



Mitsubishi Logistics
Integrated Report

2022

Corporate Philosophy

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.



Editorial Policy

The Mitsubishi Logistics Group (the “Group”) has issued the 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. However, last year, in fiscal 2021, we further enhanced the information to be published, and changed the title to “Mitsubishi Logistics Integrated Report.”

This year’s Integrated Report 2022 introduces the various measures and progress of the targets set for each of the six key themes established in “Initiatives by the Mitsubishi Logistics Group for ESG Management and the SDGs” announced in April 2021. In addition, the Report provides an overview of the Management Plan (2022-2024) announced in March 2022, and describes precisely and in an easy-to-understand manner the initiatives of the Mitsubishi Logistics Group, including efforts to enhance the disclosure of ESG-related data.

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, 2021 to March 31, 2022. To ensure comprehensive disclosure, however, certain relevant information regarding events that occurred prior to and/or after this period has been included.

Publication Date (Previous publication date: September 2021)

September 2022
(Next planned publication date: September 2023)

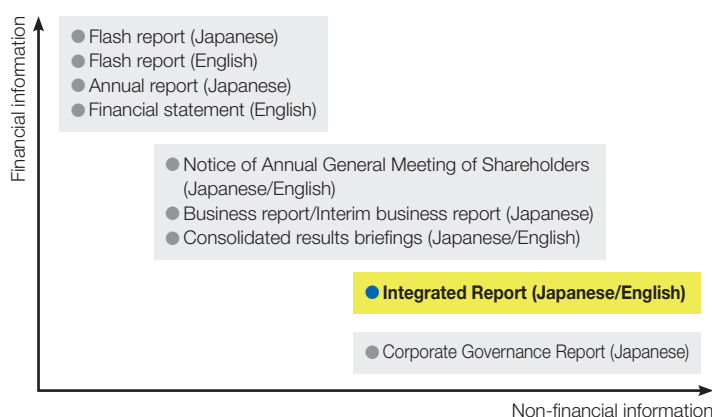
Reference Guidelines


- Ministry of the Environment: Environmental Reporting Guidelines (Fiscal Year 2018 Version)
- Global Reporting Initiative (GRI): Sustainability Reporting Guidelines (GRI Standards)
- IIRC (International Integrated Reporting Council)

Contacts for Inquiries Regarding the Integrated Report

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Tool Map



 You may view various data and the reference table for Global Reporting Initiative (GRI): Sustainability Reporting Guidelines (GRI Standards) on Mitsubishi Logistics' Web site.

“Extended version”

HOME ▶ ESG/SDGs ▶ Integrated Report ▶ Extended version

“GRI Guidelines reference table”

HOME ▶ ESG/SDGs ▶ Integrated Report ▶ Reference table for GRI guideline

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Company Profile and Stock Information

The Mitsubishi Logistics Group, leading the way into a new era and continuing to grow together with social and economic changes

The Company was founded in 1887 in Fukagawa, Tokyo, after absorbing the warehousing business from the former Mitsubishi Company. For over 130 years, we have been engaged in the Logistics Business through the organic integration of the Overland Transportation, Port and Harbor Transportation, and International Transportation Businesses centering on the Warehousing and Distribution Business. Since the mid-1950s, we have been developing the Real Estate Business, expanding our business domain from leased buildings constructed on company-owned property to the sale and leasing of homes and the management of retail facilities.

1887

> 1900

> 1950

1887

April 1887

Established as Tokyo Warehouse Limited Company, headquartered in Fukagawa, Tokyo, after absorbing the warehousing business from Mitsubishi Company (founded in March 1880).

December 1893 Reorganized the company and changed the name to Tokyo Warehouse Co., Ltd.

1900

December 1902 Established Kobe Branch.

November 1907

Completed an integrated land and sea cargo handling facility for shipping freight at Kobe Port, and established a system for the port Warehousing Business with links to rail transport (later the Port and Harbor Transportation business).

Fiscal 1907 (non-consolidated)	
Operating revenue:	¥860,000
Operating income:	¥320,000



▲ 1907 Wada Terminal, Kobe

March 1918 Changed name to Mitsubishi Warehouse Co., Ltd.

September 1923 Suffered damage in the Great Kanto Earthquake.

January 1931

Inaugurated Japan's first trunk-room service in Edobashi (present-day Nihonbashi), Tokyo.

Fiscal 1930 (non-consolidated)	
Operating revenue:	¥8,860,000
Operating income:	¥870,000



▲ 1930 Edobashi Warehouse Building

May 1949 Listed on the Tokyo Stock Exchange.

1950

November 1962

Constructed a multi-purpose rental building for data centers, warehousing rooms and residential units in Fukagawa, Tokyo, and started the business of leased buildings for computer processing centers.

(The Company subsequently made a full-scale entry into the real estate business, constructing rental facilities, including buildings for computer processing centers, office buildings and commercial facilities, and continuing with the sale of condominiums.)

Fiscal 1962 (non-consolidated)	
Operating revenue:	¥6,727 million
Operating income:	¥628 million



1973 Tokyo Dia Building ▶

April 1963

Made a full-scale entry into the trucking business.

January 1970

Established a warehousing company in California, U.S.

April 1971

Made a full-scale entry into the air freight business.

September 1973

Established a rental building for computer-processing centers in Shinkawa, Tokyo (Tokyo Dia Building)

April 1984

Established a transportation company in Singapore.

October 1986

Established a company engaged in information-related business.

April 1987

Celebrated the centennial of the Company's foundation.

1992

Built high-performance warehouses at each branch (approximately 83,000 m²) and declared the first year of our warehouse remodeling.

Fiscal 1992 (non-consolidated)	
Operating revenue:	¥124.4 billion
Operating income:	¥10.7 billion

September 1992

Constructed rental facilities, including retail facilities and office buildings, at Harborland, Kobe.

June 1993

Established a warehousing company in Indonesia

January 1995

Suffered damage in the Great Hanshin Earthquake

February

Established a transportation company in the Netherlands.

April 1996

Established a warehousing company in China.

June

Changed English name to Mitsubishi Logistics Corporation.

1999

Made a full-scale entry into the refrigerated warehouse business.

Fiscal 1999 (consolidated)	
Operating revenue:	¥125.8 billion
Operating income:	¥11.1 billion



(Constructed refrigerated warehouses in Ohi, Tokyo in June 1999 and in Rokko, Kobe in December 2002.)

◀ 1999 Automated warehouse (Ohi Refrigerated Warehouse)

> 2000



▲ 2005
Built North Building, Sakurajima Distribution Center No. 2 (Comprehensive Efficiency Plan No. 1 under the Logistics Efficiency Improvement Act).



▲ 2006
Yokohama Bay Quarter

August 2006 Constructed a retail facility at Yokohama Portside.

January 2007 Formulated our Environmental Policy.

April 2008 Certified as an Authorized Warehouse Operator (AEO warehouse)

October Enacted our Quality Declaration.

September 2010 Conducted a tender offer for the shares of Fuji Logistics Co., Ltd., turning the company and its 10 subsidiaries into our consolidated subsidiaries.

March 2011 Suffered damage in the Great East Japan Earthquake.

October 2012 Completed Ibaraki Distribution Center No. 3 in Osaka.



Disaster-Resistant Facility

The first Disaster-Resistant and Eco-Friendly Warehouse. Disaster-Resistant and Eco-Friendly Warehouses have been constructed in several domestic areas since the construction of the first warehouse.

September 2014 Completed Nihonbashi Dia Building.

Rebuilt the warehouse building (head office, trunk room) owned in Edobashi, Tokyo, and constructed a Disaster-Resistant and Eco-Friendly Office Building.



Disaster-Resistant Facility



Disaster-Resistant Facility

◀ September 2015
Completed expansion of the Tobishima Distribution Center, Nagoya.

> 2020

June 2017

Certified as an Authorized Customs Broker (AEO customs)

October

Completed the MM2100 Distribution Center in Indonesia.

Opened the first overseas Disaster-Resistant and Eco-Friendly Warehouse.



Disaster-Resistant Facility



Disaster-Resistant Facility

▲ July 2018
Completed Ibaraki Distribution Center No. 4 in Osaka.



Disaster-Resistant Facility

▲ November 2019
Completed Seishin Distribution Center Phase 2 Building in Kobe.



Disaster-Resistant Facility

▲ February 2020
Completed Minamihonmoku Distribution Center in Yokohama.



Disaster-Resistant Facility

▲ October 2020
Completed Misato Distribution Center No. 2 Phase 2 building in Saitama Prefecture

April 2021

Announced “Initiatives by the Mitsubishi Logistics Group for ESG Management and the SDGs”

Fiscal 2021 (consolidated)

Operating revenue:
¥257.2 billion
Operating income:
¥18.1 billion

July 2021

Opened “SharE Center misato” in Misato City, Saitama Prefecture



April 2022

Celebrated the 135th anniversary of the Company's foundation

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



Masao Fujikura

Representative Director and
President

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.

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 Transportation, 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 (2022–2024)

The current fiscal year is the first year of the Management Plan (2022-2024), which started in April 2022. Despite signs of active freight movement in some areas, including e-commerce markets, due to the global COVID-19 pandemic since the year before last, the economy in Japan and overseas remained unstable, partly because of increases in energy, food, and raw material prices accelerated by the invasion of Ukraine by Russia.

On the other hand, new business opportunities are being created as a result of new factors such as technological innovation through DX (Digital Transformation) and the realization of a decarbonized society through GX (Green Transformation).

In 2019, the Group defined the ideal image of the Mitsubishi Logistics Group, the “MLC2030 Vision” (see page 20) that we ought to pursue towards the year 2030.

The Group positioned the previous Management Plan (2019-2021) as the first stage to make a leap toward the achievement of the MLC2030 Vision, and we continued to provide safe, high-quality and socially useful services centering on our core Warehousing and Distribution Business, strengthened the business foundations of the priority areas, established a system that leverages new technologies, and increased shareholder returns, despite the unforeseen business environment caused by the global COVID-19 pandemic. In this new Management Plan (2022-2024), which forms the second stage, we established five basic policies centered on strengthening profitability. In terms of financial targets, we set target values for operating revenue, operating income, and, for the first time, ROE, and also clarified our capital allocation. We will accelerate the reduction of cross-shareholdings after continuously verifying the rationality of such holdings, and use the proceeds from their sale for strategic investment (DX, IT-related investment, new business development, M&A, environmental initiatives, etc.) and for shareholder returns.

Based on a solid revenue base and an appropriate financial foundation, we will work to further enhance shareholder returns, increase capital efficiency, and further improve corporate value.

Corporate Social Responsibility

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 believes that complying with internationally accepted norms in the areas of human rights, labor, the environment and anti-corruption in its business activities and fulfilling its social responsibility will lead to an affluent and sustainable society.



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, we must listen to the voices of each stakeholder and steadily respond to the changes in the business environment and social landscape. In particular, taking into account the increased demand for reducing natural disaster risk stemming from the global increase and intensification of natural disasters that are believed to be caused by climate change, 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.

Furthermore, with regard to climate change, in June 2022 we announced our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and also participated in the TCFD Consortium. This latest Integrated Report 2022 also discloses information on climate change based on the TCFD framework, in accordance with the requirements of the Corporate Governance Code (📄 see page 28). Details are posted on our website. By classifying the risks and opportunities, we were able to confirm the issues that need to be addressed and new business opportunities. Going forward, we will continue to work on our climate change response.



Following on from the previous fiscal year, we worked on business continuity while implementing measures to prevent COVID-19. As a logistics company, and as a real estate business operator, I believe that we were able to respond to the ongoing risks and fulfill our corporate social responsibility.

Further Promotion of Initiatives for ESG Management and the SDGs

In April 2021, in order to respond to calls from stakeholders, we announced the “Initiatives by the Mitsubishi Logistics Group for ESG Management and the SDGs” based on our corporate philosophy, the MLC2030 Vision and our corporate activities to date as explained above, and established six key themes that we are focusing on (➡ see page 14). These initiatives are based on the Group’s experience of working collaboratively to overcome the Great Hanshin Earthquake that occurred on January 17, 1995 and the Great East Japan Earthquake that occurred on March 11, 2011 and to respond to customer requests. The concepts of Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings that I explained when discussing climate change were born from such experiences. Disaster-Resistant Facilities are prepared not just for climate change but also for earthquakes.

The Management Plan (➡ 2022-2024) was formulated based on the content of the “Initiatives by the Mitsubishi Logistics Group for ESG Management and the SDGs,” and we have established measures on which to focus during the period of the plan in order to achieve the goals of the six key themes.

While overlapping with the key themes, these initiatives will serve to create and provide new value and realize diversity in our workstyles by promoting innovation and building partnerships based on the two principles of valuing safety and security and taking care of the environment.

This effort is linked to the spirit of the Three Principles of Mitsubishi’s Business Management Philosophy (➡ see page 15), which has been passed down throughout the history of the Mitsubishi Group.

We will promote high-quality initiatives as specific initiatives to reliably achieve the targets set in our Initiatives for ESG Management and the SDGs, including through progress management by the Sustainability Committee, periodic inspection and replacement of relevant measures and KPIs, and expanded communication with internal and external parties through resources such as the Integrated Report and the Group’s official website. In addition, we recently increased some of the target values set in the six key themes. Following the publication of this Report, we will strengthen the functions of the Sustainability Committee and establish a new dedicated organization to strongly promote sustainability initiatives.

We aim to create value and achieve growth by reinforcing the Group’s commitment to “contributing to the realization of an affluent and sustainable society through our corporate activities,” and working together with our customers, partners, and other parties to create a new society.

We ask for your continued understanding and support.

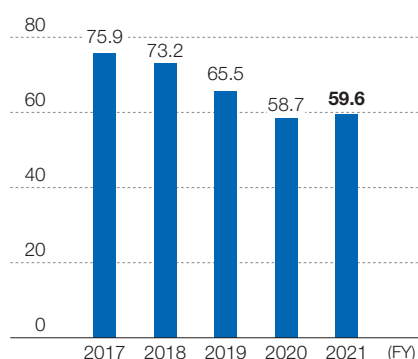
Financial Items

		Fiscal 2012 (year ended March 31, 2013) (actual results)	Fiscal 2013 (year ended March 31, 2014) (actual results)	Fiscal 2014 (year ended March 31, 2015) (actual results)	Fiscal 2015 (year ended March 31, 2016) (actual results)	Fiscal 2016 (year ended March 31, 2017) (actual results)
Operating revenue	(million yen)	192,260	198,161	204,362	206,831	208,718
Logistics Business	(million yen)	155,322	162,481	170,402	169,006	167,907
Real Estate Business	(million yen)	38,749	37,484	35,941	39,876	42,894
Inter-segment transactions	(million yen)	(1,810)	(1,804)	(1,981)	(2,051)	(2,083)
Operating income	(million yen)	12,305	12,148	11,449	11,309	12,748
Logistics Business	(million yen)	5,572	6,816	7,204	5,579	6,661
Real Estate Business	(million yen)	11,107	9,702	9,166	10,614	11,719
Corporate expenses	(million yen)	(4,375)	(4,370)	(4,921)	(4,885)	(5,633)
Non-operating income (loss)	(million yen)	2,221	1,965	3,007	2,716	3,308
Ordinary income	(million yen)	14,526	14,113	14,456	14,025	16,056
Extraordinary income (loss)	(million yen)	(804)	288	395	645	(260)
Profit before income taxes	(million yen)	13,721	14,402	14,851	14,670	15,796
Profit attributable to owners of parent	(million yen)	8,591	8,520	9,133	9,350	10,665
EBITDA (Operating Income + Depreciation)	(million yen)	24,402	24,665	24,838	25,139	25,673
Amounts per share of profit attributable to owners of parent/Earnings per share	(yen)	49.02	48.62	52.12	53.37	60.88
Amounts per share of cash dividends applicable to the year/Annual dividend per share	(yen)	Interim 6 Term-end 6	Interim 6 Term-end 6	Interim 6 Term-end 6	Interim 6 Term-end 6	Interim 6 Term-end 8
Dividend payout ratio	(%)	24.5	24.7	23.0	22.5	23.0
Total assets	(million yen)	375,180	396,238	433,041	413,264	435,354
Total liabilities	(million yen)	147,352	159,596	169,952	155,740	158,484
Total net assets	(million yen)	227,827	236,641	263,089	257,524	276,870
Net assets per share	(yen)	1,288.42	1,337.56	1,486.99	1,455.06	1,565.27
Equity ratio	(%)	60.2	59.2	60.2	61.7	63.0
Return on investment (ROE)	(%)	3.9	3.7	3.7	3.6	4.0
Return on assets (ROA)	(%)	2.4	2.2	2.2	2.2	2.5
Depreciation	(million yen)	12,097	12,517	13,389	13,830	12,925
Increase in non-current assets (capital investment amount)	(million yen)	17,723	23,674	24,462	8,841	27,336
Cash flows from operating activities	(million yen)	19,552	19,701	20,691	17,246	21,466
Cash flows from investing activities	(million yen)	(16,513)	(23,144)	(20,562)	(7,032)	(22,270)
Cash flows from financing activities	(million yen)	1,760	11,634	1,638	(7,927)	(7,819)
Cash and cash equivalents at the end of the year	(million yen)	32,461	41,236	43,276	45,658	36,921

Non-financial Items

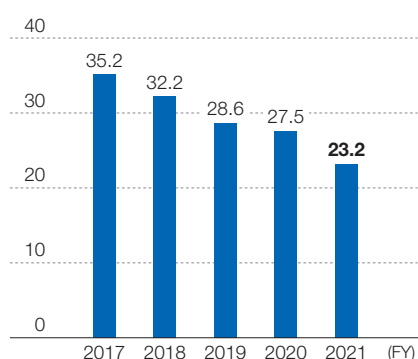
CO₂ emissions

(Unit: thousand t-CO₂)



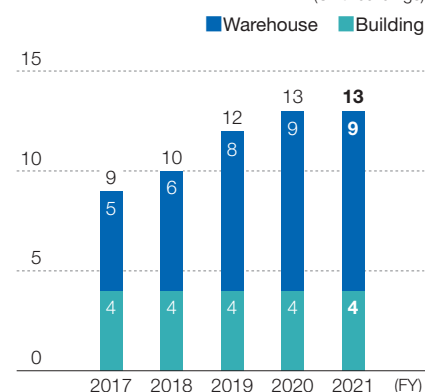
CO₂ emissions per revenue

(Unit: t-CO₂/100 million yen)



Cumulative number of Disaster-Resistant Eco-Friendly Warehouses and Disaster-Resistant Eco-Friendly Office Buildings

(Unit: buildings)





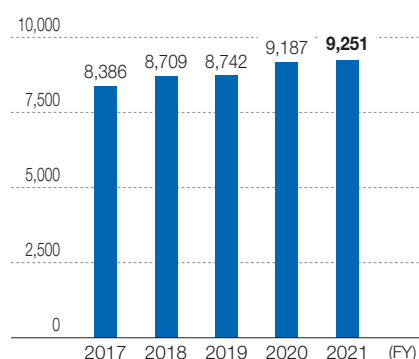
	Fiscal 2017 (year ended March 31, 2018) (actual results)	Fiscal 2018 (year ended March 31, 2019) (actual results)	Fiscal 2019 (year ended March 31, 2020) (actual results)	Fiscal 2020 (year ended March 31, 2021) (actual results)	Fiscal 2021 (year ended March 31, 2022) (actual results)	Fiscal 2022 (year ending March 31, 2023) (forecast ^{*)})	Fiscal 2021 (year ended March 31, 2022) (Management Plan (2019-2021) targets)	Fiscal 2024 (year ending March 31, 2025) (Management Plan (2022-2024) targets)
	215,407	227,185	229,057	213,729	257,230	270,000	240,000	260,000
	181,277	190,434	189,709	179,255	215,240	—	198,700	215,000
	36,025	38,679	41,199	36,153	43,662	—	43,600	46,800
	(1,895)	(1,928)	(1,851)	(1,679)	(1,672)	—	(2,300)	(1,800)
	12,421	12,660	12,195	11,735	18,144	18,800	14,500	20,000
	7,662	7,609	7,184	7,232	13,703	—	9,200	14,000
	10,181	10,783	10,859	10,038	10,316	—	10,700	11,600
	(5,422)	(5,731)	(5,847)	(5,535)	(5,875)	—	(5,400)	(5,600)
	3,739	4,673	4,626	4,278	5,006	—	—	—
	16,160	17,333	16,822	16,013	23,151	25,300	17,100	—
	(790)	(541)	(84)	40,097	2,773	—	—	—
	15,370	16,792	16,737	56,111	25,924	—	—	—
	10,517	11,564	11,851	39,160	17,892	24,000	—	—
	25,168	25,656	26,447	26,595	33,610	—	30,100	—
	120.07 ^{*)}	132.03	137.31	462.28	219.47	299.53	—	—
	Interim 7 Term-end 14 ^{*)}	Interim 15 Term-end 30	Interim 30 Term-end 30	Interim 30 Term-end 30	Interim 39 Term-end 41	Interim 41 Term-end 41	—	—
	23.3	34.1	43.7	13.0	36.5	27.4	—	—
	462,031 ^{*)}	482,575	468,243	535,761	562,187	—	—	—
	167,480 ^{*)}	183,470	181,886	208,932	214,427	—	—	—
	294,550	299,104	286,356	326,829	347,759	—	—	—
	3,330.71 ^{*)}	3,381.20	3,298.18	3,914.63	4,238.85	—	—	—
	63.1 ^{*)}	61.4	60.5	60.4	61.2	—	—	—
	3.7	3.9	4.1	12.9	5.4	—	—	7.0
	2.3	2.4	2.5	7.8	3.3	—	—	—
	12,747	12,995	14,252	14,860	15,465	—	—	—
	21,582	18,036	26,387	38,817	42,383	—	—	—
	21,481	23,352	17,624	40,176	36,216	—	—	—
	(22,219)	(31,786)	(18,022)	(14,002)	(29,221)	—	—	—
	3,419	12,066	(2,359)	(5,270)	(16,518)	—	—	—
	39,580	42,972	40,541	61,367	52,505	—	—	—

*1 A reverse stock split was conducted on October 1, 2017 at a ratio of one share for every two shares of common stock.

