



Konoike Transport Co., Ltd.

The KONOIKE Group is a professional organization that continually challenges itself to solve society's problems and innovate, going beyond the boundaries of logistics and expanding into manufacturing, medical, airport operations, and more.

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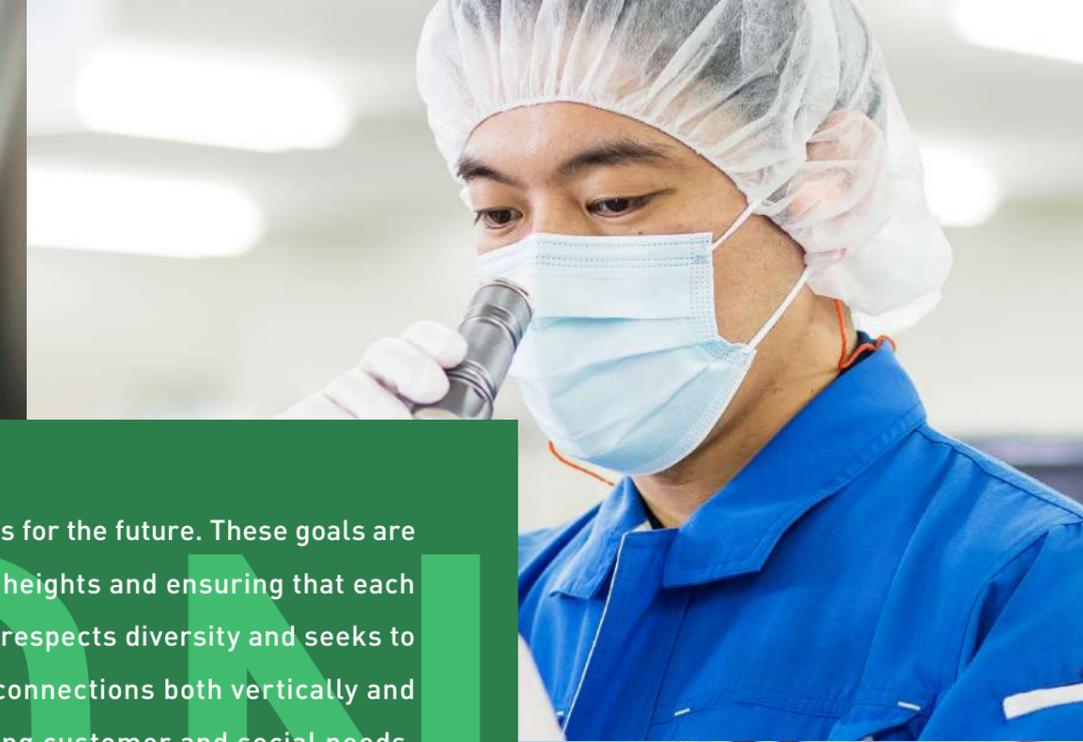


2023.3

The full transcript of this special conversation is available here.
A video of the conversation is also available.

