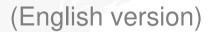








CSR Report 2019 (English version)















Top Message

We, NISSIN, have run evolutional logistic business since its foundation as of 1938, inspiring ourselves under the motto, "a new issue day by day, and an innovation to the day", and we today grew up to a corporate group consisting of 75 domestic or overseas companies, being engaged not only in logistic business, but also in travel business, as well as real estate business. We are sure that logistics are social blood. Once the blood flow stops, our economy, our normal life, or our happiness stops as soon. The idea of social responsibilities by companies is more important nowadays in the global world especially from the viewpoint of SDGs achievement, and people pay a lot of attention to activities or announcements by companies in this concern from the perspective of CSR or ESG. Prior to this trend we had continuously worked on our business, taken our CSR at the same time, always being aware to be a public institution as an indispensable social infrastructure.

Our society is significantly changing through the new coronavirus disaster from 2019 to 2020. Now we anew thought about, "What corporate roles are desired from the society?" Then we again recognized the meanings of our CSR activities, and finally refreshed our mind to take various actions in order for realization of a further prosperous society. In this booklet we introduce some of our social contribution activities during the fiscal year of 2019. We composed it with 3 categories, namely category E (Environment), S (Society), and G (Governance). We would appreciate if you kindly read it and know what we are doing to fulfill our corporate social responsibilities.

In 2018 we celebrated 80th anniversary and renewed our Charter of Corporate Behavior on that opportunity. Its preamble begins with following words:

"We, NISSIN GROUP, have a mission to contribute to sustainable development of society as a good corporate citizen."

Sharing firmly this basic policy with all our group members, we will continuously make efforts day by day to be a company loved by society towards the coming 100th anniversary.

芦井稚坪 President and COO MASAHIRO TSUTSUI

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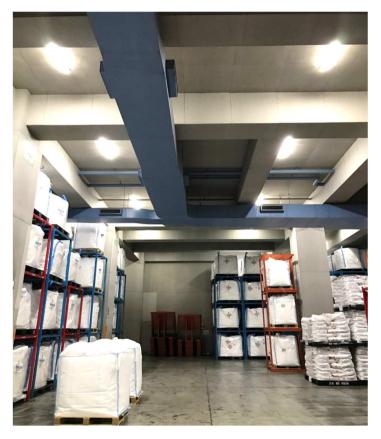
Energy saving measures

We work on energy saving measures. Replacement with LED bulbs in our warehouses, as well as in our offices, is one of our company-wide measures. So far we finished the replacement in our 23 warehouses or offices out of the 73 targeted facilities (*). In fiscal 2019 we completed the replacement in Ohi warehouse, which is the largest warehouse of ours in Keihin area.

Ministry of Economy, Trade and Industry evaluates us as an excellent company in S-class in a periodical report of Energy saving law (for 2019). Due to our successive efforts in eco-driving or modal shift, we have kept the status of S-class for 5 years in a row.

For future, too, we shall keep on our environmentally friendly activities, in order to realize the sustainable society.

(*) We listed up those 73 facilities in the periodical repot of Energy saving law.



Ohi warehouse wholly replaced with LED bulbs

HACO Lab.

a proposal for reduction of wasted resources

In order to safely transport cargoes, international logistic operators use various packing materials such as shipping pallets, pallet boxes, etc. Unfortunately most of those materials are difficult to control for recycling-use and just disposed. It is an important issue to reduce waste of resources from the viewpoint of environmental protection, too.

We developed HACO Lab., IT system service for control of packing materials, as a solution. Equipped with RFID (radio frequency identifier) and image recognition technology, the system runs on a smartphone as well, which provides accurate and simple operations to the users.

Supported by our lot of customers, more than 100,000 materials circulate under control by HACO Lab. in the global logistic market today, and we could reduce the waste by about 37,000 pallets, equivalent to 230 large truck loadings, a year therefrom.

We will make efforts to develop further eco-friendly logistic services for future, too.



Checking numbers of pieces in each pallet box all at once by scanning the RFID tags





The system can be downloaded to a smartphone easily and quickly. It contributes to reduction of resource wastes.

