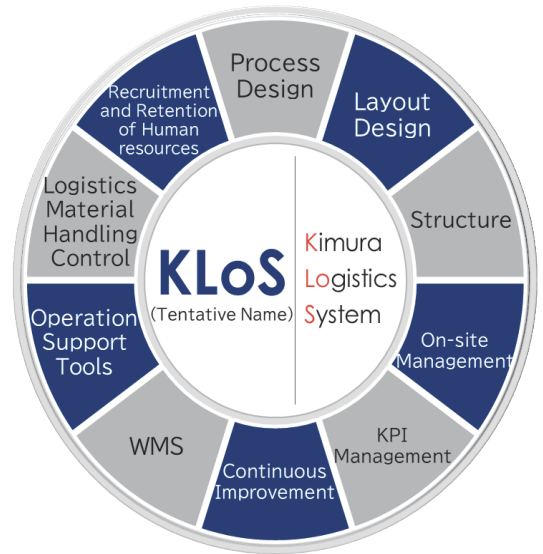
Image of Kimura Unity in 5 years

Two Pillars of Growth Strategy

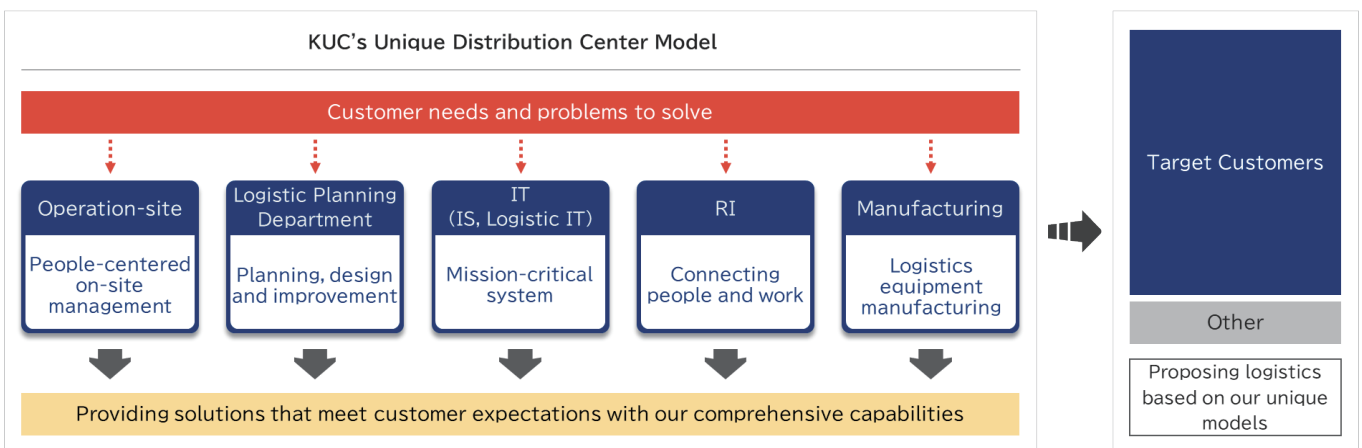
Kimura Logistics System



The KU logistics system has been established as Kimura Unity's logistics philosophy and know-how by adding the characteristics of the logistics industry to the philosophy of the Toyota Production System (TPS).

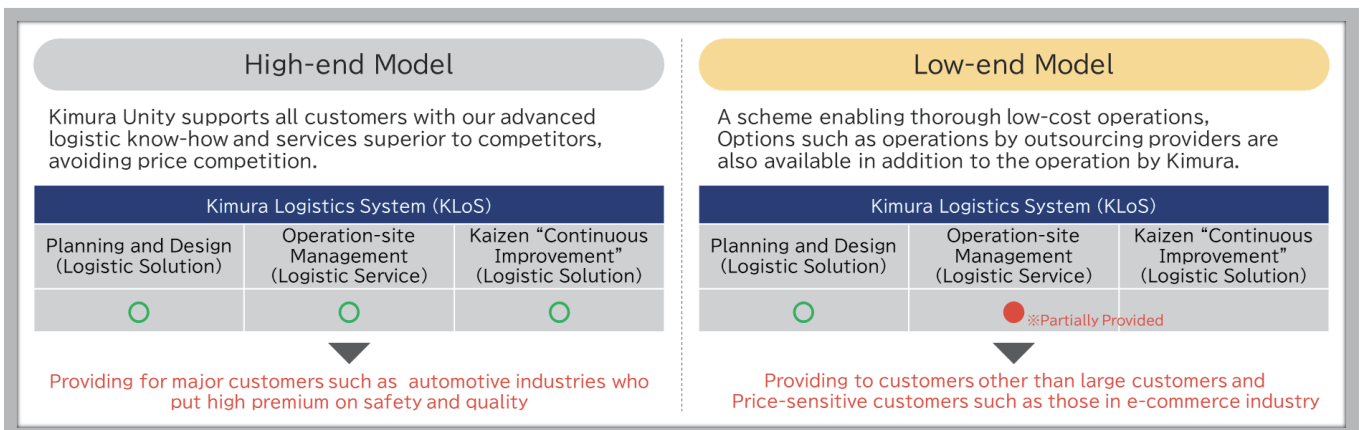


Sales expansion capabilities empowered by KUC's unique distribution center model



Capture the hearts of target customers with high expectation to grow in the future by leveraging our know-how cultivated at the distribution centers of major parts manufacturers.

Provide logistics services tailored to customer needs



Expand the scope of business, responding to various customer needs by establishing each model fit for customer needs

BASIC POLICY

We evolve solutions based on DX (human and vehicle management) x on-site (maintenance workshop), side by side providing on-site support to customers when using cars by “KIBACO,” management system for “People·Organization·Cars.” We would always like to contribute to the solution of various problems such as safety, security and the reduction of cost so as to help support to deliver Dreams, Comfort and Security in the car oriented lifestyle. We take the change from ownership to usership as a new challenge for new development. We continue to develop “KIBACO,” while tackling “initiatives for the promotion of DX for the next generation to come.” Assuring the sustainable development of our Total Car Services, we continue to pursue for the realization of new mobility society, sharing the principles of CASE and MaaS.

RECOGNIZING BUSINESS ENVIRONMENT AND ISSUES

- Intensifying competition due to the shrinking aftermarket caused by declining birthrate and aging population, etc.
- Technological advances in automobiles and related services are accelerating
- Advances in CASE/MaaS transforms Business Models and create new market areas
- Demands for the creation of a safe and secure automobile society through SDGs and carbon neutrality

COMPETITIVE ADVANTAGE IN BUSINESS

Ever since the days when automobile after-sales service was not fulfilled enough over 60 years ago, we have always been of help to our customers at the time of troubles such as car breakdown and accidents through establishing maintenance shops, offering response to traffic incidents, road traffic incident prevention services and campaigns.

Business development in various positions such as vehicle leasing, vehicle maintenance, and insurance agency

Service capabilities developed from a customer perspective and a professional perspective, based on the know-how cultivated through a long period of on-site operations centered on customer operations and in-house maintenance factories

We are the group that has been working on traffic safety for decades, believing that eradicating accidents is for the betterment of the world

Strong commitment to developing services based on the premise of “safety and security,” such as traffic disaster prevention and preventive maintenance



Birth of a traffic disaster prevention service car May 1976



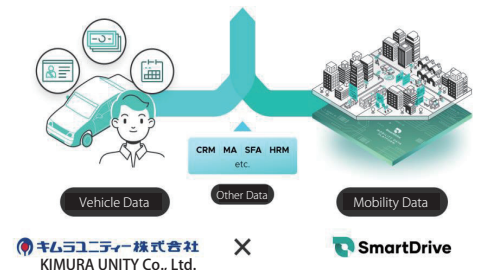
Introduced state-of-the-art driving aptitude tester (CRT) Sep. 1989

TOPICS (Introduction of Initiatives)

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

Total Support for Corporate Customers in Problem-Solving



Respect the Law 38



R 38 means to practice Article 38 of the Road Traffic Act, “Pedestrians have priority at pedestrian crossings.” By spreading the circle of recognition and communication that conveys its meaning and obtain the support of as many people as possible, even one company, to prevent pedestrians from being involved in accidents. Activities were initiated with the goal of realizing a world that no accidents exist. Japan is a car society that gives priority to pedestrians rather than cars. It is a project launched in June 2021 with earnest desire of protecting pedestrians in mind.



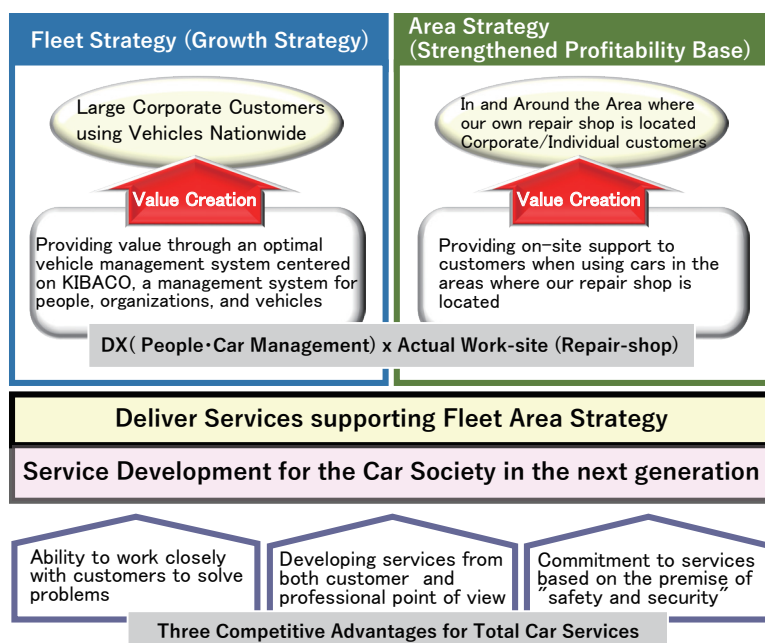
SDGs Event Dec. 2022



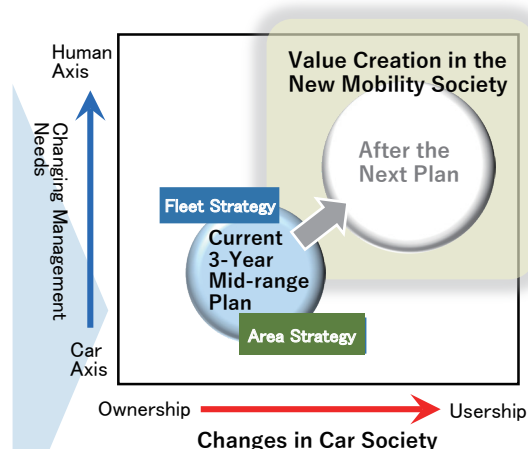
Truck Fes. Feb. 2022

VISION FOR THE FUTURE

<Priority Strategy System for Value Creation in the Medium-Term Plan>



<Value Creation for the Coming New Mobility Society>



In order to cope with further changes in the “automobile society” and new “management needs,” we aim to develop business in the value creation area in the new mobility society, after the current three-year plan, where CASE/MaaS, carbon neutrality and SDGs play an important role.

