



Mitsubishi Logistics
Environmental and Social Report

2018



Editorial Policy

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

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

Boundary of the Report and Reporting Period

Boundary of the Report:	The Report covers Mitsubishi Logistics Corporation (the “Company”) and Group companies.
Reporting Period:	This Report covers our business activities for the period from April 1, 2017 to March 31, 2018. To ensure comprehensive disclosure, however, certain relevant information regarding events that occurred prior to and/or after this period have been included.

Publication Date

(Previous publication date: February 2018)
February 2019
(Next planned publication date: February 2020)

Reference Guidelines

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

Contacts for Inquiries Regarding the Environmental and Social Report

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

Contents

Editorial Policy and Contents	1
Top Message	2
Introduction of Businesses	4
<hr/>	
Promotion of CSR	
Manifestation of The Three Principles of Mitsubishi’s Business Management Philosophy and the Code of Conduct, etc.	6
Promotion of CSR for every employee; Emphasis on communication	9
Confirmation of major CSR activities	10
<hr/>	
Organizational Governance	
Corporate Governance; Promoting the realization of our corporate philosophy and strategies	12
Review of goals, standards, etc.; Entrenchment of the compliance of standards, etc.; Confirmation of the implementation process of action plans	13
<hr/>	
Respect for Human Rights	
Improvement of awareness of human rights; Respecting human rights through business activities	14
<hr/>	
Appropriate Working Environment	
Respect for labor-management relations; Employment and the importance of the employment relationship; Rewarding and friendly working conditions	15
Ensuring the security of workers	18
Human resources development and training	19
<hr/>	
Environmental Conservation	
Reduction of CO ₂ emissions as a measure for reducing climate change	22
Use of renewable resources	24
Contribution to the recovery of the eco-system	25
<hr/>	
Fulfillment of Sincere and Fair Business Activities	
Prohibition of unfair advantage in competition and promotion of fair and open competition	26
<hr/>	
Provision of Safe, High-Quality and Useful Services	
Provision of socially and environmentally beneficial high-quality services	27
Promotion of disaster measures to maintain service functions	29
<hr/>	
Coordination with Local Communities and International Society	
Contribution to cultural activities; Contribution through activities in local communities, etc.	32
<hr/>	
Statement Supporting the UN Global Compact	
Practice of the UN Global Compact’s 10 principles	36
Company Profile	37



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

“Extended version”

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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

“GRI Guidelines reference table”

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

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

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



Masao
Fujikura
President

Introduction

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

Our Group companies work in cooperation to carry out our logistics business both in Japan and around the world, organically and comprehensively managing each business area through our information network, starting with our core warehousing business, and including overland transportation, port and harbor operations, and international transportation. Our real estate business focuses on leased buildings constructed on

company-owned property. Of especial note, the involvement of our logistics operations in every industry countrywide provides a key function in the economic foundation as a highly public social infrastructure not only in peacetime but also in case of natural disasters or other emergencies. We continue to make the utmost effort to support the daily lives of people everywhere and the business activities of our customers at every level of product procurement, production and sales.

Final Year of the Management Plan (2016–2018)

The current fiscal year is the final year of the Management Plan (2016-2018), which started in April 2016. Overseas, the U.S. economy continued to steadily recover and a moderate recovery was seen in Europe. The economy in China also continued a pick-up trend. The Japanese economy recovered

global environment- sincere and fair the realization of an

gradually as employment conditions, personal consumption as well as exports steadily improved, and investment in plant and equipment increased moderately.

In these circumstances, this plan is designed to move forward with measures already under way, without changing the fundamental concept of pursuing the growth potential in overseas businesses while ensuring profitability in the domestic businesses.

The management plan has defined the ideal image of the Mitsubishi Logistics Group that we ought to pursue as follows.

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

Initiatives for CSR management

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



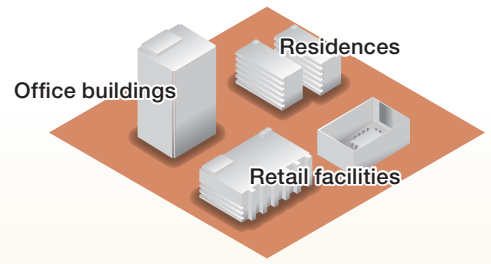
in the areas of human rights, labor, the environment and anti-corruption as fulfilling its social responsibility in its business activities and leading to an affluent and sustainable society. To firmly instill this stance throughout the entire Group, we have clarified that we promote CSR activities as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

