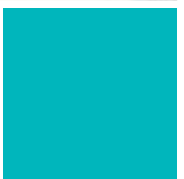
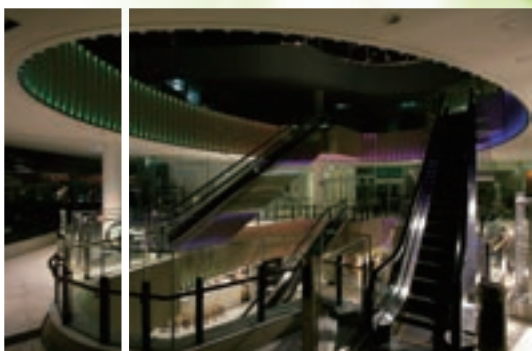




Mitsubishi Logistics
Environmental and Social Report

2017



Editorial Policy

The Mitsubishi Logistics Group (the “Group”) has issued this Environmental and Social Report each year since fiscal 2007 to fulfill its accountability about the effects of its business activities on society and the environment.

To disclose the goals, details and achievements of its CSR activities from the perspectives of the Group’s CSR management, this Report describes precisely and in an easy-to-understand manner the promotion of CSR as well as each of the seven core subjects described in the “Guidance on Social Responsibility” (JIS Z 26000, ISO 26000). This Guidance is a global standard for CSR established by the Japanese Industrial Standards (JIS) and the International Organization for Standardization (ISO).

Boundary of the Report and Reporting Period

Boundary of the Report:	The Report covers Mitsubishi Logistics Corporation (the “Company”) and Group companies.
Reporting Period:	This Report covers our business activities for the period from April 1, 2016 to March 31, 2017. To ensure comprehensive disclosure, however, certain relevant information regarding events that occurred prior to and/or after this period have been included.

Publication Date

(Previous publication date: February 2017)
February 2018
(Next planned publication date: February 2019)

Reference Guidelines

- JIS Z 26000: 2012 (Guidance on Social Responsibility) ISO 26000: 2010 (Guidance on Social Responsibility)
- Ministry of the Environment: Environmental Reporting Guidelines (Fiscal Year 2012 Version)
- Global Reporting Initiative (GRI): Sustainability Reporting Guidelines Version 4.0

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▶ You may view some of the relevant data and the reference table for Global Reporting Initiative (GRI): Sustainability Reporting Guidelines Version 4.0 on Mitsubishi Logistics’ Web site.

“Extended version.”

http://www.mitsubishi-logistics.co.jp/english/csr/pdf/extended_version.pdf

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

“GRI Guidelines reference table”

<http://www.mitsubishi-logistics.co.jp/english/csr/pdf/griguide.pdf>

HOME>CITIZENSHIP>Environmental and Social Report>GRI Guidelines reference table

Mitsubishi Logistics Group focuses friendly activities and engages business activities, contributing to affluent and 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 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.

■ Second Year of the Management Plan (2016–2018)

The current fiscal year is the second year of the Management Plan (2016–2018), which started in April 2016. Overseas, the U.S. economy continued to steadily recover and a moderate recovery was seen in Europe. The economy in China also saw a pick-up trend. The Japanese economy continued to recover gradually as employment conditions improved, and personal consumption and investment in plant and equipment showed signs of growth.

on global environment- in sincere and fair the realization of an

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 by the end of said plan that we ought to pursue as follows.

“To be a problem-solving partner of customers backed up by trust and brand power.”

■ 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, high-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 promote CSR activities as a specific



strategy in the management plan, 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, in September 2014, the Nihonbashi Dia Building (of which the lower floors are used as the Company's Head Office and trunk rooms) was completed. We also intend to continue initiatives for global environmental measures from the perspective of biodiversity.

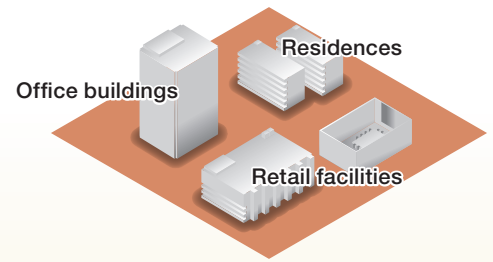
■ Conclusion

The Company celebrated its 130th anniversary on April 15, 2017. In these long, turbulent 130 years since the Meiji period, we were able to continue our business thanks to the hard work of our predecessors, who responded to the trust of our customers and diligently contributed to society through business activities. We are proud to have inherited their spirit.

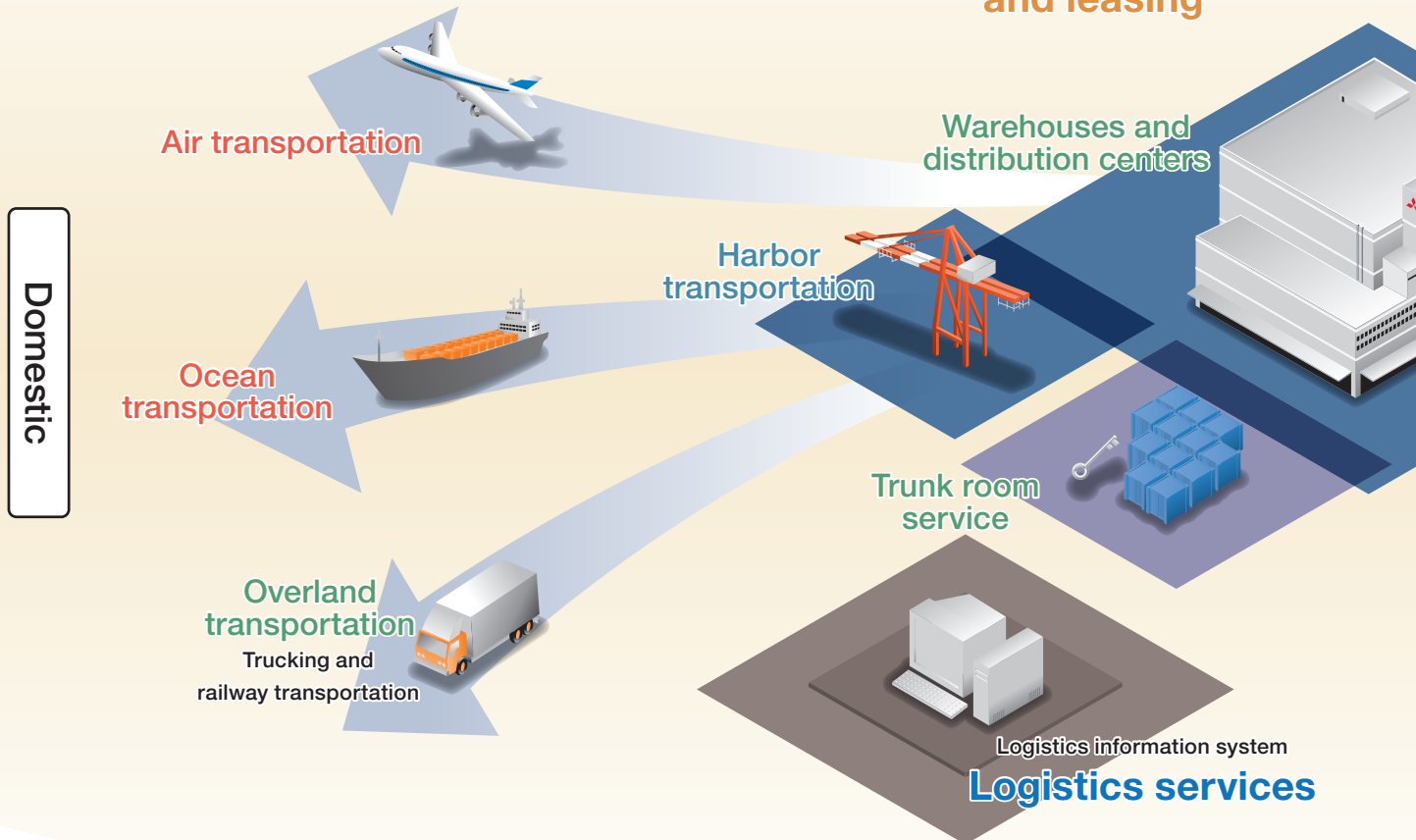
As the Mitsubishi Logistics Group continues, now and in the future, to place top priority on sincerity and fairness, supporting customers' value creation based on principles that give weight to the global environment while fulfilling our responsibilities to society with stable growth, we ask for your 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



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.



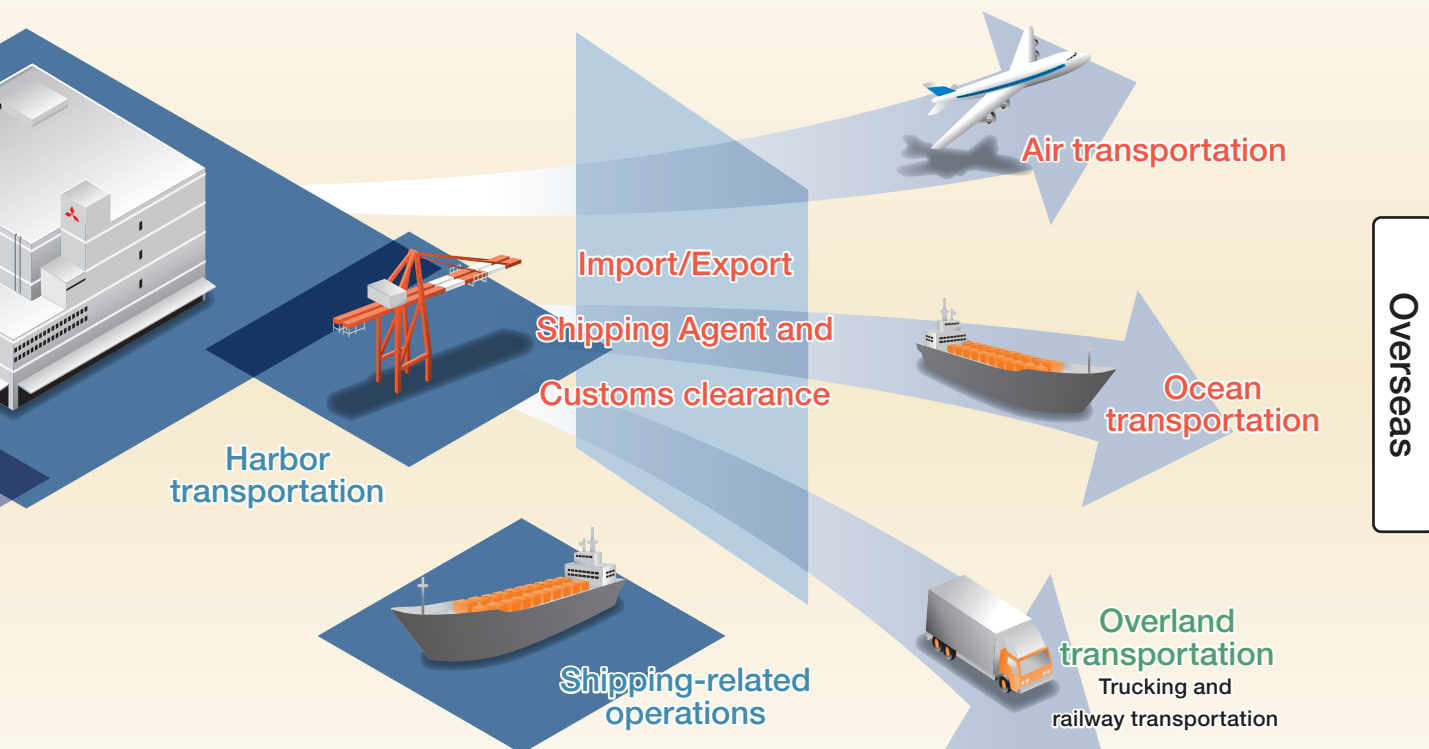
Overland Transportation Business

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 start of the "DP-Cool" Service, a high-quality pharmaceuticals delivery service with temperature control provided by Dia Pharmaceutical Network Co., Ltd., our subsidiary that specializes in the delivery of pharmaceuticals, we strive to realize the further sophistication of transportation quality.



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 activities such as 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 sales 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.



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 130 years.



Promotion of CSR

The Mitsubishi Logistics Group utilizes the “Guidance on social responsibility,” complies with the “seven principles of social responsibility”* in the practice of its social responsibility and strengthens various activities categorized under the seven core subjects of social responsibility. Each core subject is of equal priority, and is equally important. The Mitsubishi Logistics Group streamlines an integrated mechanism (with components such as philosophy, principles, policies, systems, dialogue and confirmation) to ensure that a socially responsible corporate culture exists within the Group and is conducted through the practice of CSR-based activities, aiming to increase its corporate value.

* See the chart on the right.



Manifestation of The Three Principles of Mitsubishi's Business Management Philosophy and the Code of Conduct, etc.

Mission, Vision, Sense of Values, Principles and the Code of Conduct

◆ The Three Principles of Mitsubishi's Business Management Philosophy (“Sankoryo”)

The Mitsubishi Sankoryo is a managerial creed articulated by the fourth president of the Mitsubishi organization, Koyata Iwasaki. The spirit and values of this Sankoryo remain alive and current today as a basic philosophy of an internally and externally open group being shared by the constituent Mitsubishi Group companies that are independent from each other.

■ The Three Principles of Mitsubishi's Business Management Philosophy ■

“Shoki Hoko”

Corporate Responsibility to Society

Strive to enrich society, both materially and spiritually, while contributing toward the preservation of the global environment.

“Shoji Komei”

Integrity and Fairness

Maintain principles of transparency and openness, conducting business with integrity and fairness.

“Ritsugyo Boeki”

Global Understanding through Business

Expand business, based on an all-encompassing global perspective.

◆ Code of Conduct

We have established the following Code of Conduct to realize our corporate philosophy (see page 2: Top Message) based on the spirit of the Three Principles of Mitsubishi's Business Management Philosophy.

■ Code of Conduct ■

We engage in business activities to secure appropriate profits and promote steady growth, appropriately compensating our employees and stockholders while contributing to the realization of an affluent and sustainable society.

1. We shall comply with laws, ordinances and rules that enable us to honestly and fairly carry out business activities without deviating from social norms.
2. We shall appropriately disclose corporate information in a timely manner to enhance broad communications with society.
3. We shall continue to have no contact or relations with any antisocial forces that might pose a threat to the public order and safety of civil society.
4. We recognize the importance of environmental issues and shall actively cooperate with diverse activities for environmental preservation.
5. We shall provide people with safe, high-quality and socially valuable services, and endeavor to conduct social contribution projects as a “good corporate citizen” while taking into account coordination with local communities and international society.

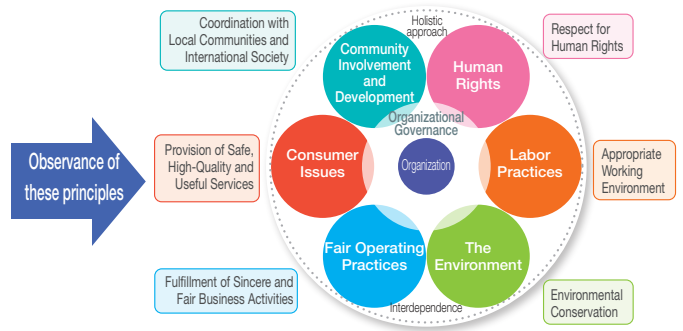
(Established on December 16, 1997, and revised on August 29, 2005) Each subsidiary shall establish its own Code of Conduct in compliance with this Code of Conduct.

● Seven Principles of Social Responsibility



(Source: Edited by the Company based on the "Guidance on Social Responsibility (JIS Z 26000)")

● Seven Core Subjects of Social Responsibility and Their Expressions in the Group



(Source: Prepared with partial modification by the Company based on the "Guidance on Social Responsibility (JIS Z 26000)" chart)

◆ Environmental Policy

The Mitsubishi Logistics Group has formulated the Environmental Policy to clearly present its Group-wide stance on consideration of the global environment based on our "Code of Conduct."