PRIORITY BUSINESS STRATEGY

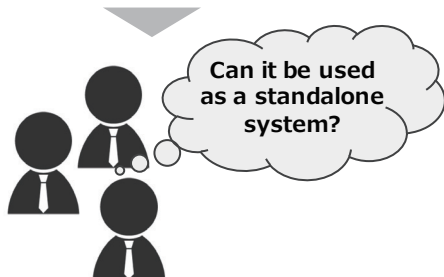
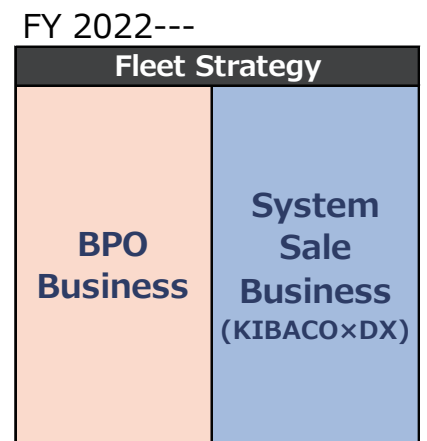
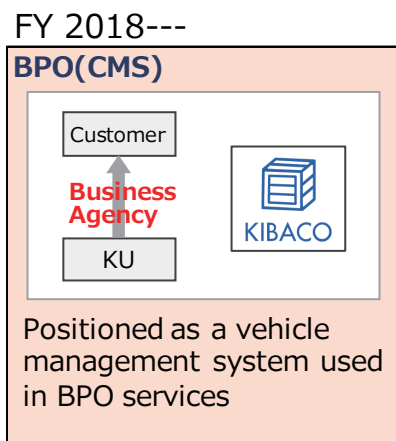
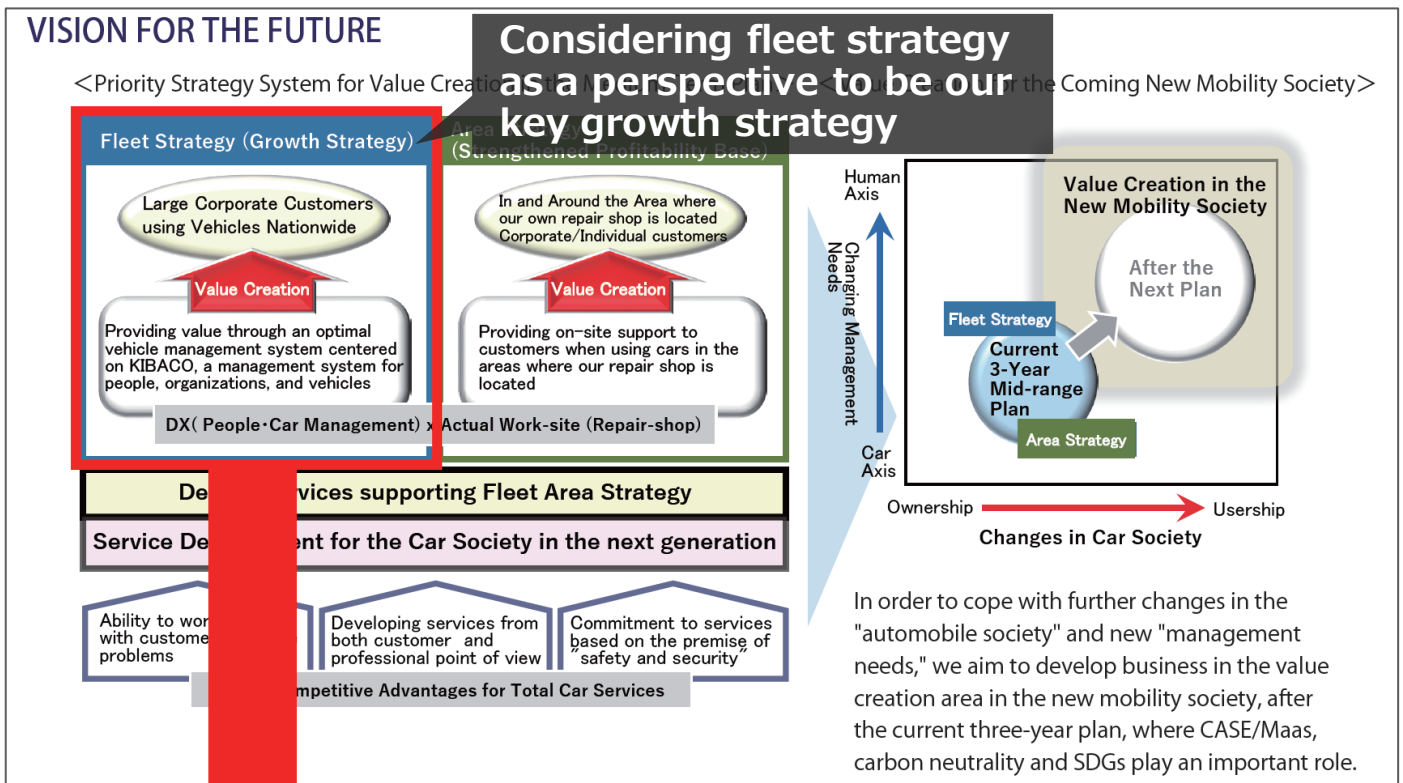
Priority Business Strategy		Corresponding SDGs
Fleet Strategy • Pillar of Growth Strategy • New Business Domain	We provide a car management service that utilizes the system “KIBACO” to manage “people, organizations, and vehicles,” mainly for large corporate customers who use vehicles nationwide. Realizing “safety and quality improvement, compliance, cost reduction, etc.” by constructing the optimal vehicle management system for customers, we expand earnings in new business areas centered on new customer development.	
Area Strategy • Strengthen Revenue Base • Existing Business Domain	For the sake of corporate customers and individual customers located in and around the area of our servicing workshop, we provide “New Added Value” to efficiently cope with problems meeting the needs of customers that includes an on-site support service, etc. when using a car. Paying a close attention to each and every one of customer’s car, we help our customers to solve the problems in the realization of “safer and higher quality, compliance and reduced cost.” Thus, we contribute to strengthening revenue base within the existing business domain.	
Services supporting the deployment of Fleet and Area Strategy	Traffic accident prevention services, insurance consulting, car maintenance carried out in our own servicing workshop, maintenance management, sale of car supplies, etc. are the services and functions of ours that make it possible to provide new added values by the combination and linkage with major services of Fleet and Area strategies and ensure the deployment of strategies.	
Initiatives for service development towards the next generation of car society	Enrichment of the management function of “KIBACO” in the area of “People /Organization/Car” and enhanced service support for the use of car with our own service factory as a key operation element, we have been engaged in the research and development for high level of response to the servicing for EX cars and vehicles with safety device to be realized. These are part of our efforts to cope with the changes from “ownership” to “usership” towards the next generation in the domain to support the car oriented life-style.	

GROWTH STRATEGY [Total Car Services Business]

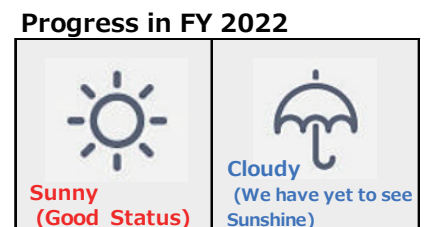
DIRECTION OF GROWTH STRATEGY

Looking to the future in two, three years or 5, 10 years ahead from now, what are the competitive advantages we have to leverage for the contribution to society? And how should we hone those strengths, and what volume of profit should we aim for?

We will rearrange our marketing strategy based on the needs for our system sales so as to envision a better strategic planning for the growth of TCS.

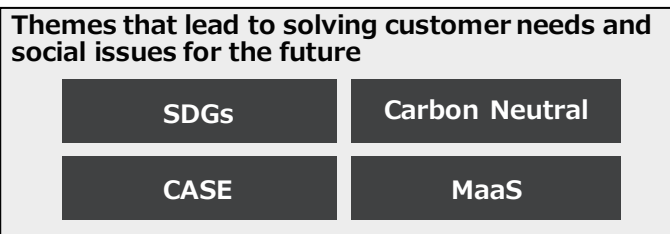


FY 2021 Received a contract for substantial orders



Creating new value by combining with KIBACO **【Knowing What to sell and to Whom】**

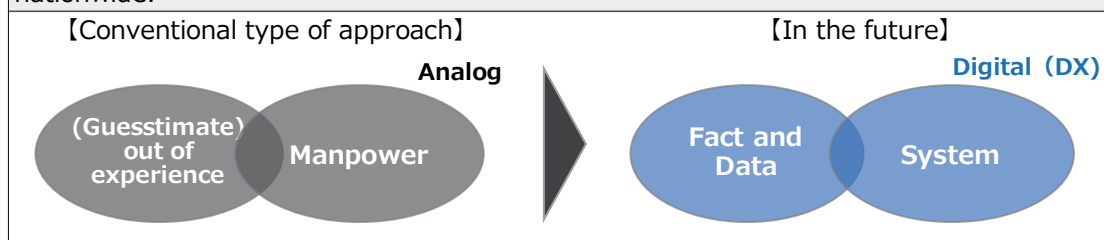
We have been working on “new value” that will hit new targets across the country in our project.



Conclusion that we have reached after considering---

Realization of both “**safety**” and “**reduction of vehicles**” is the response provided by KIBACO as a new effective value.

This is a theme that we have been working on over the past extended period of time. We would like to combine this theme with IT to raise the level of the service of KIBACO, thereby providing new value in more effective and efficient manners for customers nationwide.



■ Description of New Value of KIBACO

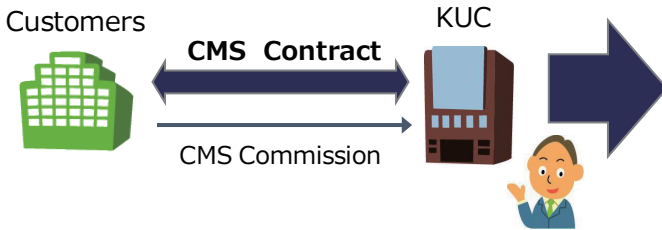
Customer needs	Value to provide by KIBACO	Current System	Direction (draft)
Eliminate traffic accidents	Traffic accident free	×	Developed a TEREMA package menu for fixed point observation and provided a safety education plan that allows you to utilize TEREMA at spots
		×	Receive behavior data, engine ON/OFF, violation data, etc. from various devices and combine it with KIBACO's data to provide new value (what to explore in the future) Example 1: Traffic safety education tailored to characteristics of behavior, violations, day of the week, and time of day Example 2: Sharing knowledge through videos of accidents and dangerous behavior of company cars Example 3: Schedule inspection according to mileage Example 4: Alert function when driving without roll call or daily inspection <div style="float: right; text-align: right;"> safety quality compliance </div>
Manage the progress of an accident smoothly and impeccably without fail	Management free	○	Improve the way you sell and present your Merchandise / service ⇒ Review of promotion strategies such as website renovation and web advertising
Manage vehicle inspection dates, license expiration dates, and insurance contracts without any omissions or extra effort		○	
Eliminate unused cars	Car free (Cost reduction by reduced cars)	△	Modify some of the premium features and add them to the basic features
		×	·Promote co-ownership operations by solving the issue of handing over shared car keys ·Improving compliance awareness by controlling the engine when a roll call is abnormal or when a roll call is not performed
Eliminate complicated management cards	Card free	×	Refueling can be done using a QR code, reducing the man-hours involved in managing the actual refueling card ⇒ No need to deal with lost cards or magnetic defective, Without issuing a new card
Do away with unproductive paper work	Contract free	×	Managing contracts electronically through KIBACO becomes possible, reducing the man-hours involved in managing physical contracts and affixing a seal to documents

GROWTH STRATEGY 【Total Car Services Business】

Features of KABACO and its Business Model

~ Why “KIBACO”? What are the benefits? ~

【TCS’s Strategic Product : CMS】



Enabling CMS to use as an entry point, and incorporate in TCS products with high profit margins

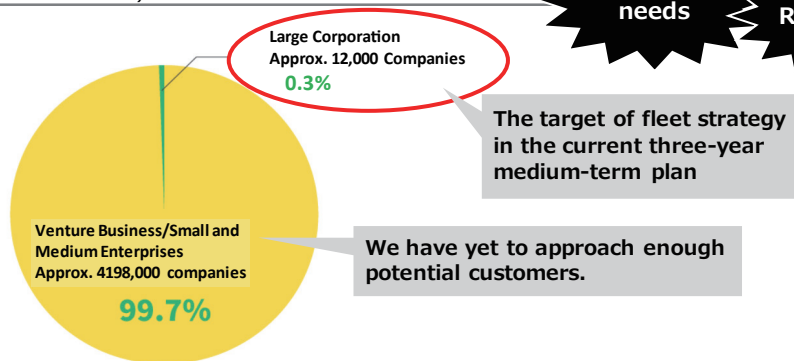
ALLTCS MAERCHANDIE/SERVICES

Lease	Insurance	Maintenance
Off-Store Sales	Car Rental	DSS
Car Sales	Sheet Metal Maintenance	手数料

【CMS Challenges】

Targeting

Target of CMS used to be mainly customers with a certain level of scale (customers with a large number of cars).

