

Konoike Transport Co., Ltd.

Introduction of our Integrated Solutions Business.

“Werkvertrag”



**KONOIKE
GROUP**

Corporate Outline



Corporate Name	Konoike Transport Co., Ltd.
Osaka Head Office	4-3-9 Fushimimachi, Chuo-ku, Osaka 541-0044, Japan
Tokyo Head Office	6-10-1 Ginza, Chuo-ku, Tokyo 104-0061, Japan
F o u n d e d	May 1880
I n c o r p o r a t e d	May 30, 1945
Representative	Tadahiko Konoike, Representative Director & President and Chief Executive Officer
Share Capital	¥1,723 million
S a l e s	¥292,348 million(FY2021.03)
Operating Income	¥3,997 million (FY2021.03)
E m p l o y e e s	Group: Approx. 24,000/ Konoike Transport alone: Approx. 15,000 * Including temporary employees
S e c t i o n	TSE 1st Section
Market capitalization	¥66,000 million (2021.12.10)

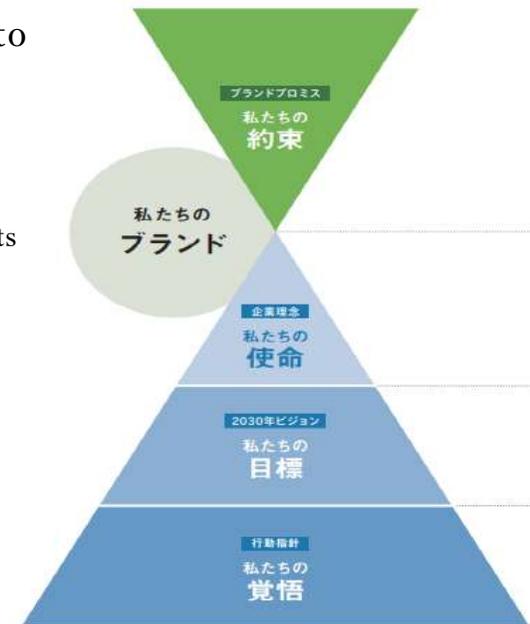
KONOIKE Group in 2030

People, leveraging technology to reach for new heights

Through the next-generation Konoike spirit that involves the use of cutting-edge technologies, we will evolve concepts on how to approach on-site solutions to the problems facing our customers and society.

What does it mean to reach for new heights?

1. We will adopt new technologies to make further progress in on-site safety as well as in improvements and advanced techniques, in order to realize a rich style of working that fosters individual creativity.
2. We will seek to transform the tacit knowledge of experts into strengths in the form of shared group assets that everyone can use, honing the ability to respond to change that is a part of our DNA.
3. We will raise standards of safety and security, enhance our ability to create next-generation businesses, and engage in further innovations to achieve the creation of a sustainable social infrastructure.



Business Summary

- Under the corporate name of "Transportation," we provide services not only in the narrow sense of logistics operations, but also in a wide range of industries and types of operations, such as outsourcing production processes within customer plants and contracting hospitals and airport-related operations



Integrated Solutions Business

- Outsourcing of production and service processes in the operation activities of client companies for a variety of industries and business types



Domestic Logistics Business

- Logistics operations based on frozen and refrigerated warehouses and dry warehouses owned domestically



International Logistics Business

- Integrated international transportation services, including air, marine, port and land transportation, and our group's domestic logistics operations



Outsourcing operations at food (beverage factories) (food-related, food product-related)

Examples

- From the receipt of raw materials to the shipment and delivery of products, we undertake not only logistics, but also subcontracting operations for production processes.