■ Environmental Policy ■

The Mitsubishi Logistics Group recognizes the importance of environmental issues, promoting activities for environmental preservation through corporate activities that are friendly to the environment while contributing to the realization of a sustainable society.

1. We comply with laws and regulations relating to the environment.
2. We endeavor for the training and enlightenment to raise the awareness of executives and employees about the environment and positively commit ourselves to environmental preservation activities with the recognition that involvement in environmental issues is indispensable to our corporate activities.
3. We strive to restrict our environmental impact by efficiently utilizing the resources and energy that are essential to our business activities, implementing eco-friendly logistics equipment and facilities, purchasing eco-friendly goods and promoting the reduction of waste volume and recycling.
4. We regularly verify our initiatives regarding environmental issues to continually improve our involvement.
5. We make the Environmental Policy known to all parties affiliated with the Group and disclose it publicly. (Established on December 29, 2006)

◆ Environmental Voluntary Plan

We have formulated the MLC (Mitsubishi Logistics Corporation)-Group Environmental Voluntary Plan as "concrete guidelines" regarding the Environmental Policy to review and implement specific measures in view of "measures to cope with future tightening of regulations" and "maintaining and ensuring the competitive edge of our businesses."

The specific measures of the guidelines include efforts related to facilities and equipment such as implementation of solar and wind power generators and greening of rooftops and walls, and efforts related to handling equipment and vehicle including enforcement of idling-stop practice and eco-driving, as well as selection of environment-conscious suppliers. Based on these measures, the Group promotes Group-wide environmental measures including appropriate responses to laws and regulations.

◆ Our Declaration of Quality

Our Group has formulated "Our Declaration of Quality" to be an enterprise that grows by gaining the trust of stakeholders including customers in accordance with the "Code of Conduct."

■ Our Declaration of Quality ■

Mitsubishi Logistics Corporation works hard to ensure that our corporate activities help to create an affluent and sustainable society. Providing services that are safe, high quality and of benefit to society is one of the most important pillars supporting our corporate activities. It is with this in mind that we strive continuously for quality improvement.

1. We always think from the customer's standpoint and listen to the customer with sincerity, working to provide quality services that will win the trust and satisfaction of all our customers.
2. We abide by the relevant laws and regulations, and by conducting periodic inspections and implementing improvement efforts daily in the areas of safety and quality, our Group-wide quest is to achieve constant quality improvement.
3. We value communication and endeavor to provide an energetic work environment in which each member of the Company can be motivated by sincerity and pride to strive for quality improvement. (Established on September 1, 2008)

Promotion of CSR

◆ Management plan (2016–2018) (Basic Policy)

The current fiscal year is the second year of the three-year Management Plan. Mitsubishi Logistics Group has formulated the following four items of Basic Policy to reinforce foundations for its growth potential and profitability. The Group intends to increase its corporate value and achieve future growth by executing each of these diverse measures in accordance with the Basic Policy.

■ Basic Policy ■

1. Improve and expand our logistics business to adapt to the change of the global supply chains of customers in Japan and around the globe
2. Reinforce and expand the revenue framework of the real estate business
3. Enhance the service quality of Group services and the promotion of CSR
4. Select and center of management resources

The outline of the management plan is as follows:

1. Ideal image

The management plan has defined the ideal image of the Group to be pursued as a corporate group in compliance with the four-item Basic Policy. (see page 3: Top Message).

2. Plan period

FY2016–FY2018 (covering three years)

3. Performance targets

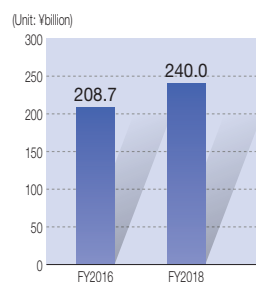
Figures of consolidated business results

	Operating revenue	Operating income	Ordinary income	Net income*
Actual results for FY2016	208.7	12.7	16.0	10.6
Targets for FY2018	240.0	15.5	17.5	11.6

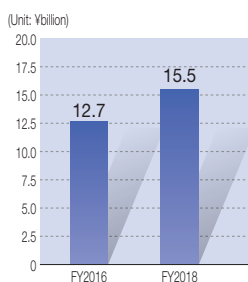
(Unit: ¥billion)

*Referring to "Profit attributable to owners of parent"

Consolidated operating revenue



Consolidated operating income

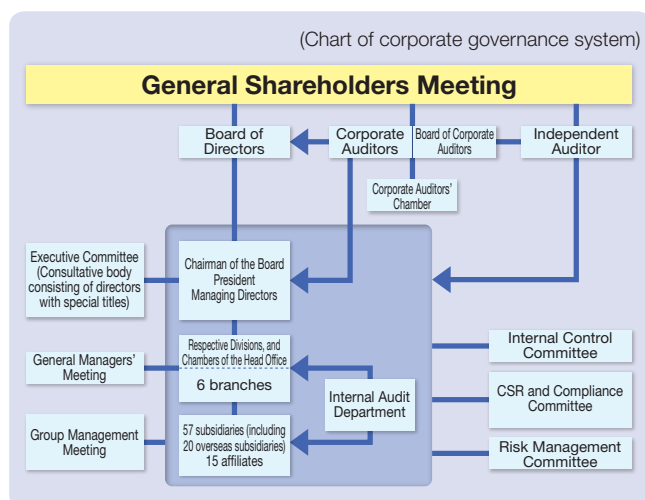


4. Investment plan

During the plan period, the Group plans to make investments totaling ¥60.0 billion (¥30.0 billion in logistics and ¥30.0 billion in real estate).

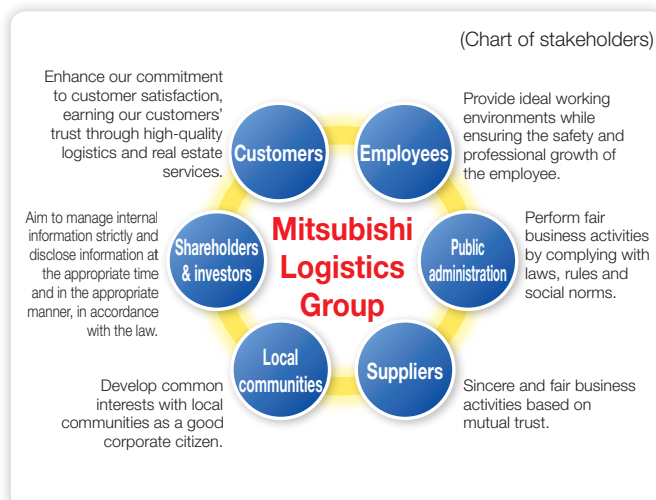
In-house Decision Making

◆ Corporate governance system



Responses to Stakeholders' Expectations

◆ Stakeholders recognized by the Mitsubishi Logistics Group



Promotion of CSR for every employee

CSR & Compliance Handbook

The Group prepared the Mitsubishi Logistics Group CSR & Compliance Handbook (63 pages in A5 format) to nurture the awareness of each employee on CSR and compliance. The handbook was distributed to all executives and employees within the Group in January 2012 for their daily reference.

We position the handbook as a starting point to help them address small questions and significant issues in their routine business operations.



CSR & Compliance Handbook

CSR and Compliance Awareness Survey

The Company and domestic Group companies provide Web-based surveys on awareness based on the Mitsubishi Logistics Group CSR & Compliance Handbook and the Environmental and Social Report to disseminate the understanding of CSR and compliance. The surveys aim to increase employees' awareness by providing occasions in which every employee thinks of familiar issues and finds the answers.

Training on CSR and Compliance

As measures to address the status of compliance with the "Code of Conduct" and any issues noted in the internal audit results, we endeavor to establish good working environments by disseminating and entrenching our corporate philosophy and the "Code of Conduct" and promoting CSR.

As for compliance, we hold training sessions concerning compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors with an emphasis on training and confirmation regarding the methods for managing and handling relevant documents, and the obligations and prohibitions of the main subcontracting enterprise.



▶ Actual performance data on the CSR and compliance awareness survey and the training on CSR and compliance can be viewed on Mitsubishi Logistics' Web site in "Extended version."

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

Emphasis on communication

Timely and appropriate news releases

As the Group emphasizes the principles of social responsibility such as accountability and transparency in organizational decision making, news releases on business activities are disclosed at the appropriate time and in the appropriate manner.



▶ You may view the news releases on the actual performance data on Mitsubishi Logistics' Web site in "Extended version."

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

Information disclosure

Our IR information site is open on the Company's Web site. We strive to transmit information by providing "Management planning and policy," "Stock information," "IR calendar," "financial data" and "IR information" (Flash report, Annual report and Results briefing).

For the convenience of foreign shareholders and investors, English-version sites are also available to disclose significant information thereto.

Dialogue between shareholders/investors, analysts and top management

◆ Easy-to-understand shareholders' meetings

When we hold a shareholders' meeting, we strive to provide easy-to-understand information for the convenience of attending shareholders by using video business reports with narration.

◆ Results briefing

Company holds results briefings twice a year (May and November) for investors and analysts. In addition to the explanation of the settled accounting results, the top management of the Company explains management policies and the progress of management plans, conducts Q&A and transmits a variety of management information. We are active in encouraging dialogue with market players not only through transmission of the information desired by investors and analysts but also by integrating the feedback of useful views therefrom in our actual business judgment.



Results briefing for analysts



▶ You may view the materials for the results briefing on Mitsubishi Logistics' Web site in the IR Information page.

HOME>INVESTOR RELATIONS>IR Information>Presentation

Internal reporting system

To ensure early detection of actions that violate legal ordinances or corporate regulations, as well as actions that are in danger of violating such rules, the Mitsubishi Logistics Group has established a corporate ethics help line (Contact: CSR-Compliance Team, General Affairs Division) as an internal whistleblowing and consultation mechanism to reinforce compliance management.

To raise the degree of recognition and encourage use of the system, at the time of the "Check of the Compliance of the Code of Conduct" in December 2016 we checked whether all executives and regular employees of the Group were familiar with our internal reporting system and whether they intended to use the system. Consequently, it was confirmed that almost all the respondents expressed an affirmative opinion, suggesting widespread recognition of the system.

Confirmation of major CSR activities

The Group is committed to CSR activities so that socially responsible behavior will be disseminated among employees as a voluntary corporate culture.

● Checklist for the confirmation of major CSR activities

Core subjects	Tasks	Objectives/Goals	
Organizational Governance	Promoting the realization of our corporate philosophy and strategies Review of goals, standards, etc.	Reinforce CSR and compliance	
Respect for Human Rights	Improvement of the awareness of human rights	Respect human rights	
Appropriate Working Environment	Rewarding and friendly working conditions	Demonstrate every employee's personality and competence, undertake necessary security procedures, and support the coexistence of employees' working life and home life	
	Ensuring the security of workers	Ensure the security of workers	
	Human resources development and training	Develop competent human resources who meet the requirements of global human resources and who can manage global operations	
Environmental Conservation	Reduction of CO ₂ emissions as a measure for reducing climate change	Further reinforce environmental countermeasures	
	Use of renewable resources	Preserve resources by reducing the environmental impact	
	Contribution to the recovery of the eco-system	Global environmental measures from biodiversity perspectives	
Fulfillment of Sincere and Fair Business Activities	Prohibition of unfair advantage in competition and promotion of fair and open competition	Reinforce CSR and compliance Upgrade information security management	
Provision of Safe, High-Quality and Useful Services	Provision of socially and environmentally beneficial high-quality services	Improve service quality	
	Promotion of disaster measures to maintain service functions	Maintain infrastructure in case of disasters	
Coordination with Local Communities and International Society	Contribution to the community's cultural activities	Contribute to cultures in local communities	
	Contribution through donations, etc.	Support to victims of disasters	

We summarize hereunder the setting of “Objectives/Goals,” the planning of “Activity process” and the confirmation of “Achievements/Results” with regard to major CSR activities that are categorized under the Seven Core Subjects in accordance with the “Guidance on Social Responsibility” guidelines.

Activity process (Plan)	Achievements/Results	Division/Chamber/ Branch and/or Group companies in charge
<ul style="list-style-type: none"> Disseminate the corporate philosophy and the management plan. Deliberate how to promote CSR at the CSR and Compliance Committee. Strive to improve the understanding of the “Code of Conduct” and the awareness of compliance. 	<ul style="list-style-type: none"> Briefing meetings on our Management Plan held at each branch by Managing Director in charge of personnel and planning. Worksite meeting held every month (dissemination of our corporate philosophy and our Management Plan). Mar. 2017: Held the CSR and Compliance Committee meeting (for CSR promotion). FY2016: Check for compliance with the “Code of Conduct;” Number of participants: 4,247. FY2016: Compliance Awareness Survey; Number of participants: 3,265 (Web-based check). 	General Affairs Division Personnel Division Planning & Business Coordination Division Other Divisions, Chambers and Branches
<ul style="list-style-type: none"> Strive to disseminate the awareness of respect for human rights among all employees by establishing a dedicated promotion system. Conduct education on human rights. 	<ul style="list-style-type: none"> FY2016 Human Rights Enlightenment Training held with 49 participants. 	Personnel Division
<ul style="list-style-type: none"> Streamline the personnel system in the pursuit of creating worksites where employees can demonstrate their personality and competence. Execute industrial safety and health-related measures to maintain and enhance employees’ health. Promote a work-life balance to support the sound development of the next-generation children. 	<ul style="list-style-type: none"> Self-declaration once a year and interviews for appraisal conducted three times a year. Conducted “Health Promotion” seminars and annual health checkups. Beneficiaries of the child-care leave system: 8; beneficiaries of the care leave system: 29. 	Personnel Division
<ul style="list-style-type: none"> Work on industrial safety and health-related activities among operating bases in an aim to prevent industrial accidents. Promote the prevention of industrial accidents and conduct periodic disaster prevention drills and meetings in the Port and Harbor Operations Business. 	<ul style="list-style-type: none"> Monthly convening of Industrial Safety and Health Committee. Number of serious industrial accidents in the Port and Harbor Operation Business: zero. 	Personnel Division Harbor Transportation Business Division Branches
<ul style="list-style-type: none"> Endeavor to develop human resources that can contribute not only to corporate growth but also to social development. 	<ul style="list-style-type: none"> FY2016 logistic training with 263 participants. Problem-solving practical training with 14 participants Regional supervisor training with 19 participants 	Personnel Division
<ul style="list-style-type: none"> Promote the construction of Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings, which focus on ensuring business continuity in case of a disaster and considerations for the global environment. Enhance the shift of existing lighting devices to LED lighting by utilizing governmental subsidy funds. 	<ul style="list-style-type: none"> FY2016: The existing lighting devices (around 660 units in total) at our warehouses were changed to LED lighting. 	Technical Division Branches
<ul style="list-style-type: none"> We promote the implementation of large-scale solar power generation facilities in existing facilities in line with the government’s policy of enhancing the use of renewable energy. Expand the use of environmental-friendly vehicles, such as “i-MiEV,” Mitsubishi Motors’ electric vehicles. Promote the reduction of waste. 	<ul style="list-style-type: none"> Feb. 2017: The Nihonbashi Dia Building received the “26th BELCA Award” presented by the Building and Equipment Long-life Cycle Association Since Mar. 2016: The Eitai Dia Building has been certified as a “Near-Top-Level Facility” under the Tokyo Metropolitan Environmental Security Ordinance. Since Dec. 2013: The Nagoya Dia Building has been certified as an “Eco-friendly Workplace” by Nagoya City. 	Technical Division Real Estate Division Branches
<ul style="list-style-type: none"> Conduct reforestation through volunteer activities and donations as a partner of reforestation of Kanagawa Prefecture. 	<ul style="list-style-type: none"> Oct. 2016: Reforestation activities held with 27 participants 	General Affairs Division Tokyo Branch Yokohama Branch
<ul style="list-style-type: none"> Hold training sessions for the compliance of the Act against Delay in Payment of Subcontract Proceeds, etc., and the prevention of insider trading. Distribute information security questionnaires to disseminate the awareness of security. 	<ul style="list-style-type: none"> FY2016: Compliance with the Act against Delay in Payment of Subcontract Proceeds, etc.; Number of participants: 1,804 (Web-based check). FY2016: Newcomers’ training on Prevention of Insider Trading; Number of participants: 49. Number of respondents to the FY2016 Information Securities Questionnaire: 2,887. 	General Affairs Division Information Systems Division
<ul style="list-style-type: none"> Take specific initiatives for quality improvement at each of the operating sites, subsidiaries and affiliates. Reestablish our information systems for warehousing and distribution center operations to improve the quality of logistics. 	<ul style="list-style-type: none"> Regular quality improvement conference held. Quality education at monthly safety conferences and information exchanges at regular conferences with customers conducted. Commendation system for improvement activities implemented. Since Mar. 2014, a new warehousing and distribution center operations system (G-MIWS) has been implemented on Branches, and the implementations are scheduled to be complete during the first half of FY2017. 	Planning & Business Coordination Division Personnel Division Warehousing and Distribution Business Division Information Systems Division
<ul style="list-style-type: none"> Deepen people’s understanding of the logistics of relief supplies in case of large-scale disasters. Pursue additional designations of our facilities as support/relief goods logistics base facilities, which is a concept primarily advocated by the Ministry of Land, Infrastructure, Transport and Tourism. Thoroughly implement disaster prevention measures at facilities. 	<ul style="list-style-type: none"> Total number of support/relief goods logistics base facilities: 11. Fire prevention patrols in facilities of the Company and the Group conducted (annually). 	General Affairs Division Warehousing and Distribution Business Division Technical Division Branches
<ul style="list-style-type: none"> Hold supporting events for reconstruction from the Great East Japan Earthquake. Hold activities that aim to coordinate with local communities and international society. 	<p>[Yokohama Bay Quarter]</p> <ul style="list-style-type: none"> Aug. 2016: Held the “Charity Ennichi (Street Fair).” Aug. 2016: Held the “Radio Exercise.” Held running club events (monthly) <p>[Nagoya City]</p> <ul style="list-style-type: none"> Installed flower beds in the greenbelt near Nagoya Station. <p>[Kobe Harborland umie]</p> <ul style="list-style-type: none"> Apr. 2016: Provided the venue for the “Spring Traffic Safety Fair 2016” <p>[Harborland Dia Nissei Building]</p> <ul style="list-style-type: none"> Nov. 2016: Conducted evacuation drills in preparation for tsunamis potentially caused by Nankai Trough earthquakes 	Real Estate Division Yokohama Dia Building Management Corporation Nagoya Branch Kobe Branch
<ul style="list-style-type: none"> Raise and provide relief funds for disasters that happen in Japan and overseas. 	<ul style="list-style-type: none"> Apr. 2016: Provided relief funds for local disaster victims of the Kumamoto earthquakes 	General Affairs Division Other Divisions, Chambers and Branches Group companies