*2 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 consolidated financial position for fiscal 2017 has been retrospectively adjusted to reflect the application of the Standard, etc.

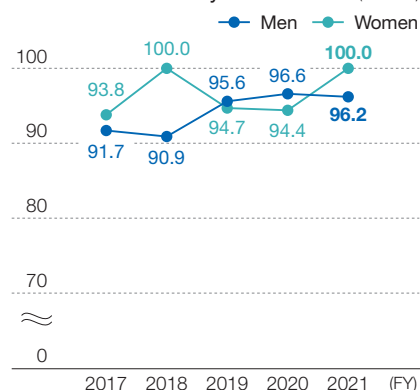
*3 Forecast following revisions to FY2022 1Q

Total number of people who received compliance education^{*)} (Unit: persons)

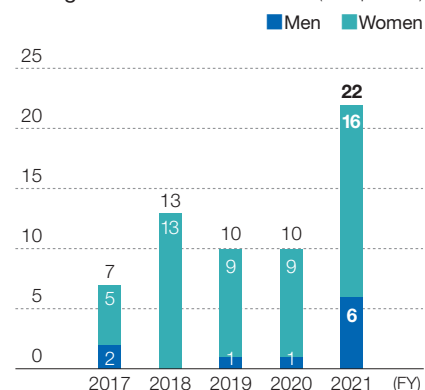


*4 Total number of participants (cumulative number of participants during each fiscal year) for all Group companies

Ratio of new employees retained after three years (Unit: %)



Number of employees taking child-care leave (Unit: persons)

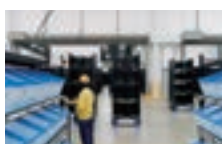


We support people's affluent lives and corporate activities through the Logistics Business and the Real Estate Business.

The Mitsubishi Logistics Group provides high-quality services to support people's affluent lives and corporate activities through the Logistics Businesses centering on the Warehousing and Distribution Business and the Real Estate Businesses centering on the leasing of buildings.

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, we manage fixed temperature storage and refrigerated warehouses for pharmaceuticals and fresh and processed foods as well as facilities suited to e-commerce logistics 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 technology and facilities in order to respond to rapid technological innovation (logistics DX). 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 not only in Japan but also overseas under the concept of Disaster-Resistant and Eco-Friendly Warehouse equipped with a solar power generation system and emergency power generators.



Overland Transportation Business

In collaboration with excellent local counterparts and K.R.S. Corporation, with which we have formed a new business alliance, we extend and reinforce the optimal distribution system for each customer through a tactical combination of our national, trunk-line transit network and independent collection and delivery services linking local areas. We are expanding transportation/delivery operations mainly through Ryoso Transportation Co., Ltd. for foods, beverages and miscellaneous goods, and through Dia Pharmaceutical Network Co., Ltd. for pharmaceuticals. We offer cargo feature-specific, diversified transportation/delivery services that include ocean freight container transportation for import and export cargo by Ryoso Transportation Co., Ltd., and the transportation and installation of heavy goods such as plant facilities by Fuji Logistics Co., Ltd.



Moreover, we endeavor to realize eco-friendly, safe and secure transportation services incorporating modal shifts by drawing on our information technology and promoting green management. Furthermore, with DP-Cool, a temperature-controlled pharmaceuticals delivery service with enhanced temperature control and security measures, we strive to realize further sophistication of transportation quality.

Port and Harbor Transportation Business

We provide secure high-quality logistics services including container terminal operations for integrated port and harbor transportation 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, railways and trucks. Meanwhile, the Group's 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, procedures and tariff costs utilizing economic partnership agreements in the respective areas for customers who plan to launch into foreign markets. 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.



Logistics Business

83.1%

Operating revenue **¥215,240 million**

Operating revenue compared with fiscal 2021

Real Estate Business

16.9%

Operating revenue **¥43,662 million**



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 1 million 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.



Logistics Business, Warehousing and Distribution Business, Overland Transportation Business



Eiichi Kato

General Manager,
Warehousing and Distribution
Business Division

Currently, the Japanese logistics industry is required to promote DX, respond to issues such as labor shortages, achieve SDGs, and address ESG.

The Mitsubishi Logistics Group's Warehousing and Distribution Business and Overland Transportation Business are actively promoting a reduction in environmental impact and the use of cutting-edge technology. By reflecting the values of external partners and diverse human resources in our logistics services, we will create new value and continue to strive to resolve social issues and achieve business growth.

Segment overview

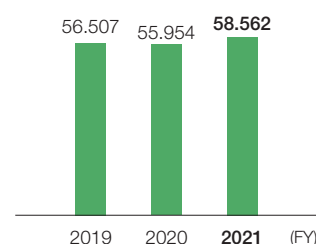
Warehousing and Distribution Business

The launch of SharE Center misato and a pharmaceutical distribution center contributed to our business performance.

Fiscal 2021 operating revenue

¥58,562 million (▲ up 4.7% year on year)

Operating revenue (Unit: ¥billion)



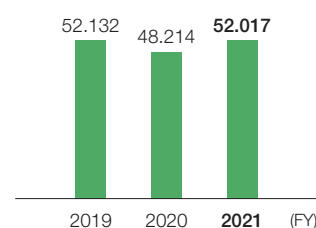
Overland Transportation Business

Sales increased as a result of receiving contracts for distribution center operations and the recovery in customers' freight volume.

Fiscal 2021 operating revenue

¥52,017 million (▲ up 7.9% year on year)

Operating revenue (Unit: ¥billion)



Business strategy

Warehousing and Distribution Business

Expand business centered on the growth of priority areas	<ul style="list-style-type: none"> Restructure the organization in line with business strategy and optimize management resources Develop logistics bases and networks in Japan and overseas
Create new value using cutting-edge technology	<ul style="list-style-type: none"> Improve the efficiency of the entire supply chain by building a logistics data platform Improve productivity through systemization and develop new services
Distribution center management that contributes to the resolution of social issues	<ul style="list-style-type: none"> Expand Disaster-Resistant and Eco-Friendly Warehouses in Japan and overseas Promote the introduction of LED lighting and other equipment that reduces the environmental impact

Overland Transportation Business

Expand business centered on the growth of priority areas	<ul style="list-style-type: none"> Develop cold chain services in Japan and overseas Further improve the quality of pharmaceutical logistics services
Utilize cutting-edge technology in the Overland Transportation Business	<ul style="list-style-type: none"> Visualize various transportation information through the logistics data platform
Collaborate with external partners to resolve social issues	<ul style="list-style-type: none"> Provide safe and secure food/beverage and pharmaceutical transportation/delivery services through appropriate temperature control Develop cryogenic transportation/delivery services that can be used in the medical field Reduce the environmental impact through joint verification tests for the visualization of CO₂ emissions

Business alliance with K.R.S. Corporation in the fields of food and pharmaceuticals distribution

In January 2022, Mitsubishi Logistics Corporation and K.R.S. Corporation announced that they have entered into a business alliance agreement.

As expectations for cold chain technology rise due to increased demand for chilled and frozen foods and the issuance of guidelines for appropriate distribution of medicinal drugs (GDP: Good Distribution Practice), we will promote the provision of high-quality logistics services and the joint development of new services by combining the logistics networks and expertise of both companies.

三菱倉庫



KRS
株式会社キユーソー流通システム



Logistics Business, Port and Harbor Transportation Business



Seiji Ueda

General Manager,
Port and Harbor Transportation
Business Division

The Mitsubishi Logistics Group's Port and Harbor Transportation Business has continued to grow along with economic development, with our top priority being contributions to socio-economic development through the port and harbor transportation business at major Japanese ports. We aim to secure stable profits by further enhancing the competitiveness of the port and harbor transportation business by leveraging its cargo handling services, which rank the highest globally for efficiency, and by steadily implementing the following business strategies.

Segment overview

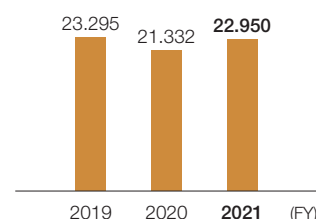
The container handling volume remained at the same level as the previous year, and the freight handling volume of conventional vessels and car carriers recovered.

Fiscal 2021 operating revenue

¥22,950 million* (▲ up 7.6% year on year)

* Does not include revenue from shipping related services such as ship registration and agency operations.

Operating revenue (Unit: ¥billion)



Business strategy

Expand business and enhance competitiveness of the Harbor Transportation Business Division

- Expand the conventional shipping freight business and the car carrier business
- Strategic operation of independently operated container terminals (Osaka: Nanko C-9, Kobe: Rokko C-4)

Increase profit margins and improve profitability

- Improve profit margins by streamlining operations and reviewing costs at container terminals
- Improve profitability by reviewing work systems, etc. for unprofitable operations at subsidiaries under our jurisdiction

Expand logistics operations related to cargo handling work on vessels and ship registration operations

- Acquire new business by incorporating the needs of shipping companies and shippers related to cargo handling work on vessels
- Strengthen relationships with existing business partners, and strengthen sales activities to expand the handling of ship registration operations

Undertook agency operations related to the Shimane and Yamaguchi offshore exploratory gas field drilling project

In April 2022, we undertook agency operations for the Shimane and Yamaguchi offshore exploratory gas field drilling project. In this exploratory drilling project, we are in charge of import/export customs clearance and delivery operations for the drilling rigs and other equipment used, as well as ship agency operations for material and equipment supply boats chartered from overseas. Going forward, in addition to oil and natural gas development projects, we will continue to actively participate in renewable energy-related projects such as offshore wind power generation, which is attracting attention as a means to address climate change.



Real Estate Business



Takashi Mukai

General Manager,
Real Estate Business Division

As a result of COVID-19, the office market is contracting and undergoing a shift toward the consolidation of bases, and the number of customers at some commercial facilities is flagging. In view of this, the Mitsubishi Logistics Group's Real Estate Business will work to strengthen its earnings base, including by maintaining and improving profitability through redevelopment and reinvestment in existing facilities and the replacement of assets. In addition, we aim to become a business operator that demonstrates high development capabilities and facility management capabilities by accumulating expertise through the acquisition of new projects, such as public-private partnerships (PPP), and participation in joint projects with other companies.

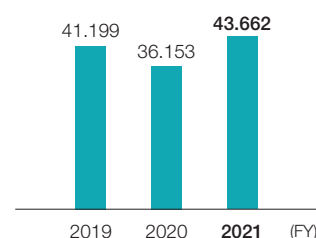
Segment overview

In addition to the acquisition of GRAND FRONT OSAKA, condominium sales increased.

Fiscal 2021 operating revenue

¥43,662 million (▲ up 20.8% year on year)

Operating revenue (Unit: ¥billion)



Logistics Business, International Transportation Business



Munenori Kimura

General Manager,
International Transportation
Business Division

The Mitsubishi Logistics Group's International Transportation Business develops logistics services that contribute to customers' global supply chains, centered on international integrated transport operations, such as ocean and air forwarding, and overseas logistics operations. International logistics has been disrupted by factors such as the COVID-19 pandemic, but based on our motto of fulfilling our transportation responsibilities without delaying our customers' freight, we will provide services that meet the evolving needs of our customers.

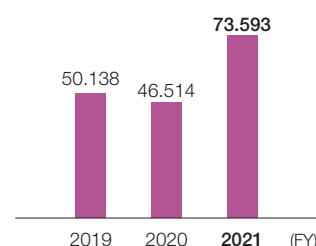
Segment overview

The volume of freight handled increased as a result of the recovery from the COVID-19 pandemic and new projects undertaken.

Fiscal 2021 operating revenue

¥73,593 million (▲ up 58.2% year on year)

Operating revenue (Unit: ¥billion)



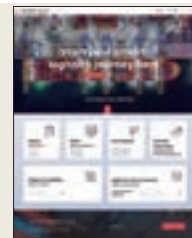
Business strategy

Sales activities centered on priority areas	<ul style="list-style-type: none"> ● Roll out sales activities mainly targeting groups of materials (new materials) whose applications are expanding due to technological innovation ● Offer services that optimize the entire supply chains by expanding the scope of operations undertaken and handling them consistently
Overseas area strategy	<ul style="list-style-type: none"> ● Overseas, develop areas in line with the characteristics of each region, with a particular focus on the four main regions of ASEAN, China, North America, and Europe (strengthening ASEAN in particular where economic growth is significant) ● In forwarding, work to develop a Global Grid (see page 22) that strengthens collaboration among overseas bases, with a particular focus on expanding the handling of freight within the ASEAN region and from ASEAN to Europe and the United States
Construction of a digital platform, and new technologies and new services	<ul style="list-style-type: none"> ● Build a digital platform to create a better customer experience (CX) through cost reductions, new value creation and faster response ● Provide consulting services that visualize the status of transportation and CO₂ emissions, etc., and utilize supply chain analysis tools

Provide support to increase the resilience of customers' global supply chains, and build a digital platform

The global COVID-19 pandemic has led to increased needs for automation in all aspects, transparency and visualization of the status of transportation, and freight arrival forecasts, accelerating the growth of digitalized supply chains. In view of this, we have started building a digital platform that combines digital technology with the logistics knowhow we have gained thus far.

Digital platform portal under development ▶

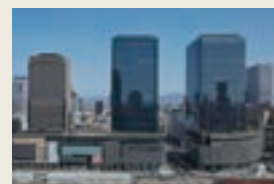


Business strategy

Strengthen the earnings base of the real estate rental business	<ul style="list-style-type: none"> ● Acquired joint equity in GRAND FRONT OSAKA (see Topics) ● Review asset portfolio and sell non-core assets in Tokyo, Osaka and Fukuoka
Expand real estate business that does not depend on land ownership	<ul style="list-style-type: none"> ● Grand Opening of Suma Aqualife Park and Seaside Park Redevelopment Project (Kobe) scheduled for spring 2024 ● Kumoi 5-chome District Category 1 Urban Redevelopment Project (Kobe) scheduled for completion in FY2027

Acquired joint equity in GRAND FRONT OSAKA, an office and commercial facility complex

Opened in April 2013, GRAND FRONT OSAKA is an office and commercial facility complex with direct access to JR Osaka Station. The Company acquired joint equity in GRAND FRONT OSAKA on April 1, 2021 in order to expand its real estate rental business. The complex is located in the advance development area (Umekita Phase 1) of JR Freight's Umeda Freight Depot Site Redevelopment Project, which is expected to become even busier with the development of the adjacent area (Umekita Phase 2). Together with our business partners, we aim to operate facilities that are cherished and enjoyed by visitors.



Overview of initiatives for ESG Management and the SDGs

On April 30, 2021, the Group announced its Initiatives for ESG (Environment, Social, Governance) Management and the SDGs (Sustainable Development Goals) proposed by the United Nations. In order to disseminate these initiatives, we have established six key themes and compiled a list of measures, performance indicators and target values for each theme based on our corporate philosophy, the MLC2030 Vision, the basic policies of the Management Plan (2019-2021), and our CSR activities to date.

The Group's logistics and real estate business activities support the bedrock of society, and represent exactly the kind of activities that contribute to the creation of a sustainable society, which represents the spirit of the SDGs.

The Group aims to achieve sustainable growth by identifying opportunities for business growth while endeavoring to resolve social issues through initiatives such as environmental measures, etc.

To ensure that we achieve the targets that have been set, we have established a Sustainability Committee chaired by the Managing Executive Officer in charge of planning, and are promoting quality initiatives through (1) progress management, (2) periodic inspection and replacement of relevant measures and KPIs, and (3) expanding communication with internal and external parties through resources such as the Integrated Report and the Group's official website.

From October 2022, the chairman of the Sustainability Committee will be changed to the President, and all Managing Executive Officers will become committee members to strengthen the committee's functions. We will also further promote initiatives to address sustainability issues by establishing the Sustainability Promotion Division as a dedicated division.

Through responses to various emergencies

As COVID-19 continues to spread, the Group is continuing to provide services such as safe and secure logistics and real estate services, which form part of our social infrastructure, while implementing various measures.

The logistics business and the real estate business are not usually at the front of people's minds. However, in the event of an emergency, we are reminded that they constitute essential work and are services that are indispensable to society.

The Great Hanshin Earthquake that occurred on January 17, 1995, and the Great East Japan Earthquake that occurred on March 11, 2011 were the largest emergencies to occur in recent years, and several of the Group's facilities were severely damaged.

The Group has worked collaboratively to overcome these emergencies by working on recovery measures and responding to customer requests.

Our response to these kinds of disasters has led to our facility concepts of Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings, which lay the foundation for our businesses.



Damage from the Great Hanshin Earthquake (Harborland Dia Nissei Building in Kobe)



Damage from the Great East Japan Earthquake (Sendai Distribution Center)

Resolving environmental issues with partnerships

The Group has been promoting the installation of solar power equipment and LED lighting under the concepts of Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings, but there are still many pressing issues left to achieve CO₂ reduction and carbon neutrality.

While the Group can accommodate environmental initiatives for hardware in logistics and real estate facilities on its own, partnerships with customers, industry peers, partners, and other parties are important for addressing comprehensive supply chain issues.

We believe that we can further improve and optimize our logistics operations by, for example, (1) working with our customers to predict demand and supply, and establish optimum production and logistics systems, (2) working with industry peers and partners to utilize AI for efficient car allocation, improve loading efficiency and promote Container Round Use, and (3) working on systemization that will enable us to accomplish these initiatives.

We will not only optimize logistics, but also contribute to resolving environmental issues by sharing more in-depth information with all related parties, including our customers, and creating services that are valuable to both customers and Mitsubishi Logistics Corporation.

The Three Principles of Mitsubishi's Business Management Philosophy ("Sankoryo") and ESG

We believe that the three principles of the Mitsubishi Sankoryo of "Shoki Hoko" (fulfilling responsibility to society), "Shoji Komei" (devotion to fairness), and "Ritsugyo Boeki" (maintaining a global perspective) connect directly to the modern concept of ESG.

The spirit of these three principles, passed down throughout the history of the Mitsubishi Group, will continue to be shared by the executives and employees of the Mitsubishi Group as we move forward into a new future.

The Three Principles of Mitsubishi's Business Management Philosophy

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.

"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 back cover) based on the spirit of the Three Principles of Mitsubishi's Business Management Philosophy.

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.

Value-creation Story

External environment

Reduce energy costs	Prevent global warming (reduce CO ₂ , carbon neutrality)
Improve operational efficiency and promote DX through AI	Infrastructure damage due to natural disasters
Onset of an aging society	Corrections to long working hours
	Increase in cyber crimes and accidents

Key issues/Six key themes

Safety, security, disaster response

Provide disaster-resistant, safe and secure infrastructure in Japan and abroad



Human resource development, employee satisfaction

Establish environments and systems that allow employees and their families to lead healthy, fulfilling lives



Cutting-edge technology, innovation

Promote DX (Digital Transformation) and resolve social issues



Compliance, human rights, gender

Ensure thorough compliance together with partners, and establish a diverse organization



Environmental initiatives

Work with customers and partners to reduce environmental impact and prevent global warming



Partnerships

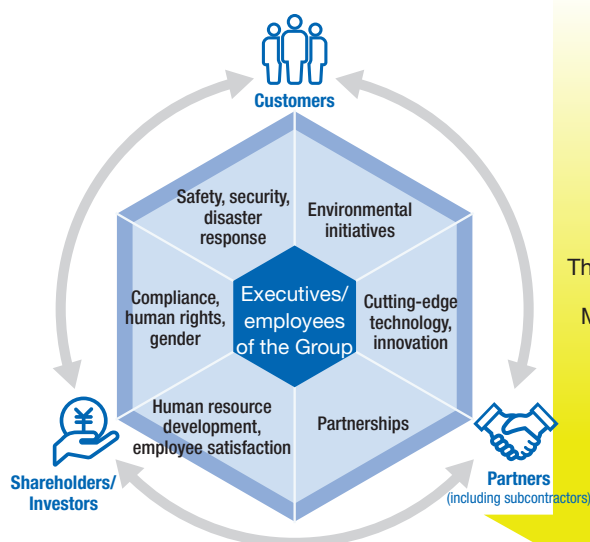
Create new businesses by proactively collaborating with partners in Japan and overseas



Management resources

Financial capital		Human capital	Strategic investment	Business investment		Other investment
Total assets	Free cash flow*	Number of employees	DX, IT-related investment, etc.	Logistics	Real estate	CVC fund management
¥562.2 billion	¥7.0 billion	4,732	¥50.0 billion	¥40.0 billion	¥40.0 billion	¥5.0 billion
As of March 31, 2022		As of March 31, 2022	2022-2024 cumulative total	2022-2024 cumulative total		By FY2024

* Operating CF-Investment CF



The MLC2030 Vision
Management Plan
(2022-2024)

Business domains

Logistics
Business

Real Estate
Business

Basic managerial creed

**The Three Principles of
Mitsubishi's Business
Management Philosophy
("Sankoryo")**

Corporate philosophy

We aim to create corporate value and achieve growth by contributing to the realization of an affluent and sustainable society by enhancing customer value, reducing environmental impact, and preventing global warming.