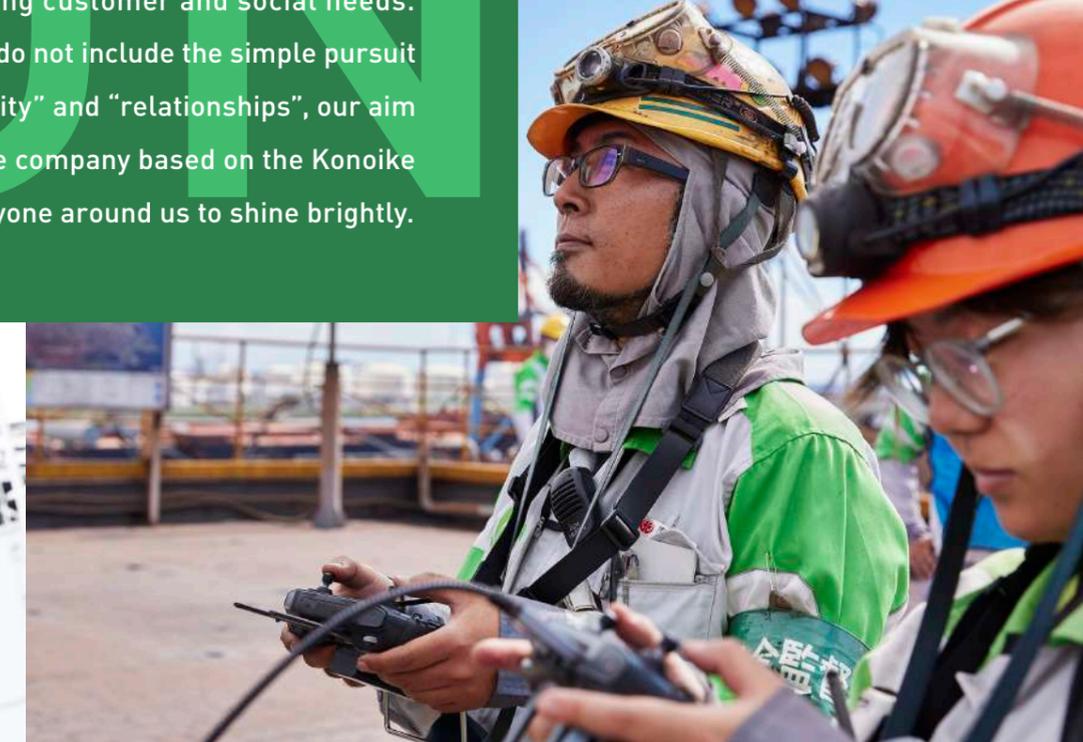
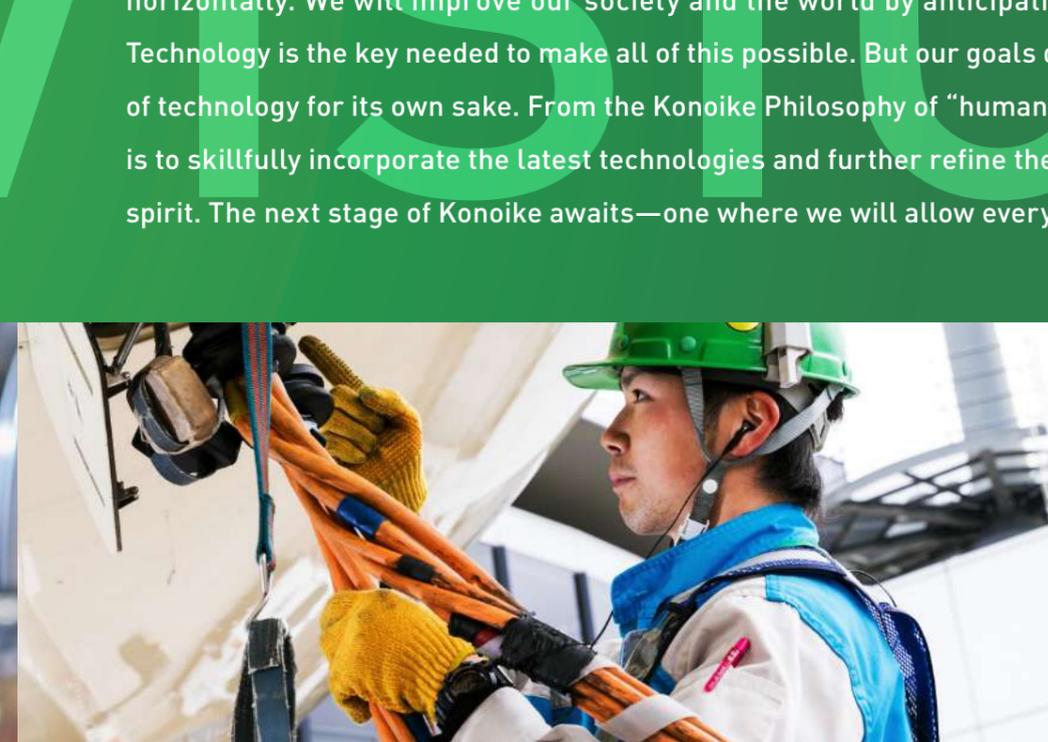
KONOIKE 2030 VISION SPECIAL SITE »





People, leveraging technology to reach for new heights

In our world that is changing at a dizzying pace, Konoike has set its goals for the future. These goals are allowing all of the people involved with our work sites to pursue new heights and ensuring that each one of them has the ability to find the happiness they desire. Konoike respects diversity and seeks to create new businesses born from unique ideas, by forming flexible connections both vertically and horizontally. We will improve our society and the world by anticipating customer and social needs. Technology is the key needed to make all of this possible. But our goals do not include the simple pursuit of technology for its own sake. From the Konoike Philosophy of “humanity” and “relationships”, our aim is to skillfully incorporate the latest technologies and further refine the company based on the Konoike spirit. The next stage of Konoike awaits—one where we will allow everyone around us to shine brightly.



VISION / STATEMENT

VISION / STATEMENT

Hope is something we create for ourselves.

People, leveraging technology to reach for new heights—this is the future of Konoike.

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.

It's something we know a lot about. For over 140 years, continuously toiling on-site to work towards our ideal, we can see the true challenges that our customers face. Grasping the flow of change, and walking one step at a time with our customers towards new innovations, we know what it means to create new value for our country and society.

And the times are about to change significantly. In this complex and uncertain world, what we thought to be true yesterday might be completely upended tomorrow. Even so, to us everything begins from people and relationships, and that will never change. Indeed, those connections will only become stronger as we adapt together to changing times.

It's about groups of individuals mutually recognizing their collective creativity. And it's also about breaking down the barriers around company divisions, collaborating to chart a new course for ourselves.

