

Human Capital Management

Human Resources as a Source of Value Creation and Bolstering Capital to Achieve Our Purpose

We believe people are the source of value creation and strive to foster human resources that contribute to company growth and ultimately the development of society. We also view human resources as capital that generates high-value-added services through new ideas and creativity and contributes to sustainable growth and medium- to long-term corporate value, which is why we are bolstering investment in human capital to achieve our purpose by establishing an educational environment that cultivates highly specialized human resources in a variety of fields including digitalization.

Responding to a changing business environment in a relevant and flexible manner requires human resources diverse in terms of gender, nationality, employment status, and more to participate in organizational decision-making, which is why we promote diversity, equity & inclusion (DE&I) that includes women's empowerment and are working on measures needed to bring out the full potential of individual strengths and abilities.

Ideal Human Resource Profile

Each employee keeps in mind the Code of Conduct and acts in accordance with the following principles in an effort to contribute to the development not only of the Company but society as well.

1. Act with fidelity, integrity, and fairness.
2. Act autonomously.
3. Respond flexibly to environmental changes.
4. Demonstrate expertise and act with creativity.
5. Maintain teamwork and cooperate with others.

An HR Strategy to Achieve Our Management Strategy

Management Plan & Strengths

Management Plan (2022–2024)

Strengthen the Group management base

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

Strengths

Human resources that create new value

- Ability to ascertain needs
- On-site capabilities that realize products best suited to customers' needs
- Service development capabilities

Develop a Human Resource Portfolio

Basic Principle for Personnel Affairs & Ideal Human Resource Profile

1

Optimizing Quality and Quantity of Talent to Achieve Our Business Strategy
(Develop a Human Resource Portfolio)

HR allocation Page 64

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Energize Employees and the Organization

Boosting Group HR & Organizational Vitality and Value Creation

Purpose

**Making
“Supporting Today,
Innovating Tomorrow.”
a Reality**

**Achieve
the MLC2030 Vision and
the Management Plan**

1 Optimizing Quality and Quantity of Talent to Achieve Our Business Strategy (Develop a Human Resource Portfolio)

HR allocation

HR hiring

HR development

We are creating a human resource portfolio in terms of both quality and quantity to achieve our MLC2030 Vision and the management plan. In our next management plan, we will develop a human resource portfolio based on our next business plan as well as our business portfolio.

HR allocation

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Human Resource Portfolio

This will define measures related to the skills and headcount required of future human resources to achieve the MLC2030 Vision and management plan and will categorize human resources into four types to optimize recruitment, development, and allocation.

	Management	Solution	Operation	Innovation
Ideal human resource profile	Organization management specialists	Customer problem solvers	Core human resources supporting work sites	Transformers planting seeds of future revenue
Major roles	<ul style="list-style-type: none"> Optimize organizational management resources and maximize organizational results. 	<ul style="list-style-type: none"> Build strong relationships with customers and outside companies. Increase added value through collaboration with internal and external organizations. 	<ul style="list-style-type: none"> Respond flexibly to daily operations with a high level of communication and coordination skills to maximize customer satisfaction. 	<ul style="list-style-type: none"> Contribute to future revenue generation by solving long-term/social issues and developing new business. Promote productivity improvements and new initiatives across the company from broad perspectives and a high level of expertise.
Target HR groups	<ul style="list-style-type: none"> Managers of section heads and higher 	<ul style="list-style-type: none"> Human resources involved in developing new customers and strengthening existing customer relationships in Japan and abroad Corporate divisions 	<ul style="list-style-type: none"> Those in charge of logistics operations at head office and branches Corporate divisions (those in charge of routine work) Junior employees and mid-career hires 	<ul style="list-style-type: none"> Corporate divisions (those in charge of corporate, etc.) Employees working in diverse areas, including those seconded to consolidated subsidiaries or external partner companies Advanced digital human resources

Note: These are convenient categories for developing our human resource portfolio and do not define treatment or other conditions.

HR Allocation to Support Employee Careers

Self-reporting system

Under the self-reporting system, employees are asked to report their level of satisfaction with their current job assignment and to present a career plan once a year. The report form comprises not only items on job assignments but also items pertaining to the life plans of individual employees. The content reported is used in deciding personnel transfers, designing career paths, and more.

HR Hiring

Recruitment activities

To secure human resources from a long-term perspective in a systematic and stable manner, the Company has

introduced an open entry system for hiring that does not place preferential weighting on certain schools or faculties, ensuring fair and impartial screening of applicants. We also offer opportunities to a wide range of applicants, including for those with specialized knowledge and practical experience, using our website and a variety of publicity media to share recruitment information.