Six Key Themes (materiality selection process)

In order to make progress toward realizing ESG Management and the SDGs, we established a project team in September 2020, conducted questionnaires for each executive and employee (including those of Group companies), and examined key themes with outside experts. As a result, we established six key themes and compiled a list of measures, performance indicators, and target values for each.

STEP 1

Extract and organize key issues

In September 2020, we established a project team in view of the need to work on initiatives for ESG management and the SDGs in our aim to achieve the growth set out in the MLC2030 Vision.

The general managers of each business division also participated in the project team, which held discussions based on the relationship between each business and the business strategy. The team also reconfirmed the Company's corporate philosophy and various policies, worked to organize the relationship between the Group's initiatives thus far and ESG and the SDGs, and extracted and organized key issues.

STEP 2

Conduct internal questionnaires

In parallel with STEP 1, we conducted a questionnaire survey for approximately 3,000 executives and employees, including those of Group companies, to investigate their approach to, and awareness of, ESG, SDGs, and compliance.

The data collected were analyzed by age group and type of work engaged in, etc., and after confirming trends, we used the results to select key issues.

STEP 3

Select key issues

Based on the information and data obtained in STEP 1 and STEP 2, the project team held further discussions on the key issues by both identifying and deriving them from the businesses in which the Company engages, and by deriving them from the social issues that the Company already addresses in its SDGs, etc.

After several months of discussions with external experts, we decided on six key themes.

The key themes of the Group, which were formulated based on the corporate philosophy, the MLC2030 Vision, and expectations from society, etc., are as follows.

Six key themes to be tackled by the Group

Safety,
security,
disaster
response

Environmental
initiatives

Cutting-edge
technology,
innovation

Partnerships

Human
resource
development,
employee
satisfaction

Compliance,
human rights,
gender

Measures to be Taken, Performance Indicators, and Target Values

Measures to be taken through business activities, performance indicators for each measure, and target values are as follows.

Six key themes	Priority measures and measures through business activities	Performance indicators
Safety, security, disaster response	Provide infrastructure services that are sustainable even during disasters <ul style="list-style-type: none"> Develop facilities with strong earthquake and wind pressure resistance that surpasses the requirements of various laws and regulations Secure fuel for business continuity at distribution centers and in transportation operations during large-scale disasters 	① Earthquake resistance standards for facilities*
	Develop high-quality logistics services that utilize temperature controls and security capabilities in Japan and overseas <ul style="list-style-type: none"> Further utilize DP-Cool vehicles for temperature-controlled transportation of pharmaceuticals 	② Percentage of required fuel secured ¹ in target regions ²
		③ Utilization rate of DP-Cool vehicles* for temperature-controlled transportation of pharmaceuticals
Environmental initiatives	Further develop disaster-resistant eco-friendly warehouses and eco-friendly office buildings that serve to reduce GHG/CO₂ emissions <ul style="list-style-type: none"> Consider the environment through electricity supply by solar power generation, reduce power consumption through LED lighting in warehouses 	① CO ₂ emissions reduction rate*
	Reduce GHG/CO₂ emissions by enforcing efficient transportation methods, etc. <ul style="list-style-type: none"> Realize efficient delivery by improving loading rates, etc., shorten waiting time using a truck reservation system, mount cargo handling equipment with fuel cells towards a CNP¹ 	② CO ₂ emissions reduction rate for transportation*
Cutting-edge technology, innovation	Enhance and automate logistics/real estate services and save labor <ul style="list-style-type: none"> Logistics: Optimize warehouse operations and car allocation planning using AI, etc., respond to EC logistics, etc., automate equipment in warehouse facilities and make it labor-saving Real estate: Enhance and save labor of facility management operations using IT 	DX, IT-related* investment
Partnerships	Collaborate with startups and companies in other industries <ul style="list-style-type: none"> Optimize development and create new businesses through open innovation with CVC, etc. 	CVC* fund management
Human resource development, employee satisfaction	Develop personnel and welfare programs that value each individual employee <ul style="list-style-type: none"> Establish a personnel system that accommodates a variety of workstyles Create an environment that helps balance work and life 	① Ratio of regional general employees*
	Develop human resources with global perspectives <ul style="list-style-type: none"> Develop human resources with global perspectives through expansion of training programs, etc. 	② Ratio of employees taking child-care leave*
		③ Ratio of employees with experience in overseas assignments*
Compliance, human rights, gender	Promote sincere and fair business activities Ensure thorough compliance, with awareness of comprehensive supply chains <ul style="list-style-type: none"> Implement initiatives for adherence to relevant laws and regulations and respect for human rights together with subcontractors 	Response rate for Code of Conduct questionnaire and CSR questionnaire*

*1 CNP: An abbreviation for "Carbon Neutral Port"

Refers to contributions to realize carbon neutrality at ports and harbors which serve as focal locations/industrial bases for international logistics through the sophistication of port and harbor functions with considerations for decarbonization.

Going forward, to ensure that we achieve the targets that have been set to be achieved by fiscal 2030, we will establish a Sustainability Committee and promote initiatives through progress management, periodic inspection and replacement of relevant measures and KPIs, and expanding communication with internal and external parties through resources such as the Integrated Report and the Group's official website.

	Description of performance indicators	Target values for FY2030
	* Targeting logistics and real estate facilities owned by the Company that will be completed and begin operation from April 1, 2021 onward	① Maintain 110% of earthquake resistance standards
	*1: Targeting Nankai Trough Earthquake Disaster Countermeasure Promotion Area as designated by the Cabinet Office *2: Percentage of required fuel secured for use during large-scale emergencies for logistics facilities owned and operated by the Company with an area of approximately 16,550 m ² or more through maintaining reserve kerosene stored in-tank, contracts with oil distribution companies for priority fuel supply during disasters, etc.	② 100% of requirement secured
	* Vehicles compatible with the DP-Cool temperature-controlled pharmaceuticals delivery service provided by the Group company Dia Pharmaceutical Network Co., Ltd.	③ 100% temperature-controlled transportation with DP-Cool vehicles
	* Targeting the Company, Fuji Logistics Co., Ltd., and Ryoso Transportation Co., Ltd.	① CO ₂ emissions Previous: down 30% New: down 50% ^{*2} (versus FY2013, Scope 1+2)
	* Targeting transportation with the DP-Cool temperature-controlled pharmaceuticals delivery service provided by the Group company Dia Pharmaceutical Network Co., Ltd.	② CO ₂ emissions Previous: down 20% New: down 50% ^{*2} (versus FY2018)
	* Investment in reformation of services and business models based on the needs of customers and society using data and digital technology, and reformation of operations, organizations, processes, and corporate culture/ climate	Cumulative investment of 50.0 billion yen for FY2021-FY2030
	* An abbreviation for "Corporate Venture Capital," a business practice in which companies form funds with their own corporate capital to invest in and support unlisted startups that may be related to their business or be advantageous for their core business in the future	Establish a CVC of 5.0 billion yen
	* General employment for limited workplace regions introduced in April 2021 for realizing diverse and flexible workstyles	① 30%
	* System that allows male and female workers who are raising a child under the age of 2 to apply to take leave for child-care until the child reaches the age of 2	② 60%
	* General employees with experience in overseas assignments (including training programs)	③ 25%
	* Questionnaire on CSR targeting subcontractors, etc., with close business relationships	Over 90% every year

*2 Target values were raised in September 2022. For details, please refer to Environmental Initiatives (page 26).

The MLC2030 Vision and the Management Plan

Outline of the MLC2030 Vision and the Management Plan

The MLC2030 Vision (announced on March 22, 2019)

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.

We have established the MLC2030 Vision as the ideal image of the Mitsubishi Logistics Group in 2030 (📖 see page 4: Top Message). Our growth strategies aimed at achieving this vision are as follows.

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.

* We have added new materials, the market for which is expected to expand towards the year 2030, to the Management Plan (2022-2024) to create four priority areas.

2. Expand overseas business

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* expected to grow in a number of regions such as Southeast Asia (ASEAN).

* 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 and developing human resources, particularly in the priority areas.

Stage 2

Management Plan (2022-2024)

📖 See page 22

Basic policies

- Strengthen the profitability of the Logistics Business
- Expand the foundations for the growth of overseas business
- Expand the Real Estate Business by strengthening development capabilities
- Develop high value-added services by utilizing cutting-edge technology
- Strengthen the Group management base

Numerical targets

- Operating income **¥20.0 billion** (FY2024)
- ROE **7%** (FY2024)
- DOE **continuously 2% or more**

Stage 1

Management Plan (2019-2021)

Evaluation

- : Achieved numerical targets
- : Steadily implemented key measures
- △: Capital efficiency needs further improvement

Numerical targets

- Operating income **¥14.5 billion** (FY2021)
- DOE **2.0%** (FY2021)

Review of the Management Plan (2019-2021)

Status of achievement (quantitative)

- Although sales and profits decreased in fiscal 2020 due to COVID-19 (reduced volume of freight handled, partial closures of commercial facilities, etc.), sales and profits both increased in fiscal 2021 as a result of a recovery in the volume of freight handled and increased ocean and air freight rates.
- Although the Real Estate Business failed to meet its profit target, greater business performance of the Logistics Business contributed to the overall achievement of revenue and profit targets and the DOE (dividend on equity) target in the Management Plan (2019-2021).

Differences between financial results and targets in the Management Plan (2019-2021)

(Unit: ¥million)

	FY2019 (actual results)	FY2020 (actual results)	FY2021 (actual results)	FY2021 (targets)	Difference (actual result - target)	Evaluation
Operating revenue	229,057	213,729	257,230	240,000	+ 17,230	
Logistics Business	189,709	179,255	215,240	198,700	+ 16,540	
Real Estate Business	41,199	36,153	43,662	43,600	+ 62	
Inter-segment transactions	(1,851)	(1,679)	(1,672)	(2,300)	+ 628	
Operating income	12,195	11,735	18,144	14,500	+ 3,644	
Logistics Business	7,184	7,232	13,703	9,200	+ 4,503	
Real Estate Business	10,859	10,038	10,316	10,700	(384)	
Corporate expenses	(5,847)	(5,535)	(5,875)	(5,400)	(475)	
Ordinary income	16,822	16,013	23,151	17,100	+ 6,051	
EBITDA (Operating income + Depreciation)	26,447	26,595	33,610	30,100	+ 3,510	
Profit (attributable to owners of parent)	11,851	39,160	17,892	—	—	—
ROE	4.1%	12.9%	5.4%	—	—	—
Amounts per share of cash dividends applicable to the year/Annual dividend per share (yen per share)	60	60	80	—	—	—
DOE	1.8%	1.7%	2.0%	2.0%	± 0%	

Status of achievement (qualitative)

- We steadily implemented the key measures set out in the management plan, including by developing the business foundations of the priority areas, opening a distribution center (Misato City, Saitama Prefecture) for e-commerce utilizing new technologies, and bolstering production efficiency through more efficient operational processes and other means.
- In the Real Estate Business, we promoted the acquisition of profitable properties, such as the acquisition of joint equity in GRAND FRONT OSAKA. We must strengthen our management system to further expand our business.

Key measures, main initiatives, and tasks of the Management Plan (2019-2021)

Key measures	Main initiatives	Tasks	Evaluation
Strengthening the business foundations of the priority areas	<ul style="list-style-type: none"> Completed Seishin Distribution Center Phase 2 Building, Minamihonmoku Distribution Center, Misato Distribution Center No. 2 Phase 2 Building, and Ibaraki Distribution Center No. 4 Formed business alliances with K.R.S. Corporation, Cryoport, Inc. and others Rolled out DP-Cool services nationwide Expanded storage and delivery operations for automotive parts 	<ul style="list-style-type: none"> Promotion of sales and investment in each priority area Strengthening of overseas business foundations 	
Establishing a system that leverages new technologies	<ul style="list-style-type: none"> Opened "SharE Center misato," a distribution center for e-commerce Strengthened collaboration with start-up companies through VC investment 	<ul style="list-style-type: none"> Development of profitable businesses 	
Maintaining competitiveness in the port and harbor transportation business	<ul style="list-style-type: none"> Introduced a proprietary terminal operation system 	<ul style="list-style-type: none"> Rebound from the COVID-19 impact Response to reduced freight volume 	
Improving the organizational structure to strengthen capabilities for the development and operation of commercial complexes and other facilities of the Real Estate Business	<ul style="list-style-type: none"> Acquired joint equity in GRAND FRONT OSAKA Reinforced rental facilities around Nagoya Station 	<ul style="list-style-type: none"> Improvement of the organizational structure to strengthen operational capabilities 	
Bolstering production efficiency through more efficient operational processes and other means	<ul style="list-style-type: none"> Bolstered profitability in the Logistics Business through more efficient operational processes and other means Conducted verification tests for improved operational efficiency at warehouses using AI 	<ul style="list-style-type: none"> Further improvements to productivity 	
Improving operational conditions to reform workstyles and create innovation	<ul style="list-style-type: none"> Revised the personnel system and promoted diverse workstyles 	<ul style="list-style-type: none"> Utilization of human resources, including at Group companies 	
Increasing shareholder returns	<ul style="list-style-type: none"> Increase dividend to ¥80 per share and implement buyback of ¥20.0 billion treasury shares, exceeding the plan (targeting ¥15.0 billion) 	<ul style="list-style-type: none"> Improve capital efficiency 	
Promoting CSR-oriented management	<ul style="list-style-type: none"> Announce "Initiatives by the Mitsubishi Logistics Group for ESG Management and the SDGs" Issue the Integrated Report in place of the Environmental and Social Report 	<ul style="list-style-type: none"> Strengthen initiatives 	

Management Plan (2022-2024)

Basic policies and numerical targets

Basic policies

1. Strengthen the profitability of the Logistics Business
2. Expand the foundations for the growth of the Overseas Business
3. Expand the Real Estate Business by strengthening development capabilities
4. Develop high value-added services by utilizing cutting-edge technology
5. Strengthen the Group management base

Numerical targets

- Operating income **¥20.0 billion** (FY2024)
- ROE **7%** (FY2024)
- DOE **continuously 2% or above**

Basic policies

1. Strengthen the profitability of the Logistics Business

- Expand business in the three priority areas of medical/health care, food/beverage, and machinery/electrical machines in order to realize the MLC2030 Vision
- Add new materials, the market for which is expected to expand towards the year 2030, to the priority areas
- Strengthen the earnings power of the Logistics Business by increasing profits through the acquisition of new businesses and the cultivation of existing businesses, and by improving profit margins through improved operational efficiency and the collection of appropriate fees.



2. Expand the foundations for the growth of overseas business

Global Grid Strategy

Contribute to the optimization of customer supply chain management by promoting the establishment of a system that responds to trends and changes in global supply chains

- Strengthen and upgrade intra-regional logistics and forwarding, and create synergies
- Establish a business operation base that mainly consists of local staff
- Accelerate growth through a partnership strategy with leading logistics companies

Strategic targets

Overseas sales ratio **11.2%** [FY2020 actual results] ➔ **20% or above** [FY2024 target]

3. Expand the Real Estate Business by strengthening development capabilities

- Continue to strengthen the earnings base of the real estate rental business and expand the real estate business that does not depend on land ownership.
- Aim to create new revenue sources, and consider initiatives for asset turnover business utilizing REITs, etc.



4. Develop high value-added services by utilizing cutting-edge technology

Company-wide policy

Aim to resolve social issues and realize business growth in both the Logistics and Real Estate Businesses by proactively introducing cutting-edge technology



Increase efficiency and sophistication of logistics operations and facility management

Develop logistics platform services

5. Strengthen the Group management base

- Establish a management base that is resistant to changes and risks through thorough risk management and human resource development.
- Improve operational efficiency by reviewing the operations for which we are responsible, including at Group companies, and optimizing the organization.



Improve efficiency

- Improve efficiency by reviewing and eliminating operations
- Improve efficiency by integrating operations
- Develop an environment that utilizes digital technology
- Conduct a review of responsible operations with Group companies
- Optimize the organization

PR and IR

- Enhance PR activities
- Enhance IR activities

Human resources

- Improve employee satisfaction
- Ensure diversity of human resources
- Develop global human resources
- Address workstyle reforms
- Develop digital human resources

Reform the corporate culture

- Review delegation of authority and internal practices
- Foster a corporate culture that supports new challenges and innovation

Risk management

- Strengthen response to disasters and infectious diseases
- Strengthen response to industrial safety and health
- Strengthen response to cybersecurity
- Develop IT infrastructure for business continuity
- Appropriate facility maintenance and management
- Strengthen internal auditing



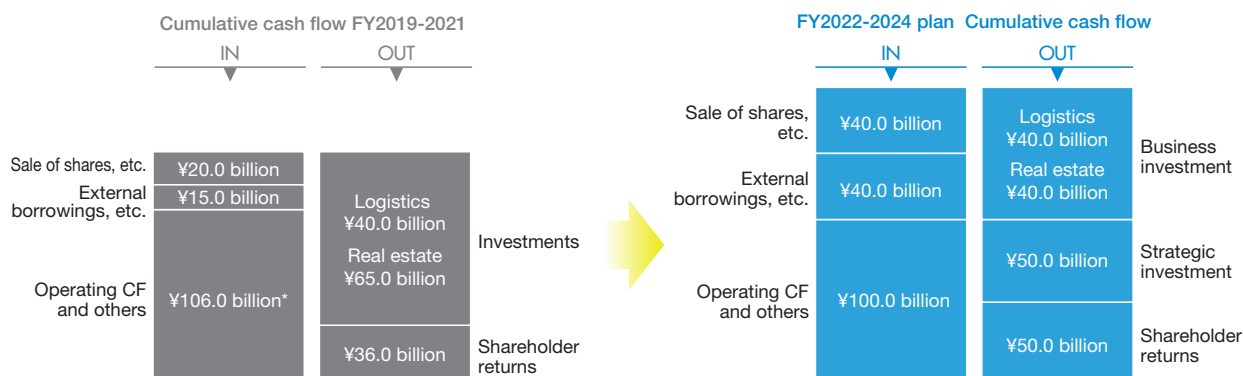
Details of basic policies of the Management Plan (2022-2024)

HOME ▶ IR information ▶ Management policy ▶ Management Plan

Capital policy

Capital allocation

- We will sell more investment securities than in fiscal 2019-2021. In terms of investment, while considering the soundness of our financial position, we will utilize external borrowings, etc. to expand profits and improve capital efficiency.
- We will make investments to achieve the MLC2030 Vision and address ESG management and the SDGs, and will also promote the return of profits to shareholders.



* "Operating CF and others" for FY2019-2021 includes approximately ¥36.6 billion in compensation income, etc. received from the sale of land in front of Nagoya Station.

Investment plan

		FY2022-2024 plan	Cumulative cash flow
Business investment	Maintain and strengthen the competitiveness of existing businesses (acquisition and renewal of facilities and real estate, etc.)	Logistics	¥40.0 billion
		Real estate	¥40.0 billion
Strategic investment	Expand business portfolio and create new business domains (DX, IT-related investment, new business development, M&A, environmental initiatives, etc.)		¥50.0 billion

Enhance shareholder returns and improve capital efficiency

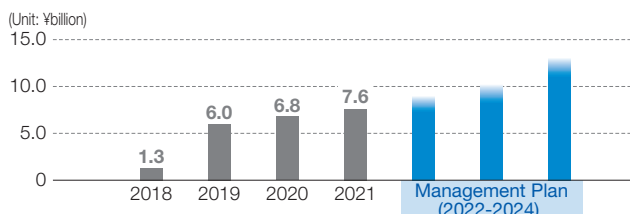
- We position the return of profits to shareholders as one of the most important management issues, and will strive to further enhance shareholder returns.
- While taking into account the balance among corporate performance, growth investments, and capital efficiency, we will achieve stable and continuous dividends with a DOE of 2% or above, and flexibly acquire treasury shares on a scale that exceeds the execution amount during the period of the Management Plan (2019-2021) (with a target of ¥30.0 billion or more).
- We will accelerate the reduction of cross-shareholdings after continuously verifying the rationality of such holdings, and use the proceeds from their sale for strategic investment and shareholder returns.

Amount of acquisition of treasury shares

Actual results for FY2019-2021 (3-year cumulative total)	Plan for FY2022-2024 (same as on left)
¥20.0 billion	¥30.0 billion or above

* The maximum total number of treasury shares held is set at around 5% of the total number of shares issued, and any shares exceeding this shall, in principle, be canceled.

