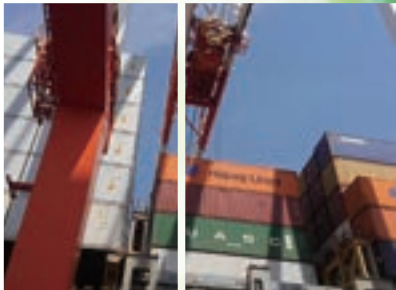




Mitsubishi Logistics
Environmental and Social Report

2019



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, 2018 to March 31, 2019. 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 2019)
February, 2020
(Next planned publication date: February 2021)

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 (GRI Standards)

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

“Extended version”

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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

“GRI Guidelines reference table”

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

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

Mitsubishi Logistics Group focuses on friendly activities and engages in business activities, contributing to affluent and sustainable society.



Masao Fujikura
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 under normal circumstances, 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.

First Year of the Management Plan (2019–2021)

The current fiscal year is the first year of the Management Plan (2019-2021), which started in April 2019. Overseas, the U.S. economy continued to steadily recover and a moderate recovery was seen in Europe. The economy in China also continued a pick-up trend. The Japanese economy recovered gradually as employment conditions, personal consumption as well as exports steadily improved, and investment in plant and equipment increased moderately.

global environment- 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.

With the establishment of this new management plan, we have defined the ideal image of the Mitsubishi Logistics Group, the “MLC2030 Vision,” that we ought to pursue towards the year 2030.

The MLC2030 Vision

Contributing to the improvement of customer's value, we offer comprehensive logistics solutions to the management of customer's supply chains, from procurement to distribution/sales, as their partner.

The Group positions the new medium-term management plan as the first stage to make a step toward the achievement of the MLC2030 Vision, and has chosen “Mitsubishi Logistics Group's growth strategy to be achieved through Innovation” as the subtitle for the plan. We have already commenced initiatives directed towards 2030.

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.

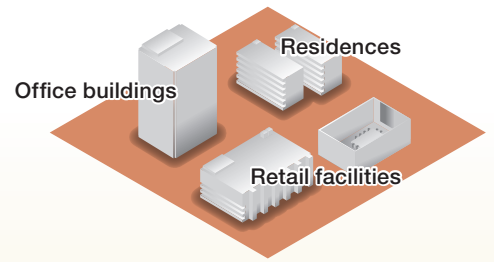
Our logistics and real estate business activities are deeply connected to society. To earn recognition for the value of our existence as a member of society and continue to grow in the future, the Group needs to steadily implement the goals set forth in the plan. In particular, taking into account the 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, followed by the Seishin Distribution Center in Kobe in March 2018, and the Ibaraki Distribution Center No.4 in Osaka in July 2018. We also intend to continue initiatives for global environmental measures from the perspective of biodiversity.

Conclusion

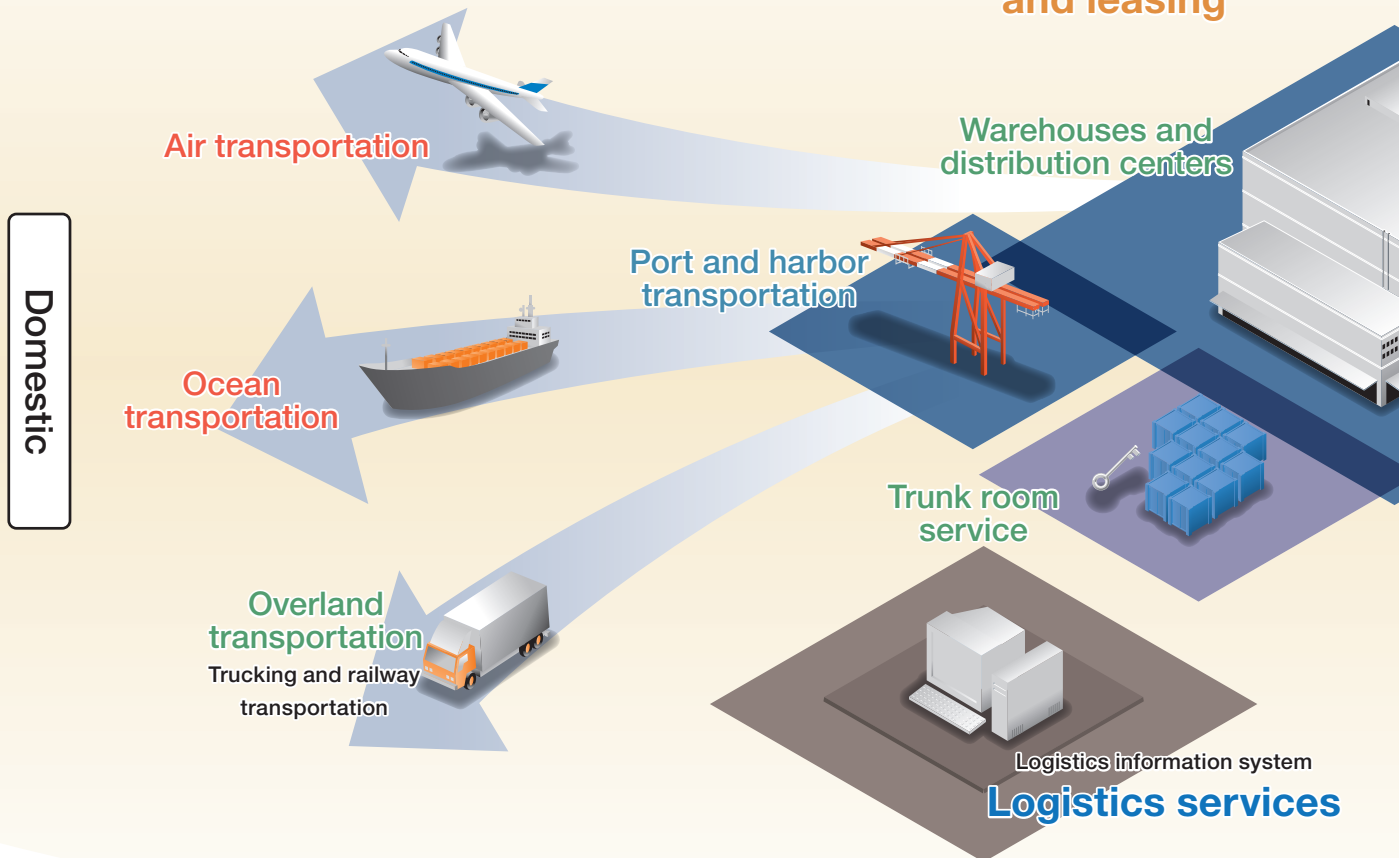
As the Mitsubishi Logistics Group continues, now and in the future, to place top priority on sincerity and fairness, supporting customers' value creation based on principles that give weight to the global environment while fulfilling our responsibilities to society with stable growth, we ask for your 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 the Seishin Distribution Center in Kobe, which was completed in March 2018, and another is the Ibaraki Distribution Center No. 4 in Osaka, which was completed in July 2018.



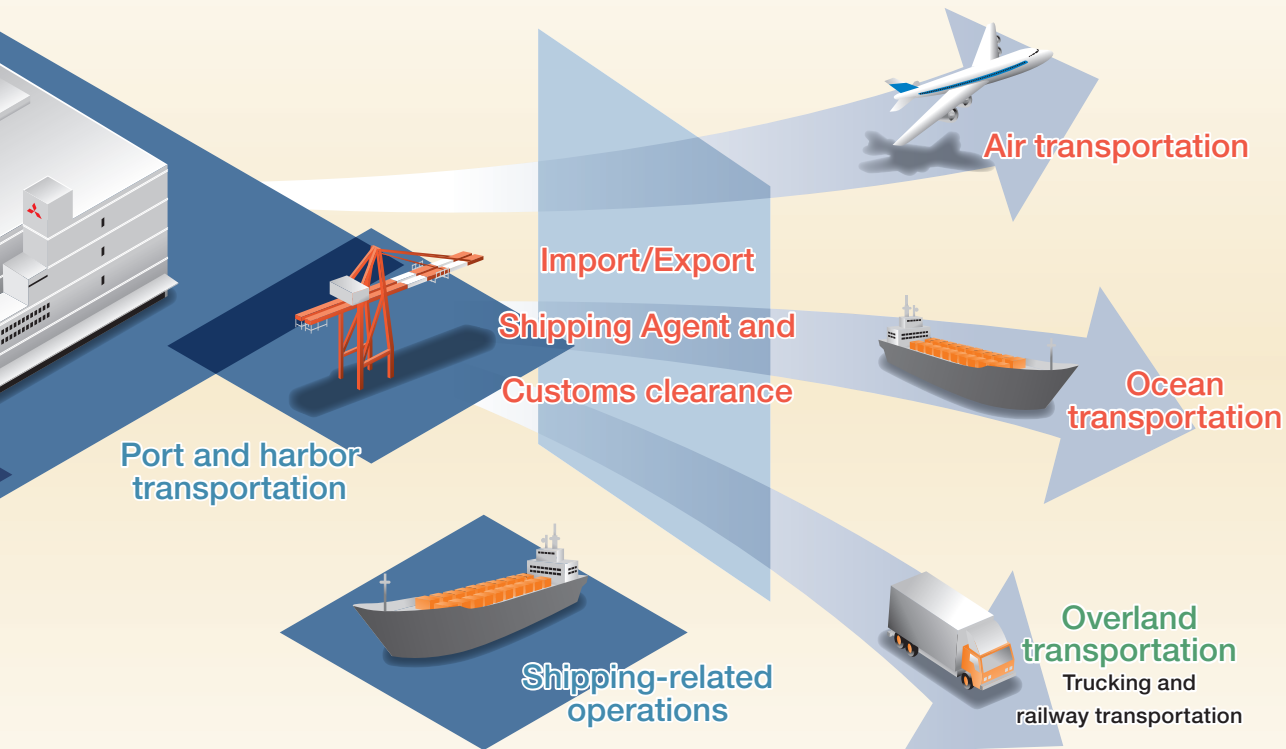
Overland Transportation Business

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," 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.



Overseas

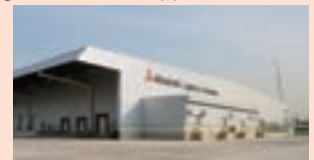
Port and Harbor Operation Business

We provide secure high-quality logistics services including container terminal operations for integrated port and harbor operations 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 will not limit ourselves only to transport operations, and will 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.

April 2019 Employee Welcoming Ceremony



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 Sankoryo serves 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.

