

November 13, 2024

Daiichi Freight System, Inc.
FUKUYAMA TRANSPORTING CO., LTD.
HACOBELL INC.
Meitetsu Transportation Co., Ltd.
NIIGATA TRANSPORTATION CO., LTD.
Seino Holdings Co., Ltd.
TONAMI TRANSPORTATION CO., LTD.
TRANCOM CO., LTD.
Tokio Marine Holdings, Inc.
Tokio Marine & Nichido Fire Insurance Co., Ltd.
Tokio Marine Smart Mobility Co., Ltd.

Formation of the "Logistics Consortium baton" by 11 Entities
-Aiming to Transform Japan's Logistics Industry into a More Attractive Sector-

We are pleased to announce the establishment of the "Logistics Consortium baton" In alignment with the objectives set forth in the "Comprehensive Physical Distribution Policy (FY2021-2025)" ^(*)—specifically, "Simple and Smooth Distribution," "Bearer-Friendly Distribution," and "Tough and Flexible Distribution"—we will focus on initiatives that transcend traditional stakeholder boundaries within the logistics sector. The term "baton" symbolizes our commitment to connecting individuals and companies, fostering collaboration, and collectively moving towards a new future.

As the initial initiative, we aim to establish an inter-company relay transport network through collaboration with multiple companies and national and local governments, to further enhance the appeal of Japan's logistics Industry.

The initial founding members consist of 11 entities, including Tokio Marine & Nichido Fire Insurance Co., Ltd., Tokio Marine Holdings, Inc., Tokio Marine Smart Mobility Co., Ltd., Daiichi Freight System, Inc., FUKUYAMA TRANSPORTING CO., LTD., HACOBELL INC., Meitetsu Transportation Co., Ltd., NIIGATA TRANSPORTATION CO., LTD., Seino Holdings Co., Ltd., TONAMI TRANSPORTATION CO., LTD., TRANCOM CO., LTD..

(*) Comprehensive Physical Distribution Policy (FY2021-2025), formulated by the Ministry of Land, Infrastructure, Transport and Tourism, aims to improve efficiency and ensure sustainable growth in the logistics industry. The latest revision, made in May 2021, addresses contemporary issues such as labor shortages and environmental measures.



1. Background of the Consortium Formation

In Japan's logistics industry, the gap between logistics demand and supply has become a serious issue. This is primarily due to an increase in logistics volume, coupled with insufficient transportation capacity caused by labor shortages and persistently low truck utilization and load factors.

Additionally, in mainline transportation and other areas, there are issues related to labor conditions and safety management, such as drivers undertaking long hours and long-distance transportation with overnight stays.

To address this issue, it is essential to tackle the shortage of truck drivers, improve truck utilization and load factors, enhance the profitability of about 60,000 small and medium-sized transport companies, and improve labor conditions through the realization of day-trip transportation and other measures. We believe that addressing these issues requires not only individual company efforts but also the promotion of initiatives that go across corporate boundaries. Therefore, we have established the "Logistics Consortium baton" with the participation of 11 companies.

2. Objectives of the Consortium

- We will accelerate efforts to achieve the goals outlined in the "Comprehensive Physical Distribution Policy (FY2021-2025)"—specifically, "Simple and Smooth Distribution," "Bearer-Friendly Distribution," and "Tough and Flexible Distribution" by establishing a consortium that transcends the boundaries of stakeholders in the logistics industry.
- We will provide a neutral, fair, and open platform for discussing areas of collaboration within and outside the logistics industry, particularly focusing on the realization of "relay transport" with multiple companies, which is gaining attention as a solution to the logistics demand-supply gap.

3. Future Activities

The consortium will focus on the four key elements of inter-company relay transport.

- ① **Transporting:** Efficient logistics matching
- ② **Connecting:** Securing and developing relay hubs
- ③ **Well-being:** Improving the working environment and health conditions of truck drivers
- ④ **Preparing:** Risk management for new logistics model

Through initiatives in these four areas, we aim to achieve cross-company relay transportation, thereby improving labor conditions, enhancing job attractiveness, and increasing logistics productivity, such as the realization of day-trip transportation. The specific details of the initiatives in these four areas leading up to the full-scale launch of the consortium in April 2025 will be decided based on discussions with participating members.

- **Providing an Opportunity for Information Sharing, Discussions, and Collaboration Among Companies:**

We aim to provide opportunities for various stakeholders, including transport operators, to gather and share their knowledge and challenges through plenary meetings^(*)2). This will promote efforts

towards realizing inter-company relay transport. Additionally, through the network and cooperative relationships fostered within the consortium, we will support inter-company collaboration to create societal value. This includes establishing a nationwide relay transport network with open data, revitalizing small and medium-sized transport companies, enhancing the attractiveness of the truck driver profession, and ensuring logistics safety.

● **Selection of Key Issues and Support for Implementing Solutions:**

We will identify the key issues that the consortium should address, such as pre-arranged operational rules to prevent the occurrence of problems, and securing consistent transportation volumes and relay hubs, which are challenges in the realization of relay transportation. Additionally, we will establish working groups to discuss and implement specific solutions for each issue.

【Schedule】

- **Until March 2025:** Preparation Period (selection of key issues, setting Up working groups, implementation planning, acceptance of participating companies, etc.)
- **April 2025:** Full-Scale Launch of Consortium

(*2) The "Plenary Meeting" will be responsible for making policy decisions, disseminating knowledge/achievements, and promoting industry-academia-government collaboration in the operation of the consortium. The "Working Groups" will be composed of a subset of participating companies based on the necessity of the activities and will focus on creating services aimed at solving specific issues in individual areas.

4. Consortium Member Companies ※ As of November 13, 2024.

Founding Companies	Website
Daiichi Freight System, Inc	https://www.daiichi-kamotsu.co.jp/
FUKUYAMA TRANSPORTING CO., LTD.	https://corp.fukutsu.co.jp/
HACOBELL INC	https://corp.hacobell.com/
Meitetsu Transportation Co., Ltd.	https://www.meitetsuunyu.co.jp
NIIGATA TRANSPORTATION CO., LTD.	https://www.niigataunyu.co.jp/
Seino Holdings Co., Ltd.	https://www.seino.co.jp/seino/shd/
TONAMI TRANSPORTATION CO., LTD.	https://www.tonami.co.jp
TRANCOM CO., LTD.	https://www.trancom.co.jp/
Tokio Marine Holdings, Inc	https://www.tokiomarinehd.com/
Tokio Marine & Nichido Fire Insurance Co., Ltd.	https://www.tokiomarine-nichido.co.jp/
Tokio Marine Smart Mobility Co., Ltd.	https://www.tokiomarine-smartmobility.co.jp/

5. Secretariat

Tokio Marine Smart Mobility Co., Ltd.

Tokio Marine Holdings, Inc

6. Advisory Members ※As of November 13, 2024.

Masatoshi Mawatari, Japan Trucking Association

Taku Matsui, Japan Institute of Logistics Systems

Professor Hiroaki Oshima, Ryutsu Keizai University

Professor Katsuhiro Nishinari, School of Engineering, The University of Tokyo

7. Participation in the Consortium

There are no specific restrictions for participation in this consortium, such as limiting to one organization per industry.

【Contact Information for Inquiries】

Please contact us through the inquiry form on the following website.

Secretariat of Logistics Consortium baton

<https://www.logi-baton.jp>

(Company Logos)