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

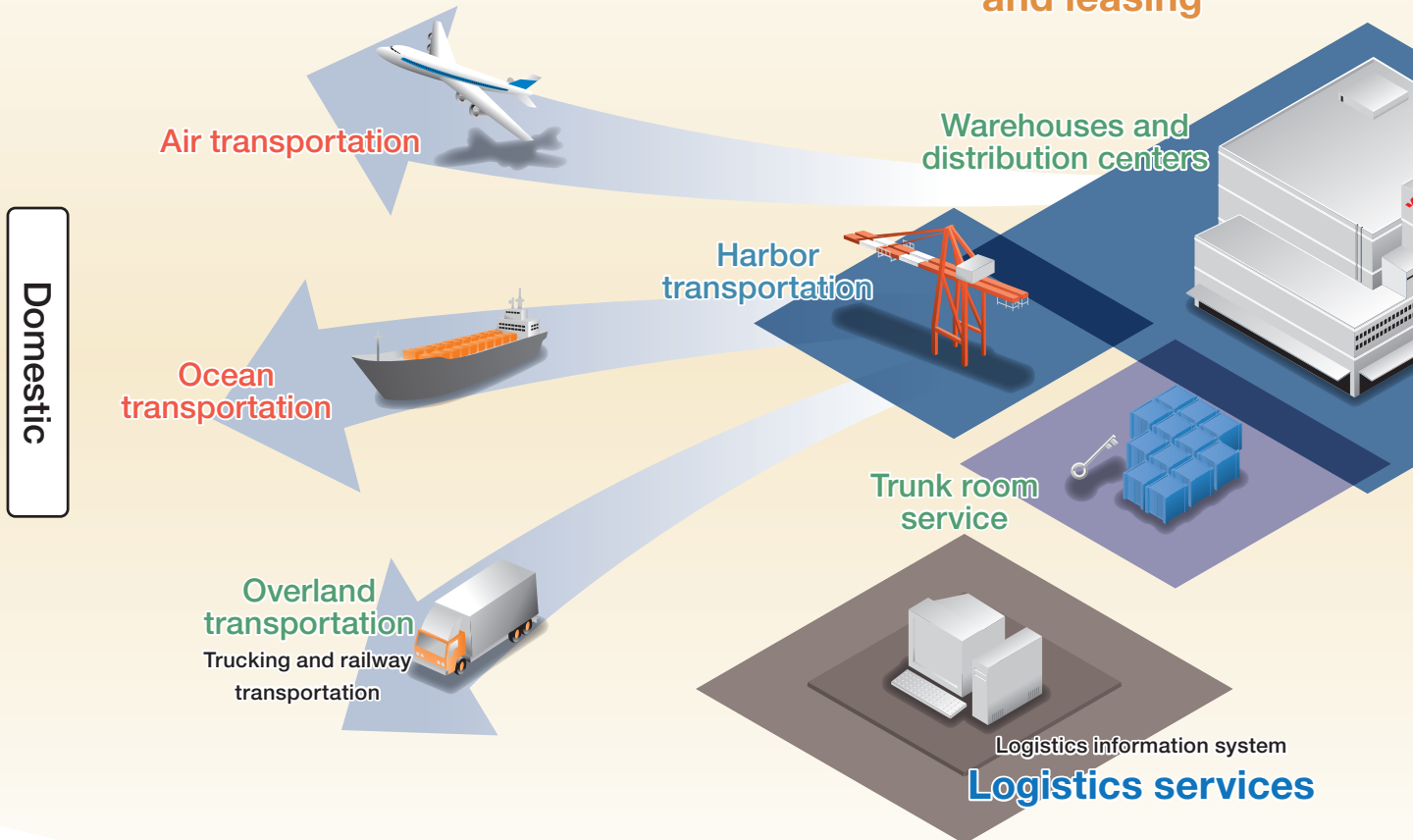
Conclusion

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

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



Real estate development and leasing



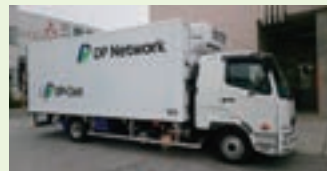
Warehousing and Distribution Business

We are able to meet a broad range of customized logistics needs through the full integration of warehouses and distribution centers, which are located at major ports and key inland transportation areas nationwide; our transportation and delivery networks; and the logistics information systems that organically link them. In this business, fixed temperature storage and refrigerated warehouses for pharmaceuticals and fresh and processed foods are sufficiently offered in addition to ordinary warehouses for room temperature storage to ensure the provision of safe and efficient storage/distribution processing/delivery services using our original information technology and the latest facilities. Meanwhile, we strive to reduce the environmental impact by promoting green management. Furthermore, we are active in the construction of advanced facilities that aim to coordinate with local communities under the concept of Disaster-Resistant and Eco-Friendly Warehouse equipped with a solar power generation system and emergency power generators. One such model warehouse is Misato Warehouse No. 2, which was completed in March 2013, and another is the Seishin Distribution Center, which was completed in March 2018.



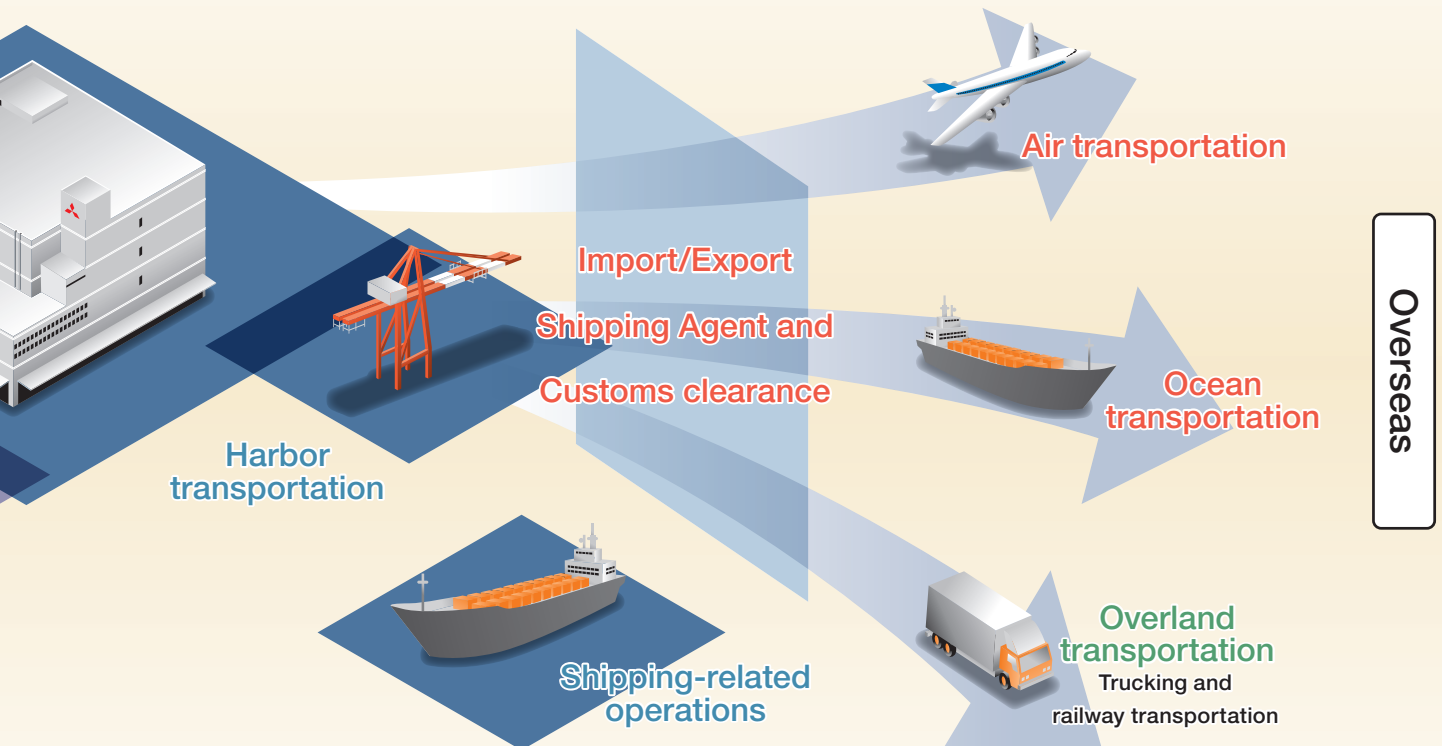
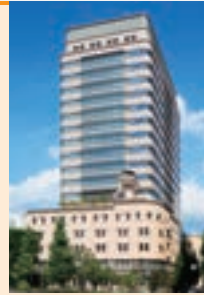
Overland Transportation Business