● Stakeholders recognized by the Mitsubishi Logistics Group

Enhance our commitment to customer satisfaction, earning our customers’ trust through high-quality logistics and real estate services.

Customers

Employees

Provide ideal working environments while ensuring the safety and professional growth of the employee.

Aim to manage internal information strictly and disclose information at the appropriate time and in the appropriate manner, in accordance with the law.

Shareholders & investors

**Mitsubishi
Logistics
Group**

Public administration

Perform fair business activities by complying with laws, rules and social norms.

Develop common interests with local communities as a good corporate citizen.

Local communities

Suppliers

Sincere and fair business activities based on mutual trust.

● 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-Group Environmental Voluntary Plan as a specific policy pertaining to the Environmental Policy to review and implement specific measures in view of "measures to address future strengthening 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

◆ The MLC2030 Vision

We have newly established the MLC2030 Vision as the ideal image of the Mitsubishi Logistics Group in 2030 (☞ see page 3: Top Message).

Our growth strategies aimed at achieving this vision are as follows.

The MLC2030 Vision
 Contributing to the improvement of customer's value, we offer comprehensive logistics solutions to the management of customer's supply chains, from procurement to distribution/sales, as their partner.

- 1. Establish a customer-oriented support system**
 The Group will establish a customer-oriented support system with a focus on the medical/health care, food/beverage, and machinery/electrical machine industries as priority areas, and will take on comprehensive supply chain challenges as the customer's partner. Through these efforts, the Group will seek to expand its business domain and boost its market share.
- 2. Expand overseas businesses**
 The Group will move forward with system enhancements to support customer supply chains in the medical/health care and food/beverage industries and strengthen its forwarding business with demand for high-quality cold chains*1 expected to grow in a number of regions such as Southeast Asia (ASEAN).
*1 Services providing uninterrupted temperature-controlled transport and distribution for refrigerated goods.
- 3. Secure stable profits in the port and harbor transportation and the real estate businesses**
 The Group will further enhance the competitiveness of the port and harbor transportation business by leveraging its cargo handling services, which ranks the highest globally for efficiency, while at the same time developing commercial complexes and facilities and boosting its operational capability in the real estate business. By doing so, the Group will seek to secure stable profits.
- 4. Improve operational processes and further utilization of new technologies**
 The Group will review the operational processes of all businesses and facilitate efficient operations by utilizing new technologies such as IoT, AI and robotics. Through these efforts, it aims to improve service quality and production efficiency.
- 5. Strengthen the Group management base**
 The Group aims for growth by strengthening cost competitiveness through organizational management across the Company and its Group companies and securing/developing human resources, particularly in the priority areas.

◆ Management plan (2019–2021)

The following is an outline of the plan.

- 1. Positioning of the New Medium-term Management Plan (2019-2021)**
 The Group has established the New Medium-term Management Plan (2019-2021) as its first step in achieving the MLC2030 Vision. We will implement the following measures during the three fiscal years from FY2019 to FY2021.
 1. Strengthening the business foundations of the priority areas
 2. Establishing a system that leverages new technologies
 3. Maintaining competitiveness in the port and harbor transportation business
 4. Developing commercial complexes and other facilities for the real estate business and improving the organizational structure thereof to strengthen operational capabilities
 5. Bolstering production efficiency through more efficient operational processes and other means
 6. Improving operational conditions to reform workstyles and create innovation
 7. Increasing shareholder returns
 8. Promoting CSR-oriented management
- 2. Financial targets**
 Figures of consolidated business results (Unit: ¥billion)

	Operating revenue	Operating income	Ordinary income
Actual results for FY2018	227.1	12.6	17.3
Targets for FY2021	240.0	14.5	17.1

Consolidated operating revenue
(Unit: ¥billion)

Consolidated operating income
(Unit: ¥billion)
- 3. Financial strategy**
 With respect to the raising of funds for new investments, the Group seeks to boost its financial leverage through a range of measures such as borrowings and the issuance of corporate bonds, while following the principle of maintaining financial soundness.
- 4. Investment plan**
 During the plan period, the Group plans to make investments totaling ¥100.0 billion (¥50.0 billion in logistics and ¥50.0 billion in real estate).

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

We have an IR information page on the official Company website.

We use the information page to provide IR information, such as management planning and policy, stock information, an IR calendar, financial data, and IR information such as flash report, securities report, English version of annual report, business report, and consolidated results briefings.

We also have an English version of the IR information page available for overseas shareholders and investors, and are working towards more access to information disclosure for overseas and international stakeholders.

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



Results briefing for analysts

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.



▶ 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 2018 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.

Promotion of CSR

Confirmation of major CSR activities

The Group is committed to CSR activities so that socially responsible behavior will be disseminated among employees as part of a willing cooperate 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 in 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 safety of workers	Ensuring the safety 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	Implement 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 cultural activities	Contribute to cultures in local communities, etc.	
	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"> Review of the previous management plan and establishment of the new management plan Worksite meeting held every month (dissemination of our corporate philosophy and our Management Plan). Mar. 2019: Held the CSR and Compliance Committee meeting (for CSR promotion). FY2018: Check for compliance with the Code of Conduct; Number of participants: 4,291. FY2018: Compliance Awareness Survey; Number of participants: 3,399 (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"> FY2018 Human rights awareness training; held with 58 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. FY2018 beneficiaries of the child-care leave system: 13 persons; beneficiaries of the general care leave system: 34 persons. 	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 Harbor Transportation Business Division. 	<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"> FY2018 logistic training with 229 participants. Securing opportunities to take training programs through e-learning courses. 	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. 	<ul style="list-style-type: none"> FY2018: The existing lighting devices (around 790 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 equipment in existing equipment in line with the government's policy of enhancing the use of renewable energy. Expand the use of environmental-friendly vehicles for company vehicles. Promote the reduction of waste. 	<ul style="list-style-type: none"> Started operation of solar power generation equipment at the Ibaraki Distribution Center No. 4 in Osaka in July 2018, with a total output of 169 kW. Since Mar. 2016: The Eitai Dia Building has been certified as a “Near-Top-Level Facility” under the Tokyo Metropolitan Environmental Security Ordinance. 	Warehousing and Distribution Business Division Real Estate Division Technical 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. 2018: Reforestation activities held with 32 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"> FY2018: Lecture for compliance with the Act against Delay in Payment of Subcontract Proceeds, etc.; Number of participants: 1,879 (Web-based check). FY2018: New employee training on Prevention of Insider Trading; Number of participants: 59. Number of respondents to the FY2018 Information Securities Questionnaire: 3,431. 	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"> Held regular quality improvement conferences. Quality education at monthly safety conferences and information exchanges at regular conferences with customers conducted. Commendation system for improvement activities was carried out. Following the implementation of a new warehousing and distribution center operations system (G-MWS) was completed on offices during the first half of FY2017, we constructed support systems. 	Planning & Business Coordination Division Personnel Division Warehousing and Distribution Business Division Information Systems Division Branches
<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 designated support/relief goods logistics base facilities: 11. Fire prevention inspection patrols in facilities of the Company and the Group were conducted (annually). [Sapporo Distribution Center, Tokyo Branch] Oct. 2018: Awarded the Logistics Grand Prize by the Japan Institute of Logistics Systems. Nov. 2018: Awarded the Excellent Green Logistics Commendation (Minister of Economy, Trade and Industry Commendation) by the Green Logistics Partnership Conference. 	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. 2018: Held the “Charity Ennichi (Street Fair).” Aug. 2018: Held the “Radio Exercise.” Held running club events (monthly) Mar. 2019: Received the 9th Kanagawa Tourism Grand Prize Special Recognition Award for our involvement in the Minato Yokohama Yukata Festival. <p>[Nagoya Branch]</p> <ul style="list-style-type: none"> Installed flower beds in the greenbelt near Nagoya Station. <p>[Osaka Branch]</p> <ul style="list-style-type: none"> Participated in blood donation activities together with customers. <p>[Kobe Harborland]</p> <ul style="list-style-type: none"> Harborland Cleanup Movement (monthly) <p>[Kobe Harborland umie]</p> <ul style="list-style-type: none"> Feb. 2019: Engaged in a joint fire drill with the Kobe Chuo Ward Fire Station. <p>[Stream Sidewalk, Kobe Harborland umie]</p> <ul style="list-style-type: none"> Sep. 2018: Received the President's Award, Parks & Open Space Association of Japan at the 34th City Parks Contest. Dec. 2018: Received the Prefectural Governor's Award at the 20th Human-sized Town Development Awards. 	Real Estate Division Yokohama Dia Building Management Corporation Nagoya Branch Osaka 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"> Jul. 2018: Provided relief funds for local disaster victims of the July 2018 torrential downpour disaster (West Japan). Sep. 2018: Provided relief funds for local disaster victims of the Hokkaido Eastern Iburu Earthquake. 	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."

May 2018: Group Management Meeting

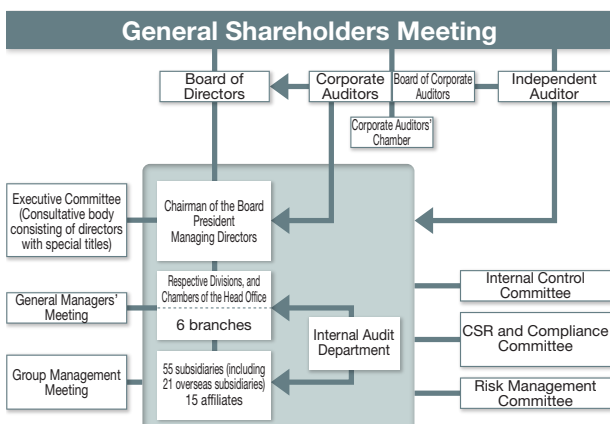


Corporate Governance

Basic stance

The Company 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 the chart of corporate governance system below)

● Chart of corporate governance system



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 and achieve the MLC2030 Vision (see page 8), the Company is engaged in the following specific measures in its management plan, and endeavors to disseminate them at worksite meetings and other occasions.

Specific Measures

1. Strengthening the business foundations of the priority areas
2. Establishing a system that leverages new technologies
3. Maintaining competitiveness in the port and harbor transportation business
4. Developing complexes and other facilities for the real estate business and improving the organizational structure thereof to strengthen operational capabilities
5. Bolstering production efficiency through more efficient operational processes and other means
6. Improving operational conditions to reform workstyles and create innovation
7. Increasing shareholder returns
8. Promoting CSR-oriented management

In executing the Specific Measures 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.