Pursuing and valuing the happiness of each individual will in turn lead us to achieve happiness for our friends and associates, our customers, and the society and world in which we live.

From the time that we changed the flow of the Yodo River, an infrastructure innovation that allowed the city of Osaka to thrive, working to continually confront the challenges of society has been a part of our DNA.

Our next challenge is one that can be described as, "People, leveraging technology to reach for new heights."

Through the strengths of technology, we will hone the Konoike spirit, and work to respond to the future needs of our customers, our society, and our planet, navigating through uncertain times by the steady light of invention.

Let's get to work.

Sentiments behind the vision statement

KONOIKE 2030 VISION

The vision statement is the result of a re-examination of the origins of Konoike. It consists of a brand story made up of four elements, which are an expression of what we value looking to the future in a time of ongoing change. Over the long years of Konoike's history, the company has established an unchanging DNA that can lead us on a path towards the future.

STORY

1

Konoike's unwavering origins

- We seek to reform the foundations of our society and create new value, while never forgetting the importance of humanity and relationships.
- We will maintain an ability to ascertain the local needs of our customers and society through simple honesty.

STORY

2

Response to changing times

- The Corporate Philosophy of "humanity" and "relationships" will continue to evolve to align with new eras.
- We will create new value necessary for society by spanning the boundaries between different departments and bringing them together.

STORY

3

Pursuit of happiness

- We will foster creativity at the individual level and respect diversity to ensure that all people can lead enriching lives.
- Individuals will consider what role they want to fulfill in society and what society requires of them.

STORY

4

Technological innovation

- We will skillfully leverage technologies to refine the Konoike spirit and create a world where each person can shine brightly.
- We will respond to the needs of the new era, working from the DNA of those who treasure the challenge of reforming the foundations of our society.

KONOIKE Group Brand Structure

Our brand

KONOIKE Group Brand Structure

The 2030 Vision is a concrete description of our goals that are intended to realize our mission, an objective that occupies the highest level of importance in the corporate brand structure of the overall KONOIKE Group. The declaration of the year 2030 demonstrates an immediate and clear path to the future, with the 2030 Vision strengthening the entirety of the brand structure. In addition, we have defined three points that describe the goals of the company brand, which are themselves aspects of the phrase “reach for new heights.”



Our Brand

Brand Promise
Our Promise

Striving to Go Beyond Expectations

We pursue innovation at the foundations of our society that creates unique value, driven by respect for humanity and relationships of trust.

Corporate Philosophy
Our Mission

2030 Vision
Our Business Strategy

Form that the KONOIKE Group aims to take in 2030

People, leveraging technology to reach for new heights

Principle
Our Value

- Safety | We take responsibility for life
- Passion | We are dedicated to quality
- Growth | We go further than yesterday

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 nextgeneration businesses, and engage in further innovations to achieve the creation of a sustainable social infrastructure.

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.

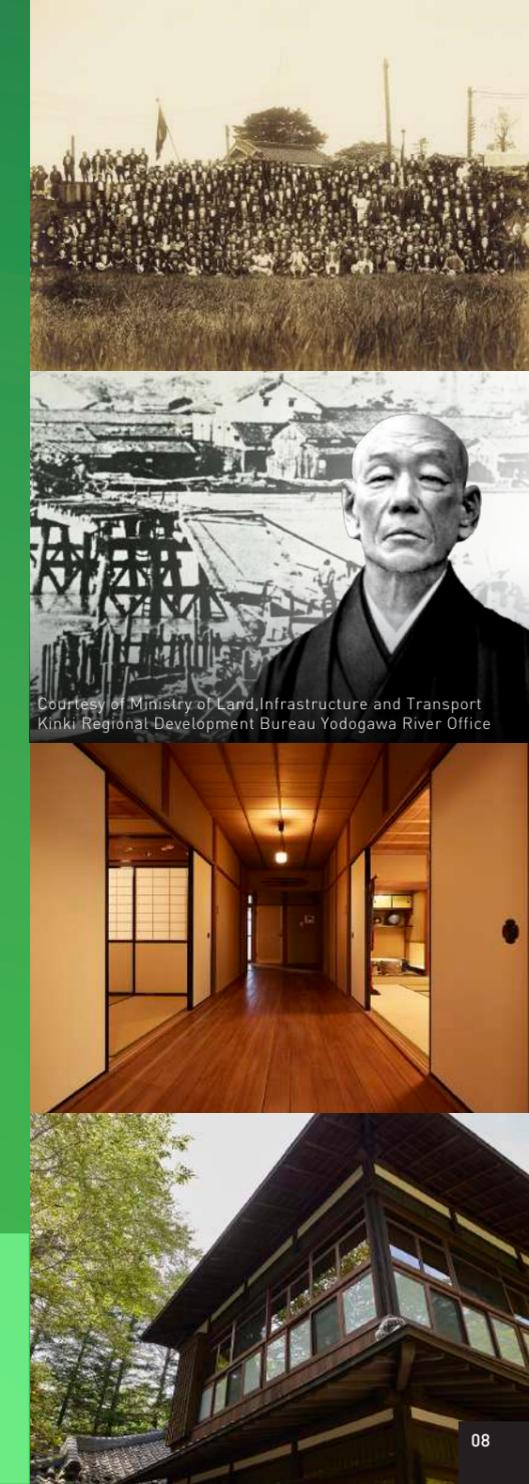
2030 VISION

Himeshima-so,
where founder, Chujiro Konoike,
spent his later years.