Mayanishi new cold storage

The construction work of our new cold storage facility in Kobe, Hyogo prefecture was completed. The new facility, named as Mayanishi refrigerated warehouse, started its operation in February 2020 and now provides storage and logistic services in all the temperature zones (frozen, refrigerated, constant, and normal temperature) together with our neighboring existing facilities.

Mayanishi refrigerated warehouse is equipped with an automatic rack system which has 3 times more retrieve-in/out capacity than manual handling (*). Thanks to the system, we are able not only to pursue more efficient operation through time saving, but also to reduce workload of our operators in frozen and refrigerated zones.

In addition, linking the shipping data from our customers to our WMS, we have realized paperless, efficient warehouse in/out operation, which results in a lot of reduction of waiting time for truck loading/unloading at our warehouses, as well as in reduction of CO2 emissions consequently.

(*) About 120 pallets per hour



We strongly support food logistics by cold storage facilities. The demand is ever-increasing.

Signboard installation in Yadoriki water source forest

We joined in the project for water source forest creation by Kanagawa Prefecture, "Reforestation Partnership" in January 2019.

This is a part of our anniversary business, 80th anniversary in December 2018. We named our 9 ha forest in Sagamihara as "joint forest of the earth, the open seas, and the great sky", to which we have naming rights for 2 years.

In fiscal 2019 we produced a signboard for our announcement and installed it in our forest. We also took part in other diverse activities to protect whole Yadoriki water source forest to that effect.



The signboard is made of cypress thinning material.



Calculation sheet for forest CO2 absorption

Logistics lectureship in Laos

Laos is the only landlocked country in ASEAN, it scarcely attracted attentions in the sense of logistics there until recent years, but it became member of WTO in 2012, and now it is highly expected that Laos plays a good role as logistic essentials for the whole ASEAN economic zone due to its geographic characteristics — Laos has five borders with five different countries.

Laos NISSIN has participated in donation course business sponsored by AOTS (The Association for Overseas Technical Cooperation and Sustainable Partnerships), AMEICC (AEMMETI Economic and Industrial Cooperation Committee), in order for upbringing of logistic companies in Laos.

In fiscal 2019 Laos NISSIN implemented internship for students of Savannakhet University and arranged lectureships for students of Champasak University and National University of Laos, too.

We expect that the youth who will bear the future of Laos will understand the importance of logistics and change the country to be the most essential logistics power someday.



Our staff gave a lecture in the donation course.



Land transportation is main logistic menu in Laos.

SOCIETY

White-logistic-movementDeclaration of voluntary actions

Agreed to white-logistic-movement put forward by Ministry of Land, Infrastructure and Transport, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Economy, Trade and Industry, we submitted our declaration of voluntary actions.

Under this movement a lot of logistic companies have presented diverse proposals, collaborating with shipper companies, in order to secure stable logistic services essential for industrial activities.

We have made a lot of efforts to set up healthier labor environment so far, too, such as creation of eco-friendly logistic services or improvement of drivers' working circumstances and so on.

On our participation in white-logistic-movement this time, we will contribute to realization of a more prosperous society, accelerating construction of our safer, stabler, and more eco-friendly logistic business.

Our declared voluntary actions

A-①

: Proposal and cooperation for improvement of logistic business

A-14

: Modal shift to marine transport or railway transport

B-①

: Promoting articulation of transport contracts

C-(1)

: Confirmation of legal compliance for selection of contract partners

F-1

: Improvement of drivers' benefits (as our unique challenge)





Preventive measures against the spread of new coronavirus infection

Under the circumstances that the global world is rapidly changing due to the spread of new coronavirus (COVID-19) infection, we quickly took group-wide internal and external countermeasures.

As we are deeply related with China ever since the normalization of diplomatic relations in 1972, we at first thought about how to help Chinese people out of their difficulties, and then we made up our mind to donate support money to Embassy of China in Tokyo and to donate more than 15,000 surgical masks to Guizhou Government, to our partner shipping company in Wuhan, to our suppliers in Beijing and Shanghai, and so on. In addition we, free of charge, provided our airfreight customs clearance and distribution services for surgical masks and protective clothing from Japan to China and from USA to China.

We will take our group-wide measures in the future, too, in order to minimize damage due to the spread of infection.



Our president handed over the donation to Chinese Minister.