Worksite meeting (Osaka Branch)



Worksite meeting (Kobe 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.



CSR and Compliance Committee

In fiscal 2018, 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.

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 process 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 Act.

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

The Authorized Warehouse Operators' Program, one of the AEO Systems^(*), 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. and 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., Ryoyo Transportation Co., Ltd., Naigai Forwarding Co., Ltd., and Fuji Logistics Co., Ltd. acquired certification as Authorized Customs Brokers as of June 2017, September 2012, June 2014, April 2017, February 2018, and May 2018, 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.



Certificate of AEO Customs Broker (The Company)

*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.



Apr. 2019: New employee training (general employees)

Improvement in 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 educating employees on human rights issues 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 awareness course for 1–2 hours in the stratified training curriculum under the established human rights training promotion system.

In fiscal 2018 a total of 58 employees participated in the training for new employees.

At the training sessions, participating employees not only listened 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 for human rights awareness even to loaned or dispatched staff members. In parallel with this approach, we have established a helpline dedicated to harassment issues 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 people with disabilities are working

The Company outsources the digitalization process for in-house documents and data to Japan Church World Service, Inc., Tokyo Itabashi Welfare Factory where continuous employment support service is provided to people with disabilities, who may have difficulties in conventional work settings.

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

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

Slogan for human rights awareness (Employees' section)

Think about the other person's feelings
Accept everyone's individuality

VOICE))

Reflection on the Human Rights Awareness Training

Ayumi Watari
Tobishima Office, Nagoya Branch



In the human rights training, we divided into groups to discuss our thoughts on how to respond to those with disabilities, as well as differences in race and gender based on examples of from our everyday lives. For instance, in an example related to the human rights of people with disabilities, we learned that treating a person with disabilities with special care may be interpreted as either good or bad depending on the way the individual feels, even if the situation is the same. The same is true in our own workplaces. At work, we interact with a whole range of people, including co-workers, customers and employees of group companies. Things that seem obvious to one person may not be obvious to another, and the human rights training made me feel that being aware of our own fixed ideas and stereotypes is very important. It may be difficult to get rid of these fixed ideas and stereotypes, but I think it's important that we try to reduce them even if only a little.

From now on, I would like to engage actively in communication with others at my workplace, and cooperate with those around me to build good relationships. It would be great if we could create a better workplace environment with people having diverse values each making the most of their own individuality and abilities.

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 safety of workers" and "Human resource development and training."

Entry Hall, Ibaraki Distribution Center No. 4, Osaka Branch

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.



Operating Site Management Conference (Tokyo Branch)

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 activities, 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 2019)

Status in fiscal 2018	
Number of regular employees (consolidated)	4,466
Number of temporary employees (consolidated)	2,626

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

Number of regular employees (non-consolidated)	926 (597 men / 329 women)
Average age (non-consolidated)	40.0 years (men: 39.7 years; women: 40.5 years)
Average years of service (non-consolidated)	16.5 years (men: 15.8 years; women: 17.7 years)
Number of temporary employees (non-consolidated)	759

Status of new graduate recruits (joining the Company in April 2019)

University graduates	42
Male university graduates	22
Female university graduates	20
Postgraduate-school graduate	1
Female postgraduate-school graduate	1
Junior college/Vocational college graduates	0
High school graduates/Others	4
Total	47

Status of mid-career recruits (joining the Company between April 2018 and March 2019)

University graduates	5
Male university graduates	3
Female university graduates	2
Junior college/Vocational college graduates	3
High school graduates/Others	6
Total	14

Status of new graduate recruits retained

	New graduate recruits joining the Company in April 2016	No. of recruits retained as of April 2019 (percentage)	
		No.	(percentage)
Men and women total	40	38	(95.0%)
Men	22	20	(90.9%)
Women	18	18	(100.0%)

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

Appropriate Working Environment

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 extent 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 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, enabling managers and subordinates to deepen communication with each other. 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 precautionary measures and preventing recurrence

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.

Promotion of Workstyle Reforms

At the Company, we have constructed a mechanism to monitor and manage the appropriate number of working hours based on PC usage, where employees and their supervisors can check their working situation at any time. We also consider that a change of attitude is necessary to bring about a decrease in overtime work, and held briefing sessions for managerial employees aimed at reducing overtime. This attitude was disseminated to employees through measures such as worksite meetings. In addition, the Company and labor union regularly confirm the amount of overtime work and number of days of leave taken by employees, and share information on effective initiatives such as flextime and no-overtime day, through forums such as the Management Conference and the Committee on the Improvement of Working Hours, etc.

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 a child-care leave system, a reduced working hours system, a nursing care leave system, a general care leave

VOICE)))

Having Taken Child-care Leave

Mariko Emi
International Forwarding Business
Department, Yokohama Branch



I took child-care leave for about one year after the birth of my first daughter. I was frantically busy every day while I was preparing to take maternity leave, but the time seemed to flow at a leisurely pace during child-care leave, and I felt calm and composed. I could also spend enough time to be in close contact with the laughs and cries of my child every day. I was relieved of my anxiety about raising a child for the first time, and I was able to truly enjoy those irreplaceable moments of motherhood.

I am deeply grateful for the kind care and support constantly given to me by everyone at my workplace, not only while I was on leave but also now, after I have returned to work.

● Acquisition results for various systems

System	Description	Results (number of beneficiaries)				
		FY2014	FY2015	FY2016	FY2017	FY2018
Child-care leave	Leave of absence is allowed for a desired period until a child becomes 2 years old.	8	13	8	7	13
Reduced working hours	Service hours may be reduced by up to 2 hours per day for nurturing a child.	18	17	22	25	28
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.	0	0	0	0	0
General care leave	Paid leave for nursing care of a child (up to 10 days per year).	27	27	29	38	34
Family care leave	Paid leave for nursing care of a family member in need of nursing care (up to 10 days per year).	0	0	4	4	5

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

system and a 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.

Promoting welfare measures to help employees cultivate 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.



In-house recreation event (Tennis club)

VOICE)))

Having Taken General Care Leave

Jun Tsuyusaki
Air Freight Team, International Transportation Business Division



I have three children, and my wife has returned to work after childbirth, so our children go to childcare. When my children were between the ages of one and two years old they would often get sick, and I would be called up during the day by the childcare center, or the children would be too sick to go to childcare, and I would have to stay home to look after them. I was really grateful for the general care leave system then.

My children are much stronger now, and get sick less than they did when they were just infants, but I may suddenly have to take care leave again someday. If that happens, I'll be grateful to everyone at my workplace for their support, and work hard to find ways to ensure that the quality of work isn't affected by my absence.

In the future, somebody else in my workplace may need to take care leave. If that happens, I will actively follow-up on their work, and try to create a work environment where it's easy to take care leave.

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

VOICE)))

Holding an All-branch Tennis Tournament

Tetsushiro Miura
Europe - America Team, International Transportation Business Division



The Company holds an annual all-branch tennis tournament, where tennis club members from each branch participate in singles matches and friendly matches. The branches take turns hosting the tournament, and in fiscal 2018 it was jointly hosted by the Head Office where I am stationed and the Tokyo Branch over two days from October 27 (Saturday) to 28 (Sunday). There were around 50 participants from all of the branches, and we were busy with preparations for six months before the tournament: arranging tennis courts and accommodation, chartering buses, and securing a venue for the post-tournament party. Managing everything during the actual tournament was challenging too, but tennis club members from the Head Office, Tokyo Branch worked together and cooperated as one, and the tournament passed without mishaps.

The tournament is not simply about enjoying tennis, but also provides an excellent opportunity for participants to get to know other employees with whom they had no chance of meeting through their normal work. Our six months of hard work and preparations were fully repaid by seeing the happy faces of the participants, and it was a valuable experience for me personally, bringing a great sense of achievement that I was able to provide this forum.

Appropriate Working Environment

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 with reemployment at 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 of age 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 people with disabilities

There are employees with disabilities who work in diverse operations of the Company. However, as of June 1, 2018, the Company's employment rate of said employees was 1.80%, lower than its legally mandated 2.20% employment ratio. We will continue to steadily strengthen improvements of the worksite environment in which people with disabilities can easily demonstrate their capabilities and competence, aiming to reach our legally mandated employment ratio as soon as possible.

● Employment ratio of employees with disabilities

	June 2013	June 2014	June 2015	June 2016	June 2017	June 2018
Number of employees with disabilities (actual)	17	16	16	14	14	14
Employment ratio (%)	2.15	2.05	2.05	1.86	1.83	1.80

Obtained a loan under the DBJ Employees' Health Management Rated Loan Program

In February 2019, the Company was rated by the Development Bank of Japan Inc. (DBJ) under the DBJ Employees' Health Management Rated Loan Program, and obtained a loan based on this rating. Under the program, DBJ evaluates corporate initiatives related to employee health, and loans money under favorable conditions to outstanding companies in this area.

In addition to steady initiatives aimed at compliance with health and safety laws and regulations, the Company was also highly rated for actively implementing measures contributing to the maintenance and improvement of employees' mental and physical health, such as organizing health seminars, as well as the continuous promotion of business improvement, through measures such as the commendation system for improvement activities.

Going forward, we will continue to strive to improve the health of employees through this system and other initiatives.

Ensuring the safety 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 where operations are outsourced. 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. (a company that specializes in overland transportation that is 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, Ryoso Transportation engages in the internal audit of compliance with relevant laws and regulations such as the Motor Truck Transportation Business Act and the Road Traffic Act, and steps are taken to ensure the dissemination of information on compliance with these laws and

VOICE))

Measures to Ensure Safety and Security

Shingo Ohyama

Manager, Business Coordination Department, Planning & Business Coordination Division, Ryoso Transportation Co., Ltd.



Here at Ryoso Transportation Co., Ltd., as part of our corporate social responsibility, we not only work to secure safety and security through transport accident prevention, but are also actively involved in compliance with laws and regulations of all kinds, as a trucking business operator certified as an excellent safety (G mark) enterprise by the Ministry of Land, Infrastructure, Transport and Tourism. In addition, from January 2019 we have commenced "trucking business audits," led by the Planning & Business Coordination Division, aiming for the standardization of business across all branches, as well as the further improvement of quality.

Furthermore, we strive to reduce the environmental burden, and aim for logistics that are friendly to the global environment.