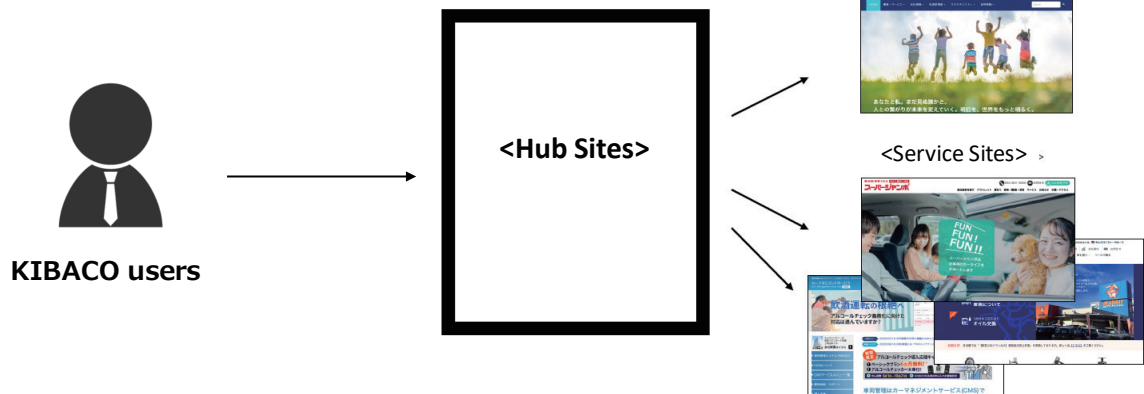


Excerpt from the document of the Ministry of Internal Affairs and Communications “2020 Economic Census/Basic Survey”

Drawing up future growth strategies, we would like to include venture businesses and small and medium-sized enterprises across the country.

- The SaaS business “KIBACO” is the key, as it is not possible to approach all of the potential customers with human-driven services.
- By connecting with new customers and increasing our market share in system sales, we will increase touchpoints and expand sales of TCS products.

<Image of product sales expansion>



Expand sales of TCS products through digital X sales, with the hub sites in Approach Point

BASIC POLICY

“The Three way Satisfaction Culture” --- made up of three parties including customers, “Kiratto” and our grouping companies. We call a dispatch worker “Kiratto.” (☆“Kiratto” literary means “shining brightly”)

- ① Focus on improving the retention rate and have them experience career development through accompaniment, support, and training
- ② Strengthen recruiting capabilities, execute and follow area expansion with overwhelming recruiting capabilities, and realize timely personnel services
- ③ Realize stable employment through area strategy and area sales expansion through joint efforts with our logistics services department

RECOGNIZING BUSINESS ENVIRONMENT AND ISSUES

Environmental changes in Japanese society

- Due to the declining birthrate and aging population, the decline in the working-age population will bring about labor shortages in various industries, as well as shrinkage of the market. In addition, changes in the demographic structure will affect the social security system, by the increase of economic burden on young people.
- The population has been concentrated in urban areas, mainly in the three major metropolitan areas (Tokyo, Nagoya, and Osaka). While this concentration of population in urban areas could cause an increase in the risk of infectious diseases and natural disasters due to overcrowding in cities, traffic congestion, etc., lack of people to support the local economy and industry, due to population outflow in rural areas, could cause difficulties in maintaining communities.

Trends in the temporary staffing industry

- The revision of the Temporary Staffing Act has shifted to equal pay for equal work, and is moving toward stabilizing the employment of non-regular employees.
- Employment insurance for non-regular employees and improvement of working conditions contribute to increasing labor wages throughout society.
- Staffing industry is experiencing flat growth.
- In temporary staffing, the market is becoming oligopolistic.

COMPETITIVE ADVANTAGE IN BUSINESS

Three strengths in our current business

- **Worksite:** In the real operation sites, service education and trials are conducted.
- **Human Resources Development:** With the training know-how and in-house instructors of our group companies, can provide practical education and training in the actual workplace + training know-how to develop personnel as immediate workforce.
- **System:** Through digital investment and internal communication, we have a system that allows human resources to realize growth and contribute to customers.

TOPICS (Introduction of Initiatives)

Group-wide contribution to the development of areas

We designated the Kansai as a priority area, the second highest population density in Japan, and opened a new sales office in Amagasaki city in the Kansai District. We contribute to communities by promoting employment and revitalizing corporate activities by practicing “Three Way Satisfaction” by a three-sided benefit of “workers,” companies of the area, “customers” and “our group.” In addition, we set up a website called “Minna no Ba,” or square for everyone for further deployment at 52 locations nationwide to further promote our area contribution activities.

Worker Dispatch Service with the benefit of training where you can feel growth

Entering an unfamiliar workplace for the first time is something that everyone is defensive and nervous. In our group, we provide pre-employment education and work training so that temporary staff can ease such tension and continue working without stress from the first day. We see workers pleased, while the customers are also happy with increased retention.

Securing the employment of international technical trainees who have difficulty returning to their home countries

Various efforts have been made for the survival of companies due to the misfortune caused by Corona. Unfortunately, it also adversely affects international technical trainees who study practical skills in Japan and return home to contribute to the development of their countries. We welcome them as members of our group and provide them an opportunity to acquire packaging skill and technology.



Amagasaki Sales Office



Pre-employment Education



International Technical Trainees

VISION FOR THE FUTURE

Community Development with “People” Oriented Initiatives: [“Three Way Satisfaction Culture” facilitate Regional Development]

We will provide a comfortable working environment, “listening and caring” to those who have joined and registered with our group. Through the educational system of ours and work, they have a great opportunity to develop their skills and working knowledge and expand the areas as to what they can do and what they want to do, which will increase our potential and lead to further growth. In so doing, we work to expand the scope of our contribution to further development of our customers’ businesses, which in turn will lead to the growth of the region as a whole.

〈Regional Strategy〉 Reinforce Collaborative Relation with Human Resources Business

We aim to differentiate ourselves from other temporary staffing companies by launching a new service that enables appropriate cost management at logistics sites through advanced human resource management that can respond to uncertain sales volumes on a moment-by-moment basis.



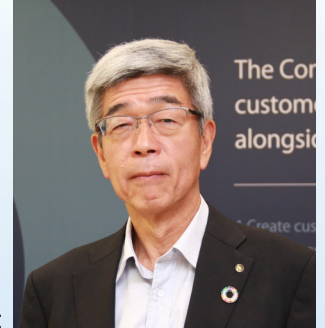
PRIORITY BUSINESS STRATEGY

Priority Business Strategy		Corresponding SDGs
Reinforcement of Recruitment Capabilities	Prioritize improvement of retention rate centered on listening attentively, and achieving speedy and overwhelming hiring power	 
Differentiated Services	Strengthen collaboration with our group and differentiate ourselves with human resources services, being close to our customers.	 
Area Sales Expansion	Enhance area sites and realize a stable supply of human resources to customers in the area (Follow up on “area sales expansion” by strengthening cooperation with our group)	   
Growth of People and Society	Temporary employees (Kiratto) will receive the same training as our group employees. (Growth of Kiratto = lead to growth of our company)	   

KIMURA UNITY'S DX STRATEGY

Today, digital technology has continued to make unprecedented advances in content and speed.

Kimura Unity will actively leverage these latest digital technologies based on the philosophy that we have cherished for many years. Our wisdom combined with knowhow we have developed at our operation sites over an extended period of time, we are committed to creating new values for our customers. We will contribute to society by solving various social issues.



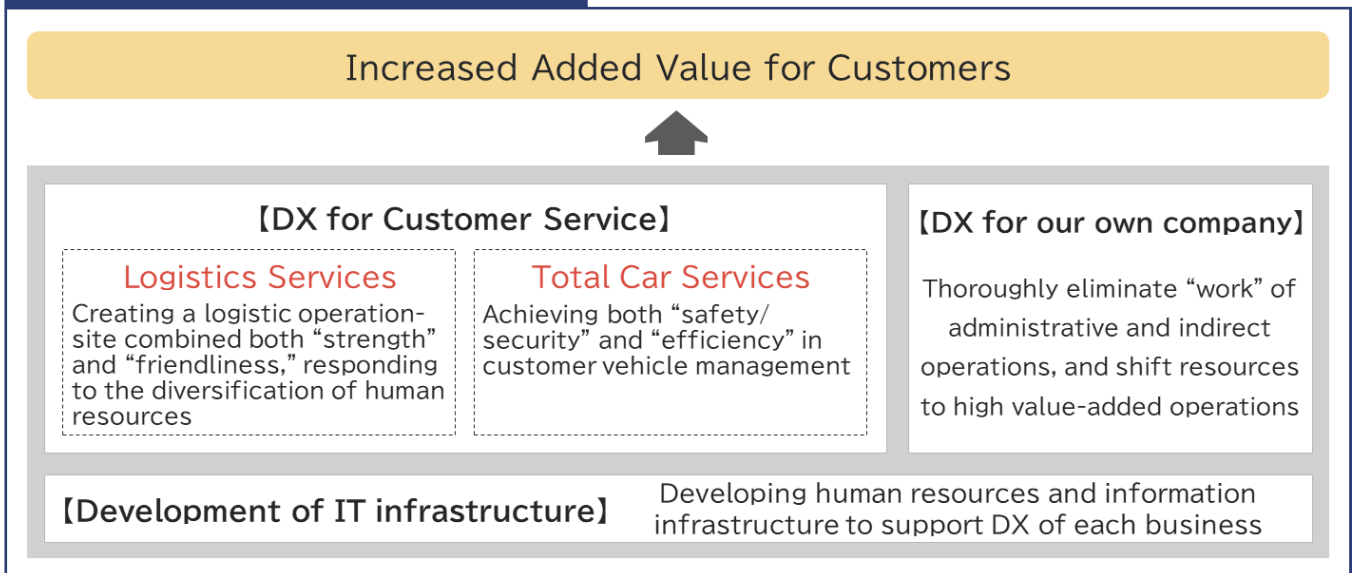
Takeshi Kamata Senior Operating Officer, IS Business Department

Basic Concept of DX promotion

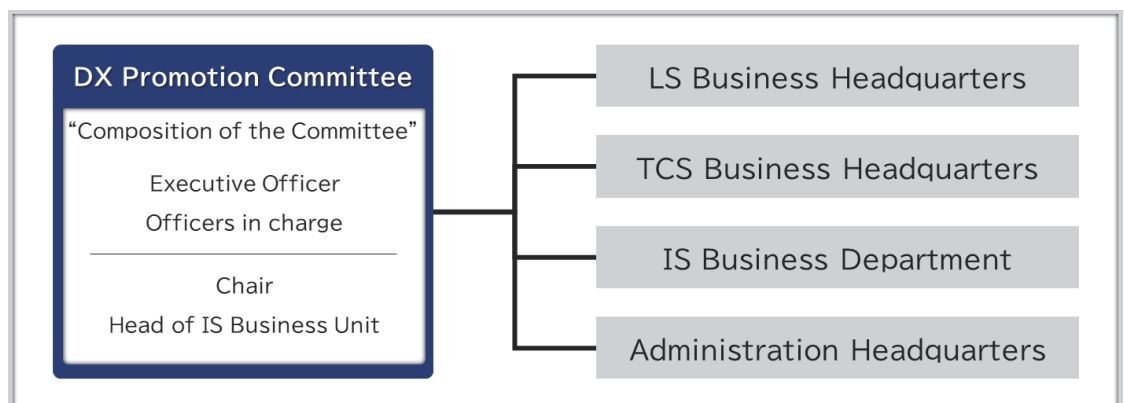
KIMURA UNITY'S
Vison of Ideal DX

- Focused on the Benefit of Humanity
- Change the Work Style for the Better (X)
- (D)to utilize as a means

DX Image of KUC and Target



<Promotion System>



DX in logistics service business

What is DX in the logistics service business?