Organizational Governance

To ensure socially responsible positive decision making, it is necessary to establish organizational processes to optimally utilize the Group's philosophy, strategies and standards.

As for organizational governance, the Group recognizes and strengthens such issues as "Promoting the realization of our corporate philosophy and strategies," "Entrenchment of the compliance of standards, etc.," "Confirmation of the processes of implementation for action plans" and "Review of goals and standards, etc."



Corporate Governance

Basic stance

Mitsubishi Logistics Corporation recognizes the enhancement of corporate governance as a significant business issue that will enable us to carry out our social mission and responsibilities as a publicly listed company and to aim for sustainable growth and development. Accordingly, we are endeavoring to boost corporate governance through multiple initiatives, such as: enhancing the function of the board of directors and board of auditors by appointing outside directors and auditors; establishing an internal control system through drafting the rules of conduct for our executives and employees, setting up the Internal Control Committee, the CSR and Compliance Committee, and enhancing an internal audit system; instituting a risk management system via the Risk Management Committee; and, finally, by reinforcing disclosure through the early publication of financial statements. (See page 8: the chart of corporate governance system)

Basic Strategy and Detailed Strategy (Excerpt)

1. Foster a corporate culture that supports new challenges.
2. Promote service quality improvement activities.
3. Reinforce risk management including natural disaster countermeasures and security measures.
4. Pursuit of thorough compliance by reinforcing the in-house check system.
5. Implement CSR activities based on the UN Global Compact's 10 principles.
6. Continue to implement global environment-friendly business activities.
7. Continue to develop technologies and facilities based on the concept of "Disaster-Resistant and Eco-Friendly Warehouses" and "Disaster-Resistant and Eco-Friendly Office Buildings."

In executing the Basic Strategy and the Detailed Strategy above, the Group complies with the seven principles of social responsibility under the Guidance on Social Responsibility. The Group companies have stipulated the "Code of Conduct" in line with the seven principles, and their employees strive to self-check and confirm their behavior by using the CSR & Compliance Handbook.

Promoting the realization of our corporate philosophy and strategies

Disseminating the corporate philosophy and the management plan (Basic Strategy)

The Group has expressed the goal of "contributing to the realization of an affluent and sustainable society" in its corporate philosophy (see page 2: Top Message) to make its intent of strengthening social responsibility known to every party concerned within the Group.

To facilitate this goal, the Company formulated in its management plan the following Basic Strategy and Detailed Strategy (excerpt) and endeavors to disseminate it at worksite meetings and other occasions.



Worksite meeting (Tokyo Branch)



Worksite meeting (Osaka Branch)



Worksite meeting (Kobe Branch)



Worksite meeting (Fukuoka Branch)

Review of goals, standards, etc.

Deliberating at the CSR and Compliance Committee (meetings held in March)

To promote CSR activities in the Group, the CSR and Compliance Committee was established in September 2006.

In fiscal 2016, the committee met in March and deliberated on the reports and revisions regarding CSR activities in accordance with the Guidance on Social Responsibility, which is used as the basis for the Environmental and Social Report, as well as on the improvement of compliance based on the self-check of the status of complying with the "Code of Conduct."



CSR and Compliance Committee

Entrenchment of the compliance of standards, etc.

Disseminating the awareness of compliance

The Group endeavors to disseminate the awareness of compliance based on corporate ethics in every employee through the employee's self-check on the status of complying with the "Code of Conduct," which was formulated as the social norms for employees in executing their duties, as well as by thoroughly promoting training on compliance.

The self-check on the status of compliance previously targeted the Company and domestic Group companies. Effective from fiscal 2013, the scope of the self-check has been extended to cover overseas Group companies using English texts.



▶ Actual performance data on the compliance situation of the "Code of Conduct" may be viewed on Mitsubishi Logistics' Web site in "Extended version."

HOME> CITIZENSHIP>Environmental and Social Report>Extended version

Business processes are confirmed via internal audit

The internal audit of the Company is performed mainly by the Audit Division in accordance with the internal audit regulations and the internal audit plan. The audit operation is supported by branch auditors and audit assistants positioned at Head Office and respective branches. The purpose of the internal audit is to precisely grasp the status of corporate affairs and the financial position so as to be of help for management's prevention of fraud, errors and faults, and rationalization such as improvement of business operations and raising operating efficiency. The Audit Division reports the results of audits regarding the Company and subsidiaries to the management

team. The General Affairs Division supports the follow-up checks on any issues noted in the audit results, if any, and reports the results to the management team.

The Audit Division keeps close contact with the corporate auditors and provides them with internal audit information to cooperate with the corporate auditors' audits.

Confirmation of the implementation of action plans

Confirming the appropriateness of operations via internal control

The Board of Directors of the Company resolved the "Basic Policy on the Improvement of an Internal Control System" to ensure the appropriate execution of duties by executives and regular employees and the appropriateness of corporate affairs.

Furthermore, the Company improves the systems necessary for ensuring the appropriateness of financial reporting and prepares and submits the Internal Control Report regarding the evaluation of the effectiveness of internal control relating to financial reporting in accordance with the Financial Instruments and Exchange Law.

Confirming the process for bonded operations, etc., under the Authorized Warehouse Operators' Program

The Authorized Warehouse Operators' Program, one of the AEO Systems^{*1}, is a system for certifying managers of bonded warehouses and bonded factories as authorized warehouse operators after they meet set conditions concerning compliance and other regulations. These authorizations ensure preferential treatment such as simplified procedures and exemptions from permit fees, etc. The Company received approval as an authorized warehouse operator and further enhanced compliance activities in customs-related processes and all other import/export services. In April 2016, the authorization has been renewed, and we will continue to strive to provide highly reliable and dependable logistics services for our customers.

Meanwhile, the Company, Group companies Monryo Transport Corporation, Keihin Naigai Forwarding Co., Ltd., and Ryoyo Transportation Co., Ltd. acquired certification as Authorized Customs Brokers as of June 2017, September 2012, June 2014, and April 2017, respectively, under the AEO System. An authorized customs broker is a customs clearance operator subject to various preferential privileges, which is authorized by the customs office to arrange for security management and compliance regarding cargo. The Company strives to further improve the quality of customer service going forward.

*1. Systems that provide measures that ease and simplify customs procedures for business operators who have constructed cargo security management frameworks in compliance with laws and regulations, aiming both to secure and smoothen international logistics security, as well as to enhance Japan's international competitiveness.
The policy for implementing and constructing AEO Systems is set within the SAFE Framework of Standards to Secure and Facilitate Global Trade adopted by the WCO (World Customs Organization). Japan's AEO Systems comply with said policy. (Source: Japan Customs Web site)

Respect for Human Rights

Respecting human rights is the basis for complying with laws and regulations and fulfilling social responsibility. Regarding the respect for human rights, the Group recognizes and addresses such issues as “Improvement of employees’ awareness of human rights.”



Improvement of the awareness of human rights

Striving to disseminate the awareness of respect for human rights with every employee by establishing a dedicated promotion system

The Company is committed to enlightening of human rights issues among employees with the aim of creating a “positive worksite atmosphere in which every employee’s human rights are respected and personal competence and personality can be fully demonstrated.”

Specifically, every year the Company offers a human rights enlightenment course of 1–2 hours in the stratified training curriculum under the established human rights training promotion system.

In fiscal 2016 a total of 49 employees participated in the training, which targeted new comers.

At the training sessions, participating employees not only received lectures but also exchanged views on diverse concrete examples to deepen their understanding.

The Company endeavors to raise the awareness of human rights by inviting slogans on human rights enlightenment even to loaned or dispatched staff members. In parallel with this approach, we have established a harassment-dedicated counseling contact that takes initiatives to prevent or resolve various worksite harassment cases.



▶ Actual performance data on human rights training can be viewed on Mitsubishi Logistics’ Web site in “Extended version.”

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

Respecting human rights through business activities

Outsourcing works to a provider of continuous employment support service, where physically challenged people are working

The Company outsources digitizing works of in-house documents and data to Japan Church World Service, Inc., Tokyo Itabashi Welfare Factory where continuous employment support service is provided to physically challenged people, who may have difficulties in conventional work settings.

The Company considers that this outsourcing can help more physically challenged people to work on a continuous basis and play active roles in society while having independent lives.

- Slogan on human rights (some of slogans Submitted to the Company)

Slogan on human rights (Employees’ section)

Making others’ business your business - one attitude to change the world

VOICE

Reflection on the Human Rights Training

Airi Nakamura
Rokko Cold Storage Office, Kobe Branch



In the training, of which the theme was “Corporate and Human Rights,” we learned about issues such as “gender problems,” “power harassment,” and “racism and ableism.” Moreover, participants exchanged opinions using examples of how discrimination can happen in everyday life, which led us to think of creating a more positive workplace.

Through the training, we were made aware of the fact that every day, we make judgments based on subconscious prejudice and assumptions. It may be impossible to fully “erase” these ingrained stereotypes within us, but it is not difficult to “be aware” of them. It made me think that being aware makes a big difference in the way one looks at the world.

Furthermore, I felt that the connection between people is most important for building a friendly working environment. Relationships based on mutual respect can be built if every single person learns how to step into others’ shoes. Spreading harmony among people is how we build a friendly working environment, as well as a better society.

Appropriate Working Environment

An appropriate working environment serves to stabilize employees' living standards, is the source of meaning in employees' lives and is indispensable for safety and health, productivity growth, human resource development and so forth.

Regarding the appropriate working environment, the Group recognizes and addresses such issues as "Respect of labor-management relations," "Employment and the importance of the employment relationship," "Rewarding and friendly working conditions," "Ensuring the security of workers" and "Human resource development and training."



Respect for labor-management relations

Having close communications with the labor union

The collective labor agreement entered into between the Company and the Mitsubishi Logistics Union stipulates the responsibility of the Company and that of the union as follows on the stance of labor-management cooperation.

1. (Company's Responsibility)

The Company shall proactively strive to maintain and improve the working conditions and promote the welfare of employees to improve the status of employees and ensure stable livelihoods.

2. (Union's Responsibility)

The labor union shall strive to maintain public order at the worksite and promote the working capabilities of its affiliated employees, as well as fully cooperate with the Company for the growth of the Company's business based on democratic foundations.

Labor-management consultations and negotiations are handled at the Management Conference, which is attended by representatives of both parties.

There are two types of Management Conference: the Central Management Conference, which is held between Head Office and the union's headquarters, and the Operating Site Management Conference, which is held between each branch and each lodge. Each conference meets once per month.

Employment and the importance of the employment relationship

Endeavoring to ensure human resources systematically and stably while respecting equal employment opportunities and diversity

In recruiting employees, our basic policy is to respect equal employment opportunities and diversity.

In our recruiting activity, we have introduced an open entry system without making any distinction as regards the school of graduation or faculty that takes into account the fair employment of applicants from a long-term perspective to systematically and stably ensure human resources.

We offer a wide range of opportunities to both new and

professional or experienced applicants by making the most of the Company's Web site and various kinds of PR media.

● Status of employees (as of the end of March 2017)

Item	In fiscal 2016
Number of regular employees (consolidated)	4,419
Number of temporary employees (consolidated)	2,476

*Group companies have no statistical data regarding employees' average age and years of service.

Number of regular employees (non-consolidated)	863 (555 men and 308 women)
Average age (non-consolidated)	39.8 years
Average years of service (non-consolidated)	16.7 years
Number of temporary employees (non-consolidated)	679

Rewarding and friendly working conditions

Strive to improve the environment in which both employees and the Company can raise mutual values

The basic philosophy of the Company's personnel policy is to assist its employees to grow and improve their work-life balance and to assert that both employees and the Company can raise mutual values through the sustainable growth of the Company.

To realize this philosophy, the Company endeavors to improve worksite environments so that employees can demonstrate their individuality and competence to the utmost with improved motivation and better workplace environments, through a variety of personnel and educational systems.

Streamline the personnel system in the pursuit of creating worksites where employees can demonstrate their individuality and competence

The Company strives to improve worksite environments in which every employee can fully demonstrate his/her individuality and competence.

◆ Self-declaration system

According to the self-declaration system, the Company's employees declare their satisfaction rating with their current duties and career plan among others, once a year. The declaration includes the desired conditions of their next workplace, etc., so that the Company may

Appropriate Working Environment

pay attention not only to employees' business duties but also to every employee's life plan. The content of the declaration is actually used for personnel transfers and the career development program.

◆ Evaluation and treatment of employees

The Company treats employees in accordance with fair, transparent and well-received appraisal systems. Direct interviews between managers and subordinates, which are held three times a year (at the time of target setting, midyear retrospection and year-end retrospection) are especially emphasized. The evaluation results are used for an appropriate division of labor within the business unit and advice on career planning.

■ Execute industrial safety and health-related measures to enhance employees' good health

To effectively fulfill its obligation of safety, which is required of every corporation, the Company proactively takes initiatives to maintain and promote employees' health.

◆ Regular medical checkup

A medical checkup is conducted once a year that focuses on tests for lifestyle-related diseases. Although long working hours have become a social problem in recent years, the Company has implemented a framework to minimize the health risks of employees due to a heavy workload through enhanced interview guidance from industrial physicians to those with long working hours.

◆ Health promotion

Health promotion seminars are held for the purpose of maintaining good health and improving the lifestyle of employees. At these seminars, in addition to lectures (on mental health and eating habit guidance) given by experts, simple aerobics dance programs are offered to encourage employees to engage in light physical exercise.