While undertaking such initiatives, in response to the increasing diversification and sophistication of customers' needs, we are implementing duty- and position-based education aimed at raising awareness of employees, and holding safety meetings and safety patrols. Through these measures we are endeavoring to establish a system for sharing and communicating information, as well as promote the maintenance and improvement of mental and physical health. We will continue to strive for safe transportation and the further improvement of transportation quality. (Group company of the Company)

regulations. Operations are checked at all times from a safety viewpoint, fully recognizing the public nature and importance of the freight trucking business. As initiatives for daily accident preventive activities, they also hold safety conferences, conduct safety patrols and hold head office and all-branches marketing staff conferences. Furthermore, they conduct thorough checks at all car-allocation bases using a high-performance alcohol detector unit to check at roll call whether any crew members have been drinking.

Apart from the measures above, 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 Business Division: 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 meetings before work 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.

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 safety 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 awareness activities. We believe that those efforts will help prevent industrial accidents and ensure the safety of workers.

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



Safety and health meeting
Harbor Transportation Department,
Tokyo Branch

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

Description
■ We hold a briefing meeting before carrying out 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 2018.



Safety patrol
Harbor Transportation Department, Tokyo Branch

Human resources development and training

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

◆ Concept image of ideal 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' 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 2018, lectures regarding related laws, human error measures and warehousing facilities management, etc. were held with 229 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 for employees who are unable to attend the training to attend these lectures.

Appropriate Working Environment

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

Targeting young employees who participate in the young employee overseas dispatch program, we provided training to deepen their understanding of 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 to enable participants a smoother start for their overseas OJTs. Furthermore, we proactively invite participants from the Group companies, including those overseas, and utilize this training program for the international transportation business training in the whole Mitsubishi Logistics Group.



Training for managerial employees



Training at the 6th year



The supervisor Grade 2 training



Training on regional employees



New employee training



New employee training (regional employees)

Holding lectures on "Outline of office operation" and "Outline of warehousing facilities management" as part of the logistics training

Two new lectures were held as part of logistics training: "Outline of office operation" and "Outline of warehousing facilities management."

In "Outline of office operation," an office manager gave a specific explanation of income and expenditure management, labor management, and spatial organization at offices of the warehousing business, based on actual business practices.

In "Outline of warehousing facilities management," an employee from the technical division explained the important points of a daily check that can be performed onsite at warehousing facilities, as well as the importance of fire prevention management.

Both lectures are directly applicable to our daily business activities, and more lectures on practical topics are planned.

VOICE))

On attending the Logistics Training "Outline of Office Operation"

Naohiro Horie
Sakurajima No. 2 Office, Osaka Branch



We learned about customer management, income and expenditure management, and labor management for office operation. I was deeply impressed by the example of an unused office basement that was cleared out and put to effective use. From now on, I will always remember that "you don't know until you've tried," and engage in my work with an awareness of whether there is any wasted space in the warehouse, whether there is a way to use it, and how much profit can be made if it is used effectively.

It was also very educational to hear about concrete measures for "improving work efficiency" and "reducing overtime," which are very big issues in the operation of a distribution center. The lecture that described "overtime, if it continues, can become the normal state of affairs, leading people to unconsciously plan their working day based on it" gave me a good opportunity for self-reflection. From now on, I plan to take the initiative, constantly putting into practice the aim of "finishing work within working hours," as well as coaching my colleagues.

I now feel I have a stronger will to improve my own workplace, thanks to this training. I want to share what I have learned with my colleagues, so that we can work together to create a good workplace.

VOICE))

Reflection on the Training at the 6th year (Regional Employees)

Takafumi Fujiwara
Shinko Office, Kobe Branch



In the training at the 6th year (regional employees), we received four lectures: "Problem-solving training," "Management planning," "Career design," and "Mental toughness."

In "Problem-solving training," we used a variety of methods to analyze the problems presented to us. Through identifying causes and solutions in group discussions, I learned problem-solving techniques that I can utilize in my everyday work. In "Mental toughness," participants made use of a psychological analysis that we had completed before the training. This allowed me to grasp my own strengths and weaknesses, aptitudes and inadequacies, and served as a good opportunity to understand myself objectively.

Another aspect of the training that left an impression on me was the exchange of information through group work, which gave me the opportunity to learn about the work and initiatives of some other sections of the Company with which I generally had no contact. At the end of the training, I was also given cordial advice on topics including everyday work and career by senior staff at my workplace.

I gained a lot from this training, and I would like to continue to grow by utilizing what I learned in my future work and career development.

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 employee class	Problem-solving practical training							Health promotion seminar		
Assistant manager class	Training for newly appointed managerial employees (Understand management skills, corporate ethics, etc.)									
Midlevel employees	Management training by theme (Leadership (compulsory), labor management (compulsory), accounting (compulsory), problem resolution, etc. (selective course))					Logistics training ¹				
Young employees	Supervisor Grade 2 training (Improve perspectives via action learning, acquire basic management skills)					Overseas operations training ²	Young employee overseas dispatch program			
	Training at the 6th year (Problem-solving, followership, career design, etc.)						English and Chinese conversation courses			
	Training at the 2nd year (Logical thinking, global mindset, FKS, safety and health, etc. (take certain lectures in the Logistics training course))									
	New employees' first-half training / New employees' second-half training (Business manners, basic knowledge on general corporate operations, visits to logistics facilities and real estate of the Company, etc.)									
								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)			Logistics training ¹	Overseas operations training ²	Health promotion seminar	Correspondence education
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))						
	New employees' first-half training / New employees' second-half training (Business manners, basic knowledge on general corporate operations, visits to logistics facilities and real estate of the Company, etc.)						

*1: Major lectures for the Logistics training

- FKS (Fuji Logistics Kaizen System)
- Laws and regulations related to trucking business
- Marketing for the service industry
- Outline of warehousing facilities management
- Our information system overview and information system trend in the logistic industry
- Points on compliance with laws and regulations in the warehousing and distribution business
- Safety and health course
- Business activities of warehousing business
- Outline of harbor transportation business
- Outline of harbor transportation business
- Outline of office operation
- Improvement award case studies, etc.

*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 humanity. The Mitsubishi Logistics Group recognizes and undertakes initiatives for 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.

Wall-mounted solar panels at the Ibaraki Distribution Center No. 4 in Osaka

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 ten 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. North Building, Sakurajima Distribution Center No. 2, Osaka Branch (Started operation in November 2005)
2. Sakurajima Distribution Center No. 3, Osaka Branch (Started operation in April 2008)
3. Tobishima Distribution Center, Nagoya Branch (Started operation in November 2008)
4. Misato Distribution Center No. 1, Tokyo Branch (Started operation in December 2008)
5. Ibaraki Distribution Center No. 3, Osaka Branch (Started operation in October 2012)
6. Misato Distribution Center No. 2, Tokyo Branch (Started operation in March 2013)
7. The extended space of Tobishima Distribution Center, Nagoya Branch (Started operation in September 2015)
8. Sapporo Distribution Center, Tokyo Branch (Asahi Unyu co., ltd.) (Started operation in January 2018)^{*2}
9. Seishin Distribution Center, Kobe Branch (Started operation in March 2018)
10. Ibaraki Distribution Center No. 4, Osaka Branch (Started operation in August 2018)

*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 law has been amended in May 2016 in view of further integrating and streamlining the logistics industry with the concern of labor shortage. The law went into effect in October 2016, aiming to support measures such as modal shift and cooperative delivery that are conducted by cooperation of related parties including logistics companies and shippers.

*2. Distribution center operations using an Asahi Unyu co., ltd. facility; therefore, the warehouse is certified under the names of both companies.

Receipt of the Japan Institute of Logistics Systems (JILS) Grand Prize and Excellent Green Logistics Commendation (Minister of Economy, Trade and Industry Commendation)

Six companies - the Company, Asahi Unyu co., Ltd., Astellas Pharma Inc., Takeda Pharmaceutical Company Limited, Teva Takeda Pharma Ltd. and Teva Takeda Yakuhin Ltd. - have been responsible for establishing a shared distribution center for pharmaceuticals in Hokkaido, standardizing each company's operational procedures and temperature control, and implementing measures to increase truck load factors and decrease the number of trucks. In recognition of these efforts, the Company was awarded the Logistics Grand Prize^{*3} by the Japan Institute of Logistics Systems (JILS) in October 2018, followed by the Excellent Green Logistics Commendation (Minister of Economy, Trade and Industry Commendation)^{*4} by the Green Logistics Partnership Conference in November 2018.

The Company had already received a degree of recognition, with certification under the Logistics Efficiency Improvement Act, but this time our efforts were also recognized by an external agency, leading to this prize and commendation.

VOICE))

On Initiatives at the Shared Distribution Center for Pharmaceuticals in Hokkaido

Hiro Yamagishi
Sapporo Distribution Center, Saitama No. 2 Office, Tokyo Branch



The shared distribution center for pharmaceuticals in Hokkaido (Sapporo Distribution Center) began operation in January 2018, as a joint distribution center for four major Japanese pharmaceutical manufacturers. The Distribution Center provides a high-quality and efficient logistics service every day, fulfilling our social responsibility of ensuring a stable supply of pharmaceuticals in Hokkaido. By merging the logistics centers of each pharmaceuticals manufacturer, which were previously separate operations, we have also brought about a large reduction in the number of trucks and electricity usage, making a significant contribution to the reduction in CO₂ emissions.

During the Hokkaido Eastern Iburi Earthquake in September 2018, the Distribution Center recorded a seismic intensity of 5 on the Japanese scale and experienced a power failure, but thanks to the high disaster prevention awareness of our contractor Asahi Unyu co., Ltd. and a swift response on the day of the earthquake, the Distribution Center experienced no major damage, and resumed operations shortly afterwards. There have recently been many cases where logistics chains have been cut off by events such as earthquakes and typhoons, but we will continue to operate of the Distribution Center with an awareness of our duty to contribute to the stable supply of pharmaceuticals.

These measures are not limited to the Company alone, but also involve our customers and suppliers working together as one. We have not only succeeded in improving operational efficiency, but have also achieved great results in decreasing the burden on the environment.

We will continue to contribute to reducing the burden on the environment through these kinds of initiatives.



Green Logistics Partnership Conference Awards Ceremony

- *3. Japan Institute of Logistics Systems Logistics Grand Prize
This prize is awarded by the Japan Institute of Logistics Systems (JILS), a public interest incorporated association, to companies making efforts and achieving outstanding results in the enhancement of corporate logistics.
- *4. Green Logistics Partnership Conference Excellent Green Logistics Commendation
The Green Logistics Partnership Conference was established principally by the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure and Transport and the logistics industry. With the cooperation of shippers and logistics companies, it presents commendations from each of the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure and Transport, in recognition of measures that have achieved outstanding results in constructing sustainable logistics systems, such as reducing the burden on the environment in the field of sustainable logistics and increasing productivity.