Contributing to customers by solving on-site issues with digital technology

Concept
『Strength to
Work-Friendly』

Strength: More manageable work environment that allows you to feel more efficient, productive and motivated.
(Work planning with role clarity・efficient management)
Worker-Friendly: More comfortable working environment
(Job satisfaction・high retention)

Issue ① Labor Intensive



- Uniformed management for efficiency
- Gemba control dependent on people

▼ **Solution**

Achieving high productivity

Issue ② Quality Trouble



- Growing customer needs
- Quality directly reflects corporate value

▼ **Solution**

Providing zero mistake logistics

Issue ③ Labor Shortage



- Uniformed management for efficiency
- Gemba control dependent on people

▼ **Solution**

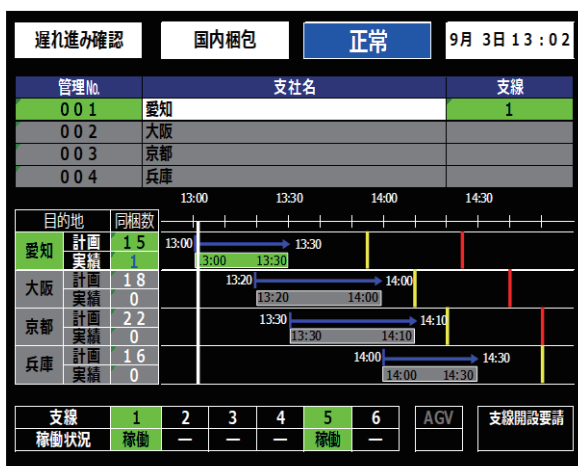
Advancing respect for diversity in workplace where diverse workers can thrive

Specific items implemented in the past (Logistics Services Business)

Obtained Patent
Patent NO. 7239652

System Development for shipping and receiving work in warehouse logistics

【Visualizing the status of delays and progress of work on screen】



【Conventional Problems】

- Due to the lack of reliability, we used to allocate more people to ensure safety in the event of delay.
- In the event of delay, the operation used to be carried out by knack and intuition as the amount of man-power was not figured out.



【Solution by New System】

- Break down the whole process of receiving and shipping work into detailed elemental operations (walking, shelving/ putting away, retrieval, etc.) and set standard time for each job and item number.
- Create accurate plans by multiplying standard time and quantity
- Visualize the true progress and delay by comparing with the accurate plan
- Achieving minimum personnel and appropriate support

We made a proposal of our logistic operation for a major automobile manufacturer, and received an order for a set of Gemba operation with the new system.

“Future direction” of DX in the logistics services business

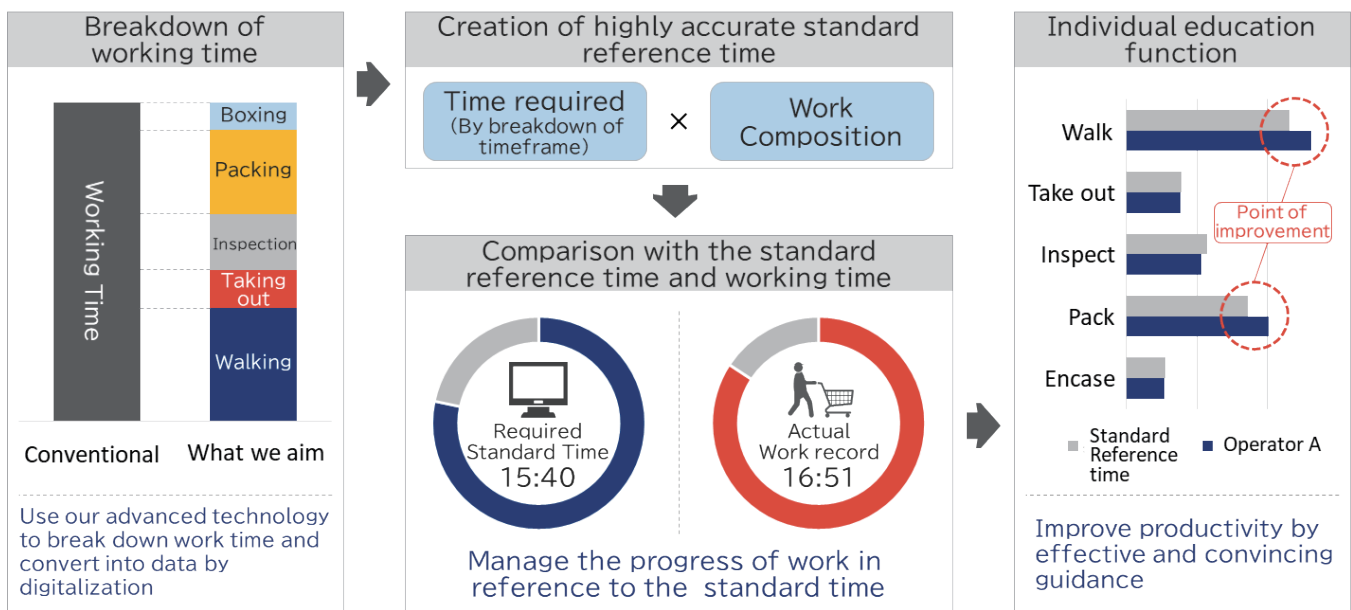
Themes to be pursued by KUG for the future

	Productivity	Quality	Human Resources
Strength (Target)	Pursuing high productivity	Eliminate inferior quality such as incorrect products and missing items	Enabling immediate personnel assignment by creating work system in no need of high proficiency/ management by reduced man-hours
Kindness (Respect Humanity)	Reasonable and convincing education	Require no consideration or judgment of operators	Diverse work styles enabling anyone to engage in work
D (Digital Technology)	Quantification of movement using sensing technology	Identification of good products using analysis technology	Enhancement of support tools of UI/UX design
X (New Work Style)	① A world where workers themselves take on the challenge achieving higher productivity	② Creating a work system with “POKAYOKE” (or mistaken proof system)	③ Self-operation in no need of training and proficiency of skills

Challenge for the Future: Themes 1 (Logistics Services Business)



Example of challenge ① Development of working pacemaker function



Improve the level of work planning with more accurate standard time and performance management

Challenge for the Future: Themes 2 (Logistics Services Business)



Example of Initiatives ② Development of error prevention system utilizing image recognition technology

Level 1: Devise to enable an operator to notice his error made



We are currently developing an inspection device that utilizes image recognition technology to prevent defects such as incorrect or missing items. (In the event of a problem, you will be notified by alert)

Level 2: A system that prevents you from making any mistakes

In order to utilize the diversifying human resources, a system that allows even a layman to assure quality is required.

It is necessary to have a system that never allows you to move forward in the event of any error. (System with no loophole)

Utilizing cutting-edge technology, we aim to build a worksite that prevents any mistakes where you cannot make any errors without fail.

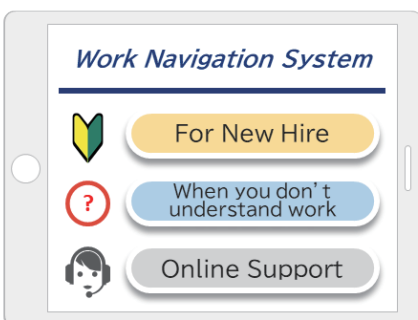
For the future, we aim to enhance the level of mistaken proof system to yet higher level.

Challenge for the Future: Themes 3 (Logistics Services Business)



Example of Initiatives ③ Development of Work Navigation System

Home Page Image



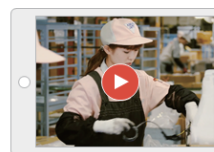
Work system for shipping/receiving operations with work navigation application function introduced

Education and training function for new employees



The feature is to enable to learn tasks on your own through tutorial application, not the traditional type of direct instruction.

Work support function



Visualized manual function by video and audio instructions instead of traditional paper manuals.

Online support function

Report the situation from the Gemba using the video function to take actions based on real time instructions, which enables to call the manager and also reduce man-hours.

Supporting tool to improve the readiness of new hires, and reducing manager man-hours

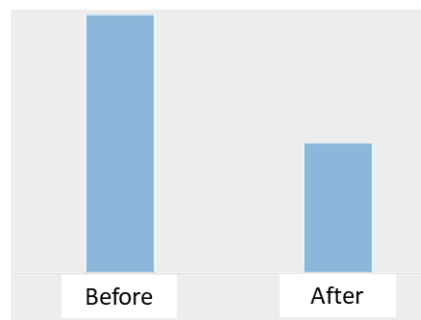
DX in total car services business

Contribute to improving the efficiency, cost reduction, as well as safety and security of customers' vehicle management through DX (people/vehicle management) by KIBACO.

Three values provided by KIBACO's DX



Going Paperless



50% reduction in vehicle management costs



Zero Traffic Accidents

What is "KIBACO" that promotes DX?

What is KIBACO

It is a cloud system aimed at managing information about vehicles, people, and organizations used by corporations. All users, including managers and drivers, can enjoy the three values, promoting vehicle management DX.

What KIBACO can provide:



Cases that have been implemented to this day 1 (Total Car Services)



Areas of paperless operations materialized through the centralization of information on vehicle, people, and organization

Centralized information management by KIBACO enables to achieve 100% paperless transaction for various vehicle management.