■ Involvement in mental health activities focusing on "prevention and recurrence prevention"

The Company considers it important to support every employee in having a purposeful life by ensuring systematic and constant care for his/her mental health.

To promote mental health care in accordance with the "Guidelines for maintenance and promotion of mental health for workers" of the Ministry of Health, Labour and Welfare, the Company has taken a variety of initiatives such as reinforcement of in-house education and training, cultivation of dedicated staff in charge at operating sites, implementation of the stress check system following the Partial Revision of the Industrial Safety and Health Act and improvement of networks via collaborations with external professional organizations.

■ Promoting the work-life balance to support the sound development of the next-generation children

Pursuant to the implementation of the Act on Advancement of Measures to Support Raising Next-Generation Children, the Company formulated the "Ordinary Business Owner Action Plan" and implemented the "Child-care leave system,"

the "Shorttime regular employee system," the "Nursing care leave system," the "Care leave system" and the "Family care leave system" to assist with the coexistence of employees' working life and home life. Furthermore, the Company encourages the enhanced use of annual paid vacations to reduce working hours in a year and has introduced a systematic granting system (six days per year) of annual paid vacations under labor-management collaboration.

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Having Taken Child-care Leave

Yuki Saiki
Ohi Office, Tokyo Branch



I have taken child-care leave twice. The first time with my eldest daughter went quickly because everything about child-caring was new for me, but I was more at home when caring for my eldest son, and it was nice to be able to enjoy the precious yet fleeting time of his babyhood. I was also able to lessen the stress my daughter must have felt with all the changes from having a new brother around. I felt that the child-care leave system has helped me in a lot of ways.

After returning to work, my daily life still revolves around my children. However, with the enormous support of my family and every team member of my workplace, I was somehow able to balance work and child-caring. I am truly grateful to my colleagues for this.

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Having Taken Care Leave

Wataru Kurihara
Office Building Team, Real Estate Division



I have a three-year-old daughter and a three-month-old son.

My daughter has been going to daycare since before she was one-year-old, due to my wife and I both working and the fact that no close relatives live nearby.

When she first started attending daycare, my daughter often fell sick and could not attend or had to leave early due to high fever and other illnesses.

Whenever situations like these occur, either my wife or I had to leave work to tend to our child, but thanks to the care leave system, a lot of stress has been taken off my wife.

With the care leave system, follow-up work such as the taking-over of my job duties and the adjustment of work schedules became necessary, and might be an extra workload for my colleagues, but they were understanding and supportive.

Taking advantage of this system while working diligently at the office, I plan to be a father who can expertly balance both work and family.

● Acquisition results for various systems

System	Description	Results (number of beneficiaries)				
		FY2012	FY2013	FY2014	FY2015	FY2016
Child-care leave	Leave of absence is allowed for a desired period until a child becomes 2 years old.	6	7	8	13	8
Short-time regular employee	Service hours may be reduced by up to 2 hours per day for nurturing a child.	17	17	18	17	22
Nursing care leave	Leave of absence is allowed for a desired period within one year to take care of a family member in need of nursing care.	1	0	0	0	0
Care leave	Paid leave for nursing care of a child (up to 10 days per year)	27	31	27	27	29
Family care leave	Paid leave for nursing care of a family member in need of nursing care (up to 10 days per year).	1	1	0	0	4

* The number of beneficiaries in the child-care leave and nursing care leave are calculated based on the year they started taking their leaves.

Promoting welfare measures to help employees store up the energy to work

A variety of systems are available in compliance with the three catchphrases of “Provision of security,” “Recreation” and “Promotion of residential house acquisition” for the promotion of employees’ welfare.

Major welfare programs of the Company:

1. Provision of security

Retirement benefits, corporate pensions, family allowance, housing allowances, condolence money, celebration of a birth, the ESOP (Employee Stock Ownership Plan) association, group insurance, the reserve for pension and asset formation, multipurpose accommodation loans and the granting of company-owned houses to employees via job transfers

2. Recreation

Recreation facilities, in-house sports events (baseball, tennis and futsal), the Mitsubishi firms’ martial arts tournament, refresh leave (long-service and midlevel workers)

3. Promotion of residential house acquisition

Reserve for house acquisition and asset formation, in-house loans and tie-up loans

To ensure employment opportunities for the elderly, motivated retiring employees are provided with places to demonstrate their competence

In terms of employment opportunities for the elderly, the Company has strived to guarantee the employment of employees up to 62 or 63 years old before the establishment of the related laws through measures such as a job placement service to help them be reemployed by subsidiaries or affiliates and the reemployment of those with expertise in certain business fields.

In response to the establishment of the relevant laws, we established our continuing employment system to ensure that applicants can continue to work up to 65 years old under certain criteria, and the system has been applied to around 90% of those applicable.

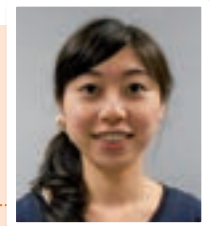
Improving access in the work environment to increase the employment of physically challenged people

There are physically challenged employees who work in diverse operations of the Company. However, as of June 1,

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Participated in the Mitsubishi Firms’ Regatta Tournament

Miki Asaka
Minamihonmoku No. 1 Office, Yokohama Branch



Mitsubishi Firms’ Regatta Tournament is an annual boat race event in which teams of five from each Mitsubishi Group company compete against each other. This was the second time I participated, competing in the women’s kayak event. Working together with my seniors and colleagues, we were able to win the event.

Although we progressed through the preliminaries that day, our four rowers did not work well together at all, resulting in sentiments of regret. However, the kind advice and words of encouragement from the seniors of the Company’s boat department rekindled our spirits, and we faced the finals with the experience from the preliminaries. We understood the event was not only about winning or losing; putting having fun and working as a team first added to the joy of obtaining a good result. Of course, winning made me happy, but what also made me happy was having built relationships with my colleagues outside work through the event, as well as being able to communicate with employees from other companies.

2016, the Company’s employment rate of said employees was 1.86%, lower than its legally mandated 2.00% employment ratio. We will continue to steadily strengthen improvements of the worksite environment in which physically challenged persons can easily demonstrate their capabilities and competence, aiming to reach our legally mandated employment ratio as soon as possible.

● Employment ratio of physically challenged employees

	June 2011	June 2012	June 2013	June 2014	June 2015	June 2016
Number of physically challenged employees (actual)	16	18	17	16	16	14
Employment ratio (%)	2.06	2.30	2.15	2.05	2.05	1.86

Appropriate Working Environment

Ensuring the security of workers

Striving to conduct industrial safety and health activities via collaborations among operating bases in the pursuit of prevention of industrial accidents

Each branch has an "Industrial Safety and Health Committee" (and a Health Committee at Head Office) to share information with operating bases including operation-commission and cargo-handling companies to which operation is outsourced with regard to diverse initiatives related to industrial safety and health. In addition, we strive to prevent industrial accidents by conducting safety and health education and safety patrols inside and outside the facilities.



Industrial Safety and Health Committee (Fukuoka Branch)

Overland transportation: Strengthen ensuring safety with safety measures and the prevention of accidents in the transportation field

Ryoso Transportation Co., Ltd. (an overland transportation-dedicated company in charge of the overland transportation business of the Company), aims to increase the security of transportation and ensure safety through concerted efforts with the recognition that ensuring the security of freight transportation is the pillar of our business management.

In addition, fully recognizing the public nature and importance of the trucking business apart from compliance with relevant laws and regulations such as the Motor Truck Transportation Business Act and the Road Traffic Act, in Ryoso Transportation, they check operations at all times from a safety viewpoint. As initiatives for daily accident preventive activities, they also hold safety conferences conduct safety patrols and head office and all-branches marketing staff conferences, and conduct thorough checks at all car-allocation bases using a high-performance alcohol detector unit to check at the roll call whether any crew members have been drinking.

In addition, they implement initiatives for industrial safety and health via appropriate instructions and education given to crew members based on the results of regular medical checkups, to which tests for lifestyle-related diseases have been added, and regular diagnosis of the driving competence of the truck crews is conducted.

Harbor transportation: Promote the prevention of industrial accidents and conduct periodic disaster prevention drills and meetings.

The port and harbor operations inevitably involve a great variety of cargo handling work in association with various receipts and deliveries at ports. For smooth and safe cargo handling operations, we implemented various activities based on the countermeasures prepared by each operating site. Furthermore, we hold regular before-work meetings and monthly safety and health meetings jointly with relevant suppliers at which we analyze industrial accidents and cargo accident cases in order to raise awareness of safety and health and share the intent with all workers.



Safety and health meeting (Rokko C-4 Office, Kobe Branch)

We are making efforts to improve working environment and grasp situations by taking measures for the ever-changing environment, including reviewing the format of regular security patrols. In this manner, we will always look for new ways to improve safety and health, actively implement ordinary safety promotion activities and continue daily enlightenment activities. We believe that those efforts will help prevent industrial accidents and ensure the safety of workers.



Safety patrol (Rokko C-4 Office, Kobe Branch)

Specific initiatives executed at the respective ports are summarized in the table below.

- Description of specific initiatives taken at the respective ports and results/achievements

Description
■ We hold a briefing meeting before the ship operations to confirm the content of the intended operation, check the work uniform including the fluorescent vests and call workers' attention to safety (daily).
■ A safety and health meeting is held jointly with the relevant suppliers (monthly).
■ We implemented safety patrols at operating sites jointly with the relevant suppliers (monthly). (Quarterly joint patrols are conducted with the participation of superiors.)
■ We regularly confirm and replenish safety gear (safety belts for high-place operations, fluorescent safety armbands, emergency stretchers, etc.).
■ Information such as cases of accidents is shared with other operators operating at the same harbor terminal at operators' liaison meetings, etc., and the content is shared at safety conferences at our worksites and with suppliers.
■ We promote the speed limit for dedicated, in-yard trucks, which are driven within the container yards (via the successive installation of excessive speed lamps).
■ We participate in outside workshops and training sessions (as needed).
Results/Achievements
No serious industrial accidents were reported in fiscal 2016.

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Measures to Ensure Safety and Security

Nobuyasu Tsutsumi
Planning & Business Coordination Division,
Ryoso Transportation Co., Ltd.



We at Ryoso Transportation are committed to ensuring and managing safety and security as part of our important social responsibility. As a trucking business operator certified as an excellent safety (G mark) enterprise, we strive to comply with laws and regulations for safe and secure operations. Furthermore, on the environmental front, we obtained Green Management Certification in 2005 and strive to reduce the environmental burden.

While undertaking such initiatives, in response to the increasing diversification and sophistication of customers' needs, we establish a system for sharing and communicating information, safe transportation and improvement in transportation quality by implementing duty- and position-based education and safety meetings aimed at raising awareness of employees. (Group company of Mitsubishi Logistics Corporation)



Training at the 2nd year



Training at the 6th year



The Supervisor Grade 2 training

Human resources development and training

Endeavor to develop human resources that can contribute not only to corporate growth but also to social development

◆ Ideal image of desired human resources

With the “Code of Conduct” in mind, every employee aims to undertake a role not only in corporate growth but also in the development of society by conducting himself/herself in the following manner.

1. Keep faith in others, and conduct yourself with integrity and a sense of fairness.
2. Conduct yourself autonomously.
3. Respond flexibly to environmental changes.
4. Demonstrate expertise and act with a sense of creativity.
5. Have a good teamwork spirit and cooperate with your colleagues.

◆ Training system

The Company focuses on developing human resources that can precisely respond to internal and external needs.

The Company therefore strives to upgrade employees’

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Reflection on the Logistics Training “Outline of Warehouse Storage Operation”

Mari Sugizaki
Ohi Office, Tokyo Branch



By participating in this training, I got my knowledge organized on warehouse storage operation that I had understood only vaguely in daily duties. Furthermore, I reconfirmed the points to bear in mind in conducting business regarding related laws and regulations including the Act against Delay in Payment of Subcontract Proceeds, etc., and General Terms and Conditions of Warehousing.

In conducting daily operations, basic rules tend to be overlooked. Recognizing that carelessness could lead to a major problem, I strive to focus on my daily operations.

business skills and the organization’s strength through training by service year of employment. At the same time, the Company offers several training programs to raise employees’ expertise such as management capabilities, readiness for globalization and operational capability to enable employees to acquire professional skills in response to the content of their business duties.

Extending the Content of the Logistics Training

At the logistics training, the lecturers are dispatched mainly from among active employees so that employees assigned to posts at logistics sites can improve their necessary expertise and skills.

In fiscal 2016, lectures regarding related laws, business activities and introduction of initiatives undertaken in the warehousing business, etc. were held with 263 participants coming from the Company and also subsidiaries and affiliates.

Furthermore, the lectures were recorded on video to develop an environment where they can be viewed as an e-learning course in order to secure opportunities to take lectures for employees who are unable to attend the training.

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Reflection on the Logistics Training “Outline of Harbor Transportation Business”

Hiroyuki Ito
Harbor Transportation Dept., Osaka Branch



In the Outline of Harbor Transportation Business, I acquired a wide range of knowledge regarding various laws and regulations related to port and harbor operations, as well as the prior consultation system peculiar to the Japanese port service industry and the historical transition of port logistics operations, etc.

In the past, without highly functional cargo handling equipment, operations fully dependent on manpower were dangerous and inefficient. Nowadays, with gantry cranes and large lifts for container ships that have become mainstream, safe and efficient port logistics operations have been achieved.

Through this course, I felt that we are able to conduct daily operations receiving these benefits. Going forward, I would like to utilize what I learned in this course at my workplace and strive to engage in business with a heightened awareness of the laws and regulations related to my work.

Appropriate Working Environment

Conducting training for young staff members before their overseas dispatches (Overseas Operations Training)

Targeting young staff who participate in the young staff overseas dispatch program, we provided training on deepening the understanding in the international transportation business. With practical training contents including the explanation of the Company's position and role in the international transportation business, lecturers in-house and from outside build the training program for participants to make a smoother start for their overseas OJTs. Furthermore, we proactively invite participants from the Group companies and affiliates and utilize this training program for the international transportation business training in the whole Mitsubishi Logistics Group.



Overseas Operations Training

Conducted problem-solving practical training

As a part of human resources development in accordance with the Management Plan, with an aim to learn procedures to identify workplace-related issues and to develop solutions through actual operations, we

held training for the employees in managerial positions for eight months from June 2016.

In the training, in addition to the four group training sessions, personal guidance was given whereby participants consulted the lecturer about their own issues. At the end of the training, each participant gave a presentation to executives on issues related to one's own work and solutions to them.

Conducted training targeting Regional supervisors

In accordance with the Management Plan, we conducted training for Regional supervisors at the Sengokuhara Training Center, on January 26-27, 2017 for the purpose of improving their capabilities and enhancing motivation.

On the day of the training, 19 persons attended from each branch to reflect on their work to date and grasp their attitudes to work and thinking habits. They also reconfirmed their expected roles as Regional supervisors and learned communication skills for playing leading and central roles in operation.

These programs helped participants interact with employees from other branches and divisions and helped enhance the motivation of each participant.



Regional supervisor training

VOICE

Reflection on the Problem-solving Practical Training

Kenichi Uematsu
Manager of Warehousing and Distribution
Business Dept. A, Yokohama Branch



The training provided by the lecturer who was involved in developing the "Toyota Kaizen System" included explanation of the philosophy and effects of said method, and experiment for improvement at one's workplace using a problem-solving technique derived from the Toyota Way. Unlike past training which focused on explaining established concepts, the training focused on exercises for solving the immediate problems of each participant with a newly learned technique, taking as long as nine months. In a tense atmosphere from start to finish, I acquired a practical behavioral habit.

Serving as an office manager at that time, I set "improving storage efficiency" at the warehouse as a theme for improvement. As I had previously acted based on intuition backed by my successful experiences, the problem-solving process to identify the root cause by logically asking myself "why? why?" was a fresh and exciting idea.