Through achievements such as obtaining the Green Management Certification, we are promoting environment-friendly business activities

The Group obtained the Green Management Certification⁵, 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 that are approaching their 10th year renewal in March 2017 were commended for their many years of certification. Under the Certification, as well as engaging in initiatives to reduce energy consumption such as electricity saving in our everyday business and initiatives to reduce waste, we are also engaged in initiatives to reduce the amount of logistics materials used in packing, etc. and to reuse these materials.

In addition to this Certification, in the logistics business, Fuji Logistics Co., Ltd. has obtained and maintained ISO14001 certification on environmental management at each of its bases around Japan, and is working to reduce the burden on the environment. In the real estate business, Dia Buil-Tech Co., Ltd. obtained ISO14001 certification in June 2018, and is also working to reduce the burden on the environment in real estate management, etc.

1. **Certification acquisition status of the Company**
All offices of the Warehousing Business Division
Harbor Transportation Business 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)

*5. 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.

Ensuring compliance with the Act on Rationalizing Energy Use, etc.

As a "Designated Business Operator" under the Act on Rationalizing Energy Use, 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 conservation and a medium- to long-term energy-conservation plan to the Ministry of Economy, Trade and Industry. The values we reported to the Ministry in fiscal 2018 (the actual results for fiscal 2017) show that our energy-conservation measures resulted in about 6% reduction of per-basic unit energy use compared with the base year fiscal 2013. 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 can be viewed on Mitsubishi Logistics' Web site in "Extended version."

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

According to the Act on Rational Use and Appropriate Management of Fluorocarbons⁶, companies are required to inspect commercial refrigerators and air conditioners etc. that use 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 2018, the Company's calculated leakage amount of fluorocarbons was 605.5 [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).

*6. Overview of the Act on Rational Use and Appropriate 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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Aiming to obtain Rank A certification or above with CASBEE

At the Company, we place great importance on care for the global environment, and in order to objectively evaluate the environmental performance of our buildings, we are working to achieve a CASBEE (Comprehensive Assessment System for Built Environment Efficiency) certification.

CASBEE is a method for evaluating the environmental performance of buildings with a system that comprehensively evaluates the quality of buildings in addition to facility

Environmental conservation

installations that consider nature environment, such as energy conservation and the use of equipment with a low environmental burden. This includes the degree of comfort for building users, as well as the consideration given to the building's appearance, and measures to reduce impact on the building's surroundings, such as the effect of light pollution.

The results of CASBEE evaluation are given one of five ranks from S (superior), through A (very good), B+ (good), B (slightly poor) and C (poor). Under the Group's specific policy pertaining to environmental policy (☞ see page 7: Environmental Voluntary Plan), the acquisition of a rank of A or above is targeted for all of our new facilities to be constructed, through the introduction of energy-saving equipment and initiatives including global warming countermeasures.

We aim to obtain Rank A certification or above with CASBEE for facilities to be constructed going forward. Through this evaluation, we will continue to promote measures to reduce environmental burden.



▶ Actual data on our facilities that have obtained Rank A certification or above with CASBEE can be viewed on Mitsubishi Logistics' Web site in "Extended version."

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

To save energy and reduce CO₂ emissions with regard to the lighting systems inside the Company's warehouses, we are promoting updating the existing lighting systems with high-efficiency lighting equipment when it is time for replacements.

In fiscal 2018, a total of about 790 existing lighting units were updated with LED lighting at seven facilities, including Aomi Distribution Center No. 1, Tokyo Branch, Niiza Distribution Center and Ohi Warehouse.

The Company expects a reduction of approximately 1,350 thousand kWh in electric energy, which corresponds to approximately 2.6% of the annual electric energy consumption at the Company's warehousing facilities, by updating existing lighting to LED lighting (9,400 units in total).

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 equipment at its warehousing facilities using the Renewable Electric Energy Feed-In-Tariff (or fixed-price purchase system of electricity from renewable energy).

In fiscal 2018, solar power generation equipment was installed and began operation at the Ibaraki Distribution Center No. 4 in Osaka (started operation in July 2018) for a total output of 169 kW.

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 Certification at all five of its branches (six operational bases) starting in 2005, striving to reduce environmental burden.

In fiscal 2018, Ryoso Transportation improved gas mileage by 5.8% 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.



▶ Fuel economy performance data from all branches of Ryoso Transportation can be viewed on Mitsubishi Logistics' Web site in the "Extended version."

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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 2018), 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 2018 through March 2019), 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 within a scope that is 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 and services with less environmental impact—Green Purchasing.

As one example, Ryoso Transportation is aggressively purchasing retread tires^{*7}.

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

Use of renewable resources

A Disaster-Resistant and Eco-Friendly Warehouse completed construction and started operation

We completed and started operation of the Ibaraki Distribution Center No. 4 in Osaka (5 floors above ground, floor area: 24,000 m²), a Disaster-Resistant and Eco-Friendly Warehouse, in July 2018. A pharmaceutical warehouse adapted for a range of different needs, this new warehouse functions as a refrigerated terminal providing uninterrupted cold-chain transport and distribution for refrigerated goods, as well as separate dangerous goods storage for flammable products.

(1) Main Disaster Prevention Functions

a. Seismic performance

We have created a seismic-isolated structure with the installation of seismic isolation equipment (56 laminated rubber bearings composed of high damping rubber and 24 oil dampers) in the basement of the warehouse, to improve seismic performance.

b. Power outage countermeasures

Emergency power generation equipment (340 kVA, operates for 72 hours after outage) has been installed to prepare for a power outage.

c. Fuel for use during disasters

The diesel fuel stored in the underground fuel tank (30,000L capacity) for the emergency power generators could be used as fuel for transport and delivery vehicles during a disaster.

(2) Main Environmental Performance and Environmentally-Friendly Equipment

a. Solar power generation system

The solar power generation equipment installed on the roof with an output of approximately 169 kW will reduce annual CO₂ emissions by around 90 tons.

b. LED lighting

In addition to installing LED lighting throughout the entire building, we use motion detectors for common area lighting to save energy.



LED lighting

c. Air conditioning load reduction

We are giving consideration to energy conservation by adopting high-efficiency air conditioners for air conditioning equipment, and total heat exchangers for office ventilation equipment.

d. Low-E glass

We have adopted thermal-insulating, high heat-insulating multi-layered glass (Low-E glass) that increases the reflectance of far infrared rays and achieves a high heat-insulation performance.

e. CASBEE

We have achieved Rank A certification with CASBEE (Comprehensive Assessment System for Built Environment Efficiency) as the result of initiatives such as introducing an energy conservation system.

VOICE))

Disaster-resistant and Eco-friendly Warehouse

Takeya Shibue
Real Estate Department, Osaka Branch



The Ibaraki Distribution Center No. 4 in Osaka, for which I was responsible, is a pharmaceuticals logistics warehouse based on the concept of a Disaster-Resistant and Eco-Friendly Warehouse. The products that the warehouse stores and distributes are pharmaceuticals, which means that we have a duty to ensure their continued supply even during disasters, and so we implemented disaster countermeasures such as the installation of seismic isolation equipment and emergency power generators.

One month before the building was completed, the north of Osaka Prefecture was struck by an earthquake with a seismic intensity of lower 6 on the Japanese scale. Since the seismic isolation equipment functioned effectively, the building did not sustain damage and building works were completed on schedule, demonstrating that this is indeed an earthquake-resistant warehouse.

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 September 2018, the seventh reforestation activity was held in the prefectural forest by Tanzawa Lake. Participants included 32 executives and employees from Head Office, Tokyo Branch and Yokohama Branch, and we performed tree thinning activities and took a walk along the mountain trails with instructions from Kanagawa Prefecture certified-forest instructor and a support from the Prefectural Water Source Environment Conservation Division.

Participants were divided into four groups, and in accordance to 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.



Participants



Walking along the mountain trails



Tree thinning activities

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.

Nanko C9 Container Terminal in Osaka

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 2019, 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 1,879 employees who are in charge of implementing the aforementioned Act 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 online. In February 2019, we conducted training related to the prevention of insider trading for a total of 59 new employees of the Company and verified their understanding using related questions online.



▶ 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 2018, we conducted a web-based questionnaire with regard to information security in September 2018, answered by a total of 3,431 persons, including 1,800 persons from the Company and 1,631 persons from Group companies, thereby raising the awareness of information security.

Furthermore, in fiscal 2018, 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, Dia Systems Corporation (our subsidiary to develop and manage our information system) and Fuji Logistics Co., Ltd. (our logistics subsidiary responsible for the main part of the Warehousing Business Division) all 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 beneficial and high-quality services and promotion of measures to maintain service functions during disasters.

1st floor entry and exit pass of the Ibaraki Distribution Center No. 4 in Osaka

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.

◆ **Dissemination of "Our Declaration of Quality"**

We put up an "Our Declaration of Quality" notice at each worksite, distributed the "Our Declaration of Quality" 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.

Cooperating in the research and development of cutting-edge medical technologies

At the Company, we have utilized our know-how in the field of pharmaceutical transport and distribution to participate, together with the University of Tokyo Hospital, in "forward-looking observational research on the transport of stem cells derived from human adipose tissue for use in regenerative medicine," for three years starting in 2016. In this research, we used specially-designed and developed temperature-controlled containers to transport stem cells derived from adipose tissue from clinics to the University of Tokyo Hospital at four different temperature ranges. We then analyzed data including stem cell survival rates after transportation for each temperate range.

The results of this analysis and consideration were announced by the University of Tokyo Hospital at the Congress of the Japanese Society for Regenerative Medicine held in March 2018, but it has been decided to continue the research past April 2019, with the current focus being the transportation of auricular cartilage (cartilage in the part of the ear that sticks out from the head). Using the techniques attained through our participation in the research and development of regenerative medicine, a cutting-edge medical technology, we aim to further enhance the quality of our transportation and distribution services.

Provision of Safe, High-Quality and Useful Services

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.

- Measures taken by Kyokuryo Warehouse Co., Ltd. (heatstroke countermeasures)



- 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 of 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.
Sairyo Service Co., Ltd.	Compilation of a forklift operating manual, instruction using the manual, and information sharing of near-miss cases, etc.
Fuji Logistics Co., Ltd.	Improving quality through obtaining and maintaining ISO9001 certification, forklift competitions, improvement team activities, internal company training, and 5S activities, etc.
Kyokuryo Warehouse Co., Ltd.	Implemented measures to prevent heatstroke in summer and influenza in winter
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 employees.
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.	Improving service quality and strengthening measures for environmental issues by obtaining ISO9001 certification
Keihin Naigai Forwarding Co., Ltd.	Held internal company lectures on customs clearance

- Measures taken by Fuji Logistics Co., Ltd.