Raw material delivery



Acceptance of raw materials



Packaging



Shipment and delivery

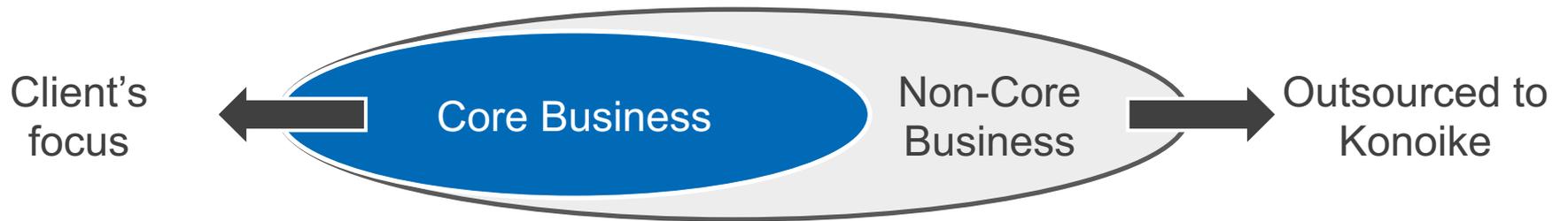
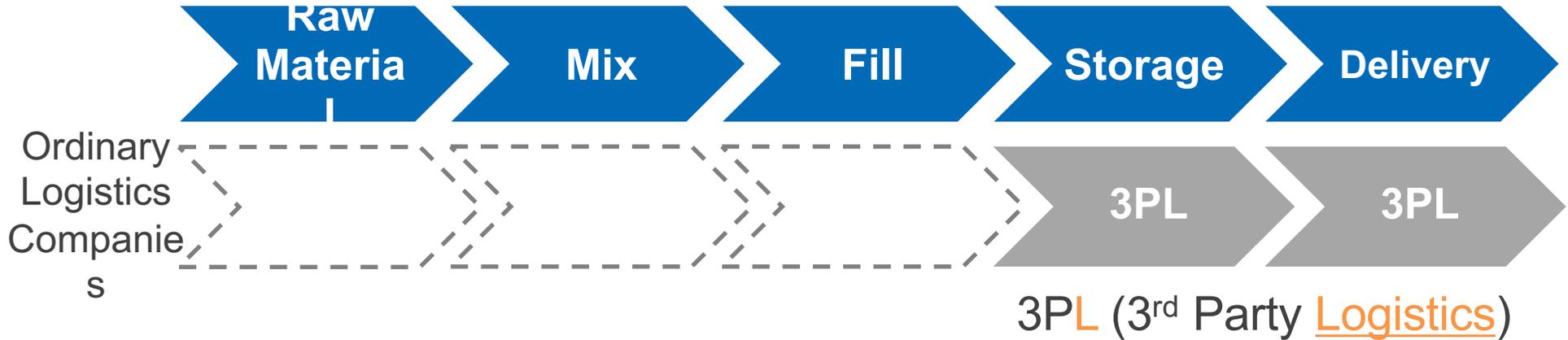


Storage and picking



※The chart above provides an overview of the flow of the manufacturing process, and we undertake many operations within these processes.
Photograph is an image with some exceptions

Our Current Business Model (Unique in Logistics Industry)



ADVANTAGE · DISADVANTAGE OF CONTRACTING SERVICE/TEMPORARY STAFFING SERVICE

○ Advantage

✕ Disadvantage

Contracting

- ✓ No command management (Contractor trains worker)
- ✓ Cost Optimization for short-term variability
- ✓ Efficiency Improvement (Multi skilled)

✕ Cost increase in short term

Long-term Advantage

- ✓ Manage long-term variability
- ✓ Secure human resources

Temp staffing

- ✓ Personnel recruiting with a definite term

- ✕ Command required
- ✕ Contact time limitation
- ✕ Contract expire after workers learn skill (Training cost)
- ✕ Limitation of business scope

CONTRACTING · DISPATCHING ADVANTAGES / ADVANTAGES

● KONOIKE ONE EXAPLE OF CONTRACT SERVICE

CONTRACT

CUSTOMER : FMCG MAKER
 CATEGORY : PRODUCT LINE IMPROVEMENT
 EFFECT : REDUCE FACTORY DOWNTIME



BEFORE
IMPROVEMENT

【DOWNTIME】 3,353 min for a year

AFTER
IMPROVEMENT

【DOWNTIME】
176 min for a
year

CUSTOMER PROFIT

DOWNTIME
3,177 min reduction
PROFIT
JPY 38.46 million for year

BY CONTRACTING...
"KONOIKE EXPERTISE"