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



Real Estate Business

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



Harbor Transportation Business

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



International Transportation Business

In response to increasingly diversifying customers' logistics needs, we propose optimum transportation routes door-to-door worldwide tailored to every customer's request by taking advantage of our global network and a variety of transportation means such as vessels, aircraft, railway and trucks. Meanwhile, our overseas operating bases provide comprehensive logistics services such as cargo transportation, customs clearance and storage of goods, as well as logistics related support services such as consulting on legal systems and procedures in the respective areas for customers who plan to launch into foreign markets. Furthermore, we intend to not be limited to transport operations but to further promote worldwide our logistics know-how, which the Company has accumulated over its history of more than 130 years.



Promotion of CSR

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

^{*} See the chart on the right.



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

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

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

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

The Three Principles of Mitsubishi’s Business Management Philosophy

“Shoki Hoko”

Corporate Responsibility to Society

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

“Shoji Komei”

Integrity and Fairness

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

“Ritsugyo Boeki”

Global Understanding through Business

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

◆ Code of Conduct

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

Code of Conduct

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

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

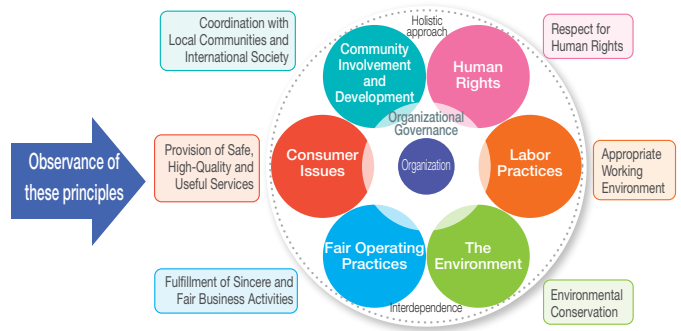
(Established on December 16, 1997, and revised on August 29, 2005) Each subsidiary shall establish its own Code of Conduct in compliance with this Code of Conduct.

● Seven Principles of Social Responsibility



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

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



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

◆ Environmental Policy

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

Environmental Policy

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

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

◆ Environmental Voluntary Plan

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

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

◆ Our Declaration of Quality

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

Our Declaration of Quality

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

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

Promotion of CSR

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

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

Basic Policy

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

The outline of the management plan is as follows:

1. Ideal image

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

2. Plan period

FY2016–FY2018 (covering three years)

3. Performance targets

Figures of consolidated business results (Unit: ¥billion)

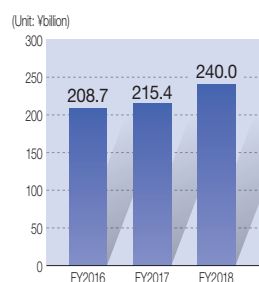
	Operating revenue	Operating income	Ordinary income	Net income*
Actual results for FY2016	208.7	12.7	16.0	10.6
Actual results for FY2017	215.4	12.4	16.1	10.5
Targets for FY2018	240.0	15.5	17.5	11.6

*Referring to "Profit attributable to owners of parent"