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 fiscal 2018, the third year of the commendation system, we expanded the scope to include affiliated companies. As a result, a record-high 63 groups (401 people) joined the activities, making a cumulative total of around 1,000 participants. 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,



Improvement activities (Tokyo Branch)

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On Measures for Improvement Activities

Yasufumi Shimizu
Business Coordination Team, Planning &
Business Coordination Division



I am involved in the commendation system for improvement activities in an administrative capacity. It has been almost three years since the system was introduced, but I am still reminded daily of the many groups that are earnestly engaged in improvement activities.

Last year, I myself participated in improvement activities as a team leader. It was a very fulfilling time, and I am now supporting improvement activities as a member of the administrative team, based on my experience. I would like to continue to communicate the necessity and pleasure of improvement activities, so that it's easy for everyone to participate.

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.

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

With the aim of providing a high-quality logistics service integrating nationwide and overseas logistics, the Company has developed G-MIWS (Global Mitsubishi Intelligent Warehouse System), a new warehousing and distribution center system, and installed it at all domestic locations.

The “G” of “G-MIWS” signifies “global,” aiming to expand the Company’s logistics business to integrate nationwide and overseas logistics. 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.

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Measures for the Promotion of Digitalization

Akito Kotera
Digital Transformation Team, Information System Division



The Digital Transformation Team was newly established under the Information Systems Division in April 2019, to promote the introduction and utilization of new technologies, with the aim of achieving the MLC2030 Vision.

New technologies such as IoT, AI and robots are being developed, and greater efficiency and an enhanced level of service can be expected from their introduction in business. However, it is said that at present only a small percentage of companies have actually managed to introduce these technologies into their actual business activities.

Given this situation, in order to keep up with the times and ensure that we can respond flexibly to future advances and changes in technology, we will gather information and engage in research on new technologies, constantly aware of developments all around, and open to new challenges.

As well as engaging in reviews of business processes together with staff at each office, I will consider how to realize more efficient operations through the utilization of new technologies, without being anchored to existing approaches. In this way, by realizing improvements in service quality and productivity, I would like to help to strengthen the Company’s competitiveness and ability to make proposals.

We will promote better service quality and more efficient operational processes through the utilization of new technologies

In recent years, operations have become increasingly complicated due to the diversification in customer needs. We are also facing a predicted increase in labor shortages.

In order to respond to these challenges, we aim to save labor through the agile use of new technologies. At the same time, in order to achieve both high quality and high efficiency, in April 2019 the Company established a new organization in the head office to promote the introduction and utilization of new technologies.

The Company has already introduced technologies such as multi-tier automated warehouses, unmanned forklifts and robot arms, but this new organization will be central in promoting the introduction and utilization of technologies such as AI (artificial intelligence), robots and unmanned transport vehicles.

Promotion of disaster measures to maintain service functions

Working on crisis-preventive measures and measures to focus on crises promptly and effectively as they occur

The basic purpose of our crisis management measures is to predict various crises that can seriously affect corporate management, prevent such crises and, if a crisis does happen, focus on the crisis quickly and effectively to minimize human and material damage that would impact corporate management and restore the normal operational structure as early as possible. In particular, we roll out “Disaster-Resistant and Eco-Friendly Warehouses” and “Disaster-Resistant and Eco-Friendly Office Buildings” and aim to be resilient against disasters from both soft and hard aspects.



Seismic isolation equipment of the Disaster-Resistant and Eco-Friendly Warehouse (Ibaraki Distribution Center No. 4 in Osaka)

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.

Provision of Safe, High-Quality and Useful Services

Conducted training for earthquake measures

During February and March 2019, we conducted training for earthquake measures at the Tokyo, Yokohama and Kobe branches. The training was based on a scenario reflecting the characteristics of a large-scale earthquake expected to cause major damage to the locations of each branch. It considered the initial response, mainly during the period from the occurrence of the earthquake until the following day, and confirmed aspects such as the timely and appropriate verification and reporting of the status of damage, communication between branches and offices, the role of each branch and office, and the centralization of information.



► Implementation performance data from the training for earthquake measures can be viewed on Mitsubishi Logistics' Web site in the "Extended version."

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

● Training for earthquake measures



Tokyo Branch



Yokohama Branch



Kobe Branch

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Reflection on the Training for Large-scale Earthquake Measures

Hiroyuki Ito
Minamihonmoku No. 1 Office, Yokohama Branch



I participated in the training so that I would be able to make an appropriate response in the event of a large-scale earthquake.

During the training, I experienced just how difficult it is to organize and share necessary information under constantly changing conditions, such as the state of casualties and the suspension of lifeline functions. I also realized the importance of effectively utilizing limited resources such as time and means of communication.

From now on, I would like to approach my daily work with an awareness of disaster prevention.

Reinforcing the emergency and disaster measures system

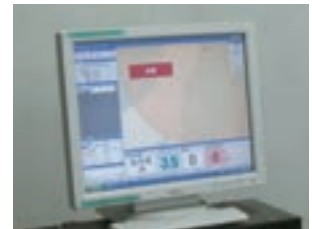
As an emergency measure, we implemented large-scale disaster measure training with mandatory employee participation. The training involved the use of a mobile phone safety confirmation system, going or coming to a work site by walking and checking restoration procedures from disaster damage, etc.

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 taking fire preventive measures from the aspects of structure and facility when constructing warehouses. 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



Fire prevention patrol



Fire drill



of fire. Through continuing such measures and initiatives, we will strive to provide highly reliable services for our customers.

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 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

11 Company facilities designated as support and relief goods logistics bases by the Ministry of Land, Infrastructure, and Tourism

The Ministry of Land, Infrastructure, Transport and Tourism, learning from its reflection on the Great East Japan Earthquake, held an advisory conference from September to December 2011, 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 warehousing business operators, requested by the Ministry, 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



Aomi Distribution Center No. 1, Tokyo Branch



Sakurajima Distribution Center No. 1, Osaka Branch

We have introduced the Disaster Information Communication System (D-DICS)

Until now, emergency communication between the leased building management offices in the Tokyo metropolitan area and the Company, and emergency communication between those offices and Dia Buil-Tech Co., Ltd. head office, which is a management company for the Company’s leased buildings, utilized a telephone communication network. However, based on the assumption that telephone lines would become overloaded during large-scale emergencies, we introduced the Disaster Information Communication System (D-DICS) jointly with Dia Buil-Tech, using Internet networks that are not prone to overloading even during emergencies. In this way, we have ensured secure information transfer and sharing in times of disaster. (Started operation in September 2017, covering 22 leased buildings in the Tokyo metropolitan area.)

The D-DICS system enables real-time sharing of information on the status of damage among relevant parties when entered into the system at each building, and can also carry instructions regarding the damage or other communications.

The introduction of this system brings about the centralization of information, enabling a swift and accurate initial response in times of disaster.

We will continue to work to ensure that the tenants of our buildings can use them with confidence, through the utilization of this kind of system.

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.



An event at Kobe Harborland Umie

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 Sunday, August 19, 2018. On this ninth charity fair, popular traditional fair games such as shooting games and yo-yo fishing were enjoyed by three generations of people.

The event has become a regular occurrence in the school summer vacation season, and attracted a total of 331 groups in 2018. Revenues from the event were donated to the relief fund for victims of the July 2018 torrential downpour disaster in West Japan, 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

Yokohama Bay Quarter, the Company's facility, is positioned right in front of the starting point of "Yokohama Marathon," a public marathon, therefore we have hosted a monthly running club event there since September 2014 with the aim of contributing to the local community and bringing excitement to the marathon event. 2018 marked the fifth year of this event, and not only the training sessions, which welcome the participation of those new to running, but also the "lunch club," where all of the participants eat lunch together at the restaurant in the facility after the training session, as well as the summer event to enjoy the beer garden, also proved popular. About 40 civic runners participate in the event every month.

We aim for our facilities to coexist with local communities through such community-building initiatives in the future as well.



Running club event

Contribution through activities in local communities, etc.

We conducted tree planting events in China and Thailand.

As part of our CSR activities in China, a tree planting event like last year was conducted on Saturday, March 16, 2019, 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 Fuji Logistics (China) Co., Ltd.

As part of our CSR activities in Thailand, tree planting activities were conducted on Sunday, September 16, 2018, as part of the program for the annual company trip hosted by Mitsubishi Logistics Thailand Co., Ltd. A total of 128 employees of the company joined the activities.

These events helped the employees and their families in each country to understand the significance of making a social contribution and enhance their environmental awareness, and provided an opportunity outside work for them to interact with each other to build friendships.



Tree planting in China



Tree planting in Thailand

We conduct social contribution activities as a member of the Mitsubishi Group and participate in the Mitsubishi Social Contribution Liaison Council

As a social contribution activity within the Mitsubishi Group, we donate to academic and charitable enterprises and conduct various volunteer activities. Also, as a member of the Mitsubishi Social Contribution Liaison Council made up of the companies within the Mitsubishi Group, we report on our related activities and exchange information.

We support the activities of The Dia Foundation for Research on Ageing Societies

The Dia Foundation for Research on Ageing Societies is engaged in activities aimed at contributing to solving issues faced by aging societies, in fields such as insurance, medical care and welfare, through investigation and research into these issues.

Interest is growing in social participation by the elderly, in the context of a declining birthrate and aging population. The Company is collaborating with The Dia Foundation for Research on Ageing Societies in the

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Reflection on Mangrove Tree Planting Activities

Satanat Astakulrekha
BPI & Privilege Division, Mitsubishi
Logistics (Thailand) Co., Ltd.



On September 16, 2018, we undertook mangrove tree planting activities in Laemnaenokkaew, Chanthaburi Province as part of our annual company trip.

For the past two decades, the ecosystem in Thailand has been deteriorating rapidly, and the pace of regeneration is lagging behind the rate of destruction. Mangrove trees are known to absorb large amounts of CO₂, and also contribute to a rich coastal ecosystem. When they are grown, mangroves provide a place for sea life to grow, improving harvests of marine products in the area. Their forests also provide a place for birds and animals to gather. For these reasons, we decided to use this opportunity to plant mangroves, to assist in the regeneration of the ecosystem.