● KONOIKE CONTRACT SERVICE Example

Contract

Customer: FMCG manufacturer
Category : Change/shorten work flow line
Effect :Reduction of personnel
▲10,950 people / year

Before improvement

【Personnel】 29,200 people / year

After improvement

【Personnel】 18,250people /year

Customer profit

Personnel 10,950/year reduction
Cost reduction
▲113.72million yen /year

➔

**By contracting...
 “KONOIKE expertise”**



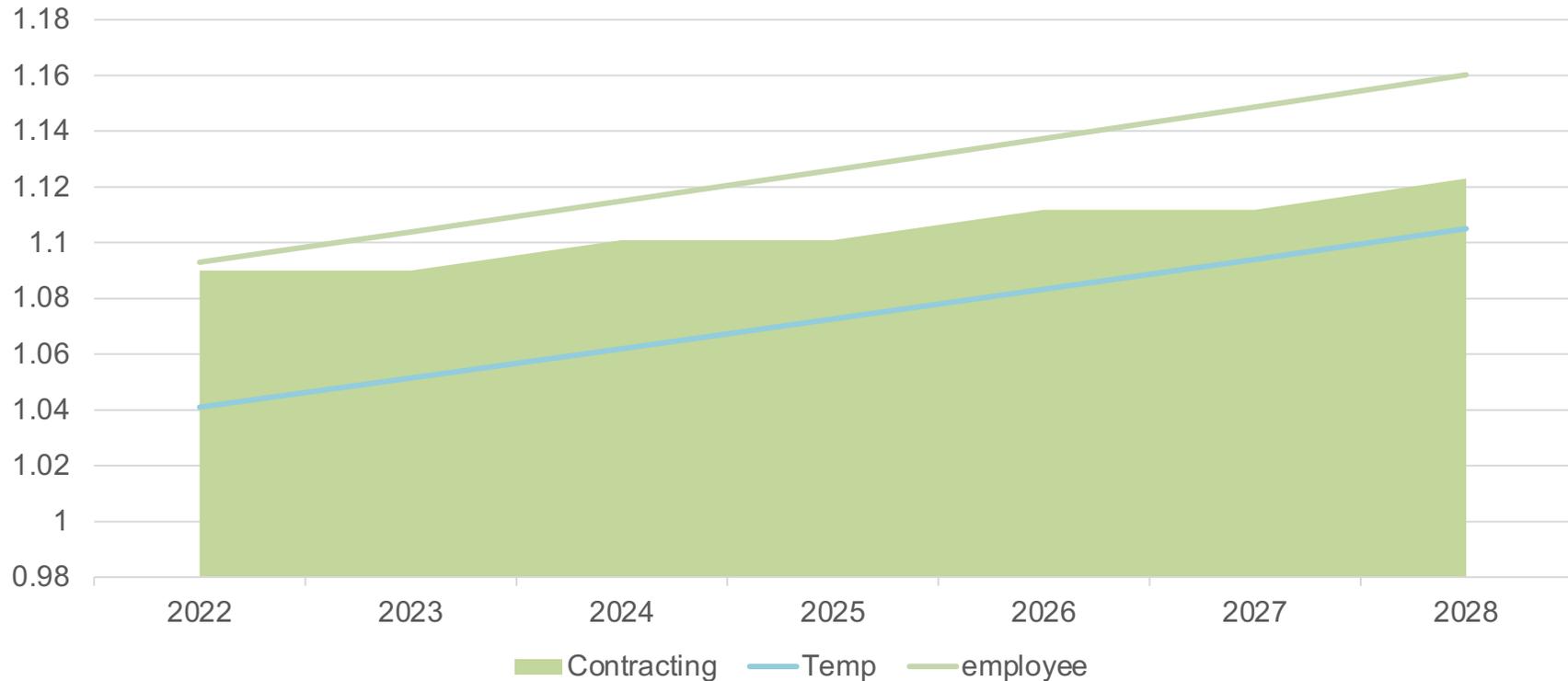
LONG TERM ADVANTAGE OF CONTRACTION SERVICE FOR CUSTOMER



Advantage

- Decrease personnel number by multi-skill development
- Production Efficiency & Cost reduction by improvement (KAIZEN)
- Decrease downtime and increase production volume