Using this method, various new actions were undertaken. Results were almost in line with hypotheses, however, in implementing actions, I tended to push instructions onto my subordinates. Promoting improvement while sharing the same vision with subordinates is not an easy task, which will likely become a subsequent topic.

VOICE

Reflection on the Training Targeting Regional Supervisors

Michiko Maeda
Shinko Office, Kobe Branch



At the regional supervisor training, we exchanged opinions in groups and learned the roles to be fulfilled as regional officers.

With various opinions expressed, I again realized the importance of close communication in conducting business, on top of giving instructions to junior employees or performing a leadership role for follow-up overall. I felt that the creation of a work environment which facilitates open communication is the key for that.

The lecturer's humorous talk and communication with participants from other branches were both inspiring, and we were able to share the issues we face at each workplace and spend a meaningful time. Going forward, I would like to devote myself every day to create a better work environment and improve operations by utilizing what I learned from this training.

Human resources (training) systems

General employee development course:

Basic role: Engage in a wide variety of corporate operations as core executives who facilitate business growth and management in a variety of regions including overseas.

Career stages	Problem-solving	Human skills	Career development	CSR and compliance	Management	Logistics	Global	Health promotion	Self-development	Cross-industrial exchange
General Manager class			Life plan seminar		Management strategy					
Managerial staff class	Problem-solving practical training							Health promotion seminar		
Assistant manager class	Management training by theme (Leadership (compulsory), labor management (compulsory), accounting (compulsory), problem resolution, etc. (selective course))									
Midlevel employees	Supervisor Grade 2 training (Improve perspectives via action learning, acquire basic management skills)									
Young employees	Training at the 6th year (Problem-solving, followership, career design, etc.)									
	Training at the 2nd year (Logical thinking, global mindset, FKS, safety and health, etc. (take certain lectures in the Logistics training course))									
	Newcomers' first-half training / Newcomers' second-half training (Business manners, basic knowledge on general corporate operations, visits to logistics facilities and real estate of the Company, etc.)									
						Logistics training ¹				
						Overseas operations training ²	Young employees overseas dispatch program			
							English and Chinese conversation courses			
									Correspondence education	
										Mitsubishi Marketing Association
										Mitsubishi Shichikenkai Workshop

Region-type employee development course:

Basic role: Become familiar with and understand the characteristics or features and local business duties of a certain region in preparation for the smooth fulfillment of corporate operations.

Career stages	Human skills	Career development	CSR and compliance	Logistics	Global	Health promotion	Self-development
Senior leader class of regional employees		Life plan seminar					
Leader class of regional employees	Regional supervisor training (Confirm expected roles, leadership)						
Midlevel employees	Training on regional employees (Discover one's own strengths and weaknesses, improve communication capabilities)						
Young employees	Training at the 6th year (Problem-solving, career design, etc.)						
	Training at the 2nd year (CSR, FKS, safety and health, etc. (take certain lectures in the Logistics training course))						
	Newcomers' first-half training / Newcomers' second-half training (Business manners, basic knowledge on general corporate operations, visits to logistics facilities and real estate of the Company, etc.)						
				Logistics training ¹	Overseas operations training ²	Health promotion seminar	Correspondence education

*1: Major lectures for the Logistics training

- Registered customs specialist qualification course
- Warehousing Business Act and contracting practices
- Outline of warehouse storage operation
- Outline of harbor transportation business
- Introduction of actual initiatives, etc.
- FKS (Fuji Logistics Kaizen System)
- Laws and regulations related to trucking business and practices course
- Marketing for the service industry
- Our information system overview and information system trend in the logistic industry
- Safety and health course
- Business activities of warehousing business

*2: Major lectures for the Overseas Operations Training

- Explanation of B/L and NVO business
- Overseas logistics proposals, etc.
- Import shipping agent business
- Export shipping agent business

Environmental Conservation

Environmental issues are not only local issues of the region where our business bases are located but are also globally interconnected.

Environmental accountability is a global-level social responsibility that affects the future of people.

The Mitsubishi Logistics Group strengthens such environmental issues as the reduction of CO₂ emissions as a countermeasure for climate change, the use of renewable natural resources and contribution to recovery of the eco-system.



Reduction of CO₂ emissions as a measure for reducing climate change

Certified under the Logistics Efficiency Improvement Act^{*1}, we are integrating logistics bases and reducing the environmental burden.

Obtaining the same certification under the following seven business plans, we made transportation and distribution systems more efficient by integrating logistics bases for customers who used to employ multiple logistics bases, thereby reducing the number of delivery trucks. By collecting customers' freight and implementing joint delivery, we reduce emissions of greenhouse gases (CO₂), contributing to a reduction of the environmental burden.

1. Osaka Branch, Sakurajima Warehouse No. 2, North Building (Started operation in November 2005)
2. Osaka Branch, Sakurajima Warehouse No. 3 (Started operation in April 2008)
3. Nagoya Branch, Tobishima Warehouse (Started operation in November 2008)
4. Tokyo Branch, Misato Warehouse No. 1 (Started operation in December 2008)
5. Osaka Branch, Ibaraki Warehouse No. 3 (Started operation in October 2012)
6. Tokyo Branch, Misato Warehouse No. 2 (Started operation in March 2013)
7. Nagoya Branch, the extended space of Tobishima Warehouse (Started operation in September 2015)

*1. The Logistics Efficiency Improvement Act (Act on Advancement of Integration and Streamlining of Distribution Business, implemented on October 1, 2005) The purpose of this law is to promote operations conducive to efficient logistics and reducing the environmental burden by integrating logistics bases and conducting transportation, distribution, storage and logistics processing comprehensively. Business plans under this law are approved as a comprehensive efficiency plan and supported by the authority. In addition, the same law has been amended in May 2016 in view of further integrating and streamlining the logistics industry with the concern of labor shortage. Aiming to support measures such as modal shift and cooperative delivery that are conducted by cooperation of related parties including logistics companies and shippers, it became effective in October 2016.

Through obtaining the Green Management Certification, we are promoting environment-friendly business activities.

The Group obtained the Green Management Certification^{*2}, which pursues profitability and environmental conservation by promoting environment-friendly business activities from the certification registration organization Foundation for Promoting Personal Mobility and Ecological Transportation

(abbreviated as "Eco-Mo Foundation"). Some of our business bases approaching their 10th year renewal in March 2017 were commended for their many years of certification.

1. **Certification acquisition status of the Company**
All offices of the Warehousing Business Division Port and Harbor Operations Division (Part of the container terminals of the Port of Yokohama and the Port of Kobe)
2. **Certification acquisition status of the Group**
Truck transportation business (Ryoso Transportation Co., Ltd., and Kyushu Ryoso Transportation Co., Ltd.) and warehousing business (Chubu Trade Warehousing Co., Ltd., Kusatsu Soko Co., Ltd., and the Warehousing Business Division of Monryo Transport Corporation)

*2. The Foundation for Promoting Personal Mobility and Ecological Transportation is a public utility foundation that has been certifying and registering business operators making efforts to reduce the environmental burden at a level exceeding the standards outlined in the Green Management Promotion Manual since October 2003.

Green Management Certification Commendation for many years of certification



We ensure compliance with the Law Concerning the Rational Use of Energy, etc.

As a "Designated Business Operator" under the Law Concerning the Rational Use of Energy, the Company is obliged to reduce per-basic unit energy use more than 1% on an annual average on a medium- to long-term basis at facilities we own and rent. Moreover, we submit a regular report on energy saving and a medium- to long-term energy-saving plan to the Ministry of Economy, Trade and Industry. The values we reported to the Ministry in fiscal 2016 (the actual results for fiscal 2015) show that our energy-saving measures resulted in about 7% reduction of per-basic unit energy use compared with the base year fiscal 2011. We are also striving to reduce CO₂ emissions at our real estate facilities subject to the Tokyo Metropolitan Environmental Security Ordinance.



▶ The actual results of our environmental conservation efforts and our total CO₂ emissions reduction directive under the Tokyo Metropolitan Environmental Security Ordinance can be viewed on Mitsubishi Logistics' Web site in "Extended version."

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Conducting compliance with the Act on Rational Use and Proper Management of Fluorocarbons

According to the “Act on Rational Use and Proper Management of Fluorocarbons”^{*3}, it is required of users that inspection on commercial refrigerators and air conditioners etc. using fluorocarbons (Class 1 specified products), or the report of the leakage amount of fluorocarbons from the aforementioned products when it exceeds a specified level. The Company is appropriately responding to the law by preparing the systems and operational guidelines related to inspection and leakage control. In addition, in fiscal 2016, the Company’s calculated leakage amount of fluorocarbons was 468.6 [t-CO₂], which was below the level of 1,000 [t-CO₂] that is subject to reporting leakage amount to the Minister of Land, Infrastructure, Transport and Tourism (the minister having jurisdiction over the warehouse industry).

*3. Overview on “Act on Rational Use and Proper Management of Fluorocarbons” (implemented in April 1, 2015)
The Act requires users (owners, in general) of “Class 1 specified products” (commercial air-conditioners, refrigerators and freezers, etc.) to implement “simple inspection of all specified products” and “periodic inspection by a person with specialized knowledge.” Furthermore, it also requires users to report the calculated leakage amount of fluorocarbons if the amount exceeds the specified level of 1,000 [t-CO₂] per year.



▶ Actual data of the calculated leakage amount of fluorocarbons may be viewed on Mitsubishi Logistics’ Web site in “Extended version.”

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Implementing eco-friendly loading equipment in the Harbor Transportation Business Division

In accordance with the Environmental Voluntary Plan, the Company has preferentially implemented transfer crane, a type of eco-friendly loading equipment, at the Nanko C-9 terminal in Osaka Branch. We downsized the engines and power generators, resulting in a 35% decrease in CO₂ emission compared to conventional models.



Transfer crane

Promoting renewal of the existing lighting system to LED lighting to achieve significant energy saving.

To save energy and reduce CO₂ emissions with regard to the lighting systems inside the Company’s warehouses, we are promoting renewal of the existing lighting systems nearing the end of their lives, to high-efficiency lighting equipment.

In fiscal 2016, a total of about 660 existing lighting units were renewed to LED lighting at three facilities (Tokyo Branch, Aomi Warehouse No. 1; Yokohama Branch, Daikoku Warehouse B; and Fukuoka Branch, Tachinoura Warehouse A).

A reduction of approximately 990 thousand kWh in electric energy, which corresponds to approximately 2.0% of the annual electric energy consumption at the Company’s warehousing facilities, is expected by renewing the existing lighting to LED lighting (6,900 units in total).

Changed the signage lighting on the exterior walls of Yokohama Bay Quarter to LED lighting.

Since its opening in 2006, Yokohama Bay Quarter, a retail facility directly connected to Yokohama station, has been a popular shopping mall where visitors can enjoy shopping and dining while feeling the ocean breeze. To reduce its environmental impact, we changed the signage lighting system on its exterior walls to LED lighting from neon bulb lighting in fiscal 2016.

By changing the signage lighting on the exterior walls to LED lighting, we plan to reduce annual electric energy consumption and CO₂ emissions by approximately 70% compared to neon bulb lighting.

We are promoting solar power generation.

In line with the governmental policy of enhancing the use of renewable energy to cope with global warming and other issues, the Company is promoting the adoption of large-scale solar power generation facilities at its existing warehousing facilities using the Renewable Electric Energy Feed-In-Tariff (or fixed-price purchase system of electricity from renewable energy).

VOICE

Implementing Eco-friendly Loading Equipment (Environment-focused initiative at Nanko C-9 terminal)

Koji Nishimura
Harbor Transportation Dept., Osaka Branch



The Nanko C-9 terminal improvement work, which has been carried out under the responsibility of our department since November 2015, was completed and it is now under smooth operation.

In line with this work, we refurbished the handling equipment in the terminal and introduced 10 eco-friendly transfer cranes built to a higher standard compared to conventional ones. We strive to contribute to customers by further improving the operating efficiency and continue to work on reducing the environmental impact.

Environmental Conservation

Renewing the power receiving and transforming equipment at the Tokyo Dia Building to achieve significant energy savings.

At buildings No. 1, 2 and 4 of the Tokyo Dia Building, we are upgrading the power receiving and transforming equipment reaching the end of their lives. In this renewal, by replacing existing power receiving and transforming equipment with high-efficiency transformers, we plan to reduce electric power loss by approximately 70% compared to the state before replacement.

The Eitai Dia Building has acquired certification as a “Near-Top Level Facility” under the Tokyo Metropolitan Environmental Security Ordinance.

The Eitai Dia Building has been certified as a “Near-Top Level Facility” under the Tokyo Metropolitan Environmental Security Ordinance since fiscal 2015, under the Green Building Program for “Top-Level Business Facilities in Measures Against Global Warming” certification system.^{*4}

The “Certified Top-Level Business Facilities in Measures Against Global Warming” are “business facilities that have made outstanding progress in the implementation of measures against global warming” recognized by the Tokyo Metropolitan Government as offices complying with the standards designated by the Tokyo Metropolitan Government under the Tokyo Metropolitan Environmental Security Ordinance. Under the mandatory targets for reduction in overall greenhouse gas emissions and an emissions trading program, less stringent reduction targets are applied for the certified facilities.^{*5}

Although the Eitai Dia Building, which was completed in 1991, is quite aged, the proper renovations, renewal and maintenance of the facilities and equipment were highly evaluated and certified as a Near-Top-Level Facility in fiscal 2010, and a Top-Level Facility in fiscal 2014.

In fiscal 2015, the governor has strengthened the standards, and demands regarding environmental consideration have increased. However, through updating the air-conditioning heat source for computer rooms to a high-efficiency version, conducting performance verification (commissioning) of the adopted facilities and equipment and continual improvement of the building management in cooperation with the tenants of the building and a building management company of the group, we were certified as a Near-Top-Level Facility again.

At other facilities of the Company as well, we will continue to make aggressive efforts to further reduce the environmental burden by promoting renovations and renewals of facilities and equipment to environment-friendly versions, and improving management and operation.

*4. By annually reporting on conformity with the certification standards to the Tokyo Metropolitan Government, the certification will be extended up until fiscal 2019.

*5. The mandatory targets for reduction in overall greenhouse gas emissions for Top-Level Facilities are reduced by half and those for Near-Top-Level Facilities by a quarter.

The Nihonbashi Dia Building received the BELCA Award (Best-reform division)

The Nihonbashi Dia Building received the “26th BELCA (Building and Equipment Long-life Cycle Association) Award” from the Building and Equipment Long-life Cycle Association.

Established in 1991 for the purpose of contributing to the long-term use of buildings, the “BELCA Award” is a commendation system for existing architectural structures, under which structures and related people (clients, architects and contractors) are awarded in the “Best-reform division” for the buildings with excellent renovations, and in the “Long-life division” for the buildings with appropriate maintenance and preservation over the long term.

The Nihonbashi Dia Building was constructed by converting Edobashi Building, a historic architecture selected by Tokyo Metropolitan Government, into a new building with a focus on business continuity planning (BCP) and environmental performance, while preserving 70% of its exterior walls and 40% of the structural framework (pillars, beams and floors of the building). This enhancement of architectural value was highly commended, and received an award in the “Best-reform division.”

In redeveloping warehouses and office buildings, we will consider their surrounding environment by rebuilding and renovating them in line with each property’s features.

The Nagoya Dia Building continued to be certified as an “Eco-friendly Workplace” by the mayor of Nagoya

The Nagoya Dia Building (Buildings No. 1 to 3) was certified as an “Eco-friendly Workplace” by the mayor of Nagoya in December 2013 in recognition of its voluntary and proactive environment-focused initiatives undertaken on a daily basis, including energy and water saving as well as sorting and reduction of garbage. Since then, our promoting of energy-saving measures such as adopting LED lighting was highly commended and the building continued to be certified in December 2016.

We will strive to continue environment-friendly building management.

Ryoso Transportation Co., Ltd. obtained Green Management Certification in its trucking business, striving for environmental conservation.

◆ Addressing environmental issues

For trucking business operators, addressing environmental issues is one of the highest priorities.