On the day of the tree planting, we only arrived at the planting site after walking for a long time through marshy coastal terrain under a hot sun. When it came to planting the trees however, everyone was smiling. We all shared the feeling that our actions were contributing to the future. I was able to share this valuable experience with 128 of my co-workers.

In addition, on the way back from planting the trees, almost all of the participants took the initiative to quietly collect the plastics and other garbage that had drifted into the shore. Seeing this, I became aware of the positive changes that occurred in all of us.

I sincerely hope that we will be able to continue our tree planting activities, and that we will be able to help society in some way. (Group company of the Company)

Coordination with Local Communities and International Society

utilization of diverse human resources, including the elderly. In this way we aim to realize an affluent and sustainable society.

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 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.

Receiving awards for the stream sidewalk at Kobe Harborland umie

The stream sidewalk at Kobe Harborland umie, one of the Company's commercial real estate facilities in Kobe, received the Parks & Open Space Association of Japan President's Award at the 34th City Parks Contest, and the Governor's Award at the 20th Human-sized Urban Development Awards held by the Hyogo Prefecture Gardening and Parks Association.

The City Parks Contest is held with the aim of contributing to the creation of city parks. The stream sidewalk received the award after being evaluated on its expansiveness and safety, along with the use of

water features, flowers and greenery, its design and construction, with a relaxing gathering space and other features where both local residents and tourists can enjoy.

The Human-sized Urban Development Awards are awarded to groups and organizations that have made outstanding contributions to urban development activities, as well as outstanding buildings that contribute to human-sized urban development, based on the Basic Ordinance on Urban Development established by Hyogo Prefecture, which reflects the experience and lessons learned from the Great Hanshin Earthquake. The stream sidewalk, born from the redevelopment of the Mosaic canal, brings together an attractive combination of shops, terraces, waterside, flowers and greenery. It received the award in recognition of its contribution to the revitalization of the surrounding region.

Collaborating with the local community to promote tourism

Yokohama Bay Quarter participates in the Minato Yokohama Yukata Festival, a joint summer promotion by the Yokohama harbor area, as a member of the executive committee. The catchphrase of the festival is "a yukata is your passport to summer in Yokohama," and features special offers including invitation to events for participants who come dressed in yukatas. It began in 2015, as a joint initiative by local shops, department stores, hotels, and food and beverage outlets. 2018 marked the fourth year of the Festival, and it was awarded the Special Recognition Award at the 9th Kanagawa Tourism Grand Prize, presented by Kanagawa Prefecture to businesses that contribute to regional revitalization, in recognition of its promotion of the revitalization of the whole region.



The Minato Yokohama Yukata Festival 2018

We will continue to contribute to revitalization of the local community, through activities such as those of Yokohama Bay Quarter and the design initiatives of the stream sidewalk, Kobe Harborland umie.



Awards ceremony for Special Recognition Award, the 9th Kanagawa Tourism Grand Prize

We engaged in joint fire drills with the fire station at Kobe Harborland umie

At Kobe Harborland umie, we engaged in a joint fire drill with the Kobe Chuo Ward Fire Station on Wednesday, February 27, 2019, in combination with the spring fire prevention campaign.

About 90 employees working at Kobe Harborland umie and 40 firefighters participated in the fire drill. Based on a simulated situation where an earthquake had caused a fire inside the building, participants engaged in escape training and initial fire extinguishment training using imitation fire extinguishers, as well as casualty rescue training led by the rescue team and full water discharge (spraying at once) training.

A display and photo session featuring fire engines and ambulances was held in the building after the fire drill, as well as education activities for local citizens.

Kobe Harborland umie welcomes many customers every day, and it is important to ensure a swift initial response by employees and cooperation with firefighters in the event of a disaster or fire.

We aim for our facilities to make customers feel secure, through raising our everyday disaster prevention awareness.



Fire drill

We hold radio exercise events at Yokohama Bay Quarter

At the Yokohama Bay Quarter, for seven days during the school summer vacation season in August, radio exercises were held at the main plaza. 2018 marks the fifth year of organizing this event, all managed by employees of Yokohama Dia Building Management Corporation. Despite the record summer heat in 2018, more than 200 people attended the event, including senior couples living close by and small children with their parents before work. In the future, we would like to bring further excitement to the region as a shopping mall close to the community.



Radio exercises

We participate in local cleanup 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



Cleanup activities in the Harborland area



Cleanup activities at Fuji Logistics Co., Ltd.



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 June 2019, approximately 13,500 companies and organizations around the world were members of UNGC.

Based on its "Code of Conduct," the Group will strive to practice the UNGC'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>

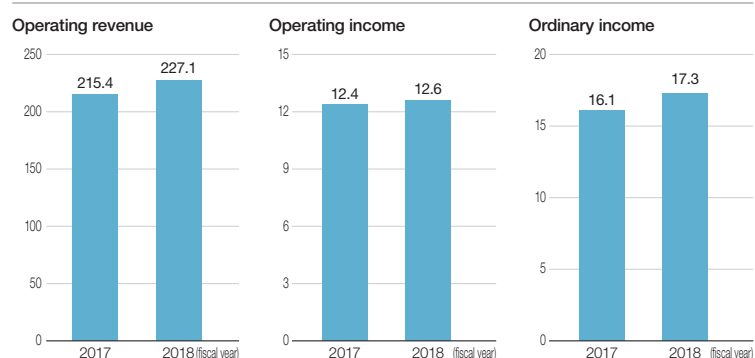
Company Profile (As of March 31, 2019)

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 2018)	Consolidated: ¥227.1 billion Non-consolidated: ¥157.4 billion
The number of employees of the Mitsubishi Logistics Group	4,466 (excluding 49 workers on leave to work outside the Group, 1,419 temporary staff and 1,207 employees on loan/dispatched from outside the Group)
The number of employees of the Company	926 (excluding 125 employees on leave to work for other companies, 132 temporary staff and 627 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 operation; 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 (51 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., Touryo Kigyō Co., Ltd., Fuji Logistics Co., Ltd., Tokyo Juki Transport Co., Ltd., SII Logistics Inc., 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 Koun Co., Ltd., Naigai Forwarding Co., Ltd., Kyushu Ryoso Transportation Co., Ltd., Monryō Transport Corporation, Hakuryō Koun 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 Qingke Warehouse Management Co., Ltd., Shanghai Linghua Logistics Co., Ltd., Shanghai Linghua Qingsheng Logistics 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, Chubu Kaihatsu Co., Ltd., Nagoya Dia Buil-Tech Co., Ltd., Osaka Dia Buil-Tech Co., Ltd., Kobe Dia Maintenance Co., Ltd., T'ACT Co., Ltd.</p> <p>Subsidiaries and Affiliates Accounted for by the Equity Method (3 companies) MY Terminals Holdings, Limited, Kusatsu Soko Co., Ltd., Jupiter Global Limited</p>

Financial Data

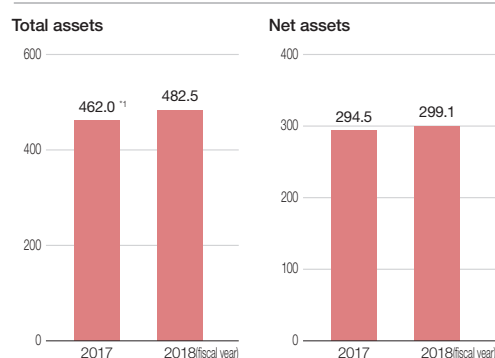
Business results (Consolidated)

(Unit: ¥billion)



Assets (Consolidated)

(Unit: ¥billion)



*1 The Company has applied "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" (Accounting Standards Board of Japan Statement No. 28, February 16, 2018) beginning from fiscal 2018. The amount of total assets shown for fiscal 2017 has been retrospectively adjusted to reflect the application of the Standard, etc.

 **Mitsubishi Logistics Corporation**

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Extended version

The following are some data related to the Mitsubishi Logistics Environmental and Social Report 2019, which was collected at the end of fiscal 2018.

Environmental conservation

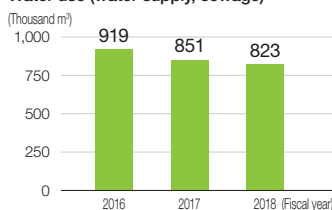
Environmental conservation activity data (by business)

*Basic unit denominator (figures from Act on Rationalizing Energy Use, etc.) uses figure that have strong correlations with each business.

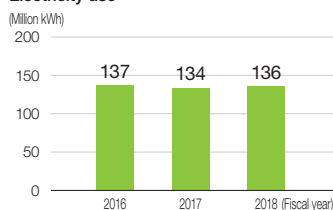
		Unit	Fiscal 2016	Fiscal 2017	Fiscal 2018
Warehousing and distribution business	Basic unit denominator	Thousand m ² <Floor area>	1,439	1,444	1,555
	CO ₂ emissions	Thousand t-CO ₂	35.0	33.9	32.6
	CO ₂ emissions basic unit	kg-CO ₂ /m ²	24.3	23.5	21
Port and Harbor Operation Business	Basic unit denominator	Thousand tons <Handling tons>	18	44	55
	CO ₂ emissions	t-CO ₂	8	9	7
	CO ₂ emissions basic unit	kg-CO ₂ /thousand tons	440.3	203.2	127.8
Overland transportation business	Basic unit denominator	Million km <Total transportation distance>	4.4	4.1	3.9
	CO ₂ emissions	Thousand t-CO ₂	3.8	3.6	3.5
	CO ₂ emissions basic unit	kg-CO ₂ /thousand km	861.5	881.4	898.2
Real estate business	Basic unit denominator	Thousand m ² <Operational area>	710	681	686
	CO ₂ emissions	Thousand t-CO ₂	40.4	38.4	37.1
	CO ₂ emissions basic unit	kg-CO ₂ /m ²	56.9	56.3	54
CO ₂ emissions		Thousand t-CO ₂	79.2	75.9	73.2

Environmental conservation data (by usage, by emission type)

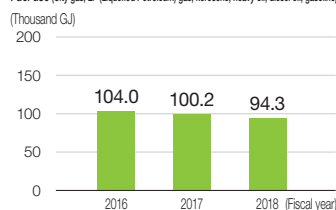
Water use (water supply, sewage)