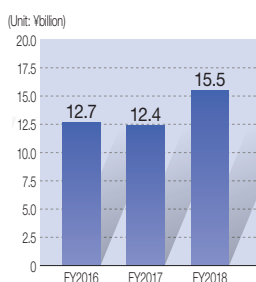
4. Investment plan

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

Consolidated operating revenue

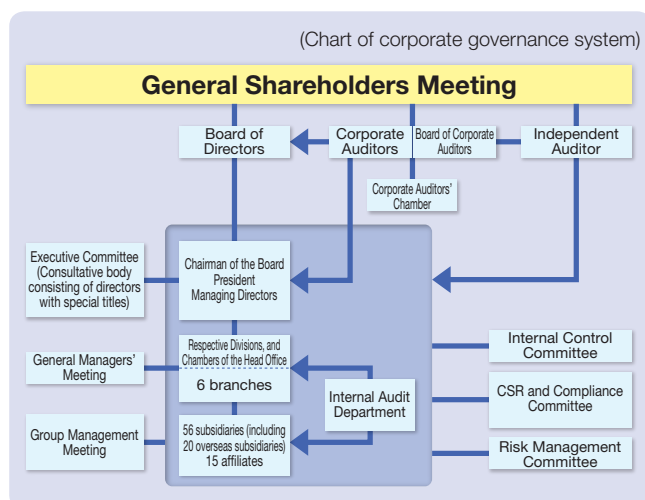


Consolidated operating income



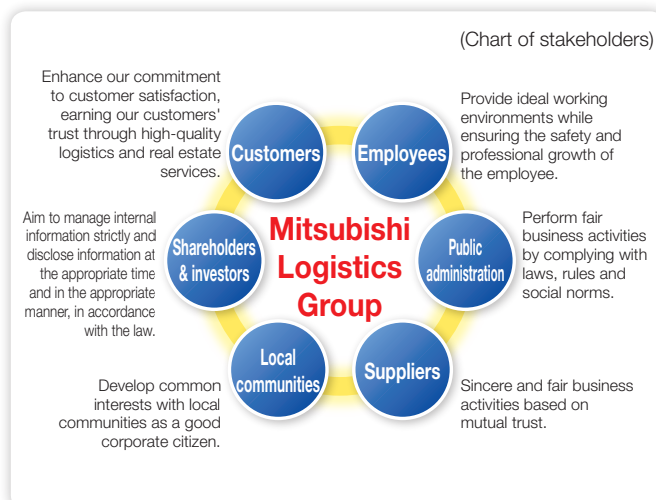
In-house Decision Making

◆ Corporate governance system



Responses to Stakeholders' Expectations

◆ Stakeholders recognized by the Mitsubishi Logistics Group



Promotion of CSR for every employee

CSR & Compliance Handbook

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

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



CSR & Compliance Handbook

CSR and Compliance Awareness Survey

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

Training on CSR and Compliance

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

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



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

Emphasis on communication

Timely and appropriate news releases

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



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

Information disclosure

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

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

Dialogue between shareholders/ investors, analysts and top management

◆ Easy-to-understand shareholders' meetings

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

◆ Results briefing

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



Results briefing for analysts



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

HOME>INVESTOR RELATIONS>IR Information>Presentation

Internal reporting system

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

To raise the degree of recognition and encourage use of the system, at the time of the "Check of the Compliance of the Code of Conduct" in December 2017 we checked whether all executives and regular employees of the Group were familiar with our internal reporting system and whether they intended to use the system. Consequently, it was confirmed that almost all the respondents expressed an affirmative opinion, suggesting widespread recognition of the system.