Temp vs Contracting vs employee



● KONOIKE CONTRACT SERVICE TO EUROPE

Contracting Know-how that Produces Overwhelming Profits



- Supporting 140-year Contract Results
- Service Know-how for 3,400 Companies
- Operation of 40,000 Worker *
- Presence in Japanese Companies



Locally Rooted Human Resources Securing and Operation Know-how



- Locally Hired Resources
- Human Resources Management Know-how
- Labor Legal Knowledge
- Local Customer Sales Channel (FMCG)

We will create new value with your company by fusing overwhelming contract results and local operation know-how.

Progress and Initiatives in FY3/2022 Policies: Details

■ Initiatives for field improvements

(In cooperation with the Technology Innovation Promotion Division)

Profit ratios

Efficiency

Competitiveness

Cross-division cooperation

● Activities unique to the Company

- (1) We know the front lines well
- (2) We understand people's concerns
- (3) We can devise field applications on our own
→ Improving business structure to match actual field situations

More than 50 projects are in progress in collaboration with various divisions

■ Horizontal technology deployment across industries (steel → food → maintenance work)

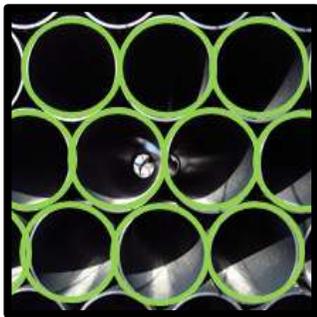
Profit ratios

Efficiency

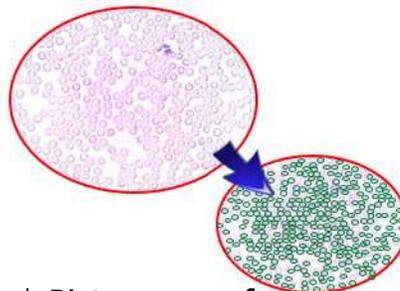
Competitiveness

Cross-division cooperation

Steel
Automated pipe counter

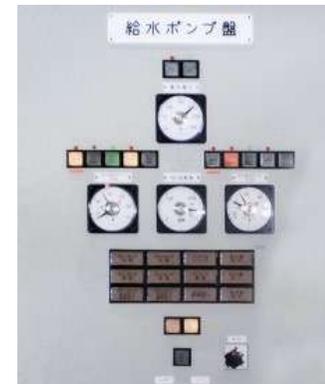


Food
Wine yeast counter



* Pictures are for illustrative purposes only

Maintenance
Analog meter reading technology



Expansion to an even wider range of industries

Progress and Initiatives in FY3/2022 Policies: Details

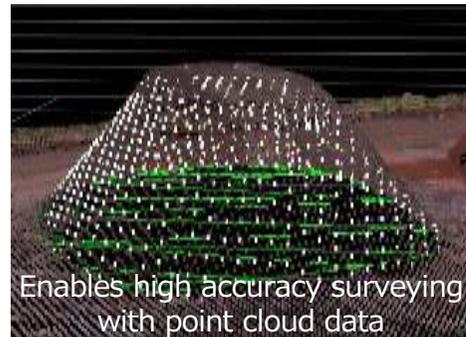
■ Work proposals using drone technology

Profit ratios

Efficiency

Competitiveness

Cross-division cooperation



Improved accuracy and reduced workload

- Drones enable fast and easy surveying from above
→ Reduces work time by almost 90%
- Gradual expansion to inspection of equipment and buildings
- Training and increasing the number of drone operators
(As of November, there are approximately 100 qualified employees)

