

Mitsubishi Logistics Group focuses on activities and engages in sincere and fair to the realization of an affluent and global environment-friendly business activities, contributing sustainable society.



Akio Matsui
President

Introduction

Mitsubishi Logistics continues to uphold its corporate philosophy, which states, “Engage in sincere and fair business activities to secure appropriate profits and promote steady growth, appropriately compensating our stakeholders while contributing to the realization of an affluent and sustainable society.” To realize this corporate philosophy, the Group has stipulated the Code of Conduct.

Our Group companies work in cooperation to carry out our logistics business both in Japan and around the world, organically and comprehensively managing each business area through our information network, starting with our core warehousing business, and including overland transportation, port and harbor operations, and international transportation. Our real estate business focuses on leased buildings constructed on company-owned property. Of especial note, the involvement of our logistics operations in every industry countrywide provides a key function in the economic foundation of Japan as a highly public social infrastructure not only in peacetime but also in case of natural disasters or other emergencies. We continue to make the utmost effort to support the daily lives of people everywhere and the business activities of our customers at every level of product procurement, production and sales.

Final Year of the Management Plan (2013–2015)

The current fiscal year is the final year of the Management Plan (2013–2015), which started in April 2013. Overseas, the U.S. economy continued to recover and a moderate recovery was seen in Europe. The economies in Asia including China saw moderate expansion, although the rate of growth slowed. The Japanese economy is expected to recover gradually given the effects of the economic strategies called Abenomics and other government policies. In these circumstances, this plan is designed to move forward

with measures already under way, without changing the fundamental concept of pursuing the growth potential in overseas businesses while ensuring profitability in the domestic businesses.

The management plan has defined the ideal image of the Mitsubishi Logistics Group to be pursued as follows.

1. To be a reliable logistics service provider that can quickly cope with diversifying customer needs and market changes in Japan and overseas;
2. To be an enterprise with proven reliability that provides safe and comfortable space and trustworthy services to support people’s jobs and lives;
3. To support customers’ value creation from a customer-based standpoint to realize true customer satisfaction; and
4. To be an enterprise, which practices CSR management that contributes to society, in which every employee has a strong sense of mission and the ability to manage any crisis.

Initiatives for CSR management

With the establishment of our Code of Conduct in 1997, we have clearly demonstrated our stance and approach toward further enhancing our level of adherence to relevant laws and regulations, disclosing appropriate corporate information, addressing and resolving global environmental issues, and providing safe, quality and socially useful services. In addition, the Company approved and declared in May 2014 its support for the UN Global Compact, which is a set of universally accepted CSR-related principles. The Company considers complying with internationally

accepted norms in the areas of human rights, labor, the environment and anti-corruption as fulfilling its social responsibility in its business activities and leading to an affluent and sustainable society. To firmly instill this stance throughout the entire Group, we have clarified that we aim to be an enterprise that practices CSR management in the management plan as described previously and have incorporated such initiatives in specific measures.

Our logistics and real estate business activities are deeply connected to society. To earn recognition for the value of our existence as a member of society and continue to grow in the future, the Group needs to steadily implement the goals set forth in the plan. In particular, taking into account the increased demand for reducing natural disaster risk stemming from the global increase in natural disasters, we are promoting the construction of Disaster-Resistant and Eco-Friendly Warehouses equipped with reinforced disaster-prevention functions and enhanced global environmental measures, as well as Disaster-Resistant and Eco-Friendly Office Buildings that have similar functions. As part of this initiative, the Nihonbashi Dia Building (of which the lower floors are used as the Company’s Head Office and trunk rooms) was completed in September 2014. We also intend to continue initiatives for global environmental measures from the perspective of biodiversity.

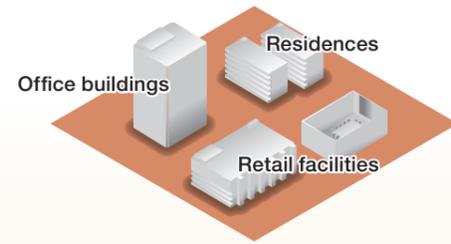


Conclusion

As the Mitsubishi Logistics Group continues to place top priority on sincerity and fairness, supporting customers’ value creation with a focus on global environment-friendly activities while fulfilling our responsibilities to society with stable growth, we ask for your continued understanding and support.