Konoike's unwavering origins: Pioneering DNA

Konoike's founder, Chujiro Konoike, was born in 1852 in what is now Denpo, Konohana ward in the city of Osaka. He inherited a shipping agency from his father, and ran shipping operations while getting started with a business that supplied workers for civil engineering and construction sites as well as to the manufacturing industry. In 1880, he started a business operating under the name Konoike Gumi. As a measure to control flooding in the Yodo River drainage basin, which was repeatedly beset by the problem, plans were drawn up to provide construction to improve the Yodo River under the direct control of the government, and Chujiro was selected from among many to handle this effort. Chujiro was contracted to provide construction for a zone ranging about 16 km. He was able to devote considerable levels of manpower to the effort, demonstrating his natural leadership of the human spirit based on his many years of building relationships and trust. The project began in 1889, and after five years, the construction work to dig the new Yodo River was completed. The region that had to contend with flooding disasters included several locations that form the current heart of Osaka, such as Tenmabashi and Yodoyabashi. It would not be an exaggeration to say that this project laid the foundation for Osaka's prosperity in the Meiji era onwards. In Himeshima-so, where Chujiro spent his later years, this pioneering DNA lives on even now.

ORIGIN



Courtesy of Ministry of Land, Infrastructure and Transport
Kinki Regional Development Bureau Yodogawa River Office

Tokyo Railgate is a key site for promoting the KONOIKE Group's "modal shift" initiative. Konoike is striving to contribute to society through its business, such as by reducing burdens on people and the environment, making logistics more efficient, and eliminating labor shortages.

Response to changing times

Responding rapidly to the significant changes occurring around the world is one aspect of Konoike's pioneering DNA. We are working to reform societal infrastructure step-by-step with an accurate understanding of the direction of changes. Our work can essentially be described as definitively creating new value for a world subject to rapid and significant change. Take, for instance, our initiatives aimed at achieving a sustainable society in the future. Our efforts are ongoing and extend to many different areas, including the contribution we make through our business and our unique consideration for the environment. One example of this is "modal shift." This initiative is an essential component of next-generation logistics and involves a pivot from transporting goods over land, such as through the use of trucks and other automobiles, to using rail or sea transport, which have a smaller environmental impact. The KONOIKE Group is actively promoting this kind of modal shift primarily based out of Tokyo Railgate, and has achieved a reduction in annual CO2 emissions of approximately 5,000 tons. Moreover, Konoike also began operating a rail container business at an early stage in India, establishing itself in a country in the midst of significant economic growth on the global stage. Our efforts are not limited to simply achieving efficient and stable transport. Rather, we seek to make large contributions to solving the issues that society faces, such as eliminating labor shortages while reducing the burden on people and the natural environment.

CHANGE



Courtesy of Shizuoka Branch of HAZAMA ANDO CORPORATION



Be better than what you were yesterday,
and build an exciting future

Pursuit of happiness

Konoike wants to be a company where employees can spend exciting moments day by day and one where they can find continuous growth opportunities. Our goal for the future of Konoike is to be a place where a diversity of people can gather. Let's provide a space where the strengths and advantages of each person can shine through, and create a new path. Even small feelings of growth for a single person can carry enormous power when aggregated over the entire group. These can find form in the skills of a craftsman that supports a work site. Or they might be the support roles that back up that craftsman.

Each of our employees is encouraged to believe in their individual strengths as they contribute to the work that gets done each day in the workplace. The confidence that builds, little by little, from people exhibiting their strengths is linked to our efforts to overcome the next challenge that we face, whatever that might be. Continuing to confront challenges is connected to the realization of our dreams. When an employee has a smile on their face, it creates a smile for someone else out there in the world, too. A company worth working for, one that offers job satisfaction. This is the kind of company we want to be for our workers. And all of us at Konoike are working to make this a reality.