✓ Examples of paperless operation that can be achieved by KIBACO:

- Vehicle Management Ledger
- License Management Forms and Papers
- Safety Education Attendance History
- Vehicle Order Application Form
- Driving Daily Report
- Roll Call Record
- Shared Car Reservation Ledger
- Vehicle Transfer Form

✓ Customer Benefits

Increased Work Efficiency

Muda of entry work
Muda of certification stamp
Muda of storage

Cost Reduction

Cost of paper and printing, postal fee, storage space

Improve work styles and reduce costs, while contributing to environmental conservation

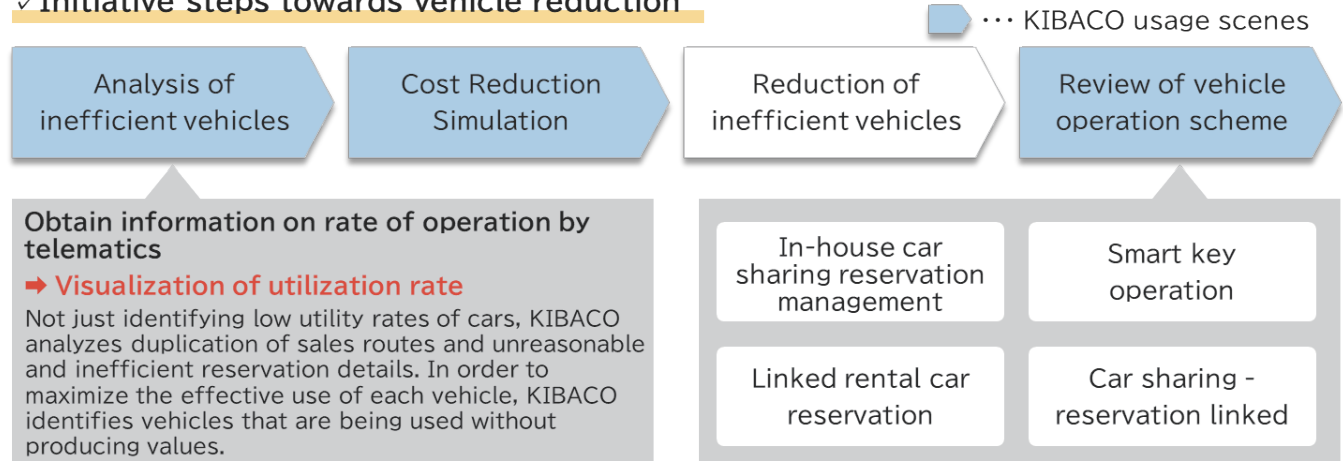
Cases that have been implemented to this day 2 (Total Car Services)



Cut the number of company cars in half by utilizing centralized information by KIBACO

By utilizing information centrally controlled by KIBACO, we reduced the number of vehicles that were being operated inefficiently, and halved the number of vehicles in our fleet. Vehicle-related lease fees, insurance fees, card usage fees, and parking fees can be reduced, and the man-hours required to manage vehicles can be halved.

✓ Initiative steps towards vehicle reduction



KIBACO x External device collaboration promotes efforts towards carbon neutrality by reducing the number of vehicles

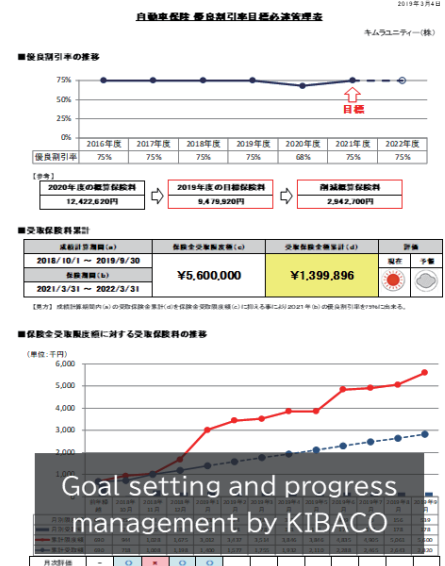
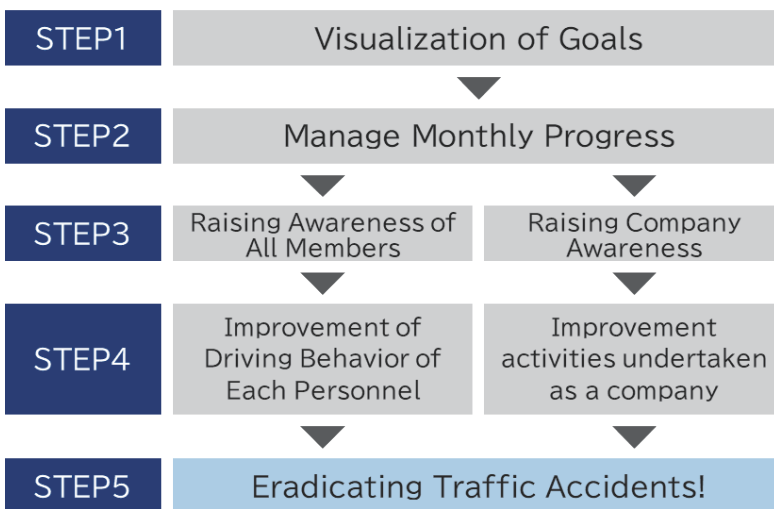
Cases that have been implemented to this day 3 (Total Car Services)



Traffic accident eradication initiative by excellent discount improvement support service of KIBACO

Visualizing not only the number of accidents, but also the setting of targets and progress management for the following superior discount rate. Based on an understanding of the difference from the current situation, we will develop measures to reduce traffic accidents using KIBACO, and promote initiatives to achieve excellent discount targets and eradicate traffic accidents.

✓ STEPS to Eliminate Traffic Accidents

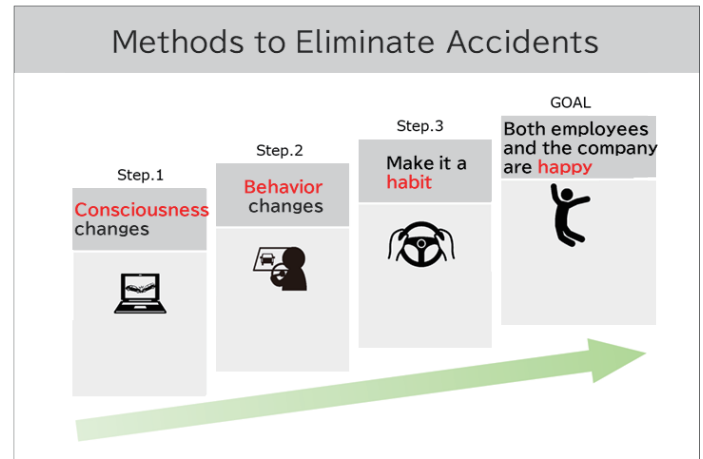
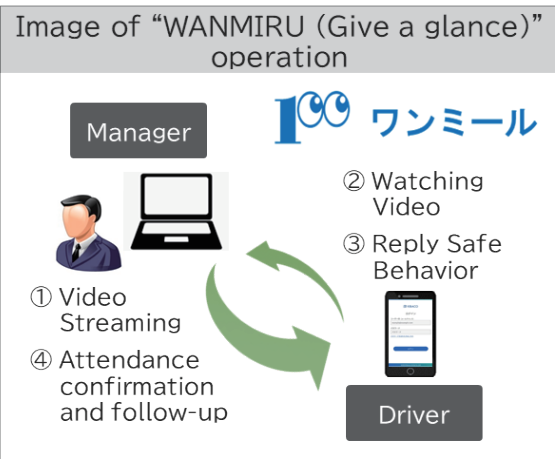


Themes to be promoted for the Future (Total Car Services Business)



Improvement of driving behavior by utilizing KIBACO's one-minute safety learning function

Distribution of videos aimed at preventing traffic accidents becomes possible by KIBACO. By watching videos repeatedly, and increasing the assumption that an accident will occur in such a situation, the ability to predict danger is improved, preventing accidents. By linking KIBACO with people and organization information, course management and follow-up education and guidance for those who have not yet taken the course.



Aim to eradicate traffic accidents by acquiring and practicing methods to eliminate accidents

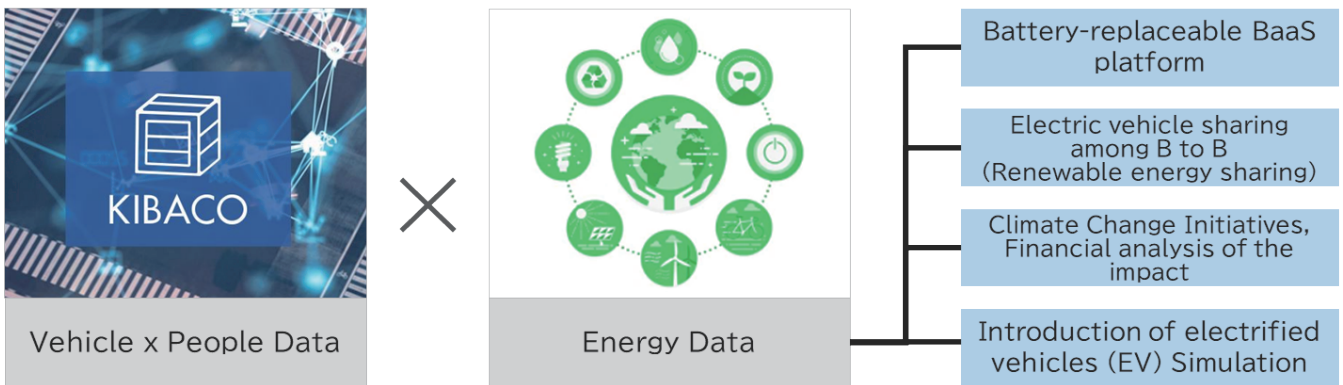
DX in the Automotive Services Business "Future Directions" 1

KIBACO x Energy Management

Visualize data obtained from EVs and solar power generation facilities by combining with information about the car and its driver, enabling to accelerates DX with New Energy Management Solutions



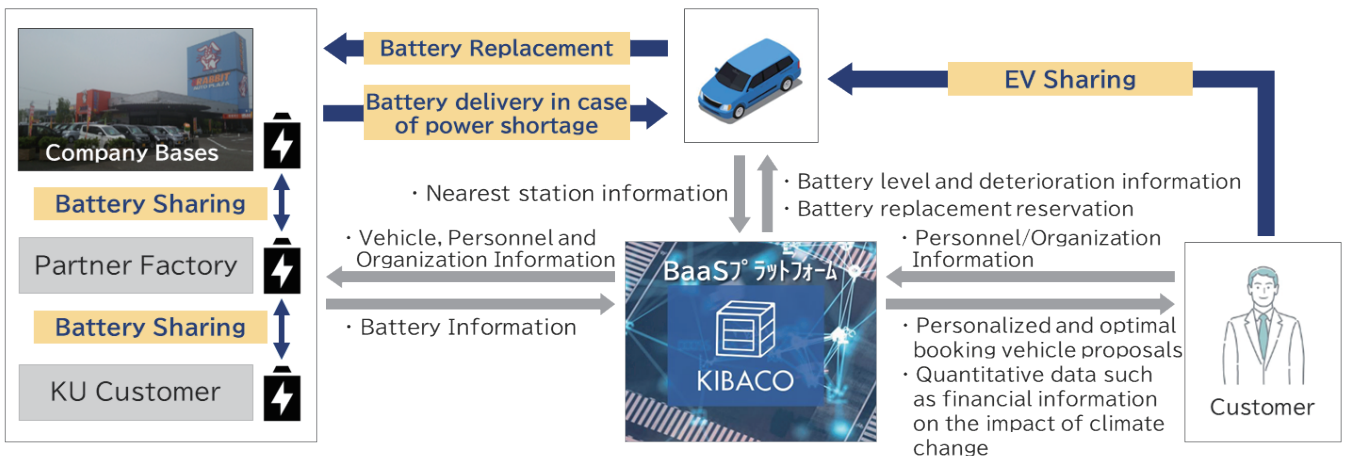
✓New Solutions for the mobility society in the next generation



DX in the Automotive Services Business "Future Directions" 2

Battery-replaceable BaaS platform

Apply KIBACO as a platform for BaaS business utilizing replaceable batteries. By centralizing battery information and battery exchange information of EVs while driving, it navigates to the battery exchange base to realize battery delivery in the event of a power shortage. By sharing batteries at customer locations, we can cover major bases in Aichi Prefecture and eliminate concerns about charging infrastructure.