Stance toward new graduate recruitment

In recruiting new graduates, we focus on human resources able to break precedent and take on new challenges, who we expect to drive company growth going forward. We have created videos that incorporate the opinions of junior employees to pique the interest of a wide range of people in the essential work of the logistics and warehousing industry.

Stance toward mid-career hires

We hire a set number of human resources as immediate assets annually, mainly for positions requiring expertise.

Going forward, we will proactively increase hiring of human resources with diverse career backgrounds.

Introduction of a comeback system

We introduced the Comeback System to rehire former employees who had to resign due to childcare, nursing care, or a spouse's work transfer after these reasons no longer apply to work as immediate assets, and hope that rehiring former employees who gained experience and skills at other companies will bring new perspectives by rehiring former employees who gained experience and skills at other companies will bring new perspectives, especially given the diversification of work styles among the younger generation.

1 Optimizing Quality and Quantity of Talent to Achieve Our Business Strategy (Develop a Human Resource Portfolio)

HR allocation

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HR development

HR Development: Initiatives for Employee Growth Through MLC Academy

To foster human resources that contribute to social development through business, we have established HR systems and launched a corporate university (MLC Academy) to develop and grow an educational environment that lets all employees learn continuously and autonomously.



MLC Academy objectives and educational policy

Amid digitalization, globalization, and other rapid changes in the external environment, achieving the MLC2030 Vision and management plan requires not only traditional generalists but transformative leaders and specialists able to drive M&A, digitalization, and SDGs initiatives. To foster these human resources systematically over the medium to long term, we launched the corporate university MLC Academy in April 2024 as an evolved form of our existing HR education system. With “supporting company business growth and individual career design” as its concept, this academy establishes an educational environment that lets all employees learn continuously and autonomously under the following educational policies.

MLC Academy educational policy



1. Promote autonomous learning and career design

The Academy fosters a desire among employees to continuously learn new knowledge and skills and cultivates adaptability to change through self-growth.



2. Provide a practical curriculum

The Academy helps employees acquire the knowledge and skills needed to achieve our business strategy by providing a curriculum that promotes the accumulation and sharing of expertise and experience-based knowledge required for different tasks.



3. Develop next-generation leaders

The Academy cultivates human resources able to create change autonomously, take on challenges, and drive innovation.

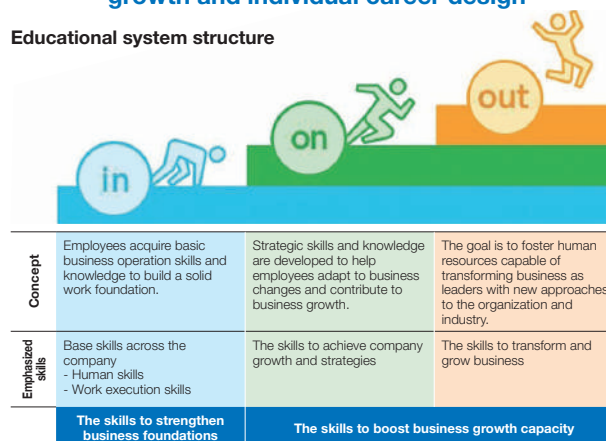
Concept

MLC Academy, which supports both company business growth and individual career development, advocates a system of “in,” “on,” and “out.”

While working at Mitsubishi Logistics, employees acquire basic business operation skills and knowledge in the “in” phase, mastering the skills that support the foundations of the Company’s business. In the “on” phase, employees cultivate the knowledge and skills to respond to environmental changes and view business from new perspectives beyond existing frameworks, fortifying the skills to achieve our business strategy. Finally, in the “out” phase, employees develop the ability to forge new paths autonomously, meaning they have grown into human resources capable of transforming business.

MLC Academy, supporting company business growth and individual career design

Educational system structure



Curriculum

In addition to traditional job tier-based training, language courses, and qualification courses, the Academy offers diverse course content, such as specialized courses, sharing of in-house knowledge by veteran employees, a failure case study course created through employee feedback, cross-industry exchange courses, and dispatch to outside educational institutions.

Curriculum categories

■ Next-generation leader development

Cultivates human resources able to create change autonomously, take on challenges, and drive innovation.

■ Skills to boost business growth capacity

Systematizes the knowledge and skills required for business growth according to tier and the 4 types defined in the human resource portfolio. The curriculum is conducted primarily by external instructors and educational institutions.

■ Tier-based training

Existing curriculum for each tier has been partially revised and implemented continuously to solidify vital skills and knowledge and foster an internal network.

■ Human skills, DX, etc.

Curriculum conducted for a wide age range featuring such socially relevant themes as diversity, equity & inclusion (DE&I), human rights, and career design.

■ Work execution skills

Systematizes the expertise and in-house, experience-based knowledge that forms the foundation of business operations. The curriculum is conducted primarily by in-house instructors selected from each business division.