HAPPINESS



4

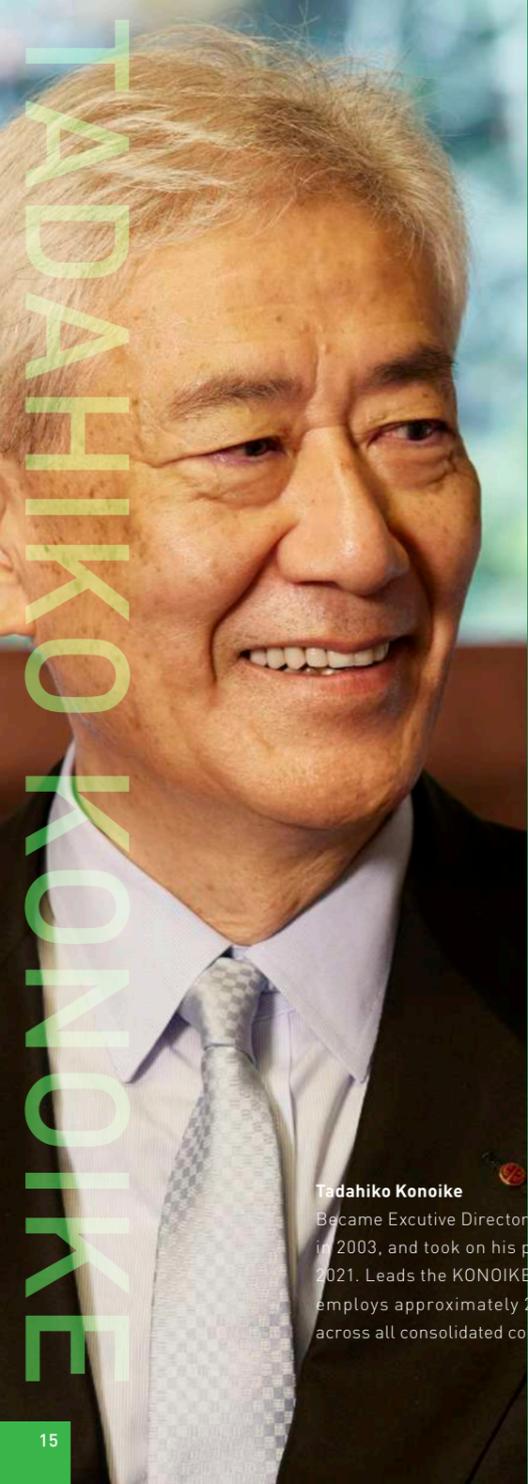
Making the skills of technicians available to everyone.
Granting everyone the opportunity to confront challenges.

Technological innovation

At Konoike, when we talk about “technology,” we don’t simply mean having the latest technologies. Throughout the company, we can find individual technical skills and valuable experience built up over many years, with these qualities held by professionals on-site. This is what supports the strengths of the Konoike brand: the safety and peace of mind of which we are so proud. By taking this broadly defined concept of technical skill to develop shared assets that anyone can use, we create new value that supports the future of society. That’s right, “People, leveraging technology to reach for new heights” is not a simple concept where the latest technologies change with respect to people. Rather, the phrase alludes to how we use tools in the form of technology to further refine the Konoike spirit, which has been cultivated over a long period of time at the company, granting happiness to those who are living through a new era. Technology grants everyone the opportunity to confront challenges.

NEXT-GEN





TADAHIKO KONOIKE

Tadahiko Konoike
Became Executive Director and President in 2003, and took on his present role in 2021. Leads the KONOIKE Group, which employs approximately 23,000 people across all consolidated companies.

Representative Director, Chairman,
President, and Chief Executive Officer

2030 VISION SPECIAL CONVERSATION

We have what we have today due to where we began and the support of our predecessors.

Konoike: This Himeshima-so was located in Himeshima in the Nishiyodogawa ward of present-day Osaka, and is the residence where founder Chujiro Konoike lived in his later years. I've inherited this from my predecessors, and have taken advantage of the skills of construction experts to reconstruct it in Karuizawa. This is a place of appreciation for all of the efforts of the many people who worked under the founder. It was created with thick floors, and the hallways are wide to accommodate the successive plates of food that would be brought out when entertaining guests. In addition, the attached storehouse contained many large plates. Throughout the turbulent times of the Meiji, Taisho, and early Showa eras, the employees were able to find some enjoyment from the food and drink that the founder provided to them here. That's something they must have been very proud of.

Sakito: This place definitely carries the DNA of the company.

Konoike: Yes. This is why having the people of today come here gives us a

In our rapidly changing global society, what form will the KONOIKE Group take in the future? Read an impassioned discussion of the concept of vision from Yoshiaki Sakito and President Konoike. Mr. Sakito is an exceptionally talented marketing pioneer who was responsible for numerous hit products in his former role as a vice president at Apple Inc. in the US as well as representative director of Apple Japan. He was invited to the Himeshima-so in Karuizawa, where the DNA of Konoike still lives on today, to speak with the president.

feeling of connecting to those who came before, transcending eras, and strengthens the sense of "humanity" and "relationships" that our philosophy describe. And by re-examining our roots, we can form a better picture of our future. I believe that this is a very important thing. **Sakito:** So, it's thinking about the past not as something that's just "old," but rather in the sense that what we have now is the result of the future that our predecessors created for us. As our predecessors did before us, we will work to create that future ourselves. Coming to Himeshima-so, I certainly felt it was a place where someone can feel that sensation with all five senses, where one can resolve to strengthen that link to the future.