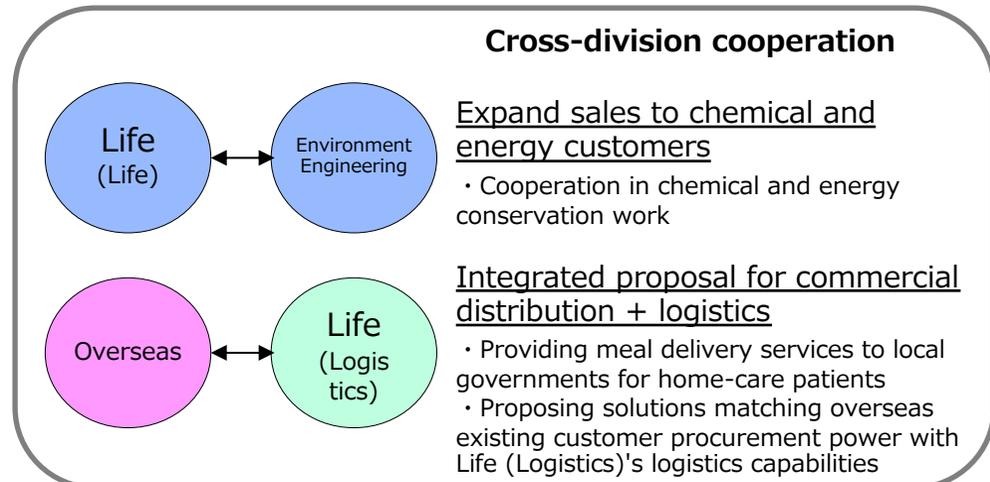
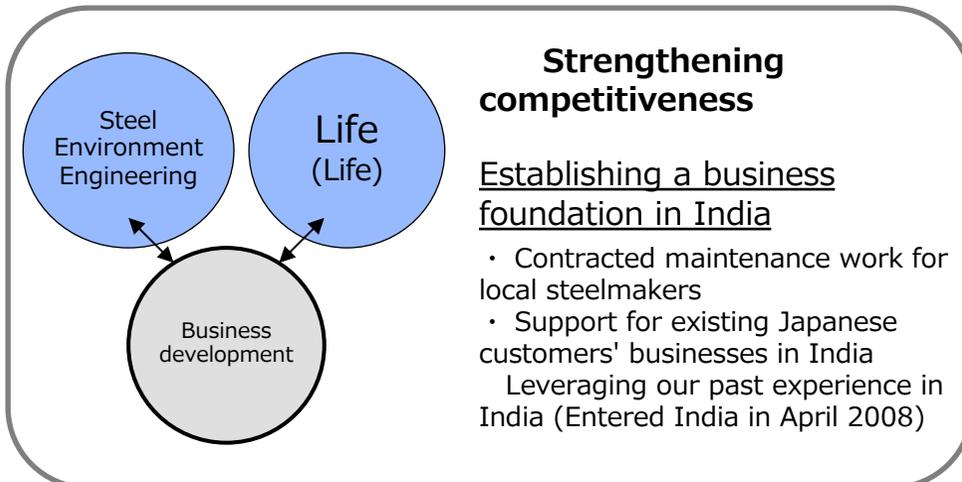
■ Promoting cross-division cooperative projects

Profit ratios

Efficiency

Competitiveness

Cross-division cooperation



Introducing In-house Developed Foods

Konoike OWN products introduction

Konoike Transport produce our own processed fish products!

- By quick freezing with **hybrid ice technology**, you can enjoy fresh cooked fish just by thawing.
- A former embassy chef at a world-class hotel is supervising.
- Only carefully selected fish is used by the person with long years of experience.



[Saturated salt water (23.5%), frozen to 21.3"Hybrid Ice" is used as a refrigerant]



Contents of Activity in Germany

Connecting Japan with Germany by 「Trade biz and Transport」

How we do : Collaborate with 47 JPN prefecture govt. and create trade and Logistics business

What we do : Planning our own fair and event held in Germany with above JPN pref govt.

Meachandise : Japanese snacks / processed food / fruit / alcohol / traditional crafts etc.



【Kyoto Fair in Thailand with Kyoto pref govt.】

【Konoike JPN fair in HongKong】

【JPN Goods getting more popular】

Japan-Tag is held in Dusseldorf on 21.05.2022.

This year not so many foods, beverages including alcohol is exhibited due to Corona virus. Despite that situation, so many German people gather at each booth to know JPN.



【Chiba Pref. booth with Dusseldorf office at Japan-Tag】



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