

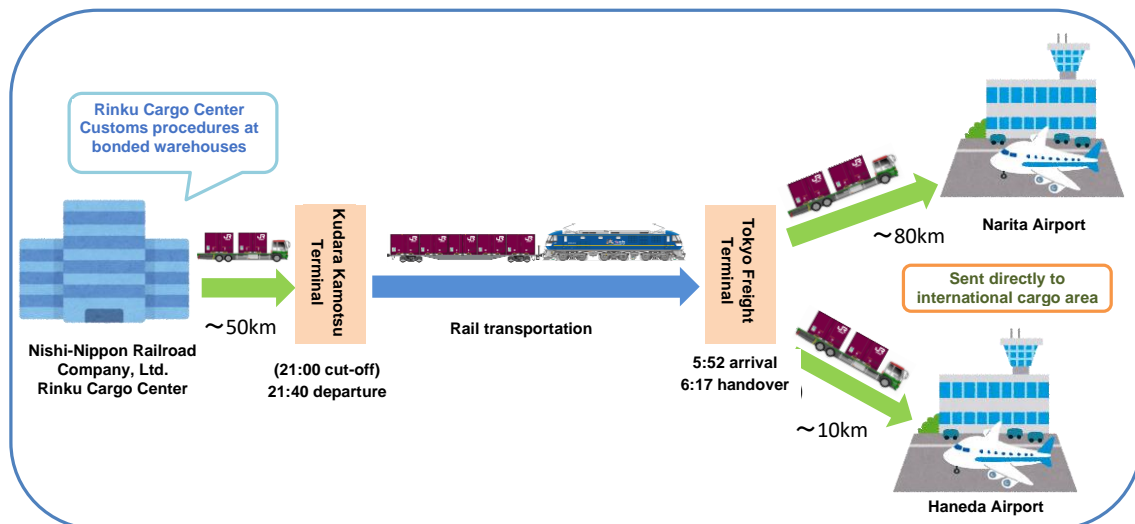
December 13, 2022

Nishi-Nippon Railroad Company, Ltd.  
SENKO Co., Ltd.  
Japan Freight Railway Company, Kansai Branch

## Start of Bonded Air Cargo Transportation by Rail Initiatives contributing to maintaining customer supply chains, reducing CO<sub>2</sub> emissions and resolving long-distance driver shortage issues

NNR Global Logistics A Div. of Nishi-Nippon Railroad Co., Ltd. (Head office: Chuo-ku, Tokyo; "Nishitetsu"), SENKO Co., Ltd. (Head office: Kita-ku, Osaka City; "SENKO") and Japan Freight Railway Company, Kansai Branch (Kita-ku, Osaka City; "JR Freight Kansai Branch") hereby announce that they will begin rail services for bonded air cargo transportation from the Nishitetsu Rinku Cargo Center ("Nishitetsu Rinku") in Izumisano City, Osaka Prefecture to the international cargo areas at Narita and Haneda Airports. Transportation trials began in September 2022, with full-scale operation planned to begin from April 2023.

The three companies will provide transportation services along new routes to cater to the increasing volume of bonded air cargo between regions, in a move aimed at reducing CO<sub>2</sub> emissions and overcoming the shortage of truck drivers.



### 1. Overview

The number of international flights departing from Kansai International Airport ("Kansai Airport") is on the path to recovery compared to the significant slump caused by the spread of COVID-19, but flight numbers have not yet reached pre-pandemic levels.

From the early days of the COVID-19 pandemic when flights first began to decrease,

Nishitetsu shifted its focus toward the relatively high number of international routes departing from Narita and Haneda Airports, and began operations to boost shipments from Kansai Airport using bonded transportation in long-distance trucks for international cargo with customs export permission from Nishitetsu Rinku on the shore opposite Kansai Airport to the international cargo area at Narita and Haneda Airports.

As this bonded transportation service to the international cargo area at Narita and Haneda Airports gains traction, Nishitetsu is not only helping to maintain reliable supply chains for customers, but it has also coordinated efforts between the three companies—Nishitetsu, SENKO and JR Freight Kansai Branch—to begin rail transportation of bonded air cargo with the aim of resolving the complex issue of the 2024 problem that poses a risk to reliable long-distance truck operations in Japan, and the corresponding increase CO<sub>2</sub> emissions generated with long-distance truck transportation.

This transportation service has been developed through the combination of Nishitetsu's know-how related to air cargo and bonded operations, JR Freight's environmental and productivity superiority with its rail cargo transportation service, and SENKO's know-how with container transportation through its transportation business operators using rail services.



Nishitetsu Rinku Cargo  
Center



Truck transportation



Cargo rail transportation

## 2. Advantages of using the system

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Establishing different routes for reliable supply using bonded transportation from Kansai Airport to the international cargo area at Narita and Haneda Airports will help to optimize exporters' supply chains, while also addressing the 2024 problem that is expected due to the shortage of long-distance truck drivers.

The use of rail transportation with minimal CO<sub>2</sub> emissions for sections normally covered by long-distance trucks helps to reduce the amount of emissions and contribute to a greener society.

This transportation method reduces CO<sub>2</sub> emissions across all steps from Nishitetsu Rinku to the international cargo area at Narita and Haneda Airports by around 60% compared to transportation using trucks (comparison when using a 10 t truck for all steps from Nishitetsu Rinku to the international cargo area at Narita and Haneda Airports).

## 3. Future plans

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The aim will be to switch around half of the volume of bonded cargo transportation arranged by Nishitetsu from Nishitetsu Rinku to the international cargo area at Narita and

Haneda Airports to this new route in the future.

#### 4. Overviews of each company

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\* This release has been distributed to the following press clubs.

○MLIT Press Club ○Tokiwa Club ○JR Press Club ○Seito Club ○Kintetsu Press Club  
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\* This is a joint press release from Nishi-Nippon Railroad Company, Ltd., SENKO Co., Ltd. and Japan Freight Railway Company. Please note that duplicates may have been distributed.