Konoike: I believe that the idea of creating the future is incredibly invigorating and enjoyable. Of course, there are always uncertainties and risks, but these lead us to being exceptionally creative, receiving feedback on our efforts, and producing results. Being granted such opportunities is truly fulfilling.

Sakito: It's about not just giving in to the flow of time around the world, but imaging how we want the future to be. An alternative to that approach, for example, is to take new technologies at Konoike to continue

to introduce new things that are consistent with the times. And it's important to identify why such techniques are necessary. This is the so-called essential value of a solution.

Konoike: That's right.

Sakito: If we can take the experience of veterans and gradually convert it to apply to the new ways that younger people are doing things, we can maintain and leverage the essential parts to create a new future. That's the link that connects them. This is why it's so important for the people alive today to take what they have learned and also incorporate what their predecessors learned in order to convey the essential form of something.

Konoike: I've never actually created anything myself, and just thinking about it seems rather presumptuous. We benefit by using what our predecessors have handed down to us and created for us.

"People, leveraging technology to reach for new heights" is a message of faith in the potential of our people.

Konoike: One of our business locations includes the Kashima area of the East Nippon Works of Nippon Steel. They've been having us do work for them from the

beginning, ever since the steelworks was established over 50 years ago. In the work for that site, we have operations that control the belt conveyors, which is machinery that transports iron ore and coal freely throughout the steelworks. These belt conveyors have a rotating pulley on both ends, and numerous rollers support the central portions of the belt. Sometimes, the iron ore causes these to rust and jam up, stopping their rotation. In this state, the belt conveyor begins traveling at a much higher speed, generating a high level of friction, and this friction can lead to fires. In order to prevent this, we walk around the sides of the belt conveyors, performing inspections by focusing our nerves on listening for the screeching sound the rollers make when they begin to rotate suboptimally. If we find any locations where things aren't working well, we contact the maintenance division, which dispatches staff to correct the problem.

Sakito: That sounds like an enormously burdensome task.

Konoike: Well, one of the branch managers thought about how we might

use technology to perform this task more efficiently, and that manager gave the on-site staff an opportunity to solve the problem. They all thought hard about it, and came up with the idea of potentially attaching a thermography camera to a drone that would be capable of detecting from the sky the heat of friction on the rollers.

Sakito: That's amazing!

Konoike: The total length of these conveyors is very long, something in the range from 50 to 60 kilometers. So, a task that required walking that distance and listening carefully for sounds was transformed into a check that could instantly pinpoint the locations of problems. This is just one of the many examples of the various initiatives that we have begun as part of our 2030 Vision, "People, leveraging technology to reach for new heights."

Sakito: The original solution had to involve the workers. But now with the use of drones, you can save a tremendous amount of labor through their accuracy. I think this is the kind of technological solution that needs to be applied more and

more. I feel that all of the employees believe in the vision of "People, leveraging technology to reach for new heights," and that the message shows a confidence in such possibilities.

Konoike: Thank you.

Sakito: If we can use technology to substitute for human effort on tasks that we will continue to perform, people can then devote themselves to attempting to provide even higher levels of value. I believe that the message "Hope is something we create for ourselves" that appears at the beginning of Vision Statement also contains the meaning that desire is something we generate ourselves, and that we must change ourselves if we want to see change in others.

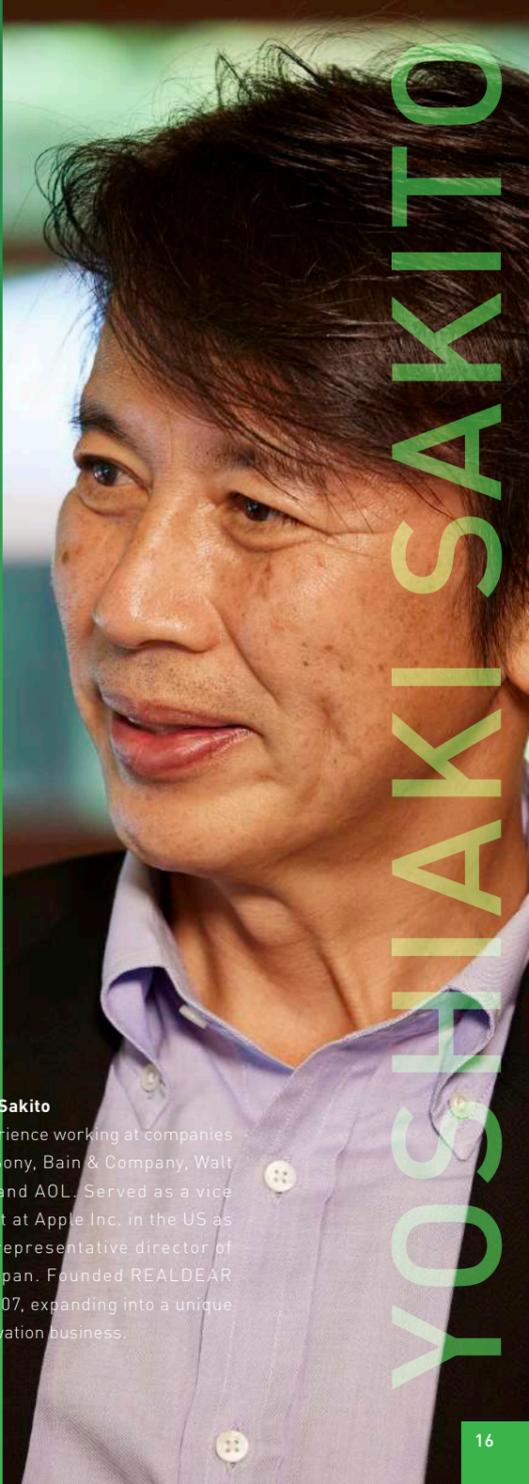
Konoike: Yes, I feel that it's about technological innovation for the sake of people.