Amount of sales of investment securities



Initiatives for ESG Management and the SDGs

Main initiatives during the Management Plan

Safety, security, disaster response <ul style="list-style-type: none"> Consider methods to secure fuel for business continuity in transportation services Increase the number of customers using DP-Cool services 	Partnerships <ul style="list-style-type: none"> Establish a CVC
Environmental initiatives <ul style="list-style-type: none"> Reduce CO₂ emissions by introducing energy-saving equipment, etc. Improve transportation efficiency by collecting return shipments, etc. Visualize Scope 3 CO₂ emissions 	Human resource development, improving employee satisfaction <ul style="list-style-type: none"> Disseminate information about the personnel system at times of recruitment and job change recruitment Implement measures encouraging employees to take child-care leave (in terms of systems and training) Broaden the overseas dispatch program
Cutting-edge technology, innovation <ul style="list-style-type: none"> Increase efficiency and sophistication of logistics operations and facility management Develop logistics platform services 	Compliance, human rights, gender <ul style="list-style-type: none"> Expand CSR questionnaires to include subcontractors

Safety, Security, Disaster Response

Our vision for the Group starts with safety and security. We will remain prepared from both the perspectives of hardware in logistics facilities, etc., and software in information systems, etc. to protect the safety of important cargos entrusted to us by our customers and provide a reliable sense of security. From the viewpoint of our customers, one could say that our facilities can be used to help prepare for emergencies (disasters, etc.), which we recognize with certainty as being one of our customers' crisis management issues. The Group will always strive to meet the expectations of these customers.

4F access to Seishin Distribution Center
Phase 1 Building in Kobe

Performance indicators and targets

① Earthquake resistance standards for facilities

Targeting logistics and real estate facilities owned by the Company that will be completed and begin operation from April 1, 2021 onward

Target values for FY2030

Maintain 110% of earthquake resistance standards

② Percentage of required fuel secured in target regions

Targeting Nankai Trough Earthquake Disaster Countermeasure Promotion Area as designated by the Cabinet Office Percentage of required fuel secured for use during large-scale emergencies for logistics facilities owned and operated by the Company with an area of approximately 16,550 m² or more through maintaining reserve kerosene stored in-tanks, and contracts with oil distribution companies for priority fuel supply during disasters, etc.

Target values for FY2030

100% of requirement secured

③ Utilization rate of DP-Cool vehicles for temperature-controlled transportation of pharmaceuticals

Vehicles compatible with the DP-Cool temperature-controlled pharmaceuticals delivery service provided by the Group company Dia Pharmaceutical Network Co., Ltd.

Target values for FY2030

100% temperature-controlled transportation with DP-Cool vehicles

Achievements in FY2021

At the Ibaraki Distribution Center No. 5 in Osaka (scheduled for completion in October 2022), we have employed a seismic-isolated structure, and plan to ensure structural strength against wind pressure of 115% or greater, as stipulated in the Building Standards Act.

Fuji Logistics Co., Ltd.'s Tsukuba Logistics Center in Ibaraki (completed in April 2022), as like the Company, also has a seismic resistance standard (required horizontal strength*) of 110% or higher and wind pressure resistance of 115% or higher, as stipulated by the Building Standards Act.

* The strength required for a building against the horizontal force experienced during an earthquake

The Company's Osaka Branch has entered into priority fuel supply contracts for the Sakurajima and Ibaraki regions, while the Ibaraki Distribution Center No. 4 completed in 2018 is equipped with a kerosene in-tank (self-refueling facility) on the premises, thereby establishing a business continuity system in the event of a large-scale disaster.

As of March 31, 2022, the achievement status of the performance indicators (percentage of required fuel secured (area of completed facilities, area of all applicable facilities)) was 27% (no change from the previous fiscal year).

The launch of DP-Cool services for Okinawa in January 2021 has enabled us to expand the service nationwide.

Due to the expansion of the service area and the year-round pharmaceutical distribution center operations at Misato Distribution Center No. 2 in Saitama, which was completed in October 2020, the performance indicator in fiscal 2021 was 30% (up 2 percentage points year on year).

Priority measures and measures through business activities

◆ Provide infrastructure services that are sustainable even during disasters →Performance indicators ①②

- In addition to preparing for earthquake disasters, we are rolling out “disaster-resistant” facilities with strong earthquake and wind pressure resistance that surpasses the requirements of various laws and regulations in order to prepare for the intensification of weather disasters caused by climate change.
- In the event of a large-scale disaster, despite the need for the delivery of daily necessities and support/relief goods from the Company’s distribution centers to afflicted areas, it is expected that securing fuel such as kerosene will be difficult. In order to maintain delivery operations under such circumstances, we will continue to stockpile fuel on our facility premises and enter into priority fuel supply contracts with oil distributors.

◆ Develop high-quality logistics services that utilize temperature controls and security capabilities in Japan and overseas →Performance indicator ③

- Pharmaceuticals are products that are closely related to health and life, and require a high level of logistics’ quality in the distribution process. The Mitsubishi Logistics Group provides DP-Cool, a high-quality pharmaceuticals delivery service, and is striving to supply safe and secure pharmaceuticals by expanding this service’s use.

Initiatives and plans for FY2022 and beyond

For newly planned buildings, we will appropriately manage progress from the construction planning (concept) and planning stages in order to maintain 110% or more of the earthquake resistance standards stipulated by the Building Standards Act.

We also plan to install a kerosene stored in-tank at the Ibaraki Distribution Center No. 5 in Osaka, which is scheduled to be completed in October 2022, and will contribute to the stable supply of pharmaceuticals in the event of a large-scale disaster.

In other regions, we will also select partner companies, such as fuel supply companies, aimed at enhancing our business continuity system.

ML Chain, which has been in operation since January 2022, is a pharmaceuticals data platform that enables traceability and real-time visualization of various transportation information using blockchain technology.

By expanding the base of this platform, we will promote information sharing on the supply chain and contribute to the establishment of a safer and more secure pharmaceuticals distribution network.



VOICE

About Tsukuba Logistics Center, Fuji Logistics Co., Ltd.

Nobuaki Ishida

The head of Tsukuba Logistics Center Higashikanto Branch, Fuji Logistics Co., Ltd.

Fuji Logistics Co., Ltd.’s Tsukuba Logistics Center is a facility equipped with overhead cranes that began operations in April 2022 and handles heavy cargo such as switchboards.

Here at Fuji Logistics Co., Ltd., we promote regular patrol activities and the thorough implementation of standard work as a safety initiative in our daily operations. The Mitsubishi Logistics Group announced its six key themes in 2021, one of which is “safety, security, disaster response.”

In line with this theme, the Tsukuba Logistics Center has secured an earthquake resistance standard equivalent to 110% so that customers can continue their business even in the event of a disaster, and has strengthened its wind resistance performance as part of its response to climate change.

While we of course work to provide optimal logistics services, we are also considering the introduction of cutting-edge technology, such as drones for facility inspections, aiming to create disaster-resistant facilities that customers can use with confidence.

(Group company of the Company)



Tsukuba Logistics Center
Higashikanto Branch, Fuji Logistics Co., Ltd.

Environmental Initiatives

In order to address comprehensive supply chain issues, we will cooperate with our customers, industry peers, and partners to reduce the number of transportation vehicles and promote modal shifts. In terms of information systems, we will fully address environmental issues such as the reduction of CO₂ emissions by working on the establishment and introduction of a logistics platform. For facilities and equipment as well, we will further develop Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings.

Solar power generation system installation at the Minamihonmoku Distribution Center in Yokohama

Performance indicators and targets

① Reduction rate of CO₂ emissions at facilities

Targeting logistics and real estate facilities owned by the Company and its Group company, Fuji Logistics Co., Ltd.

Target values for FY2030

CO₂ emissions in Scope 1 and 2 of the GHG Protocol

Previous: down 30%

New: down 50% (versus FY2013)

(Expand scope and add transportation by Ryoso Transportation Co., Ltd.)

② GHG/CO₂ reductions through efficient transportation/delivery

Vehicles compatible with the DP-Cool temperature-controlled pharmaceuticals delivery service provided by the Group company Dia Pharmaceutical Network Co., Ltd.

Target values for FY2030

CO₂ emissions

Previous: down 20%

New: down 50% (versus FY2018)

(No change in scope)

Achievements in FY2021

No new eco-friendly warehouses or eco-friendly office buildings were constructed; however, at facilities currently in operation, we are systematically updating old air conditioners that use HCFC (R22) refrigerants, etc., which have a high environmental impact, and proactively introducing equipment with high energy-saving performance, such as by upgrading existing lighting equipment to LED lighting.

Main examples of updates:

- **Warehouse facilities...** upgraded air conditioners at Niiza Distribution Center in Tokyo, upgraded existing lighting equipment to LED lighting at Ohi Refrigerated Warehouse in Tokyo, upgraded existing lighting equipment to LEDs at Yashio Distribution Center No. 1 in Tokyo, and upgraded air conditioners at Ibaraki Warehouse No. 12 in Osaka
- **Real estate facilities...** upgraded existing lighting equipment to LEDs at Yokohama Dia Building, upgraded air conditioners and upgraded existing lighting equipment to LED lighting at the Harborland Dia Nissei Building (office tower) in Kobe

As a result of these initiatives, the reduction rate of CO₂ emissions at facilities in FY2021 (previous scope) declined 28.1% versus FY2013 (up 0.7 percentage point year on year).

We worked to improve the loading rates, etc. of the DP-Cool temperature-controlled pharmaceuticals delivery service, and reduced CO₂ emissions per product weight and transportation distance for products that are transported and delivered using this service. As a result, we achieved our target, reducing CO₂ emissions in FY2021 by 44% compared with FY2018 (down 14 percentage points year on year).

Ryoso Transportation Co., Ltd. introduced "e-Canter," an EV truck, in December 2021.

Priority measures and measures through business activities

◆ Further develop disaster-resistant and eco-friendly warehouses and eco-friendly office buildings that serve to reduce GHG/CO₂ emissions →Performance indicator ①

At our distribution centers, which are positioned at the core of our supply chain, we are working to reduce the environmental impact by promoting the visualization of environmental burden-related figures such as CO₂ and waste emissions, the introduction of green power such as solar power generation, and the conversion of lighting equipment to LED lighting.

◆ Reduce GHG/CO₂ emissions by enforcing efficient transportation methods, etc. →Performance indicator ②

In order to reduce CO₂ emissions from the Group's transportation/delivery operations, we will establish a method for measuring emissions, shorten truck waiting time using a truck reservation system, optimize transportation methods through modal shifts, and consider the introduction of next-generation vehicles, including EV trucks. We will also work on the introduction of cargo handling equipment mounted with fuel cells towards realizing a CNP (carbon neutral port).

Initiatives and plans for FY2022 and beyond

Ibaraki Distribution Center No. 5 in Osaka, which is currently under construction, is scheduled to be completed in October 2022 as a disaster-resistant and eco-friendly warehouse with high-efficiency air conditioners and LED lighting.

In addition, in order to efficiently promote the reduction of the environmental burden in the operation of logistics facilities, we are moving forward with initiatives to visualize various environmental burden figures, such as CO₂ emissions, for the domestic logistics facilities of the Group.

Raising target values

Efforts to reduce emissions are progressing steadily, and in order to further accelerate these efforts, we have decided to aim for a 50% reduction, surpassing the government's target, and also decided in September 2022 to expand the scope and raise the target values as follows.

(New target values for FY2030)

CO₂ emissions down 50% (versus FY2013, Scope 1&2)^{*1}

^{*1} Targeting the Company and its Group companies, Fuji Logistics Co., Ltd. and Ryoso Transportation Co., Ltd.

We will continue to improve the efficiency of transportation/delivery in the DP-Cool service and work to reduce CO₂ emissions.

In addition, we are promoting initiatives to visualize and reduce the amount of CO₂ emitted from the supply chain through collaboration with the Group and our partners, including through a business alliance with K.R.S. Corporation and joint verification tests with Hacobu Co., Ltd.

Raising target values

Since we achieved the target values for FY2030, in September 2022 we decided to raise the target values as follows.

(New target values for FY2030)

Reduce CO₂ emissions from transportation/delivery^{*2} by 50% (versus FY2018)

^{*2} Targeting transportation with the DP-Cool temperature-controlled pharmaceuticals delivery service provided by Dia Pharmaceutical Network Co., Ltd.



VOICE

Toward realizing carbon neutrality in transportation

Yoshio Aoyagi
Planning & Business Coordination Div.,
Ryoso Transportation Co., Ltd.

Here at Ryoso Transportation Co., Ltd., we installed Mitsubishi Fuso Truck and Bus Corporation's "e-Canter," a light-duty electric truck that is Japan's first electric wing vehicle, at the Tokyo Branch (Ota-ku, Tokyo) on December 6, 2021 with the aim of achieving carbon neutrality in transportation.

Equipped with six high-voltage lithium-ion battery packs, the vehicle can travel approximately 100km on a single charge, and serves as a means of transportation that does not emit exhaust gas or CO₂ and with lower noise levels, which contribute to addressing noise issues that today's cities are faced with.

In addition to reducing the burden on drivers with its low vibration and prevention of traffic accidents with its safety equipment, the side walls of the loading platform can be quickly opened and closed with the push of a button, making it possible to shorten the loading and unloading time. It is also expected to be effective as a means of addressing the issues of 2024 (regulations related to working hours and driver shortages, etc.).

As a Mitsubishi Logistics Group company, we will continue to promote initiatives aimed at resolving social issues as well as responding to the environment.

(Group company of the Company)



Response to TCFD Recommendations

The Company announced its endorsement of the Task Force on Climate-related Financial Disclosures (TCFD)* in June 2022. Based on the framework of the TCFD recommendations, we disclosed information on four items: “Governance,” “Strategy,” “Risk management,” and “Indicators and targets.”

* An abbreviation for Task Force on Climate-related Financial Disclosures. The Task Force was established by the Financial Stability Board (FSB) at the request of the G20 to consider how climate-related information should be disclosed and how financial institutions should respond.

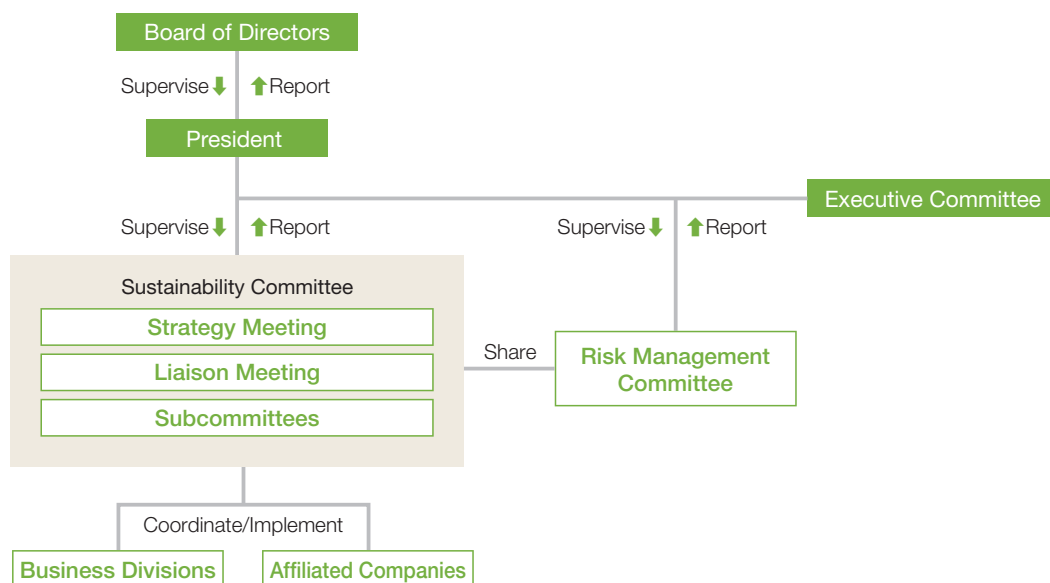
Information disclosure of four items based on TCFD recommendations

Governance and Risk Management

Roles and composition of each meeting body (as of October 1, 2022)

Meeting body	Role	Members
Board of Directors	Supervise initiatives and goal management related to sustainability issues, including climate change matters	Chairperson: Chairman of the Board (currently Representative Director and President due to vacancy)
Executive Committee	Discuss sustainability issues, including matters related to climate change, as important management issues	President and Managing Executive Officers (6 persons in total)
Sustainability Committee	Strategy Meeting: Deliberate important sustainability issues Liaison Meeting: Monitor policies and targets related to sustainability issues Subcommittee: Consider countermeasures, including policy proposals	Chairperson: President Members: Chairman, Managing Executive Officers, and General Managers (Observers: Full-time Corporate Auditors) Administration: Sustainability Promotion Division
Risk Management Committee	Identify, analyze, and consider responses and countermeasures for Group-wide risks, including risks of climate change	Chairperson: Managing Officer responsible for General Affairs Members: General Managers (Observers: Full-time Corporate Auditors) Administration: General Affairs Division
(Sustainability Committee) Subcommittee	Responsible for six key themes. Collaborate with business divisions to formulate roadmaps, etc., including measures to address climate change, and plan, formulate, manage, and promote measures	Establish departments to act as coordinators for each subcommittee

Organizational chart (as of October 1, 2022)



Strategy

Based on below 2°C and 4°C scenarios, we identified transition risks (risks associated with the transition to a low-carbon society), physical risks (climate risks associated with the progress of global warming) and opportunities in the short, medium, and long term, and considered the degree of their impact. The mitigation measures and countermeasures for major risks and opportunities are as follows.

◆ Transition risks

In terms of transition risks, as one example, it was found that the impact from carbon taxes and other taxes based on the amount of emissions of CO₂ and other gases (GHG) that lead to global warming, and the impact from increases in the cost of capital investment and facility replacement to curb the emission of those gases would be significant.

Mitigation measures are to develop Disaster-Resistant and Eco-Friendly Warehouses and propose environment-friendly transportation/delivery in the Logistics Business, and to develop Disaster-Resistant and Eco-Friendly Office Buildings and introduce renewable energy in the Real Estate Business.

◆ Physical risks

In terms of physical risks, it was found that the impact of a decrease in labor productivity due to heatstroke, etc. among workers and others, and an increase in the cost of introducing measures, such as equipment to prevent such problems, would be significant.

Mitigation measures will be to further promote highly efficient work operations, introduce new technologies that make it possible to reduce workload, and promote initiatives to provide a comfortable working environment, including through a review of workstyles.

◆ Opportunities

In the transition to a low-carbon and decarbonized society, there will be a growing need for services with low CO₂ emissions. In addition, the fact that there will be an increasing need for temperature-controlled transportation/delivery due to rising temperatures as well as the need for business continuity and the maintenance of supply chains even under circumstances where there is a greater frequency of intensified disasters due to climate change will constitute an opportunity that translates into business opportunities, and its impact was found to be significant.

Countermeasures on the tangible front will be to continue to proactively develop Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings. On the intangible front, we will respond to customer needs by proposing logistics with a low environmental impact, introducing and supplying renewable energy, enhancing the safety of facilities through planned implementation and strengthening of facility repairs and storm and flood damage countermeasures based on our experience in dealing with disasters, etc., and by providing robust logistics services utilizing our knowhow, such as in selecting alternative routes and facilities in the event of a disaster.

Indicators and targets

◆ Performance indicators

● Targets

As stated above, targets have been raised (☞ see page 26)

CO₂ emissions reduction target (FY2030)

Figures in < > represent existing targets

50% reduction in CO₂ emissions

(versus FY2013, Scope 1+2)^{*1}

<30% reduction>

50% reduction in CO₂ emissions in transportation/delivery^{*2} (versus FY2018)

<20% reduction>

^{*1} Targeting the Company, Fuji Logistics Co., Ltd., and Ryoso Transportation Co., Ltd. <Targeting logistics facilities and real estate facilities operated by the Company and Fuji Logistics Co., Ltd.>

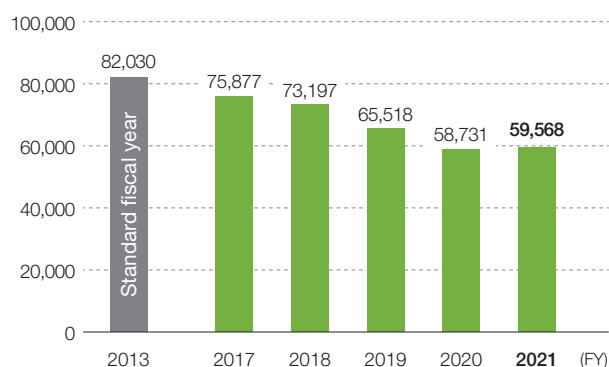
^{*2} Targeting transportation with the DP-Cool temperature-controlled pharmaceuticals delivery service provided by Dia Pharmaceutical Network Co., Ltd.

◆ Actual results of GHG emissions

Of the GHGs within the scope of the new target values, actual results of CO₂ emissions are as follows. Please refer also to the “Extended version,” which contains data on CO₂ emissions by business.

Scope 1+2 actual results

(t-CO₂)



 Actual results of CO₂ emissions by business may be viewed on Mitsubishi Logistics' Web site in the “Extended version.”

HOME ▶ ESG/SDGs ▶ Integrated Report ▶ Extended version

Future initiatives

From October 2022, the chairman of the Sustainability Committee will be changed to the President, and all Managing Executive Officers will become committee members to strengthen the committee's functions. We have also established the Sustainability Promotion Division as a dedicated division.