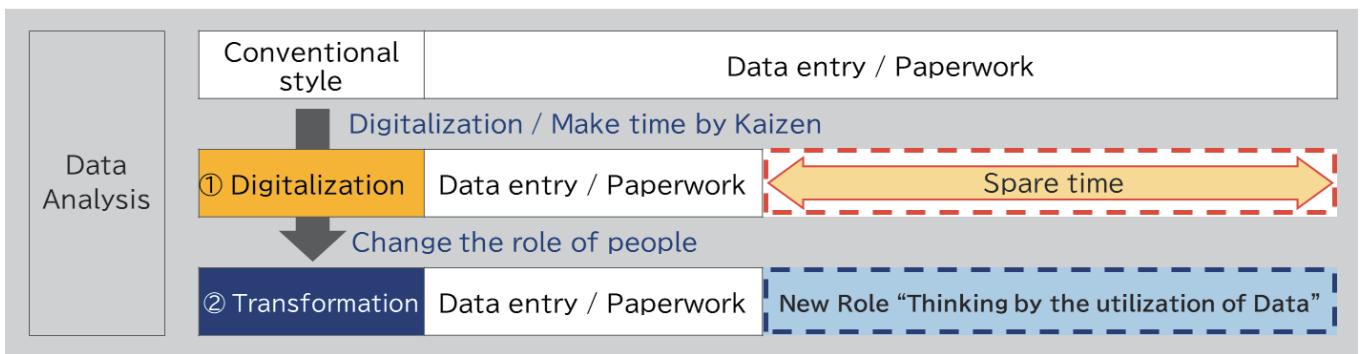
Promoting new forms of use of EV vehicles that are not limited by cruising range

DX in Administrative and Indirect Operations

What is DX for the job of Administrative and Indirect division?

Change the role of people by DX... From “Doing the job” to “Thinking about the job”

Conventional type of approach	The way forward
<p>Data entry / Paperwork</p> 	<p>Data Analysis / Strategy Review</p> 



DX “Promotion Steps” in operating jobs in administrative and indirect division

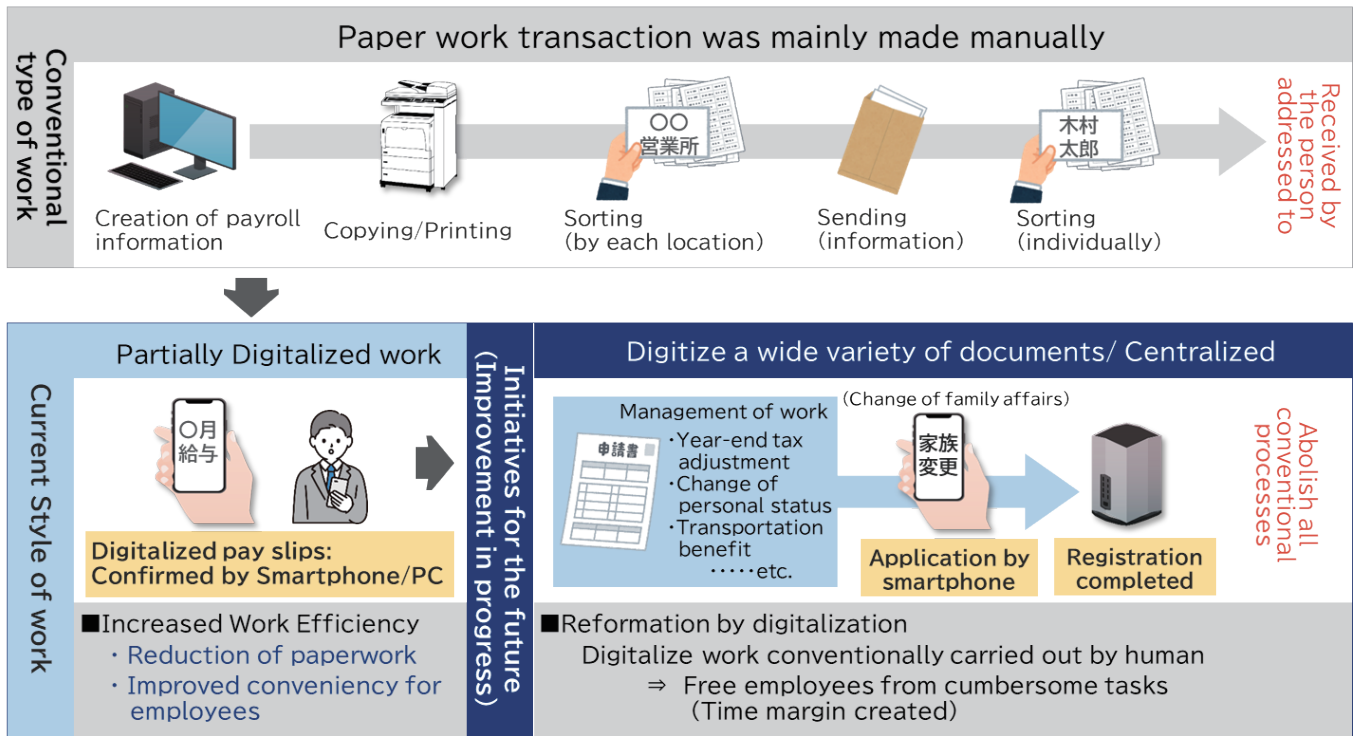
DX “Promotion Steps” in operating jobs in administrative and indirect division

DX Step	Purpose	Content/Result
Step.1	Business arrangement	Review of business processes ➔ Toward simplifying work without depending too much on individuals
Step.2	Digitalization	Digitize work processes ➔ Improve efficiency and accumulate information in data
▶ At present		
Step.3	Utilize Data	Connect and organize information and data ➔ Use data for performance checks and deployments
Step.4	Utilize Data DX (Transformation)	Change “People’s” work : From ”doing work” to ”thinking about work” ➔ Utilize data to think about customer and company contributions

【Implemented】 Process improvement
 No. of operations: 197 process
 No. of digitalization: 111 process
 ※ Currently in progress

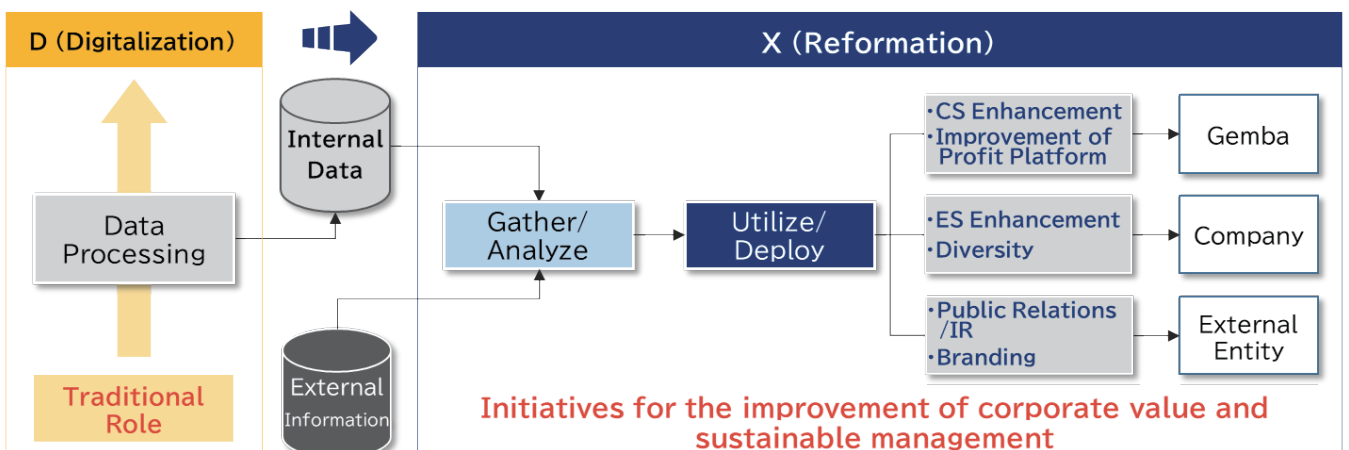
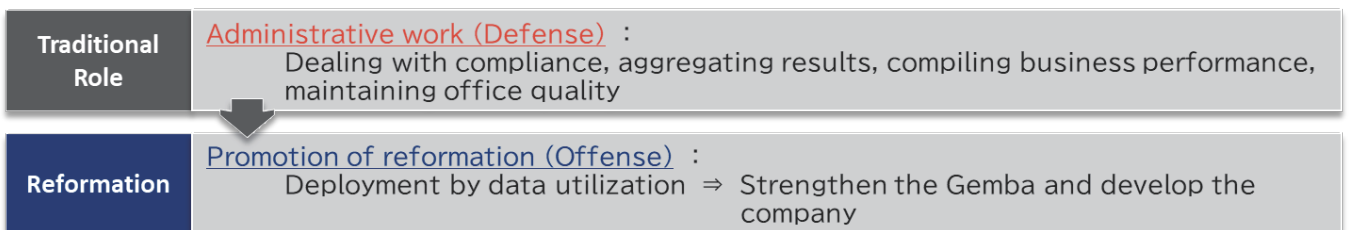
Action Implemented So Far (Administrative and Indirect Work)

Example of Initiatives ◇Digitalization ... Digitalization of HR documents



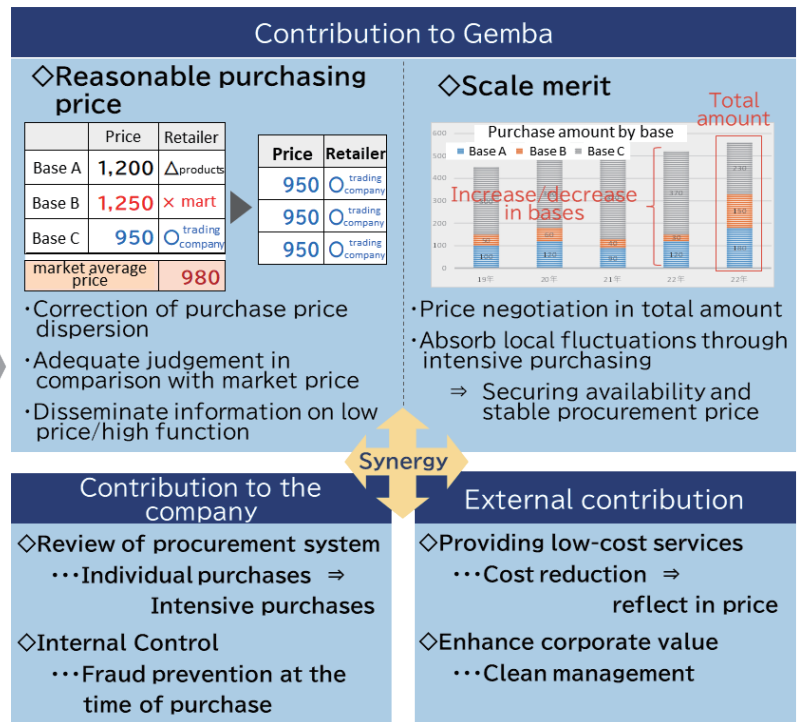
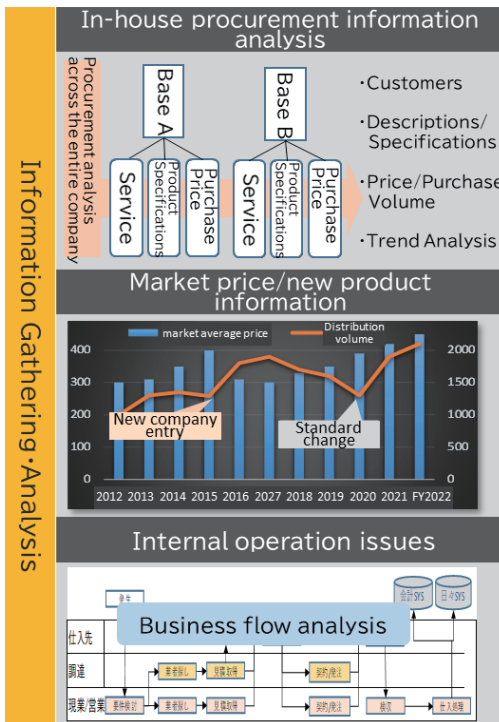
Theme for the future (Management and Indirect Operation)