Sakito: I refer to growth and innovation with respect to myself as "self-innovation." This is a stance of learning from whatever source, be it technology or other people. I also call the intelligence involved in continuing to learn in this way "learning intelligence," and the act of excitedly learning new things autonomously in order to increase learning intelligence "wonder learning." I advocate these ways of thinking as I engage in various projects. All of the employees of the KONOIKE Group now certainly have a chance to grow and innovate. Being at a company that can put forth the message "People, leveraging technology to reach for new heights" truly



President and CEO of REALDEAR Inc.

Yoshiaki Sakito
Has experience working at companies include Sony, Bain & Company, Walt Disney, and AOL. Served as a vice president at Apple Inc. in the US as well as representative director of Apple Japan. Founded REALDEAR Inc. in 2007, expanding into a unique self-innovation business.



YOSHIAKI SAKITO



gives each individual the motivation to reach those new heights.

It's important to free yourself, break down walls, and create new value.

Konoike: I was thinking, hearing this conversation, that we reach certain limits when we attempt to solve problems by ourselves. However, if we think about solving those same problems by leveraging other technologies and the knowledge of other people, combining them in various ways, we really do become able to accomplish a tremendous number of things.

Sakito: Just like you said, if your field of view is narrow, you get stuck in fixed ideas, precedents, and preconceived notions. First we have to free ourselves from these things. After that, we have to redefine for ourselves what it is that we want to do and what is being asked of us. We have to take steps to continue to go even further beyond ourselves without becoming satisfied with the results. We have to answer our own questions of ourselves with an eye to where we are going, while still observing the reality in front of us. We need to try things related to the ideas that we come up with. There are times when things go exactly as we thought they would, and times where something completely different occurs.

Konoike: That's a nice approach, isn't it?

Sakito: The thing that's nice about it is the discovery of something new. Talking to people with different values and in different industries leads to a mutual

sharing of new discoveries and growth. I think the most important aspect involves the generation of new value.

Konoike: We often hear about the right and left sides of our brains, but I think it's the right brain that is very important in building imagination. It's something that's hard to accomplish even when logically accumulating information.

Sakito: That's right. Logical thinking is necessary, but it's also very important to engage the right sides of our brains to generate relationships with ourselves rather than simply relationships based on common practices. Flashes of inspiration are not merely coincidences. Rather, they are an instant linkage of long-forgotten experiences and extensive knowledge that we accomplish by continuous thinking about problems within our brains. We arrive at answers that can reach even more information than the logical thinking techniques associated with the left sides of our brains, so I think that makes it even more impressive.

Konoike: I, too, have times where something pops into my head when I wake up in the morning, but I have a very hard time explaining things logically and I'm not the best speaker. I always wonder how I should approach things.

Sakito: I don't think that's something you have to do on your own. It's fine to have someone who's good at it do it for you. One of our values as Japanese is to consider a person who can do anything to be the superior person. This is why we strive to overcome our deficiencies. But it's better if we don't think this way. For

example, a tennis player in Japan might have a weak backhand, and then end up practicing their backhand technique exclusively. Conversely, in the US, a player with a strong forehand would be encouraged to practice their forehand technique exclusively. This makes that technique a formidable tool in their arsenal, and they become an incredibly strong player. Meanwhile, while our Japanese player is working on nothing but his backhand, the level of his stronger skills is dropping. It's the same for companies.

Konoike: Thank you, that makes me feel better. It's okay to receive assistance from other people. We should exercise our strengths and get help from others to cover our weaknesses.