■ Correspondence courses, external training, etc.

Correspondence education, e-learning, overseas dispatch programs for junior employees, and curriculum from external institutions such as the Mitsubishi marketing workshop as well as joint programs with other companies are conducted as needed.

1 Optimizing Quality and Quantity of Talent to Achieve Our Business Strategy (Develop a Human Resource Portfolio)

HR allocation

HR hiring

HR development

DX human resource development training program

We conduct a DX human resource development training program to promote DX and provide new value.

The purpose behind developing DX human resources

We believe that achieving the productivity improvements and innovation through business transformation created through a review of operational processes and the use of new technology as outlined in the MLC2030 Vision requires not only raising awareness and digital literacy among all employees but the presence of human resources well-versed in the digital ("DX human resources").

That is why this program has employees master an overview of digital technology, viewpoints on data utilization, design thinking, and ideation techniques in an effort to foster core human resources when implementing DX in the workplace.

The definition of DX human resources

DX human resources are defined as those who understand our business deeply and are able to envision how to transform it through data and digital technology, draw clear visions for implementation, and demonstrate leadership.

- Human resources able to generate ideas for system improvement using digital analysis and other technologies
- Human resources able to explain what digital technology and IT can do
- Human resources motivated to improve operations and able to create new businesses through a combination of digital technology and IT
- Human resources able to involve others and demonstrate leadership

Required roles

Lead reviews of operational processes and the creation/innovation of new businesses (new services, etc.) that generate value in the workplace.

The skills DX human resources require

Employees learn information on DX, fundamental data science, security measures and laws to consider in using IT, and thinking methods aimed at problem-solving in an effort to improve the skills required for DX.



Analytics

Systems or technologies that use data to extract meaningful insight



Business Intelligence

Understand business intelligence tools and be able to design/request analyses. Understand business and able to visualize data.



Cyber Security

Understand major cyber attack risks and countermeasures and be familiar with personal data/IP risks.



Design Thinking

Understand and be able to employ the processes of problem identification and ideation using design thinking.

Content of the DX human resource development training program

After completing pre-learning, participants acquire general DX knowledge, then study design thinking and value proposition for customer-oriented design before finally learning data science.

Duration

A total of 9 days of training

Methods

E-learning, in-house/external instructors

Main content

The fundamentals of DX, security and relevant laws, new DX technologies, design thinking, business intelligence tool operation, and data science
After completing these group training sessions, participants implement DX in the workplace.

2

Energizing Employees and the Organization to Drive Challenges and Innovation

Improving engagement

DE&I

Creating a corporate culture to drive challenges and innovation

Mitsubishi Logistics has inherited a spirit of embracing change throughout our history. To keep providing new value, we promote initiatives to support challenge and innovation among employees.

Improving engagement

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Diversity, Equity & Inclusion (DE&I)

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Creating a corporate culture to drive challenges and innovation

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Improving Engagement

Focus on labor-management relationship

We value communication with the labor union. The labor agreement between the Company and the Mitsubishi Logistics Labor Union is grounded in cooperation between labor and management and defines the responsibilities of the Company and those of the union as follows.

1. Responsibility of the Company

The Company shall make active efforts to maintain and improve working conditions and enhance the welfare of its employees to improve their status and provide them with a stable livelihood.

2. Responsibility of the union

The union shall strive to maintain order in the workplace, promote improvement of work capabilities, and cooperate fully in the Company's business development founded on democratic principles.

Discussions and negotiations between the Company and the union are conducted at the management council meetings attended by the representatives of both parties. These meetings are divided into the Central Management

Diversity, Equity & Inclusion (DE&I)

In order to adapt to changes in the external environment, drive innovation, and provide high quality, value-added service, we believe it is vital to have a diverse workforce in terms of gender, nationality, employment status, and more able to take on challenges, thrive, and participate in the organization's decision making. The ratio of female managers will be included as an officer performance evaluation indicator to further promote women's empowerment from 2024 onward, and we also view the employment of older workers to pass on their knowledge and expertise through as an initiative to foster innovation through DE&I.

Council meeting, which involves the Company's main office and the union headquarters, and the Worksite Management Council meeting, which involves the head office and union branches, both of which are held monthly.

Stance on employment

Our basic policy in hiring employees is to respect diversity with regard to race, religion, gender, age, physical disability, sexual orientation, and nationality.

Promotion of female empowerment

We are working to promote women's empowerment as part of our DE&I initiatives. We believe that hiring women and other diverse human resources is essential in order to adapt to anticipated future changes in the external environment (diversification of market needs and risks, shrinking Japanese workforce, etc.).