Under the new system, we will further promote initiatives to address the risks and opportunities associated with climate change.

Cutting-edge Technology, Innovation

By promoting sophistication, automation, and labor-saving in our logistics and real estate services and working with customers, partners, and other parties to standardize services and create platforms, we will resolve social issues and achieve business growth toward the realization of a sustainable society in both our Logistics and Real Estate Businesses.

"SharE Center misato" in Misato City, Saitama Prefecture

Priority measures and measures through business activities

◆ Sophistication, automation, and labor-saving in logistics and real estate services

- Logistics: Optimize warehouse operations and car allocation planning using AI, etc., respond to EC logistics, etc., automate equipment in warehouse facilities and make it labor-saving
- Real estate: Enhance the sophistication and save labor of facility management operations using IT

Performance indicators and targets

DX, IT-related investment

Investment in reformation of services and business models based on the needs of customers and society using data and digital technology, and transformation of operations, organizations, processes, and corporate culture/climate

Target values for FY2030

Cumulative investment of ¥50.0 billion for FY2021-FY2030

Achievements in FY2021

With the aim of improving the efficiency and sophistication of our logistics operations, we proactively developed initiatives that included the following at our domestic bases: "improved efficiency and labor savings in warehouse operations using the latest digital technology such as AGV, image recognition, and RFID," and "optimization of worker placement at warehouse sites through proprietary systems using AI technology."

In addition, in January 2022, we started the operation of ML Chain, a logistics data platform using blockchain technology, in order to visualize the entire supply chains and achieve sophisticated quality control in pharmaceuticals logistics.

Initiatives and plans for FY2022 and beyond

Since 2019, we have been promoting the use of the latest digital technology in Japan and overseas in order to improve the efficiency and sophistication of our logistics operations and facility operations. We will continue to actively develop bases that take advantage of the latest technology, as represented by "SharE Center misato," a distribution center for e-commerce opened in Misato City, Saitama Prefecture.

In addition, we will optimize the entire supply chains and realize sustainable logistics by automating and saving labor in operational processes and reducing operational burdens through the establishment and operation of a logistics data platform.



Commencing operation of "ML Chain," a logistics data platform for pharmaceuticals that will contribute to the stable supply of pharmaceuticals

Takayuki Hayano (left)

Pharmaceutical Team, Warehousing & Distribution Business Div.

Yuki Nishino (right)

Digital Transformation Team, Information Systems Div.

In order to achieve the stringent quality control that is required now more than ever, and to further develop and evolve conventional pharmaceutical distribution services, the Company developed and started operating "ML Chain," a logistics platform for pharmaceuticals that will realize the visualization of the entire supply chains and sophisticated quality control. In establishing this platform, we referred to the mechanisms that IBM built in a pilot study for the U.S. Food and Drug Administration (FDA). In addition, by adopting IBM's blockchain technology, this system is capable of visualizing various information in the pharmaceutical distribution process while maintaining the integrity and safety of the data, and sharing this information in real time with pharmaceutical companies and business operators involved in transportation.

Firstly, in the area of manufacturer logistics (distribution from the manufacturing bases of pharmaceuticals companies to pharmaceuticals wholesalers through the Company's distribution bases), in order to focus on the visualization of important information in the supply chain in real time, including temperature control and location information, we aim to increase the number of customers using ML Chain and DP-Cool and room-temperature GDP transportation* provided by Dia Pharmaceutical Network Co., Ltd., our subsidiary that specializes in the delivery of pharmaceuticals.

Going forward, we aim to expand the use of the platform to international logistics, and in Japan, we aim to visualize the entire supply chains beyond the framework of manufacturer logistics.

In the future, we will collaborate with various businesses involved in distribution, and engage in various initiatives with a view to operating ML Chain as a highly versatile open platform that shares advanced quality control throughout entire supply chains.

* Temperature-controlled transportation that complies with GDP (quality control standards in the distribution process of pharmaceuticals) for room temperature products (temperature range of 1°C to 30°C)

Partnerships

We believe that co-creation with customers and partners is key to promoting DX (Digital Transformation). While collaborating with startups on initiatives such as using AI to optimize warehouse operations, we will also continue to collaborate with our customers through various means, including projects aimed at establishing optimum production and logistics systems by working with customers to predict demand and supply, thereby promoting optimization for both sides.



Priority measures and measures through business activities

◆ Collaborate with startups and companies in other industries

Optimize development and create new businesses through open innovation with CVC, etc.

Performance indicators and targets

CVC* fund management

* An abbreviation for "Corporate Venture Capital." A business practice in which companies form funds with their own corporate capital to invest in and support unlisted startups that may be related to their business or be advantageous for their core business in the future.

Target values for FY2030

Establish a CVC of ¥5.0 billion

Achievements in FY2021

In anticipation of synergic benefits of creating new businesses and improving operational efficiency, we made LP* investments in VCs (venture capitals) and direct investments in startups.

Specifically, with the goal of creating innovation, we invested in a fund that aims to support companies taking on the challenge of transforming the real estate and logistics industries (Mercuria BizTech Investment LLP (BizTech Fund), and a fund that invests in venture companies with highly unique technology and services in areas such as big data, robotics, health care, infrastructure, food and agriculture (SBI 4+5 Fund).

In addition, as part of our open innovation, we participated in an acceleration program sponsored by financial institutions, and took a step toward reforming our corporate culture by working from the bottom-up to resolve internal issues and develop new businesses.

* An abbreviation for "Limited Partner." Venture investment through investment in funds.

Initiatives and plans for FY2022 and beyond

We will continue to invest in startups and support operations post collaboration, such as through the capital and business alliance with Rapyuta Robotics Co., Ltd. (see news release) and the undertaking of verification tests with Rapyuta, and also prepare for CVC formation.

As a specific initiative for fiscal 2022, in May, we formed a fund (Mercuria Japan Industrial Growth Support No. 2 Investment Business LLP) targeting medium-size domestic companies that have unique technology, services, and commercial distribution but are facing challenges with regard to business succession. We will continue to address business succession of medium-size companies that are active in various fields.



VOICE

Partnerships with startup companies

Meiri Ichikawa
Business Coordination Team, Corporate Planning Div.

One of the missions of the Business Coordination Team, to which I belong, is to solve various issues and strengthen the competitiveness of the services we provide through collaboration with startup companies.

As part of this, we invested in and formed a business and capital alliance with Rapyuta Robotics Co., Ltd., which has advanced group control technology* and artificial intelligence technology.

Currently, we are working toward a verification test for unmanned loading and unloading of cargo at night by linking an automatic forklift equipped with Rapyuta's system with a vertical transport vehicle. Going forward, we aim to prepare for future labor shortage issues by applying Rapyuta's solutions to more complex operations.

I would like to continue collaborating with various start-up companies to achieve the goals set out in the MLC2030 Vision and contribute to the Company's growth.

* Technology for collectively controlling multiple robots, etc.

Human Resource Development, Employee Satisfaction

In April 2021, we introduced a regional system for general employees to enable a variety of workstyles according to our employees' lifestyles. In addition to clarifying and managing the duties of each position, we will also work on creating environments that support work-life balance for employees.

At the same time, we will expand our training system toward developing global human resources.

Cafeteria at Seishin Distribution Center Phase 2 Building in Kobe

Performance indicators and targets

① Ratio of regional general employees

General employment for limited workplace regions introduced in April 2021 for realizing diverse and flexible workstyles

Target values for FY2030

Ratio of regional general employees 30%

② Ratio of employees taking child-care leave

System that allows male and female workers who are raising a child under the age of 2 to apply to take leave for child-care until the child reaches the age of 2

Target values for FY2030

Ratio of employees taking child-care leave 60%

③ Ratio of employees with experience in overseas assignments

General employees with experience in overseas assignments (including training programs)

Target values for FY2030

Ratio of employees with experience in overseas assignments 25%

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

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

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

Establish a personnel system that accommodates a variety of workstyles

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

◆ Regional system for general employees

In order to achieve the MLC2030 Vision, it is necessary to encourage the active participation of employees more than ever, which requires strategic human resource development and human resource allocation.

As a characteristic of the Company's Logistics Business, maintaining the certainty and quality of operations at each sales office, which are our logistics sites, forms the basis of the services we provide to our customers, and the stable allocation of employees who have the experience and knowledge of those operations is essential.

In recent years, in view of the fact that there have been cases where general employees are unable to accept transfers due to family circumstances, etc., and it is difficult for them to carry out their duties without limiting the areas in which they work, we have established two types of general employees: "general employees (no limits on workplace regions)" and "regional general employees (limits on workplace regions)" whose aim is to strengthen the on-site and sales capabilities in each region, in order to secure and develop future management personnel and ensure a work system that is more suitable for employees to demonstrate their abilities.

Although screening is necessary, the system allows employees to switch between categories in accordance

Priority measures and measures through business activities

◆ Develop personnel and welfare programs that value each individual employee

- Establish a personnel system that accommodates a variety of workstyles
- Create an environment that helps balance work and life

◆ Develop human resources with global perspectives

- Develop human resources with global perspectives through expansion of training programs, etc.

Achievements in FY2021

with their circumstances. It is expected that this will contribute to improvements in employee satisfaction.

In fiscal 2021, the first year of its introduction, we again disseminated information about the regional system for general employees with the aim of promoting the utilization of the system when recruiting applicants for job changes.

The ratio of regional general employees was 5% as of March 31, 2022.

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 system (paid leave) and a family care leave system (paid leave) 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.

Create an environment that helps balance work and life

◆ Questionnaire survey on child-care leave

In order to promote the creation of an environment in which it is easy for employees to take child-care leave, we conducted an internal survey on child-care leave. Based on the results of the survey, we will revise our personnel system, conduct internal company training, and encourage employees to take child-care leave.

The ratio of employees who took child-care leave in fiscal 2021 was 53%.

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.

Develop human resources with global perspectives through expansion of training programs, etc.

We conducted a review to expand the overseas dispatch program, examined the framework of the new system, and identified issues for its introduction.

The ratio of employees with experience in overseas assignments is 16% as of March 31, 2022.

Conduct education and training to improve IT literacy and skills

In order to realize “the improvement of operational processes and further utilization of new technologies” set forth in the MLC2030 Vision, we introduced IT literacy and skill training for participants to acquire IT-related knowledge. The training was divided into a basic course and an advanced course, each of which was conducted by having participants watch online videos. The basic course, in particular, was held for all employees and consisted of basic knowledge of IT and the basic operation of the Company’s general-purpose systems, etc.

In addition, we held seminars for the purpose of training in-house RPA developers, and set up an award system according to the development results of robots that have reached the point of actual operation with the aim of further expanding and promoting the use of RPA.

Initiatives and plans for FY2022 and beyond

Toward human resource development and improving employee satisfaction

Based on the results of activities in fiscal 2021, we will mainly work on the following measures in fiscal 2022.

◆ Dissemination of regional system for general employees

In addition to continuing efforts to raise awareness of the regional system for general employees, we will work to disseminate the system by collecting opinions through the self-declaration system and questionnaires, and reflecting them in operations. In tandem with this system, we will similarly respond to the operation of the job change system.

In addition, we will actively recruit regional general employees so that we can respond to diverse workstyles.

◆ Create an environment that helps balance work and life

We will work to raise awareness within the Company of the Postpartum Papa Child-care Leave (child-care leave at the time of birth) that will be introduced from October this year, by holding briefings and other means.

In addition, based on the purpose of the revised Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other

Family Members, we will conduct training for managers to encourage male employees to take child-care leave, and we will also consider a review of the post child-care leave personnel system. At the same time, we will work to further promote the active participation of women, including by conducting management training on reviewing work systems and workstyles necessary for female employees who work while raising children to advance their career development.

In addition, we will introduce a reemployment system (come-back system) for those who retired due to child care or other reasons.

◆ Develop human resources with global perspectives through expansion of training programs, etc.

Based on the issues identified in fiscal 2021, we will proceed with a review to expand the overseas dispatch program.

◆ Conduct an engagement survey

Improving employee satisfaction is identified in “Strengthen the Group management base,” which is one of the basic policies of the Management Plan (2022-2024), and from fiscal 2022, we plan to conduct an engagement survey to understand the level of employee satisfaction and other matters.



VOICE

To promote the taking of child-care leave

Yoko Miyazaki
Human Resources Dept.,
Human Resources Div.

Under the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, which was revised in June 2021, companies are required from April 2022 to develop an employment environment that makes it easy for employees to take child-care leave, such as by providing training and consultation, and to individually inform employees who are about to have a child about the child-care leave system and confirm their intentions. In addition, “Postpartum Papa Child-care Leave” (child-care leave at the time of birth), a new system to encourage male employees to take child-care leave, was established and will commence in October 2022.

As a result of this revision, it is expected that men who did not think of child-care as their responsibility and men who could not say that they wanted to take child-care leave will be able to take child-care leave, and that both men and women will take the initiative in child-care.

The Company supports men who want to be actively involved in child-care, such as by disseminating information on the new system through training, and is working to further encourage employees to take child-care leave with the aim of realizing a working environment where both men and women can achieve a good work-life balance.

Compliance, Human Rights, Gender

We recognize that compliance, human rights, and gender are fundamental to our business activities, and will strive for constant verification and improvement of our current efforts. In addition, we will assume a primary role in ensuring thorough compliance throughout the comprehensive supply chain, including Group companies and partners.

Apr. 2021: New employee training

Priority measures and measures through business activities

- ◆ **Promote sincere and fair business activities**
- ◆ **Ensure thorough compliance, with awareness of comprehensive supply chains**
Implement initiatives for adherence to relevant laws and regulations and respect for human rights together with subcontractors

Performance indicators and targets

Response rate for Code of Conduct questionnaire and CSR questionnaire

Questionnaire on CSR targeting subcontractors, etc., with close business relationships

Target values for fiscal 2030

Code of Conduct questionnaire and CSR questionnaire
Response rate: over 90% every year



VOICE

Publication of the revised CSR & Compliance Handbook

Atsuko Kida
CSR・Compliance Team, General Affairs Division

Based on the concept of contributing to the realization of a sustainable society and fulfilling our corporate social responsibility, the Group published the CSR & Compliance Handbook in January 2012. Since this is a number of years ago, we published a revised edition in May 2022 in order to reflect the changes in the business environment in recent years. The handbook was distributed to all executives and employees within the domestic Group.

The format is to provide explanations of CSR and compliance using case studies, and as part of the team responsible for creating the handbook, I tried to devise ways of raising awareness of compliance in everyday business, including by selecting examples that are familiar to us all. Every year, we conduct questionnaires linked to the contents of the handbook, but I would like to refine the questions to further improve compliance awareness among executives and employees.

Achievements in fiscal 2021

In terms of each of the questionnaires set as a performance indicator, the Code of Conduct questionnaire was subject to a review in order to improve awareness of compliance within the Group. This was the first time we conducted a CSR questionnaire, and we therefore considered the content while incorporating the opinions of branch offices, which are the frontline for our business, compiled questionnaire questions, selected subcontractors with whom we have close business relationships, and conducted the questionnaire using a Web-based system.

The response rates for both the Code of Conduct questionnaire and the CSR questionnaire exceeded 90%, thereby achieving the target.

Initiatives and plans for fiscal 2022 and beyond

Continuing on with our efforts in fiscal 2021, we will conduct a Code of Conduct questionnaire within the Group and a CSR questionnaire for subcontractors, etc., aiming for a response rate of 90%.

When conducting the Code of Conduct questionnaire, we will review the inclusion of compliance-related content deemed necessary at the time, and other content. With regard to the CSR questionnaire, we will expand the scope from the subcontractors selected in the previous fiscal year to a wider range of companies with an awareness of comprehensive supply chains. In the future we will consider expanding the scope, which is currently limited to domestic companies, to include overseas subcontractors.

In the field of human rights and gender, we are promoting various measures with the support of external experts as an initiative for respecting human rights in corporate activities, so-called “business and human rights.” We are preparing to formulate a human rights policy and implement human rights due diligence. In the future, if necessary, we will consider reestablishing and working on performance indicators and targets other than the questionnaire implementation rate.

In addition, in May 2022, we revised and published the CSR & Compliance Handbook, incorporating content related to compliance, human rights, and gender and factoring in changes to business risks in recent years. This was distributed to all executives and employees within the domestic Group (see page 43). Through initiatives such as these, we will work to improve compliance awareness.

Organizational Governance (Corporate Governance)

With regard to our organizational governance, we will explain our stance on the corporate governance system, the Board of Directors, our approach to the election of officers, etc., and risk management, as well as initiatives for maintaining and strengthening the compliance system, and communication with stakeholders. You may also refer to the introduction of officers and skill matrix.



May 2019: 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 working to enhance the functions of the board of directors and board of corporate auditors by appointing outside directors and outside corporate auditors. We established a Nomination and Compensation Committee as an advisory body to the Board of Directors to further enhance the objectivity and transparency of the procedures for determining the nomination and compensation of directors. In addition, we have introduced an executive officer system for the purpose of further strengthening corporate governance by strengthening management and supervisory functions, and by improving management efficiency and accelerating decision making. Moreover, in order to further promote the separation of management and business execution, as of June 29, 2022, we eliminated directors with special titles other than the Chairman of the Board, positioned the President as an Executive Officer, and changed the system to one in which Executive Officers are responsible for business execution.

Furthermore, we are endeavoring to boost corporate governance through multiple initiatives, such as: establishing an internal control system through drafting the rules of conduct for our executives and employees, setting up the Internal Control and Compliance Committee, and enhancing an internal audit system (from April 2022, the Internal Audit Department is under the direct control of the President); instituting a risk management system via the Risk Management Committee and “Initiatives for ESG Management and the SDGs” through the establishment of the Sustainability Committee; and, finally, by reinforcing disclosure through the early publication of financial statements. (See the chart of corporate governance system below)

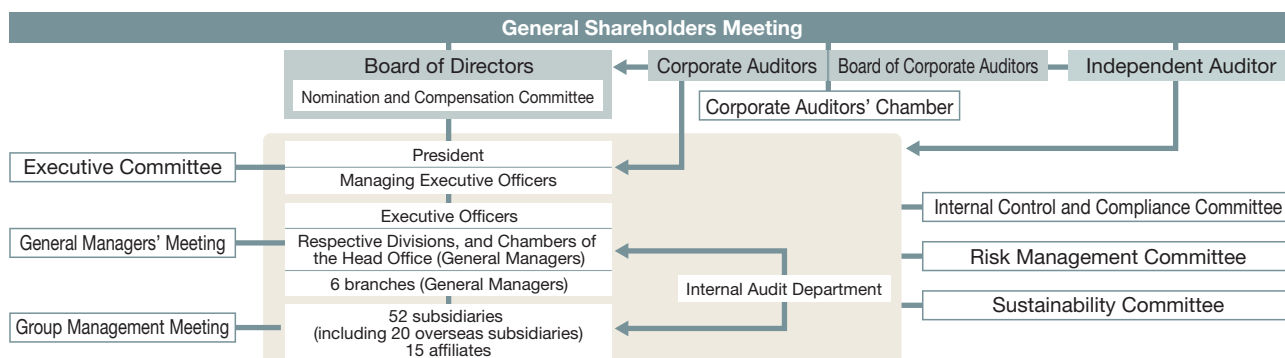
Evaluation of the effectiveness of the Board of Directors

From 2021, in order to further improve the effectiveness of the Board of Directors, the Company started conducting self-assessment questionnaires consisting of questions and free comment sections for all directors and corporate auditors regarding the size and composition of the Board of Directors, the operation of the Board of Directors, the role and functions of the Board of Directors, collaboration between supervisory functions and auditing organizations, etc., relationships with shareholders and investors, and the response to issues and improvements identified in the previous year. The results of the questionnaires were shared with the Board of Directors.

As a result of deliberations at the Board of Directors based on the results of the questionnaires, it was determined that the effectiveness of the Board of Directors in 2022 was largely ensured. However, it was also determined that it would be desirable to further enhance the effectiveness of the Board of Directors by conducting more in-depth discussions on important matters and management policies, etc., and by considering operations that will lead to more meaningful deliberations by focusing on key points.

In addition, as future efforts, we will continue to provide opportunities to explain the Group’s business and issues, and to deepen discussions for improving corporate value, as well as provide opportunities for outside directors and auditing bodies, including corporate auditors, to exchange opinions and share information. We will also reconsider important matters and opportunities to be explained in advance to outside officers, and consider measures to further enhance discussions on the progress of the management plan.