Sakito: Definitely. We want to create links in our minds related to an awareness of issues and problems. Even if we don't have all the answers right away, in time we will unconsciously pick up on related information. If we can establish this to a certain extent, we can gain a flash of inspiration.

Konoike: I always have a lot of people working hard to compile the things that I say.

Sakito: We have people who can understand right-brain concepts with the right sides of their brains, but there are also quite a few people who cannot. The ability to describe right-brain concepts in a left-brain manner is a skill that is in strong demand in business workplaces. So, it follows that it's best to have someone good at something actually do it,

whether that's you doing it yourself or asking someone to handle it for you. I recommend not being concerned about this, and making sure that the right-brain thinking is activated.

Konoike: I think you've just given people out there who think in a more right-brain way some confidence! (Laughter)

Sakito: I'm absolutely a right-brain type myself, so I understand things by imagining them.

Konoike: When people are concerned only with their deficiencies and weak points, their important strengths go unused. That's a pity isn't it?

Sakito: I feel that it's a good idea to think of the inability to do something as just another of your characteristics.

Be better than what you were yesterday, and build an exciting future.

Sakito: In the "Our Value" section in the description of the Konoike brand, one of the guidelines is "We go further than yesterday." I think this is very important. In my talks, I often talk about how everyone is capable of growth. Therefore, we have to think of ourselves as we are today, not as how we were yesterday. Tomorrow we will arrive at a version of ourself

that has grown beyond what we are today. I believe it's very important to keep this going continuously.

Konoike: I want our company to be a place where people can engage in such an approach with enjoyment and happiness, without feeling pressured.

Sakito: If someone is very successful, and we ask them what it means to succeed in life, the answer is not money or honor. It absolutely is doing what we can as individuals to help other people. This is what makes our lives fulfilling. I want all of the employees of the KONOIKE Group to choose their own lives and feel that they have accomplished growth, however small it might be. I believe that if we are able to grow stronger today than we were the day before, it gives us a tremendous feeling of accomplishment.

Konoike: When I go to our work sites and have people show me the various kinds of work that they do, I can certainly see some impressive examples of the skill of our craftspeople.

Incidentally, when I let people know that I think that, they will say, "Really? This is impressive?" These people are taking it for granted that they are able to perform at that level, so I want to make it very clear that what they are doing is something great.

Sakito: It's hard to identify our own strengths. This is why the "technology" part of the 2030 Vision, "People, leveraging technology to reach for new heights," refers not only to technologies themselves, but also to a craftspeople's skills, as well as ways of thinking, which are also technology of a sort. If we understand the word "technology" to have a broader definition, I think it becomes something that can truly deliver happiness to others.

Konoike: That's right. The people at our sites can see their own strengths in a new light, which gives them greater confidence and the motivation to confront more difficult challenges. It also encourages them to solve customers' problems. I have some words that I've been fond of for a long time: "extensive curiosity, boundless romanticism." This means being curious, having big dreams, being relaxed, believing in your own abilities, and being engaged. With people being people and individuals being individuals, we travel our own

paths, while of course focusing on our customers' needs and having pride in our company and its brand. That's the KONOIKE way and our way of thinking. I want to move forward with confidence in this policy of ours.

Sakito: The people will build their own visions based on the clear vision of the company. If we are curious, expand our imaginations, and trust in the potential of each individual, we can definitely make such a vision a reality. Not only will the company as a whole find happiness, the individuals that are supporting such an effort will lead fulfilled work and personal lives as they confront the challenges they face, and will find no greater enjoyment.

Konoike: That's right. I feel that, from this discussion of various topics that we've had today, we can see an extremely bright future for Konoike as we look to the year 2030. I personally am truly looking forward to it. Thank you very much.

Sakito: I would like to thank you as well!

The full transcript of this special conversation is available here.
A movie of the conversation is also available.

2030 Vision Site:
Special Conversation Page



This conversation occurred on September 18, 2022, in Himeshima-so, where founder, Chujiro Konoike, spent his later years. The roles of the participants are current as of the date of this conversation.



Treasuring both humanity and relationships, innovating at the foundations of society, and creating new value

Our mission as the KONOIKE Group is a general philosophy that has been present since the company's founding over 140 years ago. Even in the future, it will remain unchanged.

However, the world we live in is undergoing a massive transformation, one that requires changes from fundamental values in both the areas of corporate economic activity and the lifestyles of individual employees. Among these significant waves, in order to contribute to innovations in the social infrastructure of the next generation, we must make these changes our own. The 2030 Vision has been formulated as a policy for the steps each of us takes into the future.

"Technology" is nothing more than one characteristic of change. And the strengths that each one of us possesses are the tools that lead to more appealing outcomes. As a company, let's refine the pioneering DNA of which we are so proud, and anticipate the pain points of our customers and society. By resolving these problems one by one, we make both Japan and the world at large better places to be. Making it possible for each individual to shine brightly. Tomorrow, let's take one more amazing step.

KONOIKE