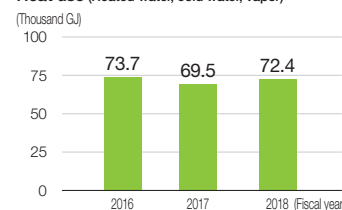
Electricity use



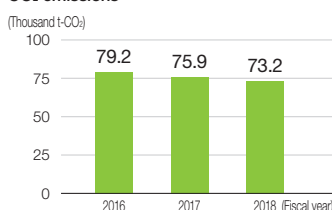
Fuel use (City gas, LP (Liquefied Petroleum) gas, kerosene, heavy oil, diesel oil, gasoline)



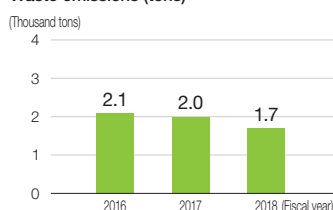
Heat use (Heated water, cold water, vapor)



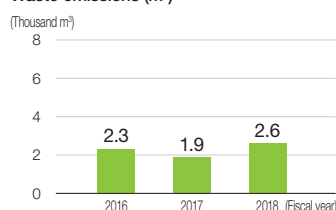
CO₂ emissions



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 port and harbor operation business and the real estate business are based on the reported values in the Company's report based on the Act on Rationalizing Energy Use.
- 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 Act on Rationalizing Energy Use, fuel, CO₂ emissions and basic unit denominator were calculated for one of the Company's major trucking subsidiaries based on the standard in the Act on Rationalizing Energy Use.
- Business sites for the port and harbor operation business were restricted to three places where the Company is in charge of transportation referenced to the Act on Rationalizing Energy Use.
- For electricity usage and CO₂ emissions, the reported amounts for the Company's subsidiary in the logistics business (the one company under the Act on Rationalizing Energy Use) were added.
- The CO₂ emission volume was calculated based on the electricity, fuel and heat volume used under the standard of the Act on Rationalizing Energy Use.
- 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 by some of the Group companies.

Calculated leakage amount of fluorocarbons Unit:t-CO₂

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Leakage amount	1,027	468	910	605

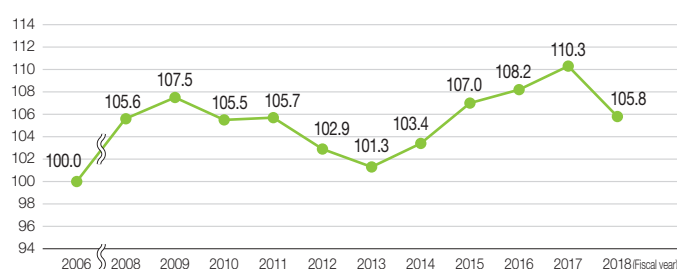
The Company's facilities that have obtained CASBEE Rank A certification or above

Number	Name of facility	Branch	Completion month	CASBEE name, etc.	Rank obtained	Notes
1	Sakurajima Distribution Center No. 3	Osaka	March 2008	CASBEE Osaka	A	Osaka City
2	Tobishima Distribution Center (Phase 1)	Nagoya	October 2008	CASBEE construction (new)	A	Institute for Building Environment and Energy Conservation (IBEC)
3	Yokohama Dia Building	Yokohama	December 2009	CASBEE Yokohama	S	
4	Ibaraki Distribution Center No. 3	Osaka	October 2012	CASBEE Osaka Prefecture	A	Osaka Prefecture
5	Daito Distribution Center	Osaka	December 2012	CASBEE Osaka Prefecture	A	Osaka Prefecture
6	Misato Distribution Center No. 2	Tokyo	March 2013	CASBEE Saitama Prefecture	A	Saitama Prefecture
7	DIACREST MUSASHI-NAKAHARA	Head Office	October 2013	CASBEE Kawasaki	A	
8	Nihonbashi Dia Building	Head Office	September 2014	CASBEE new construction	S	ERI Co., Ltd.
9	Tobishima Distribution Center (Phase 2)	Nagoya	September 2015	CASBEE Aichi	A	
10	DIACREST KYODAI-KUMANO	Osaka	February 2017	CASBEE Kyoto	A	Kyoto City
11	Seishin Distribution Center	Kobe	March 2018	CASBEE Kobe	A	
12	Ibaraki Distribution Center No. 4	Osaka	July 2018	CASBEE Osaka Prefecture	A	Osaka Prefecture
13	DIACREST KOKUJUN-KENTO	Osaka	March 2019	CASBEE Osaka Prefecture	A	Osaka Prefecture, carpark building is Rank B

Change of total gas mileage at all operational sites of Ryoso Transportation Co., Ltd. (fiscal 2006 to fiscal 2018) (Unit: km/L)

Fiscal year	2006	2008	2009	2010	2011	2012
Vehicles for business use	2.45 (100.0)	2.59 (105.6)	2.63 (107.5)	2.58 (105.5)	2.59 (105.7)	2.52 (102.9)
Fiscal year	2013	2014	2015	2016	2017	2018
Vehicles for business use	2.48 (101.3)	2.53 (103.4)	2.62 (107.0)	2.65 (108.2)	2.70 (110.3)	2.60 (105.8)

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



Promotion of CSR

Number of news releases

Unit: case

	Fiscal 2016 achievements	Fiscal 2017 achievements	Fiscal 2018 achievements
Logistics	2	6	7
Real Estate	0	1	3
IR	5	8	6
CSR	3	2	2
Other	5	3	7
Total	15	20	25

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

Unit: persons

	Fiscal 2016 achievements	Fiscal 2017 achievements	Fiscal 2018 achievements
Awareness surveys concerning CSR and compliance			
In-house	1,458	1,426	1,517
Domestic Group companies	1,807	1,869	1,882
Total	3,265	3,295	3,399

Organizational Governance

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

Unit: persons

	Fiscal 2016 achievements	Fiscal 2017 achievements	Fiscal 2018 achievements
Check on status of compliance with Code of Conduct			
In-house	1,421	1,499	1,565
Domestic Group companies	2,745	2,671	2,646
Overseas Group companies	81	74	80
Total	4,247	4,244	4,291

Respect for Human Rights

Number of persons participated in human rights awareness course to spread awareness for human rights

Unit: persons

	Fiscal 2016 achievements	Fiscal 2017 achievements	Fiscal 2018 achievements
Human rights awareness course	49	53	58

Fulfillment of Sincere and Fair Business Activities

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

Unit: persons

	Fiscal 2016 achievements	Fiscal 2017 achievements	Fiscal 2018 achievements
In-house	49	50	59

Number of respondents to information security questionnaire

	Fiscal 2016 achievements	Fiscal 2017 achievements	Fiscal 2018 achievements
Number of questionnaires conducted	Twice	Twice	Once
Number of respondents	2,887	3,271	3,431

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

Unit: persons

	Fiscal 2016 achievements	Fiscal 2017 achievements	Fiscal 2018 achievements
In-house	757	801	846
Domestic Group companies	1,047	1,019	1,033
Total	1,804	1,820	1,879

Provision of Safe, High-Quality and Useful Services

Number of persons participated in training for earthquake measures

	Fiscal 2016 achievements	Fiscal 2017 achievements	Fiscal 2018 achievements
Execution period	–	February, March 2018	February, March 2019
Place	–	Nagoya Branch, Osaka Branch, Fukuoka Branch	Tokyo Branch, Yokohama Branch, Kobe Branch
Number of participants	–	Total of around 70	Total of around 110

Support/relief goods logistics base facilities

Block	Branch	Facility name	Year/month of construction	Area used for transportation of support/relief goods
Kanto	Tokyo	Aomi Distribution Center 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 Distribution Center	2008.11	1,000m ²
Kinki	Osaka	Honjoh Warehouse	1992.1	1,000m ²
		Sakurajima Distribution Center 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 Distribution Center	2003.4	1,000m ²

GRI Standards reference table

(Lists mainly “Core” options)

◆ General Disclosures

Disclosure number	Disclosure contents	Reference page number	Contents
1. Organizational Profile			
102-1	a. Name of the organization.	P. 37	Company Profile
102-2	a. A description of the organization's activities. b. Primary brands, products and services, including an explanation of any products or services that are banned in certain markets.	P. 4-5	Introduction of Businesses
102-3	a. Location of the organization's headquarters.	P. 37	Company Profile
102-4	a. Number of countries where the organization operates, and the names of countries where it has significant operations.	P. 37	Company Profile
102-5	a. Nature of ownership and legal form.	P. 37	Company Profile
102-6	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	P. 37	Company Profile
102-7	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	P. 37	Company Profile Financial Data
102-8	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	P. 15 P. 37	Status of employees Company Profile
102-9	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	P. 4-5	Introduction of Businesses
102-10	a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	P. 11 P. 25	Opening of Ibaraki Distribution Center No. 4 in Osaka
102-11	a. Whether and how the organization applies the Precautionary Principle or approach.	P. 12-13 P. 27-31	Organizational Governance Provision of Safe, High-Quality and Useful Services
102-12	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	P. 36	Statement Supporting the UN Global Compact
102-13	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	—	—
2. Strategy			
102-14	a. 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 its strategy for addressing sustainability.	P. 2-3	Top Message
3. Ethics and integrity			
102-16	a. A description of the organization's values, principles, standards, and norms of behavior.	P. 6-8	Promotion of CSR, MLC2030 Vision
4. Governance			
102-18	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	P. 12 P. 13	Organizational governance CSR and Compliance Committee

Disclosure number	Disclosure contents	Reference page number	Contents
5. Stakeholder engagement			
102-40	a. A list of stakeholder groups engaged by the organization.	—	—
102-41	a. Percentage of total employees covered by collective bargaining agreements.	—	—
102-42	a. The basis for identifying and selecting stakeholders with whom to engage.	P. 6 P. 7	Stakeholders recognized by the Mitsubishi Logistics Group Seven Principles of Social Responsibility
102-43	a. 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.	—	—
102-44	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	—	—

6. Reporting practice			
102-45	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	P. 37	Company Profile
102-46	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	P. 1	Editorial Policy
102-47	a. A list of the material topics identified in the process for defining report content.	—	—
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	—	—
102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	—	—
102-50	a. Reporting period for the information provided.	P. 1	Editorial Policy
102-51	a. If applicable, the date of the most recent previous report.	P. 1	Editorial Policy
102-52	a. Reporting cycle.	P. 1	Editorial Policy
102-53	a. The contact point for questions regarding the report or its contents.	P. 1	Editorial Policy
102-54	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards; Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option.'	—	—
102-55	a. The GRI content index, which specifies each of the GRI standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	—	—
102-56	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	—	—

◆ Management Approach

Disclosure number	Disclosure contents	Reference page number	Contents
General requirements for reporting the management approach			
103-1	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	—	—