Chart of corporate governance system



■ Status of concurrent positions and reasons for appointment of outside directors and outside corporate auditors

Position and name	Reasons for appointment	Significant concurrent positions
Outside Director Tatsuo Wakabayashi	Mr. Tatsuo Wakabayashi has long been engaged in the corporate management of Mitsubishi UFJ Trust and Banking Corporation and holds abundant knowledge and experience relating to banking and finance, etc. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.	Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation Outside Director of Mitsubishi Materials Corporation
Outside Director Toshifumi Kitazawa	Mr. Toshifumi Kitazawa has long been engaged in the corporate management of Tokio Marine & Nichido Fire Insurance Co., Ltd. and holds abundant knowledge and experience relating to risk management, finance, etc. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.	Senior Executive Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. Member of the Board of Directors (Outside Director) and Member of the Audit & Supervisory Committee of MUFG Bank, Ltd. Outside Director of Sekisui House, Ltd.
Outside Director Tadaaki Naito	Mr. Tadaaki Naito has long been engaged in the corporate management of Nippon Yusen Kabushiki Kaisha and holds abundant knowledge and experience relating to logistics operations, etc., which is the Company's mainstay business. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.	Chairman, Director of Nippon Yusen Kabushiki Kaisha
Outside Director Tetsuya Shoji	Mr. Tetsuya Shoji has long been engaged in the corporate management of NTT Communications Corporation and holds abundant knowledge and experience relating to business operation innovation, etc. utilizing new digital technologies which the Company has been promoting. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.	Corporate Advisor of NTT Communications Corporation Outside Director of Sapporo Holdings Limited Outside Director of Hitachi Zosen Corporation Outside Director of Japan Tobacco Inc. Outside Director of circlace Inc.
Outside Director Kazuko Kimura	Ms. Kazuko Kimura, as a Ph.D. holder in pharmaceutical sciences, has served in prominent posts at external organizations such as the World Health Organization after working for the Ministry of Health and Welfare and as professor at National University Corporation Kanazawa University. In addition, she holds abundant knowledge and experience in the field of medical and health care, etc., which are the Company's core and focus areas. The Company nominated her in the belief that reflecting her broad insight and invaluable advice from the viewpoint of diversity in the Company's management is beneficial to the Company's growth and enhancement of corporate value and she is capable of supervising the Company's management and Directors effectively.	Specially Appointed Professor of Graduate School of Medical Sciences of National University Corporation Kanazawa University External Director of Takara Bio Inc. Representative Director of Medicines Security Workshop
Outside Corporate Auditor Mikine Hasegawa	The Company nominated him in order that he may utilize his abundant knowledge and broad insight based on many years of experience at trading companies, etc. for the Company's audits.	—
Outside Corporate Auditor Yohnosuke Yamada	The Company nominated him in order that he may utilize his experience as a lawyer for the Company's audits by providing appropriate opinions regarding the execution of duties by directors from an objective standpoint.	—
Outside Corporate Auditor Takao Sato	The Company nominated him in order that he may utilize his experience as a certified public accountant for the Company's audits by providing appropriate opinions regarding the execution of duties by directors from an objective standpoint.	Outside Director of IX Knowledge Inc.

Officer election process

1. Management Executives and Directors

The Company has a total of not more than 14 directors in charge of business execution and independent outside directors (13 at present) who comprise the Board of Directors to enable the Board of Directors to engage in sufficient deliberations based on diverse opinions and to make swift and rational decisions.

Directors are required to be persons of outstanding character and broad insight who can be expected to contribute to the establishment and execution of management strategy based on the business environment and management issues. Candidates for management executives and other directors in charge of business execution possess a wealth of professional knowledge and experience in business operations, and candidates for outside directors possess a wealth of experience and knowledge in their professional fields and have the qualities to effectively provide advice and supervision from an independent and objective standpoint.

In determining the reappointment or new appointment of management executives and directors, the Nomination and Compensation Committee objectively verifies whether management executives and executive directors have been appropriately considered in light of the above selection criteria, and report their opinions to the Board of Directors. For candidates for outside directors, the Nomination and Compensation Committee evaluates the effectiveness of each candidate for reappointment or new appointment based on the above selection criteria, and reports their opinions to the Board of Directors. In particular, with regard to the new appointment of outside directors, the Company considers the necessary qualities, etc. at the time of each appointment, compiles a list of candidates, and updates this list each year from the perspective of ensuring the appropriate composition of the Board of Directors required for the sustainable growth of the Company. When it becomes necessary to appoint a new outside director, the Nomination and Compensation Committee interviews candidates selected from a list of candidates based on the above policy, the composition of the Board of Directors, and the suitability of persons as outside directors, after which it selects candidates and makes a report to the Board of Directors.

The Board of Directors deliberates these reports at meetings of the Board of Directors attended also by outside directors and outside corporate auditors, appoints management executives by resolution of the Board of Directors, and determines candidates for directors.

In the event that a management executive commits an act in violation of public order or morals, faces difficulties in continuing to execute his or her duties for health reasons, or significantly harms corporate value due to the neglect of his or her duties, the Board of Directors shall consider submitting a proposal regarding the dismissal of said management executive to a meeting of the Board of Directors held with the attendance of outside directors and outside corporate auditors as necessary, and shall, prior to submitting the proposal, consult with the Nomination and Compensation Committee and explain the reasons for the dismissal to outside directors and outside corporate auditors other than members of the Committee.

2. Corporate Auditors

The Company's Board of Corporate Auditors consist of a total of five corporate auditors, consisting of two internal corporate auditors and three independent outside corporate auditors, in order to enhance audits and increase the independence of the corporate auditor system from management.

Corporate auditors are required to be persons of outstanding character and broad insight. Candidates for internal corporate auditors are familiar with the actual management of the Company, and candidates for outside corporate auditors have a wealth of professional knowledge and experience in their professional fields, including their industry, legal affairs, and accounting.

Based on this policy, Representative Directors prepare a draft list of candidates for corporate auditors and proposes it to the Board of Directors with the consent of the Board of Corporate Auditors. This is deliberated on by a meeting of the Board of Directors held with the attendance of outside directors and outside corporate auditors, and the candidates for corporate auditors are determined by resolution of the Board of Directors.

Policy for determining the amount and calculation method of remuneration for officers

The Company resolved the policy for determining details of compensation for each director at the meeting of the Board of Directors based on suggestions from the Nomination and Compensation Committee upon consulting with the Committee.

◆ Policy for determining the amount of basic compensation for each director, details of performance-based compensation and nonmonetary compensation and calculation method of their amount or figures (including policy for determining timing and conditions of providing compensation)

Compensation for directors shall consist of basic compensation, performance-based compensation, and stock compensation at amounts based on their duties and the compensation level of society in general.

Basic compensation shall be paid according to the position of each director as monthly fixed compensation within the limit of compensation determined at a general meeting of shareholders.

Performance-based compensation shall be bonuses for directors excluding outside directors. Payment is to be made at a specific timing every year at an amount determined according to the performance indicators of the previous fiscal year within the compensation limit that is common with basic compensation. Operating income and ordinary income reflect profits from ordinary business activities in general and are deemed appropriate as quantitative indicators, and ROE (return on equity) that is deemed appropriate as a capital efficiency indicator shall be adopted as the performance indicators for bonuses. The amount of bonuses shall be determined based on a calculation table providing the amounts according to the level of the performance indicators of the previous fiscal year. In addition, a certain degree of addition or subtraction can be made based on the evaluation of initiatives for issues set for each individual.

Stock compensation is intended to incentivize recipients to sustainably increase the Company's corporate value and promote the further sharing of value

with shareholders. Payment is to be made at a specific timing every year at an amount deemed reasonable in light of the purpose within the compensation limit that is common with basic compensation to directors excluding outside directors as compensation for granting restricted stock. The stock cannot be disposed of until the recipient retires or resigns from the position of the Company's director or other positions decided by the Company's Board of Directors.

◆ **Policy for determining the ratio of monetary compensation, performance-based compensation, and nonmonetary compensation for each director**

The payment amount per type of compensation for each director shall be determined so that the ratio per type of compensation for each director will function as an appropriate incentive commensurate with the duties expected for each position.

To link compensation with medium- to long-term business performance, the Company's shares shall be acquired through the officer stock ownership plan using contributions from monthly compensation and bonuses at amounts not less than those set for each position. All the shares purchased shall be held throughout the service period and until one year after retirement.

◆ **Determination of details of compensation for each director**

Based on the above policy, matters such as the compensation limit to be submitted to the general meeting of shareholders, drafts of proposals regarding stock compensation, and allotment of each type of compensation for each individual shall be discussed by the Nomination and Compensation Committee. The Committee was established as an advisory body to the Board of Directors mainly comprising independent outside directors to further enhance the objectivity and transparency of the procedures for determining the nomination and compensation of directors. Based on the suggestions of the Committee, the Board of Directors shall discuss and resolve the matter at its meetings attended by outside directors and outside corporate auditors.

Policy for determining the amount of compensation for Corporate Auditors and its calculation method

Compensation for Corporate Auditors is determined by discussion between Corporate Auditors within the compensation limit resolved at a general meeting of shareholders.

Resolution of the general meeting of shareholders concerning compensation for Directors and Corporate Auditors

The upper limit on total compensation for Directors is 600 million yen per year (of which, 100 million yen per year for Outside Directors; resolved at the 216th Annual General Meeting of Shareholders held on June 27, 2019; not including the portion of employees' salary for Directors who concurrently serve as employees), with 120 million yen per year for Corporate Auditors (resolved at the 216th Annual General Meeting of Shareholders held on June 27, 2019). There were 15 Directors (including 4 Outside Directors) and 5 Corporate Auditors at the conclusion of the 216th Annual General Meeting of Shareholders held on June 27, 2019.

Within the scope of compensation limit for Directors stated above, the Company provides monetary compensation for granting restricted stock to Directors excluding Outside Directors (150 million yen per year for up to 100 thousand shares of the Company's common stock; resolved at the 217th Annual General Meeting of Shareholders held on June 26, 2020). There were 11 Directors excluding Outside Directors at the conclusion of the 217th Annual General Meeting of Shareholders held on June 26, 2020.

Total amount of compensation for each officer category, total amount of compensation by type, and number of eligible officers

Category	Total amount of compensation	Total amount per type of compensation				Number of eligible executives
		Basic compensation	Bonuses (performance-based compensation)	Restricted stock compensation (nonmonetary compensation)	Retirement benefits	
Directors (of which, Outside Directors)	¥434 million (¥46 million)	¥349 million (¥46 million)	¥38 million (—)	¥45 million (—)	— (—)	16 (5)
Corporate auditors (of which, Outside Corporate Auditors)	¥78 million (¥42 million)	¥78 million (¥42 million)	— (—)	— (—)	— (—)	5 (3)

*1 Bonuses are performance-based compensation to be paid within the compensation limit that is common with basic compensation. Operating income and ordinary income that reflect profits from ordinary business activities in general and is deemed appropriate as a quantitative indicator, and ROE (return on equity) that is deemed appropriate as a capital efficiency indicator shall be adopted as the performance indicators for bonuses. The amount of bonuses shall be determined based on a calculation table providing the amounts according to the level of the performance indicators of the previous fiscal year. In addition, a certain degree of addition or subtraction can be made based on the evaluation of initiatives for issues set for each individual. Consolidated operating income for the 219th term was 18,144 million yen, consolidated ordinary income was 23,151 million yen, and consolidated ROE was 5.4%. The amount of bonuses above is the amount expensed as bonuses for the fiscal year under review.

*2 The amount of the restricted stock compensation above is the amount expensed as restricted stock compensation for the fiscal year under review.

*3 In addition to the payment amounts mentioned above, the portion of employees' salary of 57 million yen were paid to Directors concurrently serving as employees (4 persons during the fiscal year under review).

Risk Management

Main risks and countermeasures

Risks	Risk explanations and countermeasures
Changes in the business environment	<p>The Logistics Business and the Real Estate Business are affected by changes in the business environment, with the Logistics Business affected by both economic fluctuations in Japan and overseas, and logistics rationalization and business restructuring by corporate clients, while the Real Estate Business is affected by the supply and demand balance and market trends in the rental office market.</p> <p>The Group's primary businesses are the Logistics Business with the Warehousing and Distribution Business as its core, and the Real Estate Business, which focuses on the leasing of buildings, and the Group strives for stable growth through planned capital investment and the provision of sophisticated services.</p>
Damage to business assets (warehouses, rental buildings, etc.) caused by natural disasters	<p>In the event of a large-scale natural disaster, such as an earthquake, typhoon, heavy rainfall, flood, tsunami, or volcanic eruption, there is a risk of serious damage that cannot be covered by insurance, which could affect the financial position and operating results of the Group.</p> <p>With regard to business assets such as warehouses and rental buildings, in addition to earthquake resistance and seismic isolation measures for buildings, external insurance coverage, and provision of reserve for private insurance, we take necessary measures including daily inspections and maintenance, the compilation and updating of manuals in the event of a crisis such as a natural disaster, and the holding of regular training.</p>
Reduction in market value and profitability of business assets (land, buildings, etc.)	<p>In some cases, the amount of investment cannot be expected to be recovered due to a decline in the fair value of land or buildings, etc., or a decline in profitability as a result of the application of the Accounting Standard for Impairment of Fixed Assets.</p> <p>The Group may recognize an impairment loss to reflect the possibility of recovery so as not to carry losses forward in the future.</p> <p>In the fiscal year ended March 31, 2022, we recorded an impairment loss (¥36 million) as an extraordinary loss on the Group's warehouse facilities (buildings) which had declined in profitability.</p>
Fair value fluctuations of investment securities	<p>The Group's investment securities as of the end of the fiscal year under review stood at ¥145,185 million, consisting mainly of shares in its business partners, primarily for the purpose of maintaining and strengthening business relationships. However, the application of the Accounting Standard for Financial Instruments means we are affected by fluctuations in market prices, such as share prices.</p> <p>The Company will recognize an impairment loss on available-for-sale securities with a market price if their fair value falls by 30% or more compared with the acquisition price, taking into consideration the possibility of recovery. To provide for losses resulting from a decline in the substantial price of stock, etc. without a market price, allowance is recorded as allowance for investment loss taking into account the possibility of recovery if total net assets of the issuing company fall below the book value.</p>
Compliance risk	<p>Compliance risks cannot be completely eliminated, and in the event of a situation that violates laws and regulations, the resultant administrative sanctions such as surcharges, criminal sanctions, requests from business partners, etc. for compensation for damages, and loss of credibility could affect the financial position and operating results of the Group.</p> <p>The Group has formulated the Code of Conduct that stipulates compliance with laws and regulations and the exclusion of antisocial forces as the social norms for employees in executing their duties. The Group is working to instill awareness of compliance based on corporate ethics in every employee and ensure thorough compliance with laws and regulations and various rules through the employee's self-check on the status of compliance with the Code of Conduct, as well as by thoroughly promoting training on compliance. Furthermore, through the establishment of the Internal Control and Compliance Committee, the implementation status of internal control functions and the compliance conditions shall be evaluated in an aim to enhance the internal controls and compliance. In addition, we have established an Internal Reporting Hotline (a helpline) that clearly stipulates the prohibition of unfavorable treatment of reporting persons, and are making efforts to prevent or promptly discover and correct actions that may infringe upon laws and regulations.</p>

Risks	Risk explanations and countermeasures
Country risk in overseas business development	Overseas, the Company has a total of 20 subsidiaries in North America, China and Asia, and Europe (2 in North America, 16 in China and Asia, and 2 in Europe), which are engaged in the logistics business, including warehousing and international transportation. In overseas business development, we endeavor to practice management activities in accordance with local laws and regulations and business customs, etc., and in the event that the investee acquires non-current assets such as warehouse facilities, we will consider the degree of country risk and take out overseas investment insurance.
Exchange rate fluctuations	In preparing the Group's consolidated financial statements, the financial statements of overseas consolidated subsidiaries are converted into yen. Fluctuations in the exchange rate due to the Company and some consolidated subsidiaries having foreign currency-denominated receivables and payables could affect the financial position and operating results of the Group.
Tightening of regulations on environmental conservation, etc.	<p>Going forward, in the event that the tightening of related laws and regulations and other regulations necessitates new capital investment, the increase in funds and cost burden could affect the financial position and operating results of the Group.</p> <p>Recognizing the importance of environmental issues, in addition to establishing the Environmental Policy and the Environmental Voluntary Plan, the Group has adopted environmental measures as a key theme in our Initiatives for ESG Management and the SDGs, and is promoting business activities that take the global environment into consideration. Specifically, in addition to working on energy-saving measures for warehouses and real estate rental facilities by constructing Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings, etc., we are endeavoring to introduce cargo handling equipment with a low environmental impact and develop services that reduce the environmental impact in collaboration with customers and subcontractors. For our response to climate change, please refer to Environmental Initiatives (㊦ see page 26).</p>
Information security risk	<p>If business activities are suspended or information is leaked due to a computer virus, unauthorized access from an external source including cyber attacks, disaster, or inappropriate information management, the resultant claims for compensation for damages by business partners and the loss of credibility could affect the financial position and operating results of the Group.</p> <p>The Group utilizes various information technologies to promote business and improve business efficiency, and handles business partners' confidential information and customers' personal information in its business activities.</p> <p>In the management of information systems and information networks, we focus on stable operations and security measures, take necessary steps such as appropriate server management and information backups, and work to reduce security risks through information security education such as training for targeted attacks.</p>
Risk from COVID-19	<p>In the fiscal year ended March 31, 2022, the global spread of COVID-19 had a major impact on the domestic and overseas economies. If containment of COVID-19 extends beyond April 2022, the Logistics Business will experience sluggish cargo movements and the Real Estate Business will face an increased vacancy rate due to tenants moving out, which could significantly affect the business activities and business results of the Group.</p> <p>While the Group will endeavor to minimize the effect, the impact from the spread of COVID-19 is highly uncertain and the future course of the pandemic could affect the financial position and operating results of the Group.</p>

Initiatives for maintaining and strengthening the compliance system

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.

Disseminating the awareness of compliance

The Group endeavors to instill awareness of compliance based on corporate ethics in every employee through the employee’s self-check (Code of Conduct questionnaire) 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.

In addition, we aim to disseminate compliance awareness and establish good working environments by using various training opportunities.

Business processes are confirmed via internal audit

The internal audit of the Company is performed mainly by the Audit Division in accordance with internal audit regulations and an internal audit plan. The audit is supported by branch auditors and audit assistants positioned at the Head Office and respective branches. The purpose of the internal audit is to precisely grasp the status of corporate affairs and financial position so that it can be used to prevent fraud or errors, for rationalization of management, improvement of business operations and raising operating efficiency. Since April 2022, internal audits have been under the direct control of the President, and the Audit Division reports the results of audits regarding the Company and subsidiaries to the President. The Audit Division also supports follow-up checks on any issues noted in the audit results, and reports the results to the President.

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

Holding Internal Control and Compliance Committee meetings

In September 2006, we established the CSR and Compliance Committee and promoted CSR activities within the Group. In fiscal 2021, matters relating to CSR were transferred to the Sustainability Committee, and matters relating to compliance were transferred to the Internal Control and Compliance Committee in order to further strengthen these initiatives.

The Internal Control and Compliance Committee meeting held in May 2022 discussed the content of the Internal Control Report and compliance improvements based on self-checks of the Code of Conduct compliance status, and also discussed trends related to whistleblowing as well as the Company’s response and future initiatives.

Branch General Managers who are close to the workplace also participate in meetings of the Internal Control and Compliance Committee, which helps maintain and strengthen the compliance system through various responses.

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 was renewed, and we will continue to strive to provide highly reliable and dependable logistics services for our customers.

Meanwhile, the Company acquired certification as Authorized Customs Brokers under the AEO System in June 2017, and each Group company on the dates shown in the table. 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 system regarding cargo and companywide compliance system. The Company strives to further improve the quality of customer service going forward.



Certificate of AEO Customs Broker (The Company)

* 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)

Status of acquisition of certification as Authorized Customs Broker by the Group

Company name	Date of certification
Monryo Transport Corporation	September 2012
Keihin Naigai Forwarding Co., Ltd.	June 2014
Ryoyo Transportation Co., Ltd.	April 2017
Mitsubishi Logistics Corporation	June 2017
Naigai Forwarding Co., Ltd.	February 2018
Fuji Logistics Co., Ltd.	May 2018
Unitrans Ltd.	November 2019

Supporting overseas business from the perspective of the entire Group

In April 2021, we reorganized the International Business Coordination Chamber as the Overseas Business Planning & Coordination Division, and established an overseas business team with the aim of improving and strengthening the management system for our overseas business in response to globalization.

The Company has until now been providing support for the corporate divisions of each overseas-affiliated company through the International Business Coordination Chamber, and has worked to ensure appropriate business activities overseas. However, we will review and provide support for the strengthening of the compliance systems and risk management systems at each overseas-affiliated company, led by the overseas business team, consider and evaluate investment projects overseas, and further focus on improving corporate governance for all overseas Group companies. We will also work on strengthening the management systems necessary for the growth of the Company's overseas business.

Initiatives for improving compliance awareness

CSR & Compliance Handbook

The Group published the CSR & Compliance Handbook in January 2011 but based on subsequent changes in the business environment, we published a revised edition in May 2022 and distributed it to all executives and employees within the Company and domestic Group companies.

In addition to using the handbook as a reference when unsure about what to do during day-to-day work, recipients are also using it as a teaching material in the workplace by sharing opinions using case studies, thereby helping to improve compliance awareness.

We have also listed corporate ethics help line rules and a whistleblowing consultation mechanism to help increase awareness of the internal reporting system (see page 44).



CSR & Compliance Handbook

CSR and Compliance Awareness Survey

We provide Web-based surveys on awareness targeting the Company and domestic Group companies based on the CSR & Compliance Handbook and the Integrated Report to improve awareness of CSR compliance.

By asking questions about familiar issues, every employee thinks about what to do and comes up with an answer, which leads to the development of compliance awareness.