Ryoso Transportation Co., Ltd. (“Ryoso Transportation”) has obtained the Green Management Certification¹¹ at all six of its branches (seven operational bases) starting in 2005, striving to reduce environmental burden.

In fiscal 2016, Ryoso Transportation improved gas mileage by 8.2% compared with fiscal 2006.

Specifically, in their efforts to promote eco-driving to improve gas mileage and reduce emissions of air pollution substances, they are conducting vehicle inspections and maintenance with their own high standards. They also adopt low-pollution vehicles that meet the latest restriction regulations for gas emissions.

◆ Promotion of “Green Purchasing”

Ryoso Transportation is also striving to purchase products and services with less environmental burden. At Ryoso Transportation, they are aggressively purchasing retread tires, ⁶ eco-stationery, etc.

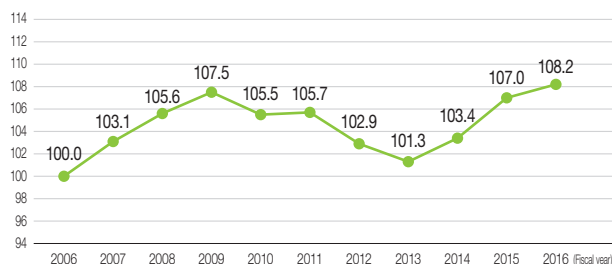
*6. A retread tire has new rubber pasted on a used base tire, thereby restoring the tire’s original functionality.

● Change of total gas mileage at all operational sites of Ryoso Transportation Co., Ltd. (fiscal 2006 to fiscal 2016) (Unit: km/L)

Fiscal year	2006	2007	2008	2009	2010	2011
Vehicles for business use	2.45 (100.0)	2.53 (103.1)	2.59 (105.6)	2.63 (107.5)	2.58 (105.5)	2.59 (105.7)

Fiscal year	2012	2013	2014	2015	2016
Vehicles for business use	2.52 (102.9)	2.48 (101.3)	2.53 (103.4)	2.62 (107.0)	2.65 (108.2)

Parentheses indicate index numbers setting the mileage for fiscal 2006 as 100.0.



■ We are promoting environmental conservation with regard to information system equipment.

In adopting information system equipment including servers and PCs, we select models that use less energy.

■ We are promoting environmental conservation not only at our operational sites but also at our offices.

◆ Promotion of summertime and wintertime energy saving

We strove to save energy by participating as a Group in the Cool Biz campaign during the summertime (May through October 2016), which calls for offices to set their air-conditioning thermostats basically at 28°C, as well as in the Warm Biz campaign during the wintertime (November 2016 through March 2017), which calls for offices to set their air-conditioning thermostats basically at 20°C.

In addition, as a year-round initiative, we strive to save energy including by reducing the number of lights in use to the extent not detrimental to operation and switching off OA equipment when not in use.

◆ Promotion of Green Purchasing of stationery and other office supplies

When the Group companies purchase office supplies, we not only consider quality and price but also choose products with less environmental impact—Green Purchasing.

Use of renewable resources

■ We are using the electric car i-MiEV manufactured by Mitsubishi Motors Corporation.

As one measure under the Environmental Voluntary Plan that the Company formulated, we are promoting the replacement of gasoline cars, which consume gasoline and emit much CO₂, with electric cars that emit no CO₂ exhaust. We have formulated an electric car introduction plan considering the use of various subsidies for electric cars and the completion status of the relevant infrastructure including high-speed charger equipment for adopting such cars. In fiscal 2016 vehicles came up for renewal and following the revision in the number of company vehicles in use, the number of vehicles decreased, but 25 electric vehicles are now in use in our head office and all branches.



▶ The data on the status of using electric cars can be viewed on Mitsubishi Logistics’ Web site in “Extended version.”

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Contribution to the recovery of the eco-system

■ Conducting reforestation through volunteer activities and donations as a partner of reforestation of Kanagawa Prefecture

To address the global environment from the perspective of preservation of biodiversity, we participated in a partnership program of reforestation of Kanagawa Prefecture and initiated related activities in April 2011.

In October 2016, the fifth reforestation activity was held at the prefectural forest in Tanzawa Lake. Participants included 27 executives and employees from Head Office, Tokyo Branch and Yokohama Branch, and with the instructions from the Kanagawa prefecture certified forest instructor and the support from the Prefectural Water Source Environment Conservation Division, we performed tree thinning works and took a walk along the mountain trails.

Participants were divided into four groups, and in accordance with safety instructions, they thinned trees by hand.

During lunch time, the instructor gave a talk on nature conservation, which helped participants increase the awareness of environmental issues.



Thinning works

Fulfillment of Sincere and Fair Business Activities

We earn trust from society by fulfilling our responsibilities regarding ethical activities. By conducting fair and open competition in our activities, we can showcase our compliance to society.


To fulfill our sincere and fair business activities, we recognize the issues of appropriate management of information and compliance with laws and regulations such as the Act against Delay in Payment of Subcontract Proceeds, etc. and the insider trading prevention law and strive to establish a foundation of trust from society.



Prohibition of unfair advantage in competition and promotion of fair and open competition

We conduct training concerning compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. and the prevention of insider trading.

In March 2017, we conducted training concerning the Act against Delay in Payment of Subcontract Proceeds, etc., covering the Company and its domestic Group companies. A total of 1,804 employees who are in charge of implementing the Act against Delay in Payment of Subcontract Proceeds, etc., and related associates from each division attended the training and learned the purpose of the law, the scope of applications, responsibilities and prohibited matters using related questions on our Web site. In February 2017, we conducted training related to the prevention of insider trading for a total of 49 newcomers and verified their understanding using related questions on our Web site.

 Actual performance data of the training concerning thorough compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. and prevention of insider trading can be viewed on Mitsubishi Logistics' Web site in "Extended version."

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We focus on information security to provide high-quality and secure services for customers.

To provide the best services for our customers, the Company formulated various rules related to information systems. We have disseminated our information security policy to all executives and employees.

To ensure the smooth business activities of the Company, we formulated specific compliance matters as to the use and management of our in-house network. Also, we appoint a LAN manager from each branch's information system section and OA promotion staff from the relevant section of each division that uses the network, ensuring safety and the effective use of our in-house network.

In fiscal 2016, we conducted a web-based questionnaire with regard to information security in October 2016 (answered by 1,459 persons from the Company), and in December 2016 (1,428 persons from Group companies) thereby raising the awareness of information security among the cumulative 2,887 people who answered the questionnaire.

Furthermore, in fiscal 2016, as a measure against cyber-attacks via e-mail (targeted e-mail virus attacks), we conducted training and education on cyber-attacks for executives and all employees, and raised their awareness of information security in daily operations.



▶ Actual performance data on execution of questionnaire with regard to Information Security can be viewed on Mitsubishi Logistics' Web site in "Extended version."

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Management of Information Security

1. Security of customer information (personal information)
2. Security of intellectual property rights
3. Confidentiality obligation
4. Compliance with laws and regulations, obligation of compliance with regulations and penalties
5. Management of information assets
6. Formulation of security measure standards (Development standard, management standard, outsourcing standard)
7. Monitoring and supervision
8. Protecting systems from computer viruses
9. Access authority control
10. Information security education

Management of Network Security

1. Management of connection to ML-net (In-house network)
2. Rules for e-mail use
3. Rules for dispatching information
4. Rules for connection with networks outside the Company

Also, part of the operations of the Tokyo Branch trunk room office and Dia Systems Corporation (our subsidiary to develop and manage our information system) both acquired ISO27001 certification, an international information security management system standard, and receive periodic evaluation by a certifying organization-approved third-party organization, thereby attesting to our efforts to improve our information security.

Provision of Safe, High-Quality and Useful Services

To fulfill our mission as a logistics and real estate business operator relied on by society, we intend to promote measures to focus on disasters to continue to provide socially and environmentally useful and high-quality services and maintain service functions even during emergencies.



Provision of socially and environmentally beneficial high-quality services

We will continue to promote the improvement of quality, aiming to be a company that enhances the quality of our customers' products.

The Mitsubishi Logistics Group continues to promote its various efforts tenaciously to improve the quality of services to get acknowledged by customers as a constantly reliable partner.

◆ **We aim for high quality from the customers' perspective.**

To become a corporation that is continuously chosen by customers, we conduct business activities based on ideas and actions from the customers' perspective. To achieve customer satisfaction, we have broadened the framework of quality enhancement to include the quality of operations, business duties and the corporation itself. Moreover, to ensure trust from customers, we will build on our efforts at ensuring good quality to become a corporation that can boast "quality" as its strength.

◆ **Our Quality Declaration has been disseminated.**

We put up an "Our Quality Declaration" notice at each worksite, distributed the "Our Quality Declaration" cards to all employees of the Mitsubishi Logistics Group and explained about it during stratified trainings, etc., to further disseminate the information. (See page P7: Our Declaration of Quality)

◆ **We connect employee satisfaction to customer satisfaction.**

To offer high-quality services to customers, we regard Employee Satisfaction (ES) as an indispensable element. We strive to enhance the motivation of each employee.

We believe that creating a good work environment where employees can engage in business activities with confidence and contact customers with a smile will eventually lead to Customer Satisfaction (CS).

The Warehousing Business Division has quality management groups.

At the Warehousing Business Division, for the purposes of maintaining and improving the quality of business activities of the entire Division, the Head Office and all branches have a quality management group. We complete operational documents and share information

on various measures. We will continue to aim to enhance customer satisfaction.

Each operating site and affiliated company conducts specific quality improvement measures.

To offer high-quality services, the Mitsubishi Logistics Group conducts daily efforts to improve the quality at each operating site and affiliated company. The content and results of such efforts are horizontally developed across the Group. Some of these measures are as follows.



Photos of 4S Activities at Kobe Branch

● **Measures taken at divisions or branches and Group companies**

Divisions or Branches and Group companies	Content of measures
Warehousing and Distribution Business Division	Held meetings attended by managers from all the operating bases to share information on improvement of quality.
Tokyo Branch	Determined issues on operational procedures by monitoring the interior of warehousing facilities.
Yokohama Branch	The 4S Activities Promotion Committee patrolled the warehousing facilities and made evaluations on each checklist item.
Kobe Branch	Promoted 4S activities in all work places. The Promotion Committee checked the status of implementation every month and conducts commendation.
Ryoso Transportation Co., Ltd.	Conducted a safety patrol at all the operational sites including the business sites of contractors to prevent accidents and raise awareness of safety.
Kyokuryo Warehouse Co., Ltd.	Conducted a safety patrol inside the premises every month to prevent accidents.
Shinryo Koun Co., Ltd.	Provided technical training to improve workers' technical capability.
Mitsubishi Logistics China Co., Ltd.	Improved and implemented the human resources development system at all the Group companies in China.
Shanghai Linghua Logistics Co., Ltd.	Collected accident-related information at each division and department, analyzed the tendencies and gave feedback to all managerial staff.
Yokohama Dia Building Management Corporation	Collected information on complaints from customers through outsourced companies and shared the information at meetings with the tenants.
Dia Buil-Tech Co., Ltd.	Striving to improve service quality by establishing the Business Improvement Committee and conducting improvement proposal activities

Provision of Safe, High-Quality and Useful Services

We commend improvement activities that will lead to service quality improvement and streamlining of business processes.

The Company introduced a commendation system for improvement activities with an aim to vitalize the voluntary improvement activities in July 2016. Under this system, each group sets its own theme, performs improvement activities based thereon, and the award is given once a year to the group that particularly contributed to the service quality improvement and streamlining of business processes.

In addition, as the system is open to anyone who engages in the Company's business including suppliers, it is designed to enable each worksite and team to come together and join the improvement activities.

In the second half of fiscal 2016 when we first solicited participants, 42 groups (314 people) joined the activities. Their wide-ranging themes included not only the activities within warehouses such as review on the operation flow lines and improving storage efficiency, but also business improvement and streamlining of clerical work in offices.

The administrative side of this system provided support as needed to help each group thoroughly analyze problems, identify the causes and perform efficient improvement activities.

Although being small, by continuing company-wide efforts, the activity may produce great results. To have the improvement activities ingrained in our corporate culture, we will operate the system while sharing activity examples in the Group with the use of an internal database and in-house journal.



Improvement activities

To further improve the quality of logistics operations, we are adopting the G-MIWS (a new information system related to warehouse storage operation and delivery center operation).

As a successor model of the current system, MIWS/ MESH (Mitsubishi Intelligent Warehouse System/ Mitsubishi Efficient and Speedy Handling System), the Company developed a new system, G-MIWS, of which sequential installation at worksites started in March 2014. We will complete the installation of the G-MIWS at all locations during the first half of fiscal 2017. The "G" of

VOICE

About Improvement Activities

Kenichi Hosoi
Planning Team, Planning & Business
Coordination Division



I am engaged in the operation of the commendation system for improvement activities as a member of the secretariat.

With nearly a year having passed since the launch of the system, I am keenly aware every day that many groups are engaged in the improvement activities with enthusiasm.

As a secretariat member, I would like to continue initiatives to firmly instill and entrench this system, while introducing the details of activity of each group as a fruit of their efforts and creativity, through issuing the in-house journal "Improvement News."

The accumulation of small improvements will lead to a major advance. We at the secretariat look forward to your active participation.

VOICE

Completing the Installation of the G-MIWS System

Takashi Hasegawa
Development Dept., Information
Systems Division



Installation of the G-MIWS system started in April 2014 has been completed at all locations. We were able to proceed with the installation without major problems thanks to the user divisions that supported the preparation for installation while carrying out their normal operations and the support staff from Dia Systems Corporation who tackled difficult tasks.

The completion of the installation marks the end of a project, however, rather than ending with system conversion, going forward I would like improve the problems found in the installation process, promote the utilization of useful functions left unused and reinforce other functions to meet operational needs with an eye to further increasing work efficiency and achieving quality improvement.

“G-MIWS” signifies “global,” aiming to expand the Company’s logistics business to integrate nationwide and overseas logistics, which was included in the Basic Policy of the Management Plan. Our system is available in English and Chinese for overseas use and is designed to be effective in standardizing operations, improving service quality and reducing costs. By exporting various types of logistics-related data, we will analyze operations, formulate sales strategies, provide useful information for customers’ decision making in a timely manner and provide even higher-quality logistics services than ever to fully support customers’ business development from the aspect of logistics.

Promotion of disaster measures to maintain service functions

We are working on crisis-preventive measures and measures to focus on crises promptly and effectively in case of such occurrence.

The basic purpose of our crisis management measures is to predict various crises that can seriously affect corporate management, prevent such crises and, in case of occurrence, focus on the crisis quickly and effectively to minimize human and material damage that affects corporate management and restore the normal operational structure quickly. Especially, with an aim to become disaster-resistant in software and hardware, we have developed “Disaster-Resistant and Eco-Friendly Warehouses,” “Disaster-Resistant and Eco-Friendly Office Buildings.”

To fulfill our corporate social responsibility, we intend to:

1. Ensure the safety of employees, their families and related people;
2. Preserve corporate facilities (e.g., the Company’s warehouses, buildings and facilities) and the freight received; and
3. Strive to quickly restore and continue operation.

To respond to trust in our corporation from society, we will:

1. Strive to avoid adverse effects to stakeholders (customers, shareholders and business partners), and
2. Contribute to the quick stabilization of local communities.

Reinforcing the emergency and disaster measures system

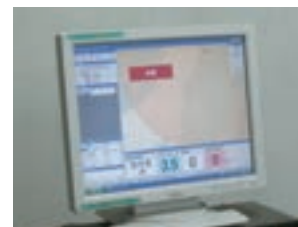
As an emergency measure, we implemented large-scale disaster measure training with mandatory employee participation. The training involved use of a mobile phone safety confirmation system, going or coming to a work site by walking and checking restoration procedures from disaster damage, etc.

In addition, communication training on the use of transceivers was conducted monthly in the Group companies to acquire the knowledge of its use, so as to strengthen the disaster measures system.

Moreover, by increasing the number of offices implementing the Earthquake Early Warning system, we strive to promptly collect information needed to ensure employees’ safety.