Promotion of CSR

Confirmation of major CSR activities

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

● Checklist for the confirmation of major CSR activities

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

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

Activity process (Plan)	Achievements/Results	Division/Chamber/ Branch and/or Group companies in charge
<ul style="list-style-type: none"> Disseminate the corporate philosophy and the management plan. Deliberate how to promote CSR at the CSR and Compliance Committee. Strive to improve the understanding of the Code of Conduct and the awareness of compliance. 	<ul style="list-style-type: none"> Briefing meetings on our Management Plan held at each branch by Managing Director in charge of personnel and planning. Worksite meeting held every month (dissemination of our corporate philosophy and our Management Plan). Mar. 2018: Held the CSR and Compliance Committee meeting (for CSR promotion). FY2017: Check for compliance with the Code of Conduct; Number of participants: 4,244. FY2017: Compliance Awareness Survey; Number of participants: 3,494 (Web-based check). 	General Affairs Division Personnel Division Planning & Business Coordination Division Other Divisions, Chambers and Branches
<ul style="list-style-type: none"> Strive to disseminate the awareness of respect for human rights among all employees by establishing a dedicated promotion system. Conduct education on human rights. 	<ul style="list-style-type: none"> FY2017 Human Rights Enlightenment Training held with 53 participants. 	Personnel Division
<ul style="list-style-type: none"> Streamline the personnel system in the pursuit of creating worksites where employees can demonstrate their personality and competence. Execute industrial safety and health-related measures to maintain and enhance employees' health. Promote a work-life balance to support the sound development of the next-generation children. 	<ul style="list-style-type: none"> Self-declaration once a year and interviews for appraisal conducted three times a year. Conducted “Health Promotion” seminars and annual health checkups. FY2017 beneficiaries of the child-care leave system: 7 persons; beneficiaries of the care leave system: 38 persons. 	Personnel Division
<ul style="list-style-type: none"> Work on industrial safety and health-related activities among operating bases in an aim to prevent industrial accidents. Promote the prevention of industrial accidents and conduct periodic disaster prevention drills and meetings in the Port and Harbor Operations Business. 	<ul style="list-style-type: none"> Monthly convening of Industrial Safety and Health Committee. Number of serious industrial accidents in the Port and Harbor Operation Business: zero. 	Personnel Division Harbor Transportation Business Division Branches
<ul style="list-style-type: none"> Endeavor to develop human resources that can contribute not only to corporate growth but also to social development. 	<ul style="list-style-type: none"> FY2017 logistic training with 246 participants. FY2017: Training at the 6th year (regional employees) with 10 participants (Newly established) 	Personnel Division
<ul style="list-style-type: none"> Promote the construction of Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings, which focus on ensuring business continuity in case of a disaster and considerations for the global environment. Enhance the shift of existing lighting devices to LED lighting. 	<ul style="list-style-type: none"> FY2017: The existing lighting devices (around 1,640 units in total) at our warehouses were changed to LED lighting. 	Technical Division Branches
<ul style="list-style-type: none"> We promote the implementation of large-scale solar power generation facilities in existing facilities in line with the government's policy of enhancing the use of renewable energy. Expand the use of environmental-friendly vehicles for company vehicles. Promote the reduction of waste. 	<ul style="list-style-type: none"> Started operation of solar power generation facilities at the MM2100 Distribution Center in Indonesia in August 2017 with an output of 100 kW, and at the Seishin Distribution Center in Kobe in March 2018 with an output of 300 kW. Since Mar. 2016: The Eitai Dia Building has been certified as a “Near-Top-Level Facility” under the Tokyo Metropolitan Environmental Security Ordinance. 	P.T. Mitsubishi Logistics Indonesia International Transportation Business Division Warehousing and Distribution Business Division Real Estate Division Technical Division Branches
<ul style="list-style-type: none"> Conduct reforestation through volunteer activities and donations as a partner of reforestation of Kanagawa Prefecture. 	<ul style="list-style-type: none"> Oct. 2017: Reforestation activities held with 26 participants 	General Affairs Division Tokyo Branch Yokohama Branch
<ul style="list-style-type: none"> Hold training sessions for the compliance of the Act against Delay in Payment of Subcontract Proceeds, etc., and the prevention of insider trading. Distribute information security questionnaires to disseminate the awareness of security. 	<ul style="list-style-type: none"> FY2017: Lecture for compliance with the Act against Delay in Payment of Subcontract Proceeds, etc.; Number of participants: 1,890 (Web-based check). FY2017: Newcomers' training on Prevention of Insider Trading; Number of participants: 50. Number of respondents to the FY2017 Information Securities Questionnaire: 3,271. 	General Affairs Division Information Systems Division
<ul style="list-style-type: none"> Take specific initiatives for quality improvement at each of the operating sites, subsidiaries and affiliates. Reestablish our information systems for warehousing and distribution center operations to improve the quality of logistics. 	<ul style="list-style-type: none"> Held regular quality improvement conferences. Quality education at monthly safety conferences and information exchanges at regular conferences with customers conducted. Commendation system for improvement activities was carried out. Since Mar. 2014, a new warehousing and distribution center operations system (G-MIWS) has been implemented on Branches, and the implementations were completed during the first half of FY2017. 	Planning & Business Coordination Division Personnel Division Warehousing and Distribution Business Division Information Systems Division
<ul style="list-style-type: none"> Deepen people's understanding of the logistics of relief supplies in case of large-scale disasters. Pursue additional designations of our facilities as support/relief goods logistics base facilities, which is a concept primarily advocated by the Ministry of Land, Infrastructure, Transport and Tourism. Thoroughly implement disaster prevention measures at facilities. 	<ul style="list-style-type: none"> Total number of designated support/relief goods logistics base facilities: 11. Fire prevention patrols in facilities of the Company and the Group were conducted (annually). 	General Affairs Division Warehousing and Distribution Business Division Technical Division Branches
<ul style="list-style-type: none"> Hold supporting events for reconstruction from the Great East Japan Earthquake. Hold activities that aim to coordinate with local communities and international society. 	<p>[Nihonbashi Dia Building]</p> <ul style="list-style-type: none"> Nov. 2017: Awarded the 58th BCS Prize by the Japan Federation of Construction Contractors. <p>[Yokohama Bay Quarter]</p> <ul style="list-style-type: none"> Aug. 2017: Held the “Charity Ennichi (Street Fair).” Aug. 2017: Held the “Radio Exercise.” Held running club events (monthly) <p>[Nagoya Branch]</p> <ul style="list-style-type: none"> Installed flower beds in the greenbelt near Nagoya Station. <p>[Osaka Branch]</p> <ul style="list-style-type: none"> Mar. 2018: “DIACREST KYODAI-KUMANO,” a staff dormitory at Kyoto University, received commendation by Kyoto City as a “Contributing Business Operator to the Upgrade of the Kyoto Region.” Participated in blood donation activities together with customers. <p>[Kobe Harborland]</p> <ul style="list-style-type: none"> Aug. 2017: Held “Harborland Day.” <p>[Kobe Harborland umie]</p> <ul style="list-style-type: none"> Nov. 2017: Received commendation by Kobe City for life-saving using AED. 	Technical Division Real Estate Division Yokohama Dia Building Management Corporation Nagoya Branch Osaka Branch Kobe Branch
<ul style="list-style-type: none"> Raise and provide relief funds for disasters that happen in Japan and overseas. 	<ul style="list-style-type: none"> Aug. 2017: Provided relief funds for local disaster victims of the Heavy Rain Event in Northern Kyushu 	General Affairs Division Other Divisions, Chambers and Branches Group companies

Organizational Governance

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

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



Corporate Governance

Basic stance

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

Promoting the realization of our corporate philosophy and strategies

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

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

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

Basic Strategy and Detailed Strategy (Excerpt)

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

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



Worksite meeting (Yokohama Branch)



Worksite meeting (Nagoya Branch)

Review of goals, standards, etc.

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

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



CSR and Compliance Committee

In fiscal 2017, the committee met in March and deliberated on the reports and revisions regarding CSR activities in accordance with the Guidance on Social Responsibility, which is used as the basis for the Environmental and Social Report, as well as on the improvement of compliance based on the self-check of the status of complying with the Code of Conduct.

Entrenchment of the compliance of standards, etc.

Disseminating the awareness of compliance

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

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



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

Business processes are confirmed via internal audit

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

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

Confirmation of the implementation process of action plans

Confirming the appropriateness of operations via internal control

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

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

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

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

Meanwhile, the Company, Group companies Monryo Transport Corporation, Keihin Naigai Forwarding Co., Ltd., Ryoyo Transportation Co., Ltd., and Naigai Forwarding Co., Ltd. acquired certification as Authorized Customs Brokers as of June 2017, September 2012, June 2014, April 2017, and February 2018, respectively, under the AEO System. An authorized customs broker is a customs clearance operator subject to various preferential privileges, which is authorized by the customs office to arrange for security management and compliance regarding cargo. The Company strives to further improve the quality of customer service going forward.



Certificate of AEO Customs Broker (The Company)

*1. Systems that provide measures that ease and simplify customs procedures for business operators who have constructed cargo security management frameworks in compliance with laws and regulations, aiming both to secure and smoothen international logistics security, as well as to enhance Japan's international competitiveness.

The policy for implementing and constructing AEO Systems is set within the SAFE Framework of Standards to Secure and Facilitate Global Trade adopted by the WCO (World Customs Organization). Japan's AEO Systems comply with said policy.