Reformation Theme: Change the role of indirect operations



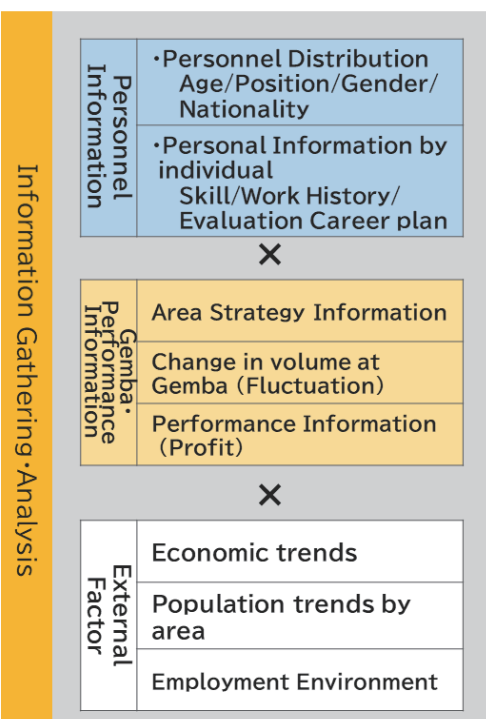
FUTURE DIRECTION Example of Initiatives 1 (Administrative and Indirect Work)

Example of Initiative ◇ Cost reduction by procurement optimization



FUTURE DIRECTION Example of Initiatives 2 (Administrative and Indirect Work)

Example of Initiative ◇ Formulation of human resource strategy using various data



APPROACH TO SUSTAINABLE DEVELOPMENT GOALS

Social Issues and SDGs(Key Action Items and Measures)



: The most important issue that is the base to support the growth of the company



: The most important issue that enables to balance the resolution of social issues with the growth of the company

ESG	ISO26000 7 Core Subjects	Latest Version of 『KUCG MATERIALITY』 Material Issues (Expectations and Trust in our company)	Key activity items and KPI	Goals	『KUCG's Materiality』 Subsegment
E (Environment)	Environment	<p>“Contributing to provide solution to the global environment issues”</p> <p>Through our business activities such as the development and provision of environmentally friendly logistics materials and vehicle maintenance, we strive to protect the environment through the reduction of CO₂ and recycling resources. As a corporate responsibility, we will contribute to solving environmental issues such as global warming.</p>	<p>Strengthening efforts to reduce in-house CO₂ emissions</p> <ul style="list-style-type: none"> •Reduction of CO₂ emissions compared to FY2018 ⇒ (FY2018 results: 3,710t - CO₂) •Achieving a shift to recycling and eliminating plastics by improving packaging specifications towards a recycling-oriented society •Contributing to realize the mobility concept (smart regional initiative) by creating a zero-emission factory and providing next-generation with mobility sharing services, etc. 	<ul style="list-style-type: none"> > FY2030: 50% reduction > FY2050: 100% reduction 	Reducing our CO ₂ emissions by promoting environmentally friendly business activities
					Contributing to customers' reduction of CO ₂ emissions by providing environmentally friendly products and services
S (Society)	Human Rights Labor Practices	<p>“For everyone to shine”</p> <p>We strive to create a rewarding workplace by promoting "One-Team management with Total participation" in an environment, where everyone who shares the management philosophy, can grow and take on challenges.</p>	<p>Promoting the active participation of diverse human resources</p> <p>Create an environment and culture where all employees can work every day with a sense of satisfaction.</p> <ul style="list-style-type: none"> •“Work satisfaction index” (out of 5 points) based on survey results based on employee self-reports (Target: full-time employees) <p>FY2022 results: 3.5 points ⇒</p> <ul style="list-style-type: none"> •Develop, enhance, and strengthen systems that widely listen to voices regarding human rights and job satisfaction for further improvements. 	<ul style="list-style-type: none"> > FY2030: 4.5 points or more 	Create a work environment that takes human rights into account
					Promote diversity and inclusion (promoting the active participation of diverse human resources)
					Promote work-life balance
					Strengthen promotion of human resources development
		<p>“Ensure a Healthy and Safe Work Environment”</p> <p>With all people from top management to front line workers sharing the same principles in safety with respect to the development of human resources, workstyle as well as our work environment, the Group promotes implementation of mutually enlightening and safety-oriented corporate culture to evolve and inseminate in every corner of the workplace. We commit to protecting and enhancing the physical and mental health of all members.</p>	<p>Improving employee safety awareness and creating a safe workplace</p> <ul style="list-style-type: none"> •Total incident frequency rate (FY2022 results 0.58) ⇒ •Number of incidents resulting in lost time incident (FY2022 results: 1) ⇒ <p>Improving health awareness among all employees and creating a pleasant workplace</p> <ul style="list-style-type: none"> •Health checkup re-examination follow-up rate (FY2022 results 82.5%) ⇒ •Achieve zero occupational accidents by continuing to implement improvements based on feedback from workers and thorough prevention activities through top management inspections. 	<ul style="list-style-type: none"> > FY2030: 0.3 or less > FY2030: 0 > FY2030: 100% 	Create a workplace where employees can continue to work in safety and health

Addressing social issues, our group have classified "important issues", and have indicated 169 goals of related issues.

Specific Measures	Related Business	SDGs Perspective																
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Energy consumption reduction in accordance with the Energy Saving Act	Group-wide																	
Expanding the introduction of solar power generation equipment	Group-wide																	
Promoting the conversion of forklifts to EV/FCV	Group-wide							6.3 6.4	7.2 7.3					12.4 12.5 12.6	13.1 13.2 13.3			17.16 17.17
Initiatives to reduce industrial waste emissions	Group-wide																	
Introduction of environmentally friendly equipment	Group-wide																	
Contributing to the enhancement of local infrastructure (Normal charging, as well as emergency discharge in the event of disasters, etc.)	Group-wide																	
Research and Development; Developing products using new materials in collaboration with manufacturers from other industries	Logistics Services Business													12.4 12.5	13.3		15.1	17.16
Environmentally friendly packaging specifications (Enhancement of reuse, recycle, de-plasticization or abolishing packaging material, etc.)	Logistics Services Business, Total Car Services Business																	
Contributing to the improvement of work efficiency, "using Smart Personnel Allocation Management Board" (reducing overtime ⇒ reducing power consumption)	Logistics Services Business																	
Improving transportation efficiency at the time of Delivery	Logistics Services Business																	
Providing environmentally friendly equipment	Logistics Services Business													12.5		14.1		17.16
Promoting the use of KIBACO's "CO ₂ report function"	Total Car Services Business																	
Contributing to the environment by providing sharing services	Total Car Services Business																	
Promote vehicle maintenance, using environmentally friendly parts at our own maintenance factories	Total Car Services Business																	
Promoting employment of international trainees																		
Creating a rewarding work environment where all employees can work with mind set at ease	Logistics Services Business, Staffing Services Business, Total Car Services Business					4.7				8.8			10.2					17.17
Strengthening monitoring of harassment behavior																		
Develop, enhance, and strengthen a system (Consultation desk) that widely listens to voices regarding human rights.																		
Evaluating and improving the appropriateness of the gender ratio																		
Strengthening response to the Act on Promotion of Women's Participation and Advancement in the Workplace	Group-wide					5.5				8.5			10.2					
Creating a workplace environment where disabled and elderly people can work with peace of mind	Group-wide					4.5				8.5			10.2					
Enhancing a comfortable work environment																		
Review and update of work style reform related systems	Group-wide					5.5				8.5			10.2					
Reducing overtime work and the promotion of taking paid leave																		
Planned and continuous implementation of stratified education and training																		
Planned, continuous implementation and enhancement of specialized education (including mental, leadership, specialized technology, IT human resources, etc.)	Group-wide, Staffing services business					4.4				8.5			10.2					
Complete implementation of continuous safety and health awareness surveys to improve safety awareness and behavior																		
Implement preventive activities by identifying potentially dangerous and harmful factors through safety and quality inspections conducted by top management																		
Implement a "safety level survey" of our business partners every year. Provide feedback on survey results and support further improvement of safety level																		
Reviewing the result of stress checks, implement work environment improvement by visiting high-stress workplaces and listening to employees, etc.	Group-wide					3.4				8.8			10.2					
We hold an in-house seminar to prevent mental health problems and recurrence, so that we can work with vigor both physically and mentally.																		

APPROACH TO SUSTAINABLE DEVELOPMENT GOALS

Social Issues and SDGs(Key Action Items and Measures)



: The most important issue that is the base to support the growth of the company



: The most important issue that enables to balance the resolution of social issues with the growth of the company

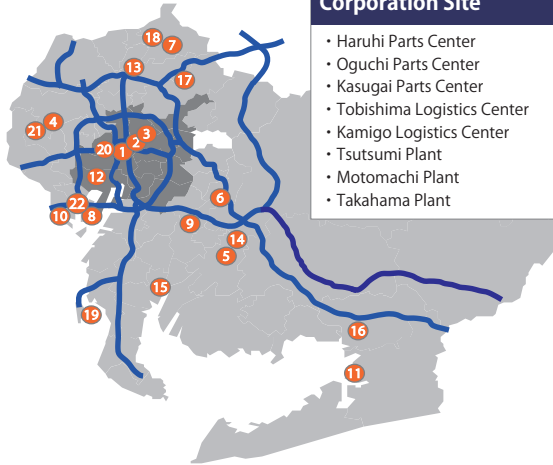
ESG	ISO26000 7 Core Subjects	Latest Version of 『KUCG MATERIALITY』 Material Issues (Expectations and Trust in our company)	Key activity items and KPI	Goals	『KUCG's Materiality』 Subsegment
S (Society)	Consumer Issues	<p>“To help realize customers success ensures our stable growth”</p> <p>Upholding our principles of “Contribution to the Success of Customers,” all Kimura Unity Group Companies leverage our expertise and know-how which have been fostered by “Digital Technology + On-site Capability.” In this way, we resolve issues for customers and achieve our corporate growth.</p>	<p>Promote acquisition of new projects (net new projects)</p> <ul style="list-style-type: none"> •Group sales ⇒ Compared to the medium-term plan for FY2030 •Operating profit margin ⇒ (Improve productivity through strategy expansion, etc.) •Realizing research and development and providing value using Automation, Robotization, AI, etc. •Developing new services and providing value through the deployment of CASE/MaaS for the next-generation mobility society 	<p>> FY2030: 120% or more</p> <p>> FY2030: 8% or more</p>	<p>Contributing to the region by promoting employment and supporting business revitalization</p> <p>Providing services that exceed customer expectations</p>
	Community Participation	<p>“Achieve a Society with No Traffic Accidents”</p> <p>Contribute to creating a sustainable mobility society where there is no traffic casualty. Utilizing our advanced car management systems based on how-how acquired through a series of traffic accident prevention measures for over half a century, the Group strives to provide excellent customer service that will change human and corporate behaviors so as to realize a motorized society free of traffic accidents.</p>	<p>Realizing a “safe and secure” motorized society through the use of “KIBACO”</p> <ul style="list-style-type: none"> •Reduction of fatal/serious injury accidents Number of vehicles managed by KIBACO ⇒ (FY2022 results: 38,410 units) •“Achieve a Society with No Traffic Accidents” Strengthen initiatives to eliminate traffic accidents “RESPECT THE LAW 38” (Road Traffic Act Article 38 Pedestrian priority) Promotion of Awareness Activities Promotion of 100-day Zero Accident Campaign Providing unique traffic accident prevention activities through “traffic disaster prevention services (DSS)” 	<p>> FY2030: Number of managed vehicles: 70,000</p>	<p>Creating a safe and secure automobile society with no accidents</p> <p>Initiatives in traffic disaster prevention activities tailored to customers</p> <p>Activities to improve knowledge and skills of traffic safety</p>
G (Governance)	<p>Fair Business Practices</p> <p>Organizational Governance</p>	<p>“Fair and Sound Business Practice”</p> <p>The Group continues to be the best partner for stakeholders, avoiding risks and preventing misconduct and irregularities through our compliance procedures. The Group also commits to strengthening our risk management, maintaining an open and highly transparent management policy.</p>	<p>Building and maintaining an optimal governance system</p> <ul style="list-style-type: none"> •Compliance with the principles of the revised Corporate Governance Code ⇒ •Thorough implementation of corrective actions for priority risks and pointed matters to improve ⇒ •Achieve functional enhancement by conducting Effectiveness evaluations of the Board of Directors and audit functions and working on improvement measures based on the evaluation results. 	<p>> FY2030: Compliance rate for each principle 100%</p> <p>> FY2030: Major deficiencies None</p> <p>Correction of minor deficiencies 100%</p>	<p>Maintaining and building the optimal system for our company based on the corporate governance required by society</p> <p>Implement evaluation in regard to the effectiveness of Board of Directors and efforts to work on improvement measures based on evaluation results</p> <p>Continuous evaluation of the effectiveness of the audit function</p> <p>Advancing Enterprise Risk Management</p> <p>Strengthening information security measures and raising employee awareness</p> <p>Thorough implementation of compliance</p>