Transceiver (MCA radio)



Earthquake Early Warning System

Taking measures to prevent fire and respond to the occurrence of fire.

In February 2017, a fire took place at the warehouse of a major mail order company. The warehouse was for in-house use, and was not a commercial warehouse as stipulated in the Warehousing Business Act, however, all the commercial warehouses received a heads-up from the Ministry of Land, Infrastructure, Transport and Tourism that governs the warehousing industry. The Company, even before this incident, had been conducting thorough employee education, enhancing security, and, upon constructing a warehouse, taking fire preventive measures from the aspects of structure and facility. In addition, we have established a constant communication system with local fire stations and conduct periodic fire drills every year in preparation for the occurrence of fire. Through continuing such measures and initiatives, we will strive to provide highly reliable services for our customers.



Fire prevention patrol



Fire drill

Provision of Safe, High-Quality and Useful Services

We are strengthening our information system crisis management structure to focus on disasters and other crises.

To ensure continuous use of the information system even during an emergency, we established a disaster countermeasures center in the Kansai region to back up data and implemented a duplicate information system for our in-house network and the Internet environment. In addition, the Company has formulated a manual focused on information system disasters and other measures as countermeasures taken during operation of such systems against information system accidents and failure.



Disaster countermeasure center in the Kansai region

The Company's 11 facilities are support/relief goods logistics base facilities designated by the Ministry of Land, Infrastructure, Transport and Tourism.

The Ministry of Land, Infrastructure, Transport and Tourism, learning from its reflection on the Great East Japan Earthquake, held an advisory conference, attended by experts, logistics business operators and people related to industry organizations, among others, to compile the "Basic concept on the support/relief goods logistics system," which aims for the efficient and smooth delivery of support/relief goods to afflicted areas at the time of a disaster.

The General Manager of the Warehousing and Distribution Business Division of the Company assumed a position as a committee member representing warehouse operators, requested by the Ministry of Land, Infrastructure, Transport and Tourism, and actively commented from the perspective of a warehousing business operator. These discussions concluded with the shared recognition that for the delivery of support/relief goods at the time of a disaster, it is essential to fully utilize the expertise and facilities of private logistics operators.

In fiscal 2011, 395 private facilities nationwide, mainly in the Kanto, Tokai and Tonankai regions, where a large-scale earthquake is foreseen in the near future, were designated as support/relief goods logistics bases, including the Company's seven facilities located in the Kanto, Tokai and Hanshin regions. In fiscal 2012, two other facilities of the Company (in Fukuoka and Saga) were newly designated as relief supplies and material facilities.

In fiscal 2013, two other facilities of the Company (both in Aichi Prefecture) were newly designated as relief supplies and material facilities which brought the number of the Company's facilities to 11. We will thoroughly prepare to fulfill our public role as a warehousing business operator so that each of the designated facilities of the Company can function well during a future large-scale disaster.



▶ Data on our 11 facilities designated as support/relief goods logistics base facilities can be viewed on Mitsubishi Logistics' Web site in "Extended version."

HOME>CITIZENSHIP>Environmental and Social Report>Extended version



Kinjoh Warehouse, Nagoya Branch



Chuo Futo Warehouse, Fukuoka Branch

Receiving Life-saving Training

Effective from fiscal 2016, Dia Buil-Tech Co., Ltd., a management company for the Company's leased buildings, ensures that its executives and employees receive Basic Life-saving Training. They invited lecturers from Kyobashi Fire Station in Tokyo and learned cardiopulmonary resuscitation, hemostatic methods and how to use AED devices with an aim to alleviate human suffering in the event of accidents and disasters.

Participants of the current fiscal year included 40 executives and employees. The company has them retake the training every three years so as to keep their license with an effective period of three years valid. Going forward, we strive to protect worksites, customers and lives of our families and make a disaster-resistant organization.

VOICE

Reflection on the Life-saving Training

Shota Suga
Tokyo Dia Building Management
Office, Dia Buil-Tech Co., Ltd.



I participated in the Life-saving Training to receive education mainly on cardiopulmonary resuscitation and how to use AED devices, and learned necessary procedures to be followed in the seven minutes until the rescue crews arrive (in the Tokyo metropolitan area).

In the practical training, we carried out drills assuming situations where rescue is required. In the event that we encounter an injured or sick person suffering ventricular fibrillation or cardiopulmonary arrest, I felt that performing what we learned in a calm manner is the key, and also fully realized the difficulty in taking appropriate actions. In this sense, the training was a very valuable experience for me. I will strive to fully utilize this experience to pass the baton of lives of injured or sick persons to the rescue crews.

(Group company of Mitsubishi Logistics Corporation)

Coordination with Local Communities and International Society

To contribute to the development of local communities and international society, we must focus not only on the site where our business base is located but also understand our relationship with society and recognize our common interests with society.

To maintain harmonious relationships with local and international societies, we will contribute to cultural activities and health services and make donations.



Contribution to cultural activities

We conducted a charity auction and a charity fair.

At the “Yokohama Bay Quarter,” the Company’s commercial real estate facilities in Yokohama, we held our charity fair on Saturday, August 20, 2016. On this seventh charity fair, popular traditional fair games such as shooting games and yo-yo fishing were enjoyed by three generations of people. Employees from facilities management company Yokohama Dia Building Management Corporation wore Happi costumes and acted as salespersons in this handmade event, and it was lively with a lot of visitors despite the scorching hot weather. In addition, in commemoration of the 10th anniversary of the opening of the facility, this year we collaborated with the popular ice lollipop “Gari-gari-kun” of Akagi Nyugyo Company Limited, which celebrated its 30th year in the market. Visitors, mainly children, had a great time with the mascot appearing at the venue and other attractions.

The revenues from the event were donated to the Great East Japan Earthquake relief fund via the Japanese Red Cross Society. We will continue to hold the events that can entertain visitors, aiming to make a facility indispensable to the regional community.



Charity fair

Cooperating with the local community through sports.

At “Yokohama Bay Quarter,” as its facility storefront falls on the starting point of “Yokohama Marathon,” a civic marathon, we have hosted a monthly running club event since September 2014 with the aim of contributing to the local community and bringing excitement to the marathon event. In 2016 that marked the third year of this event, we newly created a track for novice runners and had about 50 participants every month.

In addition, through this club operation, “North Dock” U.S. Army base also situated in Kanagawa-ku of Yokohama City contacted us, and we co-hosted a marathon race with the U.S. forces. In “Yokohama North Dock FALL RUN” held in November 2016, over 1,000 runners joined the event, thereby deepening our cooperation with the local community through sports. We aim for our facilities to coexist with local communities through such initiatives in the future as well.



Running club event

Contribution through donations, etc.

Making donation to an orphanage at our overseas subsidiary in Vietnam

At our overseas subsidiary in Vietnam, we visited and made donations to an orphanage in Ho Chi Minh City, and deepened our interactions with children by folding Origami and drawing, etc.

Coordination with Local Communities and International Society

We conducted a public benefit tree planting event in China.

As part of our CSR activities in China, a public benefit tree planting event like last year was conducted on Saturday, March 4, 2017, in collaboration among Mitsubishi Logistics China Co., Ltd., Shanghai Lingyun Global Forwarding Co., Ltd., Shenzhen Lingyang Global Forwarding Co., Ltd., Shanghai Branch, Shanghai Linghua Logistics Co., Ltd., and Fujii Logistics (China) Co., Ltd.

This event helped enhance the environmental awareness of the employees and their families and provided an opportunity outside work for them to interact with each other to build friendships.



Tree planting activity

We conducted a “CSR Trip” in Thailand

As part of our CSR activities in Thailand, creation of salt licks for wild animals and tree planting activities in the elephant sanctuary were conducted on Saturday, June 18, 2016, as part of the program for the annual company trip hosted by Mitsubishi Logistics Thailand Co., Ltd. A total of 142 employees of the company joined the activities and deepened interactions among them while improving awareness of CSR.



We are cosponsoring Diamond Cup Golf as a community contribution.

Participating companies within the Mitsubishi Group cosponsored a notable golf tournament, Diamond Cup Golf, which contributes to local communities and helps nurture junior golfers through charitable activities.

Valuing the underlying concept and purposes of this tournament, the Company cosponsored this event as one of the participating companies.

Installed flower beds in the greenbelt near the Nagoya Station

Our Nagoya Branch responded to the request from the Meieki Development Council, made up of landowners

VOICE

Reflection on the Public Benefit Tree Planting Event

Zang Zheng
Assistant Manager, General Affairs Dept.,
Mitsubishi Logistics China Co., Ltd.



To foster awareness of environmental protection through the importance of forest preservation, I planned, held and participated in the public benefit tree planting event initiated by Mitsubishi Logistics China Group, as part of our CSR activities in China.

With this year marking the third time since 2015, the event was conducted at a park in a suburb of Shanghai on Saturday, March 4, 2017. A total of over 40 persons participated including 25 staff members of Group companies and their children and family members.

Blessed with good weather, participants were divided into five groups, briefed on how to plant by the instructor, and planted 15 seedlings in cooperation with each other.

Forgetting their daily work and coming in contact with nature, all the participants worked together and deepened communication with each other.

From the standpoint as both a planner and a participant, to me it was a very meaningful activity where I was able to watch everyone enjoy with enthusiasm.

(Group company of Mitsubishi Logistics Corporation)

around Nagoya Station, to install flower beds to liven up and bring color to the front of the Nagoya Station owned by Nagoya City.

Since fiscal 2011, we have been contributing to the beautification of the environment in front of the Nagoya Station by planting flowers two times a year in spring and autumn.



The flower bed in spring/autumn



The flower bed of hospitality

<Contents on the signboard of the flower bed of hospitality>

This flower belt is managed by the help of flower supporters with the aim of creating a community with lots of flowery colors.

We provided a venue for the traffic safety fair at Kobe Harborland umie.

At “Kobe Harborland umie,” the Company’s

commercial real estate facility in Kobe, a traffic safety awareness event “Spring Traffic Safety Fair 2016” was held in line with the “Spring nationwide traffic safety campaign.” The venue for the event was provided by the Company.

On the day, there was a performance by the musical band of Hyogo Prefectural Police, a traffic safety awareness event by the rugby team Kobe Steel Kobelco Steelers, and a demonstration of effectiveness of seat belt usage by Japan Automobile Federation (JAF), etc. Visitors listened attentively to the explanation of traffic safety provided by Hyogo Prefectural Police.



The fair

We conducted an evacuation drill to prepare for tsunamis at a commercial facility

At “Harborland Dia Nissei Building,” the Company’s commercial building in Kobe, we conducted an evacuation drill jointly with the Harborland area to prepare for tsunamis, in line with the Kobe City Comprehensive Disaster Management Drill held on Sunday, November 13, 2016.

In the case of the largest class tsunami caused by Nankai Trough earthquake, the whole area is predicted to suffer from floods with a tsunami arriving in 90 minutes at the earliest, according to Hyogo prefecture.

On the day of the drill, about 100 employees working at shops in “Kobe Harborland umie” retail building participated. They were assigned roles as evacuation guidance teams and shoppers, and conducted an evacuation drill to lead everyone to the top of the building within the 90 minutes before the tsunami arrives.

As the retail wing of the said building welcomes lots of shoppers every day, the cooperation of the shop employees is essential in giving evacuation guidance. Through this drill, we confirmed the method of coordination in the case of disaster and raised the awareness of disaster prevention of the building as a whole.

We strive to make safe facilities where customers can visit at ease through the repetition of drills in the future.



Tsunami evacuation drill

We hold radio exercise events at Yokohama Bay Quarter

At “Yokohama Bay Quarter,” for eight days during the school summer vacation season in August, radio exercises were held at the main plaza. 2016 marks the third year of organizing this event, all managed by employees of Yokohama Dia Building Management Corporation. Despite the early start at 7 o’clock in the morning, participants have increased year by year, including senior couples living close by, small children with their fathers before work, and on the last day, we had more than 150 participants. Going forward, we would like to bring further excitement to the local community while helping this shopping mall to become a familiar place.



Radio exercises

We participate in local cleanup and other activities.

Our operating bases nationwide also participated in local cleanup activities voluntarily. In addition, our Osaka Branch participated in the local blood donation activities together with our customers in spring and autumn. We will strive to contribute to the local communities by continuing these activities.



Cleanup activities at the Head Office



Blood donation activities at Osaka Branch



Statement Supporting the UN Global Compact.

The Group promotes its CSR activities pursuant to the UN Global Compact's 10 principles.

Practice of the UN Global Compact's 10 principles

The Group agreed to adhere to the UN Global Compact (hereinafter "UNGC") and endorsed approval in May 2014.

The UNGC is a voluntary corporate responsibility initiative for businesses that are aiming for sustainable growth as a responsible member of society. The UNGC asks companies to voluntarily participate in creating a global framework to take creative leadership.



At the World Economic Forum in Davos, Switzerland, in 1999, Kofi Annan, then Secretary-General of the United Nations, proposed that companies should observe the 10 principles in the areas of human rights, labor, the environment and anti-corruption to solve various problems that could occur due to internationalization and the global expansion of businesses. In July 2000, the UNGC was launched at the UN Headquarters in New York. As of July 2015, more than 13,000 companies and organizations around the world were members of UNGC.

Based on its "Code of Conduct," the Group will strive to practice the UN Global Compact's 10 principles as a good member of international society.

UNGC's 10 principles

- | | |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Human Rights | Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and |
| | Principle 2: Make sure that they are not complicit in human rights abuses. |
| Labor | Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; |
| | Principle 4: The elimination of all forms of forced and compulsory labor; |
| | Principle 5: The effective abolition of child labor; and |
| | Principle 6: The elimination of discrimination in respect of employment and occupation. |
| Environment | Principle 7: Businesses should support a precautionary approach to environmental challenges; |
| | Principle 8: Undertake initiatives to promote greater environmental responsibility; and |
| | Principle 9: Encourage the development and diffusion of environmentally friendly technologies. |
| Anti-Corruption | Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. |



▶ Global Compact Network Japan's Web site

<http://www.ungcjn.org/index.html>

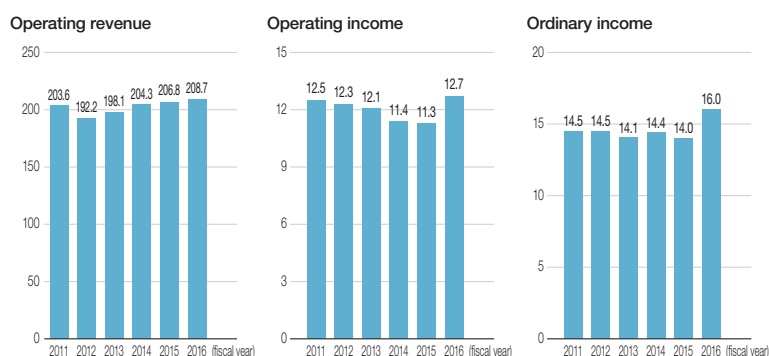
Company Profile (As of March 31, 2017)