(Source: Japan Customs Web site)

Respect for Human Rights

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



Improvement of the awareness of human rights

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

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

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

In fiscal 2017 a total of 53 employees participated in the training, which targeted new comers.

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

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



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

Respecting human rights through business activities

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

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

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

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

Slogan on human rights (Employees’ section)

Don’t hesitate to show a little courage.
Change yourself, and the world will change.

VOICE



Reflection on the Human Rights Training

Hikaru Ishida
Daikoku No. 1 Office, Daikoku
Warehouse B, Yokohama Branch

After undergoing the human rights training, I felt very strongly as a member of society working within a corporation that what each and every employee must value the most is mutual understanding and an awareness of compromise through “dialogue,” which is a technique to connect people with other people. This is something I learned after being strongly impressed by the words spoken during the lecture that “fish cannot survive without water, and people cannot live without words,” and “inconvenience and misfortune are different.”

Corporations have a “connection” with many companies and people both inside and outside of their organization during the course of their day-to-day business activities, and exert a great deal of influence on one another. Within those relationships, people unconsciously get caught up with stereotypes and tend to interact with others on the assumption that other people see things the same way they do. But people should have an awareness that the way each individual perceives, feels and sees things is different, and I learned that it is those differences that are the respect for human rights that we must value.

Valuing the differences among individuals will create a better working environment, and the Company will grow to become a better corporation. In order to prevent the damage caused by harassment, which has become a social issue, we will respect each individual and actively make efforts to build better relationships with those around us. Going forward, I will not forget this mindset as I gain many connections in this new environment as a new employee, and I hope to grow a lot as I come into contact with the diverse ways of thinking of everyone around me.

Appropriate Working Environment

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

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



Respect for labor-management relations

Having close communications with the labor union

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

1. (Company's Responsibility)

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

2. (Union's Responsibility)

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

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

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



Operating Site Management Conference (Fukuoka Branch)

Employment and the importance of the employment relationship

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

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

In our recruiting activity, we have introduced an open entry system without making any distinction as regards the school of graduation or faculty that takes into account the fair

employment of applicants from a long-term perspective to systematically and stably ensure human resources.

We offer a wide range of opportunities to both new and professional or experienced applicants by making the most of the Company's Web site and various kinds of PR media.

● Status of employees (as of the end of March 2018)

Status in fiscal 2017	
Number of regular employees (consolidated)	4,463
Number of temporary employees (consolidated)	2,504

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

Number of regular employees (non-consolidated)	891 (571 men / 320 women)
Average age (non-consolidated)	40.0 years (men: 39.7 years; women: 40.5 years)
Average years of service (non-consolidated)	16.8 years (men: 16.1 years; women: 18.1 years)
Number of temporary employees (non-consolidated)	716

Status of new graduate recruits (joining the Company in April 2018)

University graduates	42
Male university graduates	24
Female university graduates	18
Junior college/Vocational college graduates	0
High school graduates/Others	4
Total	46

Status of mid-career recruits (joining the Company between April 2017 and March 2018)

University graduates	6
Male university graduates	4
Female university graduates	2
Junior college/Vocational college graduates	1
High school graduates/Others	2
Total	9

Status of new graduate recruits retained

	New graduate recruits joining the Company in April 2015	No. of recruits retained as of April 2018 (percentage)	
Men and women total	40	37	(92.5%)
Men	24	22	(91.7%)
Women	16	15	(93.8%)

Rewarding and friendly working conditions

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

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

Appropriate Working Environment

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

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

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

◆ Self-declaration system

According to the self-declaration system, the Company's employees declare their satisfaction rating with their current duties and career plan among others, once a year. The declaration includes the desired conditions of their next workplace, etc., so that the Company may pay attention not only to employees' business duties but also to every employee's life plan. The content of the declaration is actually used for personnel transfers and the career development program.

◆ Evaluation and treatment of employees

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

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

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

◆ Regular medical checkup

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

◆ Health promotion

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

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

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

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

VOICE



Having Taken Child-care Leave

Ichigo Otani
Warehousing and Distribution Business
Dept. A, Kobe Branch

I took one month's child-care leave after the birth of my second child. This enabled me to spend quality time taking care of my two-and-a-half year-old son, who had so much energy every day, and doing the housework until my wife recovered her strength after giving birth. I was in the midst of setting up some new business when I asked my manager for child-care leave, but he readily agreed to my request, and my colleagues also understood my position so I was greatly encouraged. In the future, I would like to be able to offer my support for my colleagues, especially men, to take child-care leave and care leave.

VOICE



Having Taken Care Leave

Sachiko Isomura
Trunk Room Office, Tokyo Branch

I have a daughter who will turn four this year, and ever since I returned to work until now, I have received a lot of calls from her daycare due to her sudden high fevers and other illnesses. Sometimes her fevers were prolonged and my husband and I would arrange our schedules so that one of us could take time off but even then I think it was thanks to the leave care system that we were able to take time off work without any problem.

On those occasions that we took leave, we were able to look after our daughter with peace of mind thanks to the fact that everyone in our workplace was taking over our duties and performing follow-up work. I realized that the system works because of the understanding and support of everyone in the workplace.

Going forward, I think there may be times that I take care leave but I will try to work hard at my job and at child-caring without losing sight of my gratitude to everyone in my workplace.