To build an organization where diversity thrives, we will create a pleasant and rewarding work environment for women and all other employees, which will lead to value creation through innovation, human resource acquisition, and improved productivity to achieve sustainable growth. To achieve our FY2030 goal of having 10% women in management positions, we will revise promotion criteria and promote other initiatives to support women's autonomous career development, as well as conduct tier-based training, including for managers, as an opportunity to reassess the importance of promoting women's empowerment within the company.

Employment of elderly individuals

Even before the introduction of a law to promote the employment of elderly individuals, the Company implemented measures to secure employment up to the age of 62 or 63, including finding work for retirement-age employees at affiliated companies and rehiring those with specialized knowledge. With the law taking effect, we currently have a continuous employment system in place where employees who wish to continue working can do so until age 65 based on certain standards, with about 90% of retirees covered by this system. Amid a declining birthrate and aging population, we will provide opportunities employment and work opportunities regardless of age and offer retirement-age employees highly motivated to demonstrate their abilities a place where they can thrive as work-ready resources.



Energizing Employees and the Organization to Drive Challenges and Innovation

Improving engagement

DE&I

Creating a corporate culture to drive challenges and innovation

Creating a Corporate Culture to Drive Challenges and Innovation

In September 2024, we established “Supporting Today, Innovating Tomorrow” as our purpose. Mitsubishi Logistics has inherited a spirit of embracing change throughout our history. To keep providing new value, we promote initiatives to support challenge and innovation among employees.

Revision to the performance evaluation system

To support employee challenges and growth, we added “Value creation performance” as a new evaluation item to assess behaviors leading to new challenges, improvement, innovation, and self-growth.

We believe employee efforts toward new challenges, innovation, and self-growth are vital if we are to provide unprecedented value and achieve the MLC2030 Vision/management plan. In an unpredictable world where common sense is nonsense, we need the power to break free from precedent and face difficulties, continuously try new things, and overcome challenges. We received feedback at the town hall meeting to introduce a performance evaluation system that assesses challenges, so it has been revised to better support employee challenges and growth.

Improvement activity award system

In July 2016, the Group introduced the improvement activity award system to stimulate voluntary actions to improve business. Under this system, an award is given to the group that made the greatest contribution to improving service quality and streamlining operational processes.

By continuously reviewing operational processes through improvement activities, we aim to improve the quality of the Group’s services and help improve customer value as set forth in the MLC2030 Vision.

In FY2023, 46 groups (352 people) participated, for a

cumulative total of more than 2,850 participants. Activity groups worked on themes they set themselves in accordance with the Mitsubishi Logistics Improvement Procedures and reported their results. Their wide-ranging activities included not only reviewing the operation flow lines within warehouses, improving storage efficiency, and enhancing safety measures but also business improvement and streamlining of clerical work in offices. The administration provided support to help the activity groups thoroughly analyze problems, identify causes, and perform efficient improvement activities.

As even small improvements can yield significant results when performed continuously across the company, the administration will continue to share examples of these activities using an internal database and in-house journal as well as run a system to ingrain improvement activities in the Group’s culture.

MLC Innovation Program (Innovation × Human Resource Development)

To achieve our goal of “Fostering a corporate culture that supports new challenges and innovation” in Policy 5. Strengthening the Group management base in the Management Plan (2022–2024) and “Partnerships,” part of our Materiality (Six Key Themes), we introduced and implemented the MLC Innovation Program, which solicits business ideas from a wide range of employees in conjunction with the formation of CVCs to help turn promising ideas into reality.

In this program, business ideas are solicited through an open call system available to all employees, who then take a new business plan development course for nearly half a year to learn new business planning and proposal methods to make their business ideas more concrete, after which an internal review is conducted to select projects for continued research and development as well as possible commercialization. In the inaugural year of FY2023, two ideas out of countless submissions have advanced to the research and development stage.

MLC Ventures, Ltd.

A corporate venture capital (CVC) firm parented by Mitsubishi Logistics Corporation. For specific initiatives, see the Integrated Report [Page 53](#).

VOICE

On Participating in the MLC Innovation Program



Yuya Fujimoto

Business Coordination Team,
Corporate Planning Division,
Head Office

As an architecture specialist, I find proposing new businesses similar to architecture. In architecture, there is a process called esquisse, in which we start with a rough concept sketch. From there, we incorporate structure, equipment, regulations, and costs to make it manifest. Proposing new businesses also starts with creative ideas, which are then made manifest through repeated series of processes involving analysis, issue identification, hypothesis testing, and problem-solving.

However, there is no right answer when creating a new business, and working on it alongside my existing duties was challenging, but that challenge is what made the program a great learning experience. While the new business may not go as planned, as a first-generation participant, I would like to achieve commercialization, help further vitalize this program, and contribute to change in our corporate culture.