Company name	Mitsubishi Logistics Corporation
Head Office	Nihonbashi Dia Building, 19-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8630, Japan
Establishment	April 15, 1887
Capital	¥22,393 million
Revenue (fiscal 2016)	Consolidated: ¥208.7 billion Nonconsolidated: ¥146.8 billion
The number of employees of the Mitsubishi Logistics Group	4,419 (excluding 53 workers on leave to work outside the Group, 1,324 temporary staff and 1,152 employees on loan/dispatched from outside the Group)
The number of employees of the Company	863 (excluding 148 employees on leave to work for other companies, 116 temporary staff and 563 employees on loan/dispatched from inside and outside the Group)
Branches	Tokyo, Yokohama, Nagoya, Osaka, Kobe, Fukuoka
Major Businesses	<p>Logistics Warehousing; trucking; port and harbor operations; international transportation; marine freight transportation; customs clearance; development, sales, management and administration of logistics information systems; etc.</p> <p>Real Estate Buying, selling, leasing and management of real estate; contracting of construction work, its design and supervision; operation of parking lots; etc.</p>
Companies in the scope of consolidation	<p>Consolidated subsidiaries (52 companies) Tohoku Ryoso Transportation Co., Ltd., Sairyō Service Co., Ltd., Dia Pharmaceutical Network Co., Ltd., Tokyo Dia Service Co., Ltd., Dia Systems Corporation, Ryoso Transportation Co., Ltd., Unitrans Ltd., Keihin Naigai Forwarding Co., Ltd., Tōryō Kigyō Co., Ltd., Fuji Logistics Co., Ltd., Tokyo Juki Transport Co., Ltd., SII Logistics Inc., Fuji Logistics Operations Co., Ltd., Fuji Logistics Support Co., Ltd., Kinko Service Co., Ltd., Chubu Trade Warehousing Co., Ltd., Meiryō Kigyō Co., Ltd., Ryōyō Transportation Co., Ltd., Kyokuryō Warehouse Co., Ltd., Hanryō Kigyō Co., Ltd., Shinryō Kōun Co., Ltd., Naigai Forwarding Co., Ltd., Kyūshū Ryōsō Transportation Co., Ltd., Monryō Transport Corporation, Hakuryō Kōun Co., Ltd., Seiho Kaiun Kaisha, Ltd., Saryō Service Co., Ltd., Mitsubishi Logistics America Corporation, Mitsubishi Warehouse California Corporation, Mitsubishi Logistics Europe B.V., Fuji Logistics Europe B.V., Mitsubishi Logistics China Co., Ltd., Shanghai Linghua Logistics Co., Ltd., Shanghai Qingke Warehouse Management Co., Ltd., Shanghai Lingyun Global Forwarding Co., Ltd., Fuji Logistics (China) Co., Ltd., Fuji Logistics (Dalian F.T.Z.) Co., Ltd., Fuji Logistics (Shanghai) Co., Ltd., Mitsubishi Logistics Hong Kong Ltd., Fuji Logistics (H.K.) Co., Ltd., Mitsubishi Logistics Thailand Co., Ltd., P.T. Mitsubishi Logistics Indonesia, P.T. Dia-Jaya Forwarding Indonesia, Fuji Logistics Malaysia SDN.BHD., Dia Buil-Tech Co., Ltd., Yokohama Dia Building Management Corporation, Chūbō Kaihatsu Co., Ltd., Nagoya Dia Buil-Tech Co., Ltd., Osaka Dia Buil-Tech Co., Ltd., Kobe Dia Service Co., Ltd., Kobe Dia Maintenance Co., Ltd., T'ACT Co., Ltd.</p> <p>Subsidiaries and Affiliates Accounted for by the Equity Method (3 companies) Nippon Container Terminals Co., Ltd., Kusatsu Soko Co., Ltd., Jupiter Global Limited</p>

Financial Data

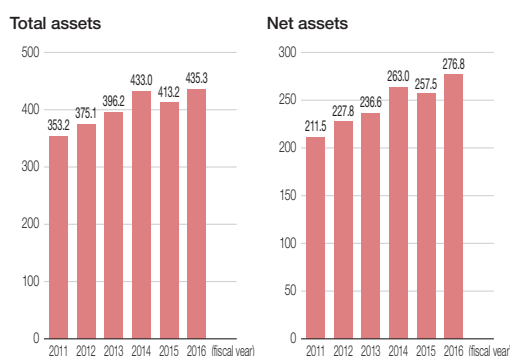
Business results (Consolidated)

(Unit: ¥billion)



Assets (Consolidated)

(Unit: ¥billion)



 **Mitsubishi Logistics Corporation**

CSR-Compliance Team, General Affairs Division, Mitsubishi Logistics Corporation
Nihonbashi Dia Building, 19-1, Nihonbashi 1-chome, Chuo-ku, Tokyo
103-8630, Japan
TEL: +81-3-3278-6657
FAX: +81-3-3278-6694



Extended version

The following are some data related to the Environmental and Social Report 2017, which was collected at the end of fiscal 2016.

► Environmental conservation

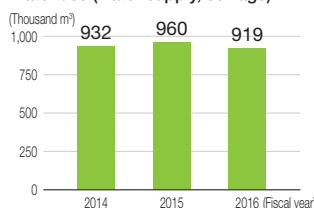
Environmental conservation activity data (by business)

*Basic unit denominator (figures from Law Concerning the Rational Use of Energy, etc.) uses figure that have strong correlations with each business.

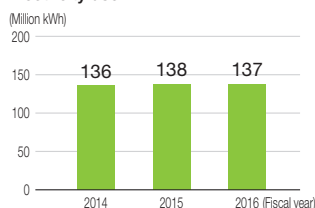
	Unit Basic unit denominator CO ₂ emissions CO ₂ emissions basic unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Warehousing and distribution business	Thousand m ² <Floor area>	1,372	1,424	1,439
	Thousand t-CO ₂	36.4	34.1	35.0
	kg-CO ₂ /m ²	26.5	23.9	24.3
Harbor transportation business	Thousand tons <Handling tons>	71	28	18
	t-CO ₂	8	7	8
	kg-CO ₂ /thousand tons	112.7	246.8	440.3
Overland transportation business	Million km <Total transportation distance>	4.1	3.9	4.4
	Thousand t-CO ₂	3.7	3.5	3.8
	kg-CO ₂ /thousand km	911.8	889.3	861.5
Real estate business	Thousand m ² <Operational area>	681	716	710
	Thousand t-CO ₂	42.6	41.1	40.4
	kg-CO ₂ /m ²	62.6	57.4	56.9
CO ₂ emissions	Thousand t-CO ₂	82.8	78.7	79.2

Environmental conservation data (by usage, by emission type)

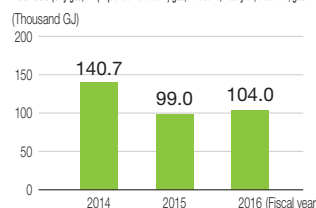
Water use (water supply, sewage)



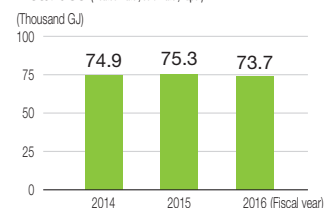
Electricity use



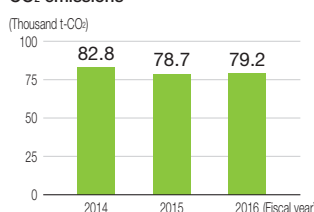
Fuel use (City gas, LP (Liquefied Petroleum) gas, kerosene, heavy oil, diesel oil, gasoline)



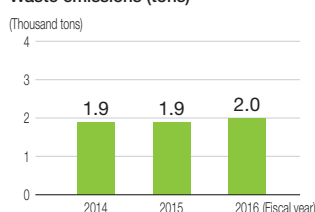
Heat use (Heated water, cold water, vapor)



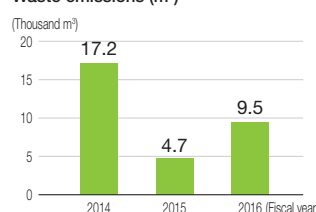
CO₂ emissions



Waste emissions (tons)



Waste emissions (m³)



*Calculation standard

- Volume related to electricity, fuel and heat uses, CO₂ emissions and basic unit denominator from the warehousing and distribution business, the harbor transportation business and the real estate business are based on the reported values in the Company's report based on the Law Concerning the Rational Use of Energy.
- The international transportation business is included in the warehouse and distribution business, given the small number of operating sites.
- Although the overland transportation business is not under the Law Concerning the Rational Use of Energy, fuel, CO₂ emissions and basic unit denominator were calculated for one of the Company's major trucking subsidiaries based on the standard in the Law Concerning the Rational Use of Energy.
- Business sites for the harbor transportation business were restricted to two places where the Company is in charge of transportation referenced to the Law Concerning the Rational Use of Energy.
- For electricity usage and CO₂ emissions, the reported amounts for the Company's subsidiary in the logistics business (the one company under the Law Concerning the Rational Use of Energy) were added.
- The CO₂ emission volume was calculated based on the electricity, fuel and heat volume used under the guidelines of the Law Concerning the Rational Use of Energy.
- For water use, the volume of water used by the Company is indicated. The waste emission shows the volume of waste emitted by part of the Company (excluding the real estate business, etc.) and a number of the Group companies.

Tokyo Metropolitan Environmental Security Ordinance Large scale companies CO₂ emissions

Unit: t-CO₂

	Emissions standard	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
Tokyo Dia Buildings	33,531	29,593	26,607	24,419	29,820
Eitai Dia Building	10,132	5,836	5,341	5,227	6,508
Oh! Cold Storage Office	4,394	3,645	3,620	3,100	2,197
Total	48,057	39,074	35,568	32,746	38,525
Reduction		8,983	12,489	15,311	9,532

Status of using electric cars (units introduced)

	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Total number of cars in use (Introduced cars)	9 (4)	14 (5)	19 (5)	22 (3)	27 (5)	27 (0)	25 (0)

Calculated leakage amount of fluorocarbons

Unit:t-CO₂

	Fiscal 2015	Fiscal 2016
Leakage amount	1,027	468

► Promotion of CSR

Number of news releases

Unit: case

	Fiscal 2014 achievements	Fiscal 2015 achievements	Fiscal 2016 achievements
Logistics	3	2	2
Real Estate	1	0	0
IR	7	5	5
CSR	3	3	3
Other	4	4	5
Total	18	14	15

► Organizational Governance

Number of persons participated in check aimed at dissemination of awareness of compliance

Unit: persons

	Fiscal 2014 achievements	Fiscal 2015 achievements	Fiscal 2016 achievements
Check on status of compliance with "Code of Conduct"			
In-house	1,556	1,416	1,421
Domestic Group companies	2,671	2,684	2,745
Overseas Group companies	90	79	81
Total	4,317	4,179	4,247

► Respect for Human Rights

Number of persons participated in human rights enlightenment course for dissemination of awareness of human rights

Unit: persons

	Fiscal 2014 achievements	Fiscal 2015 achievements	Fiscal 2016 achievements
Human rights enlightenment course	39	48	49

► Fulfillment of Sincere and Fair Business Activities

Number of persons participated in compliance lecture for prevention of insider trading

Unit: persons

	Fiscal 2014 achievements	Fiscal 2015 achievements	Fiscal 2016 achievements
In-house	40	44	49

Number of respondents to information security questionnaire

	Fiscal 2014 achievements	Fiscal 2015 achievements	Fiscal 2016 achievements
Number of questionnaires conducted	Three times	Twice	Twice
Number of respondents (Persons)	2,679	2,978	2,887

► Provision of Safe, High-Quality and Useful Services

Number of persons participated in training for earthquake measures

	Fiscal 2014 achievements	Fiscal 2015 achievements	Fiscal 2016 achievements
Execution period	March 2015	—	—
Place	Head Office, Tokyo Branch	—	—
Number of participants (Persons)	Around 50	—	—

Number of persons participated in awareness surveys and trainings aimed at disseminating the corporate philosophy and better understanding of CSR and compliance.

Unit: persons

	Fiscal 2014 achievements	Fiscal 2015 achievements	Fiscal 2016 achievements
Awareness surveys concerning CSR and compliance			
In-house	1,586	1,462	1,458
Domestic Group companies	2,943	1,848	1,807
Total	4,529	3,310	3,265
Group training concerning CSR and compliance			
In-house	60	—	—
Domestic Group companies	69	—	—
Total	129	—	—

Number of persons participated in compliance lecture for the Act against Delay in Payment of Subcontract Proceeds, etc.

Unit: persons

	Fiscal 2014 achievements	Fiscal 2015 achievements	Fiscal 2016 achievements
In-house	807	757	757
Domestic Group companies	1,019	1,143	1,047
Total	1,826	1,900	1,804

Support/relief goods logistics base facilities at a glance

Block	Branch	Facility name	Year/month of construction	Area used for transportation of support/relief goods
Kanto	Tokyo	Aomi Warehouse No. 1	1997.6	1,000m ²
	Yokohama	Daikoku Warehouse B	1988.1	1,000m ²
		Daikoku Warehouse C	1994.4	1,000m ²
Tokai	Nagoya	Kinjoh Warehouse	1994.5	1,000m ²
		Tobishima Warehouse	2008.11	1,000m ²
		Honjoh Warehouse	1992.1	1,000m ²
Kinki	Osaka	Sakurajima Warehouse No. 1	1998.3	1,000m ²
	Kobe	Rokko Warehouse D	1988.1	1,000m ²
		Rokko Warehouse E	1993.10	1,000m ²
Kyushu	Fukuoka	Chuo Futo Warehouse	1995.10	1,000m ²
		Tosu Warehouse	2003.4	1,000m ²

GRI Guidelines version 4 (G4) reference table

(Listed only indicators for Core level)

► General Standard Disclosures

Item	Indicators	Reference page number	Contents
Strategy and Analysis			
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	2~3	Top Message
Organizational Profile			
G4-3	Report the name of the organization.	35	Company Profile
G4-4	Report the primary brands, products, and services.	4~5	Introduction of Businesses
G4-5	Report the location of the organization's headquarters.	35	Company Profile
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	35	Company Profile
G4-7	Report the nature of ownership and legal form.	35	Company Profile
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	35	Company Profile
G4-9	Report the scale of the organization, including: <ul style="list-style-type: none"> · Total number of employees · Total number of operations · Net sales · Total capitalization broken down in terms of debt and equity · Quantity of products or services provided 	35	Company Profile
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	15	Status of employees
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	–	–
G4-12	Describe the organization's supply chain.	4~5	Introduction of Businesses
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: <ul style="list-style-type: none"> · Changes in the location of, or changes in, operations, including facility openings, closings, and expansions · Changes in the share capital structure and other capital formation, maintenance, and alteration operation · Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination 	–	–
Commitments to external initiatives			
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	27~30	Initiatives for quality improvement and disaster measures
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	3, 34	Top Message, Statement Supporting the UN Global Compact
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> · Holds a position on the governance body · Participates in projects or committees · Provides substantive funding beyond routine membership dues · Views membership as strategic 	–	–
Identified Material Aspects and Boundaries			
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	35	Company Profile
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	1, 6~9	Editorial Policy, Promotion of CSR
G4-19	List all the material Aspects identified in the process for defining report content.	10~11	Confirmation of major CSR activities

Item	Indicators	Reference page number	Contents
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: <ul style="list-style-type: none"> · Report whether the Aspect is material within the organization · If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> - The list of entities or groups of entities included in G4-17 for which the Aspect is not material - The list of entities or groups of entities included in G4-17 for which the Aspects is material · Report any specific limitation regarding the Aspect Boundary within the organization 	12~33	Introduction to CSR Activities
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: <ul style="list-style-type: none"> · Report whether the Aspect is material outside of the organization · If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified · Report any specific limitation regarding the Aspect Boundary outside the organization 	-	-
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	-	-
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	-	-
Stakeholder Engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization.	6~11	Promotion of CSR
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	6~11	Promotion of CSR
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	6~11	Promotion of CSR
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	6~11	Promotion of CSR
Report Profile			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	1	Boundary of the Report and Reporting Period
G4-29	Date of most recent previous report (if any).	1	Publication Date
G4-30	Reporting cycle (such as annual, biennial).	1	Publication Date
G4-31	Provide the contact point for questions regarding the report or its contents.	1	Contacts for Inquiries Regarding the Environmental and Social Report
GRI Content Index			
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	-	-
Assurance			
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	-	-
Governance			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	8 12	In-house Decision Making Corporate Governance
Ethics and Integrity			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	6~7	The Three Principles of Mitsubishi's Business Management Philosophy, Code of Conduct, Environmental Policy, Environmental Voluntary Plan, Our Declaration of Quality

► Specific Standard Disclosures

Item	Indicators	Reference page number	Contents
Disclosures on Management Approach			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: <ul style="list-style-type: none"> · The mechanisms for evaluating the effectiveness of the management approach · The results of the evaluation of the management approach · Any related adjustments to the management approach 	6~33	Initiatives for Seven Core Subjects of Social Responsibility