● Acquisition results for various systems

System	Description	Results (number of beneficiaries)				
		FY2013	FY2014	FY2015	FY2016	FY2017
Child-care leave	Leave of absence is allowed for a desired period until a child becomes 2 years old.	7	8	13	8	7
Short-time regular employee	Service hours may be reduced by up to 2 hours per day for nurturing a child.	17	18	17	22	25
Nursing care leave	Leave of absence is allowed for a desired period within one year to take care of a family member in need of nursing care.	0	0	0	0	0
Care leave	Paid leave for nursing care of a child (up to 10 days per year).	31	27	27	29	38
Family care leave	Paid leave for nursing care of a family member in need of nursing care (up to 10 days per year).	1	0	0	4	4

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

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

Pursuant to the implementation of the Act on Advancement of Measures to Support Raising Next-Generation Children, the Company formulated the “Ordinary Business Owner Action Plan” and implemented the “Child-care leave system,” the “Shorttime regular employee system,” the “Nursing care leave system,” the “Care leave system” and the “Family care leave system” to assist with the coexistence of employees’ working life and home life. Furthermore, the Company encourages the enhanced use of annual paid vacations to reduce working hours in a year and has introduced a systematic granting system (six days per year) of annual paid vacations under labor-management collaboration.

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

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

Major welfare programs of the Company:

- 1. Provision of security**
Retirement benefits, corporate pensions, family allowance, housing allowances, condolence money, celebration of a birth, the ESOP (Employee Stock Ownership Plan) association, group insurance, the reserve for pension and asset formation, multipurpose accommodation loans and the granting of company-owned houses to employees via job transfers
- 2. Recreation**
Recreation facilities, in-house sports events (baseball, tennis and futsal), the Mitsubishi firms’ martial arts tournament, refresh leave (long-service and midlevel workers)
- 3. Promotion of residential house acquisition**
Reserve for house acquisition and asset formation, in-house loans and tie-up loans



In-house recreation event (Basketball club)



In-house recreation event (Yohkyoku (Noh chanting) club)

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

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

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

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

There are physically challenged employees who work in diverse operations of the Company. However, as of June 1, 2017, the Company’s employment rate of said employees was 1.83%, lower than its legally mandated 2.00% employment ratio. We will continue to steadily strengthen improvements of the worksite environment in which physically challenged persons can easily demonstrate their capabilities and competence, aiming to reach our legally mandated employment ratio as soon as possible.

● Employment ratio of physically challenged employees

	June 2012	June 2013	June 2014	June 2015	June 2016	June 2017
Number of physically challenged employees (actual)	18	17	16	16	14	14
Employment ratio (%)	2.30	2.15	2.05	2.05	1.86	1.83

VOICE



Mitsubishi Firms' Noh Club Reflection on Ryosuikai

Yoshihiro Ohtsuka
General Manager, Operation Dept., Itabashi Office, Tokyo Warehouse Center Co., Ltd.

As well as holding *yohkyoku* (Noh chanting) classes and conducting in-house tournament activities, the Mitsubishi Logistics Corporation *Yohkyoku Club* is mainly active in the running of two recitals a year held in spring and autumn in its leading role among the 10 clubs and 13 companies that manage the Mitsubishi firm's Undo Bunka Taikai "Yohkyoku Club." A former employee of the Company has served as chairperson of Ryosuikai since 2015, and two other former employees are also named as officials of the club.

Since joining the club in 1994 when I was in my late thirties, I have continued to practice diligently and, after finally being formally certified to become part of the Kanze School, have reached the point from this year where I can practise *naraimonokyoku*, which is a higher grade of vocal performance. Since I am already middle-aged, I can't over-exert myself with exercise but my association with Noh theater allows me to perform once a year with, and under the guidance of, my teacher on the grand stage of the Kanze Noh Theater on the basement level of GINZA SIX, and I am determined to continue to enjoy *yohkyoku*¹, one song at a time.

I believe that practicing *yohkyoku* is not simply a hobby that passes on a classical and intangible cultural heritage, but can be applied as a tool that enables every employee, regardless of whether they are male or female or working in Japan or overseas, to smoothly carry out work according to the concept of "the introduction, development, and denouement"². Additionally, since it is also useful as a breathing method and a way to stay healthy, I would like to invite both the active generation and the post-retirement generation to further boost the activities of the club. (An employee loaned from the Company)

*1. *Yohkyoku* refers to the vocal chants and dialog in Noh theater that are performed unaccompanied.

*2. In "the introduction, development, and denouement," the "introduction" starts off slowly and smoothly in the introductory part. This is then followed by the "development," which is an interesting section full of changes as the plot develops. This is in turn followed by the "denouement," which builds momentum and moves quickly in the final part of the performance, tying together everything that has happened from the beginning, to the middle and the end.

Ensuring the security of workers

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

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



Industrial Safety and Health Committee (Kobe Branch)

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

Ryoso Transportation Co., Ltd. (an overland transportation-dedicated company in charge of the overland transportation business of the Company), aims to increase the security of transportation and ensure safety through concerted efforts with the recognition that ensuring the security of freight transportation is the pillar of our business management. In addition, fully recognizing the public nature and importance of the trucking business apart from compliance with relevant laws and regulations such as the Motor Truck Transportation Business Act and the Road Traffic Act, in Ryoso Transportation, they check operations at all times from a safety viewpoint. As initiatives for daily accident preventive activities, they also hold safety conferences, conduct safety patrols and hold head office and all-branches marketing staff conferences. Furthermore, they conduct thorough checks at all car-allocation bases using a high-performance alcohol detector unit to check at the roll call whether any crew members have been drinking.

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

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

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

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

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



Safety and health meeting
Harbor Transportation Dept., Fukuoka Branch



Safety patrol
Harbor Transportation Dept., Fukuoka Branch



Safety patrol
Rokko Office, Kobe Branch

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

Description

- We hold a briefing meeting before the ship operations to confirm the content of the intended operation, check the work uniform including the fluorescent vests and call workers' attention to safety (daily).
- A safety and health meeting is held jointly with the relevant suppliers (monthly).
- We implemented safety patrols at operating sites jointly with the relevant suppliers (monthly). (Quarterly joint patrols are conducted with the participation of superiors.)
- We regularly confirm and replenish safety gear (safety belts for high-place operations, fluorescent safety armbands, emergency stretchers, etc.).
- Information such as cases of accidents is shared with other operators operating at the same harbor terminal at operators' liaison meetings, etc., and the content is shared at safety conferences at our worksites and with suppliers.
- We promote the speed limit for dedicated, in-yard trucks, which are driven within the container yards (via the successive installation of excessive speed lamps).
- We participate in outside workshops and training sessions (as needed).