Training on CSR and Compliance

For CSR, we conducted training concerning the SDGs using web-based videos for all employees of the Company and domestic Group companies in order to promote initiatives for ESG management and the SDGs throughout the Group.

As for compliance, we use a web-based system to confirm the methods for managing and handling relevant documents under the Act against Delay in Payment of Subcontract Proceeds, etc., and the obligations and prohibitions of the main subcontracting enterprise, and we also conduct training on the prevention of insider trading using an e-learning format, aimed at raising awareness of compliance with laws and regulations.

Initiatives for communication with stakeholders

Information disclosures

The Group strives to disclose information that should be disclosed to shareholders in a timely and appropriate manner, such as by issuing news releases and posting information on the Company's website.

In addition, 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 reports, securities reports, English version of annual reports, business reports, 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

The Company holds results briefings twice a year (May and November) for investors and analysts (the May 2021 results briefing was canceled due to COVID-19). In addition to the explanation of the settled accounting results, the top management of the Company explains management policies and the progress of management plans, conducts Q&A and transmits a variety of management information. We are active in encouraging dialogue with market players not only through transmission of the information desired by investors and analysts but also by integrating the feedback of useful views therefrom in its actual business judgment.

◆ Dialogue with institutional investors

In order to contribute to the sustainable growth of the Company and the medium- to long-term improvement of our corporate value, we continuously hold dialogue between institutional investors and the management team. The main topics are ESG and sustainability, and capital policies, etc., and opinions and concerns that are identified through the dialogue are appropriately reported to the Company as feedback.



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

HOME ▶ IR Information ▶ IR materials ▶ 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: General Affairs Division, Personnel Division, Overseas Business Planning & Coordination Division, etc.) 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 Code of Conduct questionnaire conducted in December 2021, we examined 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.

We subsequently revised the corporate ethics help line rules in response to the revision of the Whistleblower Protection Act in June 2022. At that time, we again disseminated the rules throughout the Group to raise awareness of the system.

In fiscal 2021, the corporate ethics help line received and responded to 14 internal reports. Not all issues required corrective action but we will continue to take appropriate measures that lead to corrective action.



Results briefing for analysts

Introduction of Officers

Directors

Masao Fujikura

(Representative Director and President) March 20, 1959

April 1982	Joined the Company
June 2012	General Manager, International Business Coordination Chamber
April 2015	General Manager, Osaka Branch
June 2016	Director and General Manager, Osaka Branch
April 2017	Managing Director; and General Manager, Osaka Branch
April 2018	President
June 2021	President and Chief Executive Officer
June 2022	Representative Director and President (current position)

Hitoshi Wakabayashi

(Director and Managing Executive Officer) January 22, 1960

April 1982	Joined the Company
June 2012	General Manager, Warehousing & Distribution Business Division
April 2015	Chairman of the Board of Mitsubishi Logistics China Co., Ltd.
April 2016	General Manager, Warehousing & Distribution Business Division of the Company
June 2016	Director and General Manager, Warehousing & Distribution Business Division
April 2017	Managing Director
April 2019	Managing Director; and General Manager, Warehousing & Distribution Business Division
April 2020	Managing Director
June 2021	Managing Director and Managing Executive Officer
June 2022	Director and Managing Executive Officer (current position)

Yasushi Saito

(Director and Managing Executive Officer) October 16, 1958

April 1982	Joined the Company
June 2011	General Manager, Accounting & Financing Division
June 2016	Director and General Manager, Accounting & Financing Division
April 2018	Managing Director; and General Manager, Accounting & Financing Division
June 2018	Managing Director
June 2021	Managing Director and Managing Executive Officer
June 2022	Director and Managing Executive Officer (current position)

Shinji Kimura

(Director and Managing Executive Officer) July 18, 1958

April 1982	Joined the Company
April 2014	General Manager, Personnel Division
April 2016	General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division
June 2017	Director and General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division
April 2018	Managing Director
April 2020	Managing Director; and General Manager, Technical Division
April 2021	Managing Director
June 2021	Managing Director and Managing Executive Officer
June 2022	Director and Managing Executive Officer (current position)

Munenori Kimura

(Director and Managing Executive Officer) June 14, 1964

April 1987	Joined the Company
April 2018	General Manager, Yokohama Branch
April 2020	General Manager, Planning & Business Coordination Division
June 2021	Executive Officer and General Manager, Corporate Planning Division
April 2022	Managing Executive Officer and General Manager, International Transportation Business Division
June 2022	Director and Managing Executive Officer; and General Manager, International Transportation Business Division (current position)

Hidechika Saito

(Representative Director and Managing Executive Officer) July 5, 1964

April 1987	Joined the Company
April 2018	General Manager, Osaka Branch
April 2020	General Manager, International Transportation Business Division
June 2021	Executive Officer and General Manager, International Transportation Business Division
April 2022	Managing Executive Officer
June 2022	Representative Director and Managing Executive Officer (current position)

Tatsuo Wakabayashi (Outside Director) September 29, 1952

April 1977	Joined Mitsubishi Trust and Banking Corporation
April 2012	President of Mitsubishi UFJ Trust and Banking Corporation
April 2013	Deputy Chairman of Mitsubishi UFJ Financial Group, Inc.
December 2013	President and Chairman of Mitsubishi UFJ Trust and Banking Corporation
June 2015	Director; Deputy Chairman of Mitsubishi UFJ Financial Group, Inc.
April 2016	Chairman of Mitsubishi UFJ Trust and Banking Corporation; Director of Mitsubishi UFJ Financial Group, Inc.
June 2016	Retired from Director of Mitsubishi UFJ Financial Group, Inc.
April 2020	Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation (current position)
June 2019	Director of the Company (current position)

Toshifumi Kitazawa (Outside Director) November 18, 1953

April 1977	Joined The Tokio Marine and Fire Insurance Co., Ltd.
April 2016	President & Chief Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd.
June 2016	Director of Tokio Marine Holdings, Inc.
April 2019	Vice Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd.
June 2019	Retired from Director of Tokio Marine Holdings, Inc.
April 2022	Senior Executive Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (current position)
June 2019	Director of the Company (current position)

Tadaaki Naito (Outside Director) September 30, 1955

April 1978	Joined Nippon Yusen Kabushiki Kaisha
April 2015	President, Representative Director, President Corporate Officer of Nippon Yusen Kabushiki Kaisha
June 2019	Chairman, Director, Chairman Corporate Officer of Nippon Yusen Kabushiki Kaisha
June 2020	Chairman, Director, Chairman and Executive Officer of Nippon Yusen Kabushiki Kaisha
April 2022	Chairman, Director of Nippon Yusen Kabushiki Kaisha (current position)
June 2020	Director of the Company (current position)

Tetsuya Shoji (Outside Director) February 28, 1954

April 1977	Joined Nippon Telegraph and Telephone Public Corporation
June 2009	Director of the General Affairs Department of Nippon Telegraph and Telephone Corporation
June 2012	Senior Executive Vice President of NTT Communications Corporation
June 2015	President and CEO of NTT Communications Corporation
June 2020	Corporate Advisor of NTT Communications Corporation (current position)
June 2021	Director of the Company (current position)

Kazuko Kimura (Outside Director) May 1, 1951

April 1976	Joined the Ministry of Health and Welfare
July 1996	Drug Management and Policy Department of World Health Organization (on secondment)
July 1999	Organization for Pharmaceutical Safety and Research (on secondment)
April 2000	Professor of Drug Management and Policy Department, Institute of Medical, Pharmaceutical and Health Sciences, Kanazawa University
April 2017	Professor Emeritus of National University Corporation Kanazawa University (current position)
October 2017	Specially Appointed Professor of Graduate School of Medical Sciences of National University Corporation Kanazawa University (current position)
June 2021	Director of the Company (current position)

Tatsushi Nakashima

(Director and Senior Executive Officer) November 29, 1957

April 1976	Joined the Company
April 2017	General Manager, Nagoya Branch
June 2018	Director and General Manager, Nagoya Branch
April 2020	Director and General Manager, Yokohama Branch
June 2021	Director, Senior Executive Officer and General Manager, Yokohama Branch (current position)

Akira Yamao (Director and Senior Executive Officer) June 13, 1960

April 1983	Joined the Company
April 2015	General Manager, Planning & Business Coordination Division
June 2019	Director and General Manager, Planning & Business Coordination Division
April 2020	Director and General Manager, Osaka Branch
June 2021	Director, Senior Executive Officer and General Manager, Osaka Branch (current position)

Corporate Auditors

Tohru Watanabe

(Standing Corporate Auditor) (full time) June 24, 1949

April 1972	Joined the Company
June 2001	General Manager, Accounting & Financing Division
June 2003	Director; Assistant Managing Officer (responsible for Accounting & Financing) and General Manager, Accounting & Financing Division
June 2004	Managing Director; and General Manager, Accounting & Financing Division
June 2006	Managing Director
June 2008	Senior Managing Director
October 2010	Senior Managing Director; and General Manager, Planning & Business Coordination Division
January 2011	Senior Managing Director
June 2011	Standing Corporate Auditor (full time) (current position)

Mikine Hasegawa

(Outside Corporate Auditor) (full time) July 5, 1961

April 1985	Joined Mitsubishi Corporation
June 2010	CFO of Mitsubishi Corporation India Pvt. Ltd.
November 2013	Corporate Auditor of MC Healthcare, Inc.
June 2016	Corporate Auditor of Mitsubishi Corporation Life Sciences Limited
April 2019	Retired from Corporate Auditor of Mitsubishi Corporation Life Sciences Limited
May 2019	Attached to Corporate Division of Mitsubishi Corporation
June 2019	Corporate Auditor of the Company (full time) (current position)

Yohnosuke Yamada (Outside Corporate Auditor) May 2, 1959

April 1989	Registered as lawyer (Dai-Ichi Tokyo Bar Association) Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
October 1989	Joined Yamada Brothers (currently Yamada, Goya & Suzuki) (current position)
June 2004	Corporate Auditor of the Company (current position)

Takao Sato (Outside Corporate Auditor) July 17, 1954

March 1988	Registered as Certified Public Accountant
May 2003	Representative Partner of Asahi & Co. (currently KPMG AZSA LLC)
July 2007	Board Member of KPMG AZSA & Co.
June 2009	Retired from Board Member of KPMG AZSA & Co.
July 2014	Auditor of KPMG AZSA LLC
June 2016	Retired from Auditor of KPMG AZSA LLC
July 2017	Representative of Takao Sato Accounting Office (current position)
June 2020	Corporate Auditor of the Company (current position)

Junya Miura (Corporate Auditor) July 22, 1959

April 1983	Joined the Company
June 2016	General Manager, Audit Division
June 2020	Corporate Auditor of the Company (current position)
June 2020	Full-time Corporate Auditor of Ryoso Transportation Co., Ltd. (current position)

Executive Officers (as of June 30, 2021)

Senior Executive Officer **Akio Miura**
(General Manager, Nagoya Branch)

Senior Executive Officer **Masanori Maekawa**
(General Manager, General Affairs Division and Corporate Communications Chamber)

Executive Officer **Manabu Kusuyama**
(General Manager, Information Systems Division)

Executive Officer **Naoyuki Inamo**
(General Manager, Accounting & Financing Division)

Executive Officer **Takashi Mukai**
(General Manager, Real Estate Division)

Executive Officer **Shiro Ochi**
(General Manager, Corporate Planning Division)

The expertise and experience of each Director are (skill matrix)

Name	Current Position at the Company	Expertise and Experience						
		Corporate Management	Finance and Accounting	Marketing	ESG and Sustainability	Legal Affairs, Compliance and Risk Management	Technology	Contribution to the Company's Growth*
Masao Fujikura	Representative Director and President	○	○	○	○	○		○
Hitoshi Wakabayashi	Director and Managing Executive Officer	○		○				○
Yasushi Saito	Director and Managing Executive Officer	○	○			○	○	○
Shinji Kimura	Director and Managing Executive Officer	○		○				○
Munenori Kimura	Director and Managing Executive Officer	○		○	○			○
Hidechika Saito	Representative Director and Managing Executive Officer	○		○		○		○
Tatsuo Wakabayashi	Outside Director	○	○		○	○		○
Toshifumi Kitazawa	Outside Director	○	○		○	○		○
Tadaaki Naito	Outside Director	○	○		○	○		○
Tetsuya Shoji	Outside Director	○			○	○	○	○
Kazuko Kimura	Outside Director				○	○	○	○
Tatsushi Nakashima	Director and Senior Executive Officer			○				○
Akira Yamao	Director and Senior Executive Officer			○				○

* Contribution to the Company's Growth: MLC2030 Vision "Supply chains in the medical/health care," "Expand overseas business," and "Strengthen organization and develop human resources," etc.

(Note) This table does not represent all the skills that each Director possesses.

Statement Supporting the UN Global Compact

The Group promotes its initiatives for ESG management and the SDGs pursuant to the UN Global Compact's 10 principles.



Practice of the UN Global Compact's 10 principles

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

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

At the World Economic Forum in Davos, Switzerland in 1999, Kofi Annan, then Secretary-General of the United Nations, proposed that companies should observe the 10 principles in the areas of human rights, labor, the environment and anti-corruption to solve various problems that could occur due to internationalization and the global expansion of businesses. In July 2000, the UNGC was launched at the UN Headquarters in New York. As of July 2022, approximately 16,500 companies and organizations around the world were participating in the 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
Environment	Principle 6: The elimination of discrimination in respect of employment and occupation.
	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: Undertake initiatives to promote greater environmental responsibility; and
Anti-Corruption	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



Global Compact Network Japan's Web site
<https://www.ungc-jn.org/index.html>

Company Profile (As of March 31, 2022)

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 2021)	Consolidated: ¥257.2 billion Non-consolidated: ¥184.1 billion	
The number of employees of the Mitsubishi Logistics Group	4,732 (excluding 45 workers on leave to work outside the Group, 1,195 temporary staff and 1,308 employees on loan/dispatched from outside the Group)	
The number of employees of the Company	1,014 (excluding 103 employees on leave to work for other companies, 183 temporary staff and 597 employees on loan/dispatched from inside and outside the Group)	
Branches	Tokyo, Yokohama, Nagoya, Osaka, Kobe, Fukuoka	
Major Businesses	Logistics	Warehousing; trucking; port and harbor transportation; international transportation; marine freight transportation; customs clearance; development, sales, management and administration of logistics information systems; etc.
	Real Estate	Buying, selling, leasing and management of real estate; contracting of construction work, its design and supervision; operation of parking lots; etc.
Companies in the scope of consolidation (as of August 31, 2022)	Consolidated subsidiaries (48 companies) Tohoku Ryoso Transportation Co., Ltd., Saiyo 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 Kogyo 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., Meiryu Kogyo Co., Ltd., Ryoyo Transportation Co., Ltd., Kyokuryo Warehouse Co., Ltd., Hanryo Kogyo Co., Ltd., Shinyo Koun Co., Ltd., Naigai Forwarding Co., Ltd., Kyushu Ryoso Transportation Co., Ltd., Monryo Transport Corporation, Hakuryo Koun Co., Ltd., Seiho Kaiun Kaisha, Ltd., Saiyo 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 (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 Bul-Tech Co., Ltd., Yokohama Dia Building Management Corporation, Osaka Dia Bul-Tech Co., Ltd., Kobe Dia Maintenance Co., Ltd., T'ACT Co., Ltd.	
	Subsidiaries and Affiliates Accounted for by the Equity Method (3 companies) MY Terminals Holdings, Limited, Kusatsu Soko Co., Ltd., Jupiter Global Limited	

Stock Information (as of March 31, 2022)

Status of stocks

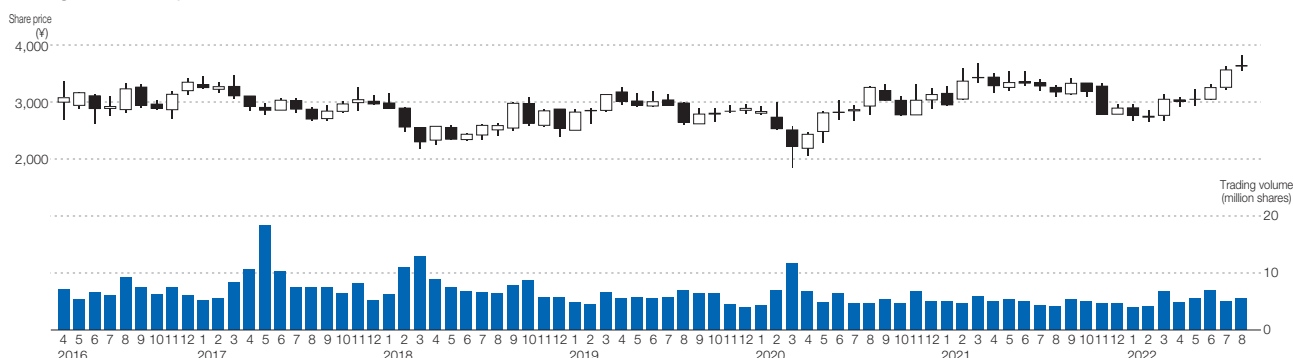
Authorized shares	220,000,000
Number of shares issued	87,960,739
Number of shareholders	7,203
Stock exchange listing	Prime Market of the Tokyo Stock Exchange
Securities code	9301

Major shareholders

Shareholder's name	Number of shares held (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	17,462	21.5
Meiji Yasuda Life Insurance Company	5,153	6.3
Custody Bank of Japan, Ltd. (trust account)	5,133	6.3
MITSUBISHI ESTATE CO., LTD.	3,665	4.5
STATE STREET BANK AND TRUST COMPANY 505001	2,405	3.0
Tokyo Marine & Nichido Fire Insurance Co., Ltd.	2,041	2.5
AGC Inc.	1,657	2.0
MUFG Bank, Ltd.	1,505	1.9
TAKENAKA CORPORATION	1,505	1.9
The Nomura Trust and Banking Co., Ltd. (trust funds for retirement benefits, Mitsubishi UFJ Trust and Banking Corporation account)	1,414	1.7

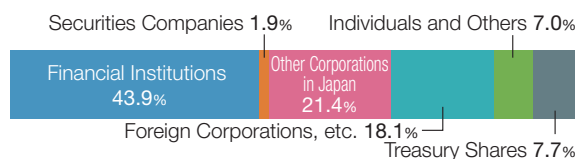
Note: 1 In addition to the above, the Company holds 6,751 thousand shares of treasury shares.
 Note: 2 MUFG BANK, Ltd. have set 750,000 Mitsubishi Logistics' shares as trust funds for retirement benefits for which voting rights are reserved, in addition to the shares stated in the table above.
 Note: 3 The "Shareholding ratio" is calculated after excluding treasury shares (6,751,940 shares).
 Note: 4 As of May 20, 2022, 6,000,000 treasury shares have been retired.

Changes in share price (as of August 31, 2022)

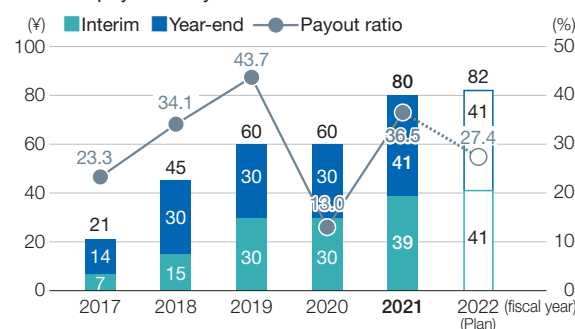


* The Company carried out a reverse stock split at a ratio of 1 share for every 2 shares of common stock, with an effective date of October 1, 2017. Accordingly, the share price and trading volume prior to September 2017 are calculated taking into account this reverse stock split.

Classification by types of shareholders



Dividend payouts/Payout ratio



* The Company carried out a reverse stock split at a ratio of 1 share for every 2 shares of common stock, with an effective date of October 1, 2017. Accordingly, the year-end dividend for fiscal 2017 is an amount that takes into account this reverse stock split.



Sustainability Promotion Team,
Sustainability Promotion Division
Nihonbashi Dia Building
19-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8630, Japan
TEL: +81-3-3278-6451
FAX: +81-3-3278-6694

Extended version

The following are some data related to the Mitsubishi Logistics Integrated Report 2022, which was collected at the end of fiscal 2021.

Environment

Environmental initiatives-related data (by business)

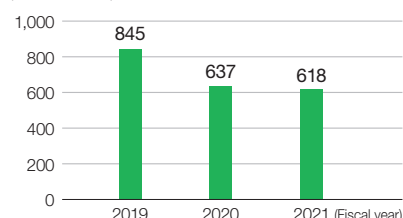
*Basic unit denominator (figures from Act on Rationalizing Energy Use, etc.) uses figure that have strong correlations with each business.