Transportation of support goods between Japan and China

Volunteer participation in Yokohama Marathon 2019

We participated in Yokohama Marathon 2019 as voluntary water supply staff on 10th November.

Yokohama Marathon is one of the three major marathons in Japan. In this large-scale event we were responsible for the operation at the 17th water supply station which stood at 37km point in the running course. There the runners were squeezing their final little stamina for their own best time or for reaching the goal. Cheering them up, we handed cups water to them, which was very much challenging work for us.

We will participate in Yokohama Marathon for future, too, and thus we would like continuously to support the civil events and sports promotion in Yokohama, our hometown.



Our president handed cups of water to the runners, cheering hard them up.



It was the second time to participate. 22 volunteer members (employees and family) joined.

Sponsorship for Yokohama Youth Event 2019

We cosponsored "Yokohama Youth Event 2019", which was held in October, from the idea that it is important to offer educational opportunities for the future-supporting next generation.

This event is an attached session to "Asia Smart City Conference", where students play the main role in discussions for creation of a sustainable city. The purpose of the session is to develop next-generation human resource. Three students of Yokohama City University made presentations of their research results, supported with field survey in Shanghai, under the theme "potential for start-up ecosystem in emerging countries".

Lively discussions were held in the conference. The students exchanged opinions with the economist from Asian Development Bank and other guest participants in the way of youthful and relaxed thinking.

In future, too, we shall actively offer further educational opportunities and support for the activities to boost the progress of the countries where we develop our business.



Our company officer gave opening remarks.

Support for World Children's Baseball

We cooperate with World Children's Baseball Foundation, wishing that boys and girls could develop a good international sense through baseball.

Mr. Sadaharu Oh together with Mr. Henry Louis Aaron, representative former home run batters from Japan and USA, baseball developed countries, advocated for WCBF for the purpose to spread baseball worldwide and to broaden the circle of friendship and goodwill among the youth of the world.

About 120 boys and girls from 14 countries or areas took part in the 29th event which was held in September 2019 in Fukushima. They enjoyed playing in international exchange games or learning how to play baseball with friends from other countries or areas.

We will give a boost to WCBF for future, too, wishing that the children who experienced this meeting will play an active role globally in various fields in future.



The 29th WCB Tournament in Fukushima

Business Continuity Management

We have formulated our business continuity plan for early recovery of our business when a disaster occurs. In fiscal 2018 we finished formulation for Kanto area, and in fiscal 2019 we completed planning for sales, administration, and operation departments in Kansai area. We thus finished planning for all our domestic bases.

It is important for business continuity to maintain relevant documents such as manuals or regulations correctly, more important, however, is to give effectiveness to those documents, repeating practical education and training. We trained ourselves to learn how to communicate with each other, using MCA wireless devices (*), in fiscal 2019.

For future we will make our BCM more reliable through internal education and training to deepen our employees' understanding, as well as through execution of PDCA cycle for document review, etc., and we will fulfill our logistic missions in case of emergency, too, as an essential social infrastructure.

(*) MCA (mcAccess e):

In this communication system several channels are available during shared use by many correspondents.

It was utilized effectively in such a large-scale disaster as Great Hanshin Awaji Earthquake or Great East Japan Earthquake. We deployed MCA devices in 45 bases.



Correspondence training with MCA devices

Initiative as AEO customs operator

We have kept up our appropriate and prompt customs clearance service over the years, setting up and maintaining our most reliable freight security management system under our concerned compliance policy, or taking such measures as strict checking systems by customs officers, as company-wide customs information sharing, etc.

Evaluating such our framework for customs clearance operations highly, the Yokohama Customs certified us as an AEO customs operator in September 2011. By this certification we realized to build stronger partnership with the Customs and became able to provide more seamless and speedy clearance services.

In November 2019 we received a certificate of appreciation from Tokyo Customs Director at the award ceremony of the customs day for customs operators. The Customs hereby appreciates us not only for our performance as AEO operator, but also for our everyday attitude to cooperate with the government and to take the initiative in the customs industry.

We shall maintain strong collaboration with the Customs and related authorities and make further efforts for the better cooperation with the Customs and the whole customs industry for future, too.



The certificate was handed to our company officer (on the right).





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