Addressing social issues, our group have classified "important issues", and have indicated 169 goals of related issues.

Specific Measures	Related Business	SDGs Perspective																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Promoting employment in local communities through web services, etc.	Logistics Services Business, Staffing Services Business,		● 2.4							● 8.5 8.8		● 11.a						● 17.16 17.17	
Strengthen services to support customers in the mobility society with our servicing factory as a core of the center in the areas (the service includes rushing to the scene for tire sharing, and charging services etc.)	Total Car Services Business			● 3.6						● 9.1		● 11.2		● 13.1				● 17.16 17.17	
Contribute to increasing added value for customers through R&D and development and provision of technology that utilizes Automation, Robotization, AI, etc.	Logistics Services Business								● 8.4 8.5	● 9.1 9.4	● 10.2							● 17.16	
Further advancement of logistics operations by promoting DX incorporated with combines practical experience in logistics operations and IT	Logistics Services Business, Information Services Business			● 3.4					● 8.5	● 9.1								● 17.16	
Leveraging KIMURA's strengths and supporting Customers' transformation by participating in new growth fields	Logistics Services Business, Information Services Business			● 3.4					● 8.5	● 9.1								● 17.16	
Providing proposals for appropriate insurance products through risk consulting to customers	Total Car Services Business	● 1.4		● 3.4 3.6														● 17.16	
Build and operate optimal mobility management Operations using "KIBACO," a proprietary vehicle management system that enables the management of "Vehicles, People, Organizations and Behaviors."	Total Car Services Business			● 3.6						● 9.1 9.4		● 11.2		● 13.1				● 17.16	
Development of new services related to CASE/MaaS Deployment for increasingly sophisticated next-generation vehicles	Total Car Services Business			● 3.6				● 7.1		● 9.4		● 11.2						● 17.16	
Promotion of "RESPECT the LAW 38" (Road Traffic Law Article 38 Pedestrian priority) campaigns	Total Car Services Business			● 3.6	● 4.5							● 11.2	● 12.6					● 17.16 17.17	
Implementation of 100-day accident-free campaign Activities				● 3.6	● 4.5							● 11.2	● 12.6					● 17.16 17.17	
Support for local traffic safety and crime prevention, and strengthen sponsorship those activities																			
Provision of accident prevention videos on the list by DSS	Total Car Services Business			● 3.6								● 11.2	● 12.6					● 17.16	
Providing unique traffic disaster prevention services by data transfer using "KIBACO"				● 3.6								● 11.2	● 12.6					● 17.16	
Accident Reduction Management Menu (YMH) using superior automobile insurance discounts																			
Strengthen promotion of safe driving and accident prevention education by DSS	Total Car Services Business			● 3.6	● 4.5							● 11.2							
Strengthen promotion of safe driving and accident prevention education in collaboration with business partners					● 3.6	● 4.5							● 11.2						
100% compliance with the revised Corporate Governance Code	Group-wide																		
100% compliance with the revised Corporate Governance Code (Prime Requirements)																			
Conducting effectiveness evaluations and improvement measures based on evaluation results (Evaluations shall be implemented by a third-party organization by FY2050)												● 10.3	● 12.6					● 16.7	
Maintaining 100% corrective action rate for matters pointed out in accordance with the evaluation																			
Thorough implementation of planned internal audits and corrective actions. Execution rate of 100% must be maintained	Group-wide																		
Strengthening the activities of the risk management committee																			
Strengthening BCP promotion system										● 8.8								● 16.5	
Strengthen to prevent information and data leakage incidents	Information Services Business																		
Compliance with Japan Automobile Manufacturers Association, Inc (JAMA) security guidelines ※JAMA: Japan Automobile Manufacturers Association, Inc.						● 4.7					● 8.8								● 16.10
Continuous implementation of information security audits and eradication of non-conformities						● 4.7					● 8.8								● 16.10
Thorough implementation of education and training regarding information security																			
Strengthening the effectiveness of internal control audits	Group-wide				● 4.7							● 10.3						● 16.5	
Thorough implementation of compliance education						● 4.7						● 10.3						● 16.5	

DOMESTIC

《Aichi Prefecture》



Bases in Toyota Motor Corporation Site

- Haruhi Parts Center
- Oguchi Parts Center
- Kasugai Parts Center
- Tobishima Logistics Center
- Kamigo Logistics Center
- Tsutsumi Plant
- Motomachi Plant
- Takahama Plant

Domestic Bases (other than company-owned)

Chubu District (Aichi Pref.)	Chubu District (Other than Aichi Pref.)	Kanto District	Kansai District
<ul style="list-style-type: none"> 10 Yatomi Logistics Center 11 Toyohasi Office 13 Komaki Office 14 Toyota Training Center 15 Hekinan Akashi Office 16 Otowa Office 17 Kasugai-Higashi Office 18 Fuso Office 19 Centrair Office 20 Nagoya-Ekimaie Office 21 Inazawa West Logistics Center (Opened in May, 2022) 22 Meiko-Yatomi Center (Opened in Nov., 2022) 	<ul style="list-style-type: none"> • Kosai Office • Tajimi Office • Manokamo Office • Inabe Office • Mizunami office (Opened in May, 2023) 	<ul style="list-style-type: none"> • Tokyo Branch • Kuki Office • Yachiyo Office • Inzai Office • Atsugi Office • Atsugi-Nairiku Office • Zama Office • Ashikaga Office • Kitamoto Office • Kasama Office • Ohta Higashi-shinmachi Office (Opened in May, 2022) • Ibaraki Chuoh Office (Opened in July, 2022) 	<ul style="list-style-type: none"> • Kansai Branch • West Japan Sales Office • Kobe Office • Nanko Office • Kumiyama Office • Kobe Kita Office • Kobe Nishi Office • Neyagawa Office
<h3>Group Companies in Japan</h3>			
Business People Co., Ltd. <ul style="list-style-type: none"> 2 Headquarters Kanto Office Kansai Office 		Super Jumbo Co., Ltd. <ul style="list-style-type: none"> 12 Super Jumbo Nakagawa Store 4 Super Jumbo Inazawa Store 9 Super Jumbo Kariya Store 	

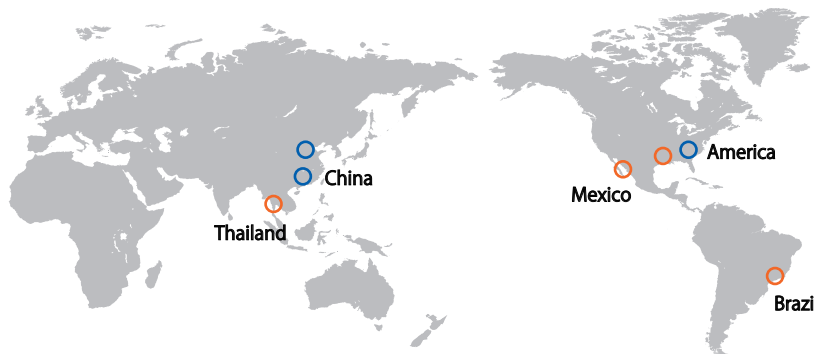
Company Owned Locations

1 HEADQUARTERES • Head Office • Nishiki Factory	2 -Shiga Sales Office	3 -Nagoya Kita Sales Office • Auto Plaza Rabbit Nagoya Kita Center	4 -Inazawa Plant • Inazawa Sales Office • Auto Plaza Rabbit Inazawa Head Center	5 -Toyota Sales Office • Toyota Plant
5 -Auto Plaza Rabbit Toyota Kamigo Center	6 -Kamioka Logistics Warehouse	7 -Inuyama Sales Office • Inuyama Plant	8 -Meiko Sales Office • Meiko Plant	9 -Kariya Sales Office • Auto Plaza Rabbit Kariya Center
10 -Yatomi Logistics Center				

OVERSEAS

- Consolidated Subsidiary Companies
- Affiliated Companies Accounted for using the equity method

Information Service Business for Overseas:
71 countries have adopted information service from us, for implementation, while 39 countries receive our information support services.



USA

Subsidiary Share 100%

KIMURA, INC.
Established in May 2002
Main business : Total Logistics Business that includes warehousing and storage of containment and equipment manufacture

USA

Affiliated Company Share 24%

KOI Holdings, LLC (With 2 other companies)
Established in August 2018
Main Business : Warehousing and Packaging Operations

China

Subsidiary Company Share 89.7%

TKSL
TIANJIN KIMURA SINWA LOGISTICS CO., LTD. "TKSL"
Established in Jan. 2005
Main Business : Warehousing and storage business, focused on packaging operations

Thailand

Affiliated Company Share 23%

TTK LOGISTICS (Thailand) Co., Ltd.
Established in Dec. 2002
Main Business : Logistics Business focused on CKD packaging

Mexico

Affiliated Company Share 49%

TK Logistica de Mexico S. de R.L. de C.V.
Established in May, 2004
Main Business : In-house Logistics

China

Subsidiary Company Share 59.3%

GKSS
GUANG ZHOU GUANGQI KIMURA SHINWA STORE CO., LTD. "GKSS"
Established in Nov. 2005
Main Business : Warehousing and storage business, focused on packaging operations

Thailand

Affiliated Company Share 23%

TTK Asia Transport (Thailand) Co., Ltd.
Established in Feb. 2013
Main Business : Milk-run and Relay Logistics

Brazil

Affiliated Company Share 49%

TK Logistica do Brasil Ltda.
Established in Nov. 2001
Main Business : Milk-run and Relay Logistics, CKD packaging

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: 3.59630 billion yen
Number of Employees: 2,415 (As of March 31, 2023)
Account Settlement Period: March 31 (Annually)
Listing Open Stock Market: Tokyo Stock Exchange Standard Market
Nagoya Stock Exchange Premium Market
Securities Code: 9368



Reporting Period: FY 2022

(In principle, this report covers the period from April 1, 2022 through March 31, 2023).

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

KIMURA UNITY GROUP