Introduction of Businesses

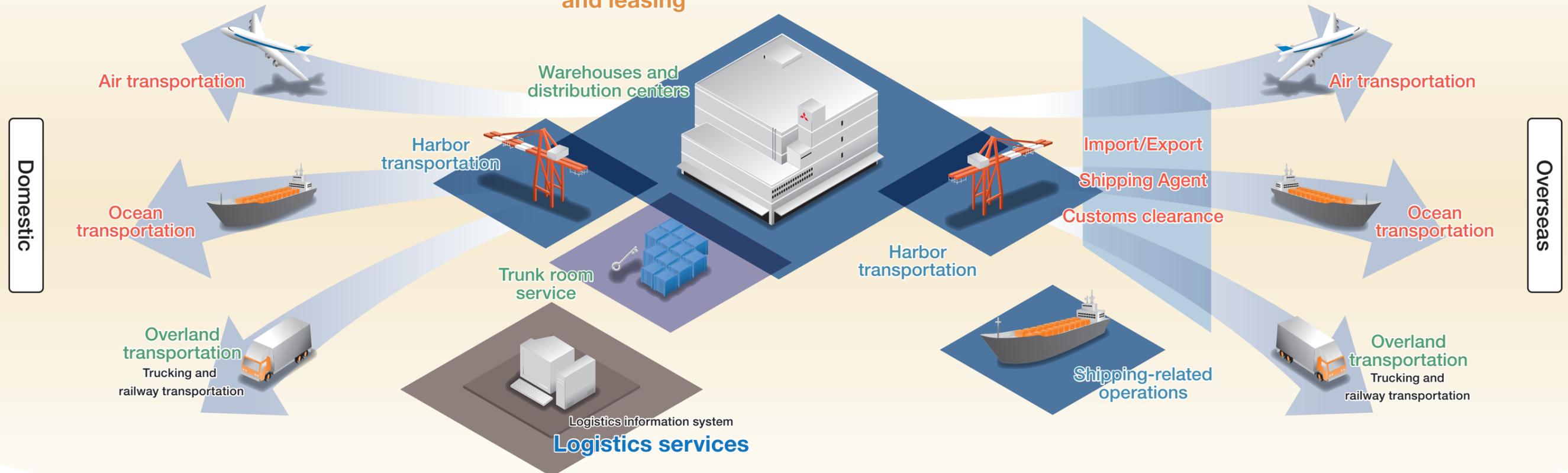
The Mitsubishi Logistics Group provides high-quality services to support people's affluent lives and corporate activities through the Logistics segment businesses centering on the warehousing and distribution business and the Real Estate segment businesses centering on the leasing of buildings.



Real estate development and leasing

Real Estate Business

We are involved in the real estate business in all six major cities of Japan—Tokyo, Yokohama, Nagoya, Osaka, Kobe and Fukuoka. In addition to the redevelopment of properties based on the optimum application of each property's features and the leasing of approximately 50 real estate facilities (offices, retail facilities and residences), totaling almost 900,000 m² of total floor space, we are involved in the leasing of condominiums. We are also active in developing Disaster-Resistant and Eco-Friendly Office Buildings, which will help our customers enhance their business continuity and reduce their environmental burden.



Warehousing and Distribution Business

We are able to meet a broad range of customized logistics needs through the full integration of warehouses and distribution centers, which are located at major ports and key inland transportation areas nationwide; our transportation and delivery networks; and the logistics information systems that organically link them. In this business, fixed temperature storage and refrigerated warehouses for pharmaceuticals and fresh and processed foods are sufficiently offered in addition to ordinary warehouses for room temperature storage to ensure the provision of safe and efficient storage/distribution processing/delivery services using our original information technology and the latest facilities. Meanwhile, we strive to reduce the environmental impact by promoting green management. Furthermore, we are active in the construction of advanced facilities that aim to coordinate with local communities under the concept of Disaster-Resistant and Eco-Friendly Warehouse equipped with a solar power generation system and emergency power generators. One such model warehouse is Misato Warehouse No. 2, which was completed in March 2013.



Overland Transportation Business

In Japan, we extend and reinforce the optimal distribution system for each customer through a tactical combination of our national, trunk-line transit network, which is supported by Ryoso Transportation within the Group and excellent local counterparts, and independent collection and delivery services linking local areas. We have expanded our transportation service for small-quantity, joint delivery needs especially for foods and pharmaceuticals. In addition, we offer cargo feature-specific, diversified transportation/delivery services including ocean freight container transportation for import and export cargo and the transportation of heavy goods such as plant facilities. Moreover, we endeavor to realize eco-friendly, safe and secure transportation services by drawing on our information technology and promoting green management. Furthermore, with the cooperation with DP Network Co., Ltd., a subsidiary that specializes in the delivery of pharmaceuticals established in November 2011, we strive to realize the further sophistication of transportation quality.



Harbor Transportation Business

We provide secure high-quality logistics services including container terminal operations for integrated containerized shipments at all major Japanese ports, namely Tokyo, Yokohama, Nagoya, Osaka, Kobe and Hakata, to meet every kind of customer need. We also offer a wide range of other marine shipping related services such as importing/exporting of vessels, ship registration, and agency operations for special ships such as oil-drilling rigs.



International Transportation Business

In response to increasingly diversifying customers' logistics needs, we propose optimum transportation routes door-to-door worldwide tailored to every customer's request by taking advantage of our global network and a variety of transportation means such as vessels, aircraft, railway and trucks. Meanwhile, our overseas operating bases provide comprehensive logistics services such as cargo transportation, customs clearance and storage of goods, as well as logistics related support services such as consulting on legal systems and procedures in the respective areas for customers who plan to launch into foreign markets. Furthermore, we intend to not be limited to transport operations but to further promote worldwide our logistics know-how, which the Company has accumulated over its history of more than 120 years.