		Unit	Fiscal 2019	Fiscal 2020	Fiscal 2021
Warehousing and Distribution Business	Basic unit denominator	Thousand m ² <Floor area>	1,578	1,601	1,655
	CO ₂ emissions	Thousand t-CO ₂	27.9	26.8	28.0
	CO ₂ emissions basic unit	kg-CO ₂ /m ²	17.7	16.7	16.9
Overland Transportation Business	Basic unit denominator	Million km <Total transportation distance>	3.8	3.2	3.6
	CO ₂ emissions	Thousand t-CO ₂	3.4	2.9	3.1
	CO ₂ emissions basic unit	kg-CO ₂ /thousand km	904.7	885.9	872.5
Port and Harbor Transportation Business	Basic unit denominator	Thousand tons <Handling tons>	48	51	111
	CO ₂ emissions	t-CO ₂	6	5	24
	CO ₂ emissions basic unit	kg-CO ₂ /thousand tons	124.2	98.9	215.6
Real Estate Business	Basic unit denominator	Thousand m ² <Operational area>	681	676	651
	CO ₂ emissions	Thousand t-CO ₂	34.2	29.1	28.4
	CO ₂ emissions basic unit	kg-CO ₂ /m ²	50.2	43.0	43.6
CO ₂ emissions		Thousand t-CO ₂	65.5	58.7	59.6

Environmental initiatives-related data (by usage, by emission type)

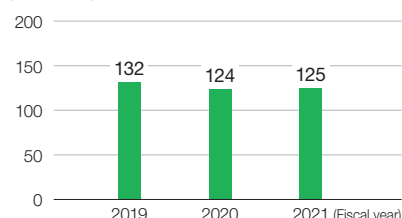
Water use (water supply, sewage)

(Thousand m³)



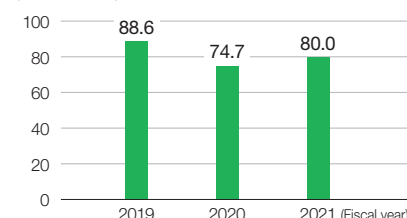
Electricity use

(Million kWh)



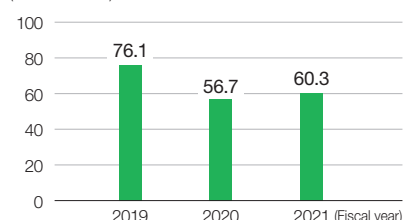
Fuel use (City gas, LP (Liquefied Petroleum) gas, kerosene, heavy oil, diesel oil, gasoline)

(Thousand GJ)



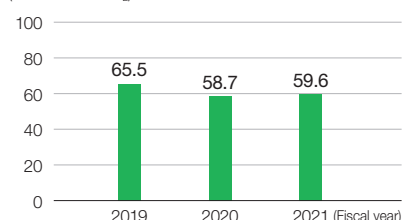
Heat use (Heated water, cold water, vapor)

(Thousand GJ)



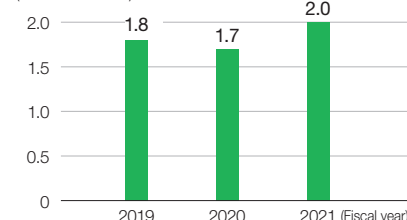
CO₂ emissions

(Thousand t-CO₂)



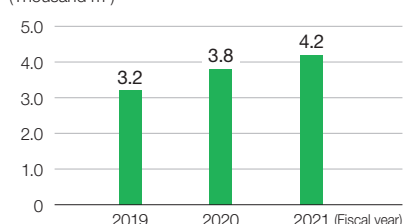
Waste emissions (tons)

(Thousand tons)



Waste emissions (m³)

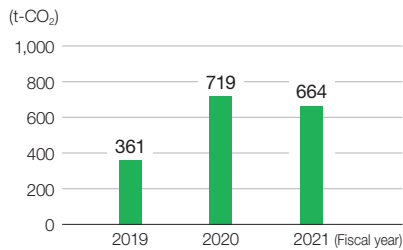
(Thousand m³)



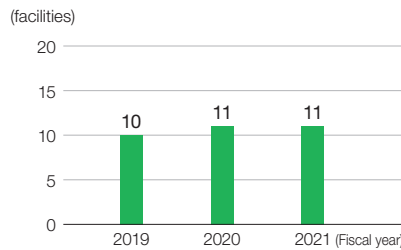
* Calculation standard

- Volume related to electricity usage, fuel usage, heat usage, CO₂ emissions and basic unit denominator from the Warehousing and Distribution Business, the Port and Harbor Transportation 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 usage, CO₂ emissions and basic unit denominator were calculated for the Company's major trucking subsidiary (Ryoso Transportation Co., Ltd.) based on the standard in the Act on Rationalizing Energy Use.
- Business sites for the Port and Harbor Transportation Business were restricted to two 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 (Fuji Logistics Co., Ltd. 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.

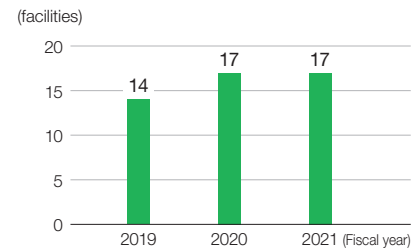
Calculated leakage amount of fluorocarbons



Number of facilities covered by the Logistics Comprehensive Efficiency Act



Number of facilities that have obtained CASBEE* Rank A certification or above



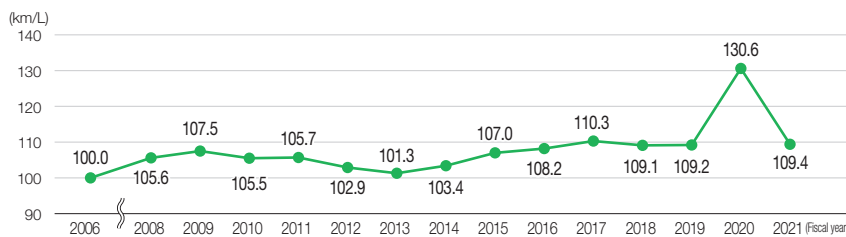
* Comprehensive Assessment System for Built Environment Efficiency

Change of total gas mileage at all operational sites of Ryoso Transportation Co., Ltd. (fiscal 2006 to fiscal 2021)

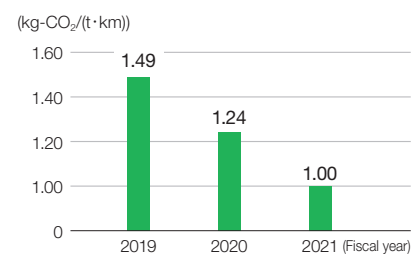
Fiscal year	2006	2008	2009	2010	2011	2012	2013	2014
Vehicles for business use	2.45 (100.0)	2.59 (105.6)	2.63 (107.5)	2.58 (105.5)	2.59 (105.7)	2.52 (102.9)	2.48 (101.3)	2.53 (103.4)

Fiscal year	2015	2016	2017	2018	2019	2020	2021
Vehicles for business use	2.62 (107.0)	2.65 (108.2)	2.70 (110.3)	2.67 (109.1)	2.67 (109.2)	3.20 (130.6)	2.68 (109.4)

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



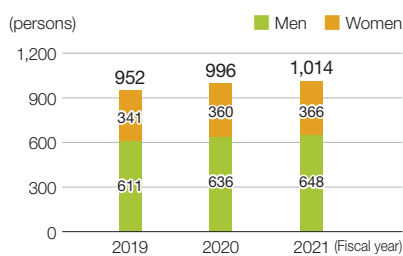
DP-Cool service per-basic unit CO₂ emission



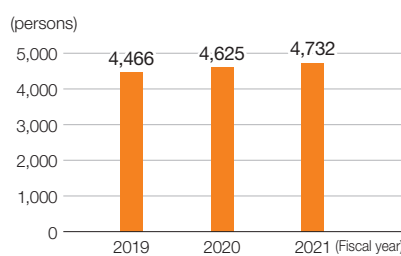
Society

Figures for Mitsubishi Logistics Corporation only, unless otherwise specified

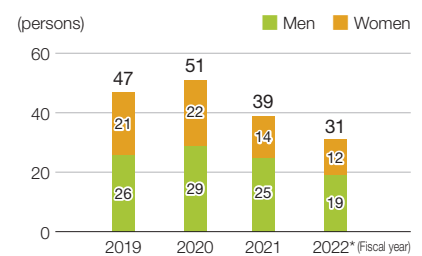
Number of non-consolidated employees



Number of Group employees

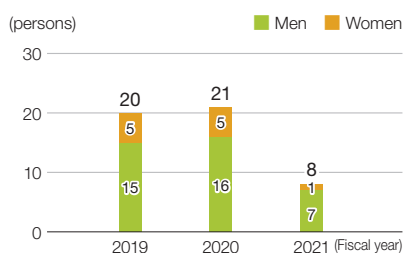


Number of new graduate recruits

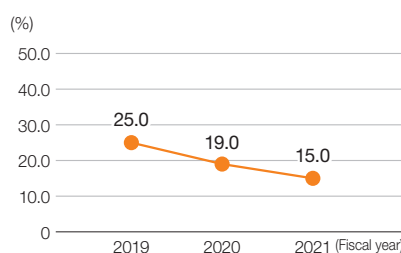


* The figure for fiscal 2022 is as of April 1, 2022

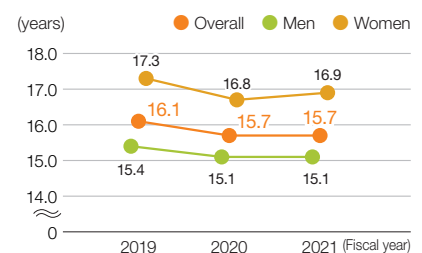
Number of mid-career recruits



Ratio of mid-career recruits to regular employees

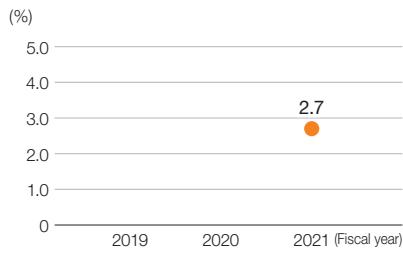


Average length of service (non-consolidated)

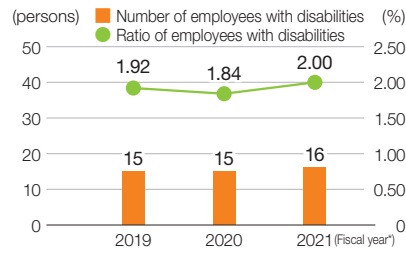


Extended version

Ratio of female managers

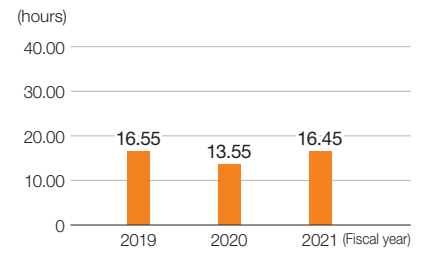


Number of employees with disabilities/
Ratio of employees with disabilities

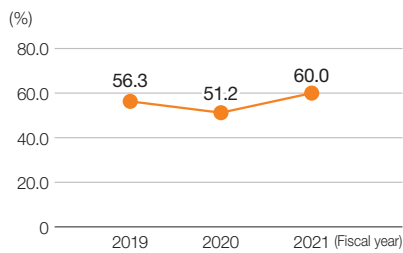


* As of June 1, each year

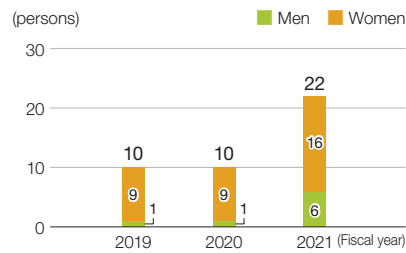
Monthly average overtime



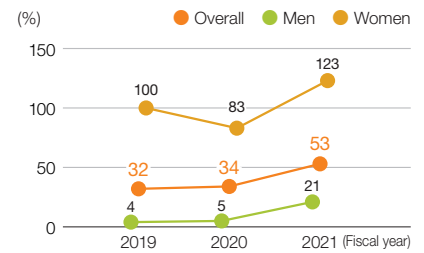
Ratio of employees taking paid leave



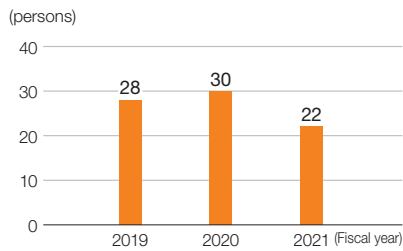
Number of employees taking child-care leave



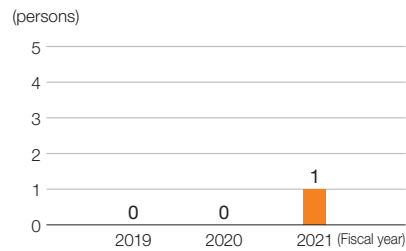
Ratio of employees taking child-care leave



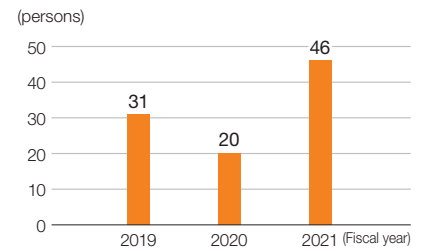
Number of employees using reduced working hours system



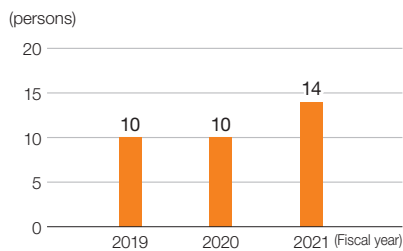
Number of employees using nursing care leave system



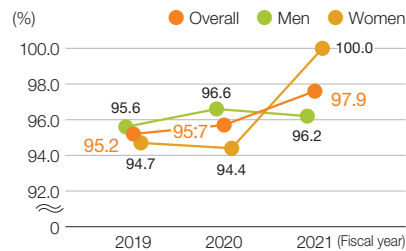
Number of employees using general care leave system



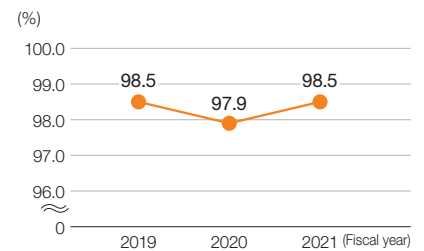
Number of employees using family care leave system



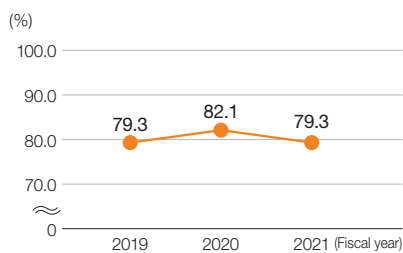
Ratio of new employees retained after three years



Ratio of employees undergoing health checkups

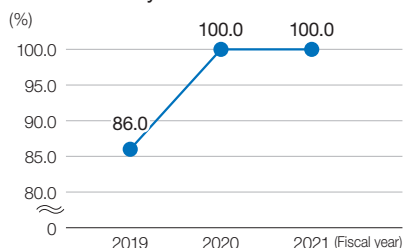


Ratio of employees undergoing stress checks

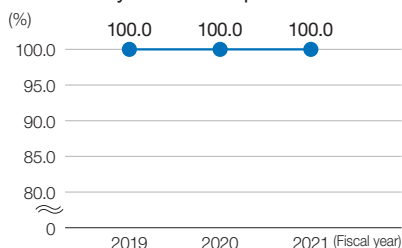


Governance

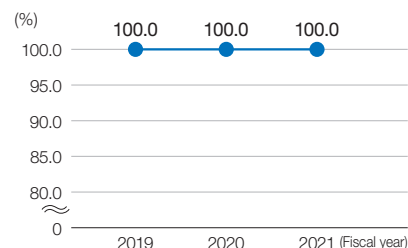
Attendance at meetings of the Board of Directors by outside directors



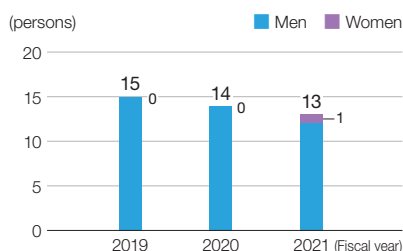
Attendance at meetings of the Board of Directors by outside corporate auditors



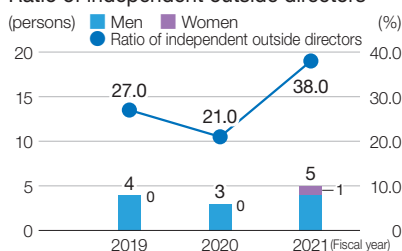
Attendance at meetings of the Board of Corporate Auditors by outside corporate auditors



Number of directors



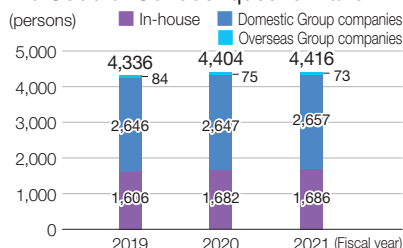
Number of independent outside directors/
Ratio of independent outside directors



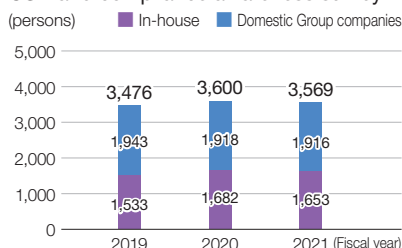
Governance (compliance, etc.)

Figures for Mitsubishi Logistics Corporation only, unless otherwise specified

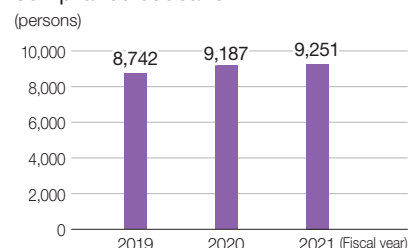
Number of people who participated in the Code of Conduct questionnaire



Number of people who participated in the CSR and compliance awareness survey

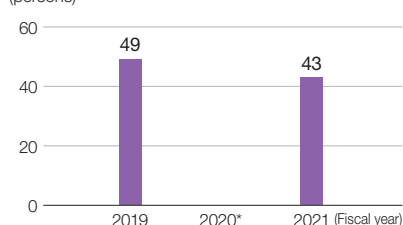


Number of people who received compliance education*



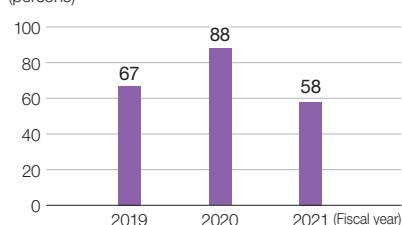
* Total number of participants (cumulative number of participants during each fiscal year) for all Group companies

Number of participants in human rights training

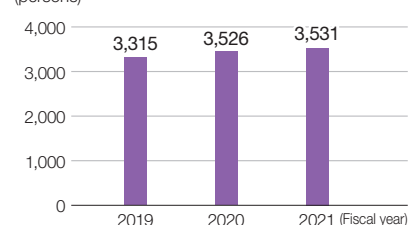


* Not held due to COVID-19.
Education provided separately by methods other than group training sessions.

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

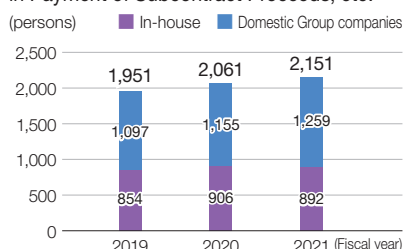


Number of respondents to information security questionnaire*

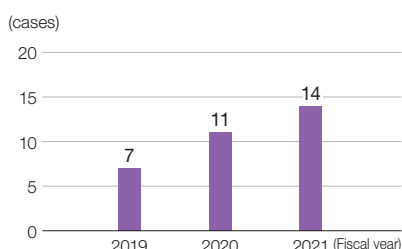


* Includes Group companies

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



Number of reports made to the helpline (Internal Reporting Hotline)*



* Includes reports from Group companies

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. 49	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. 10-13	Introduction of Businesses
102-3	a. Location of the organization's headquarters.	P. 49	Company Profile
102-4	a. Number of countries where the organization operates, and the names of countries where it has significant operations.	P. 49	Company Profile
102-5	a. Nature of ownership and legal form.	P. 49	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. 49	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. 8-9 P. 49	At a Glance Company Profile
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. 49	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. 10-13	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. 24-25	Opening of Tsukuba Logistics Center by Fuji Logistics Co., Ltd. Opening of Ibaraki Distribution Center No. 5 in Osaka (planned for October 2022)
102-11	a. Whether and how the organization applies the Precautionary Principle or approach.	P. 36-47 P. 24-29	Organizational Governance Safety, Security, Disaster Response, Environmental Initiatives, and Response to TCFD Recommendations
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. 48	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. 4-7 P. 14-19	Top Message Initiatives for ESG Management and the SDGs
3. Ethics and integrity			
102-16	a. A description of the organization's values, principles, standards, and norms of behavior.	P. 14-23	Initiatives for ESG Management and the SDGs, The MLC2030 Vision, and the Management Plan
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. 36-47 P. 14, 28, 36	Organizational governance Sustainability Committee

GRI Standards reference table (Lists mainly “Core” options)

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. 14-19 P. 24-35	Initiatives for ESG Management and the SDGs Initiatives for each of the six key themes
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. 49	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.	P. 17-18 P. 24-35	Six key themes Initiatives for each of the six key themes
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.	P. 14-19	Initiatives for ESG Management and the SDGs