Results/Achievements

No serious industrial accidents were reported in fiscal 2017.

Human resources development and training

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

◆ **Ideal image of desired human resources**

With the "Code of Conduct" in mind, every employee aims to undertake a role not only in corporate growth but also in the

VOICE



Measures to Ensure Safety and Security

Takashi Mukuno
General Manager, Sales Div., Ryoso Transportation Co., Ltd.

We at Ryoso Transportation Co., Ltd. are actively committed to ensuring safety and security and to transportation safety management as part of our important social responsibility. One example of this is that as a trucking business operator certified as an excellent safety (G mark) enterprise by the Ministry of Land, Infrastructure, Transport and Tourism we comply with laws and regulations. In addition, by holding safety meetings and safety patrols, including with collaborating transportation companies, we are endeavoring to establish a system for sharing and communicating information to achieve safe transportation and an improvement in transportation quality. Furthermore, on the environmental front, we obtained Green Management Certification in 2005 and strive to reduce the environmental burden.

While undertaking such initiatives, in response to the increasing diversification and sophistication of customers' needs, we are implementing duty- and position-based education aimed at raising awareness of employees, and have received a favorable response from customers.

In the future, we would like to continue various initiatives in order to provide highly reliable and dependable transportation/delivery services. (Group company of Mitsubishi Logistics Corporation)

development of society by conducting himself/herself in the following manner.

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

◆ **Training system**

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

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

Extending the Content of the Logistics Training

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

In fiscal 2017, lectures regarding related laws, human error measures and introduction of initiatives undertaken in the warehousing business, etc. were held with 246 participants coming from the Company and also subsidiaries and affiliates.

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

VOICE



Reflection on the Logistics Training "Points on Compliance with Laws and Regulations in the Warehousing and Distribution Business"

Miho Uhara
Rokko Office, Kobe Branch

Learning about compliance with laws and regulations in the warehousing and distribution business overall was an opportunity for me to look back at how I have been conducting my daily operations.

The training showed me that acquiring a crisis management ability makes it possible to deal with issues beforehand to prevent a crisis from occurring, and also showed me the way of thinking that compliance itself is a form of crisis management. But I also understood how important it is to have an awareness of compliance as it relates to complying not just with laws and regulations but also with internal rules and so forth.

I would like to provide instructions to the junior employees in my workplace about what I learned at the training in a way that is easy for them to understand, and implement those teachings in my daily operations.

Appropriate Working Environment

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

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

Held a lecture introducing cases receiving improvement awards as part of logistics training

We held a lecture introducing cases that received improvement awards in the first year of the commendation system for improvement activities that

VOICE



Reflection on the Logistics Training "Lecture Introducing the Improvement Awards"

Tsukasa Ariyoshi
Ohi Cold Storage Office, Tokyo Branch

This training taught me several examples of improvement awards given to "increase work efficiency in offices and worksites" and "prevent accidents and dispatch errors."

Before the training, I had been thinking that it's difficult to find the time while carrying out our daily duties to think about what kind of improvement activities we should undertake, and that the only time available is during the small pockets of free time we each have. But during the course of the training I learned that by creating an improvement activities' team and sharing the opinions of those working in the offices and on the worksites, even though at first glance it seems like a slight detour, the end result is that it is possible to engage in effective improvement activities in a short period of time.

It might be difficult to introduce the cases that won improvement awards presented at the lecture to other offices in the exact same manner. However, I think other offices can take those points of view and ways of thinking into account when making improvements. I also learned that increasing the efficiency of operations as a result of improvement activities provides us with more available time, which in turn enables us to work on making further improvements.

I would like to take advantage of what I learned at the training to work on improving operational efficiency and safety in my own workplace.

was introduced in fiscal 2016. On the day, representatives of each group that received the awards spoke about the areas of improvement, the points they struggled with, and how they dealt with the various issues.

The lecture was an opportunity for the participants to specifically understand examples of improvements in other workplaces, and to apply this knowledge to improvement activities in their own workplaces.

Going forward, we plan to continue holding these lectures introducing cases receiving improvement awards.

Training at the 6th year was conducted for regional employees

We began recruiting new graduates as regional employees in 2012 and as these first-year intakes are now in their sixth year of employment with the Company, we conducted training at the 6th year for the regional employees, as we do for general employees.

For this training, in addition to lectures where employees learn problem-solving techniques that can be implemented in the workplace, we also established courses where regional employees, along with general employees, can understand the progress of the Company's management plans and consider their own career design.

VOICE



Reflection on Training at the 6th Year (Regional Employee)

Akiko Yamaoka
Kinjoh Office, Nagoya Branch

At the training, various materials were presented relating to the case studies that we were given, and I learned problem-solving techniques, from determining the cause of problems and analyzing them to proposals for improvement methods, as well as thought processes.

Through this training, I felt very strongly that even if we talk about "improvements," unless we accurately verify a number of processes, we will not be able to identify the cause of the problem and we will not reach the point where we can propose an appropriate improvement method.

In the future, I would like to utilize what I learned in this training at my workplace, and strive to apply it in my daily operations.

Human resources (training) systems

General employee development course:

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

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

Region-type employee development course:

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

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

*1: Major lectures for the Logistics training

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

*2: Major lectures for the Overseas Operations Training

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

Environmental Conservation

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

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

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



Reduction of CO₂ emissions as a measure for reducing climate change

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

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

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

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

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

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

The Group obtained the Green Management Certification^{*3}, which pursues profitability and environmental conservation by promoting environment-friendly business activities from the

certification registration organization Foundation for Promoting Personal Mobility and Ecological Transportation (abbreviated as "Eco-Mo Foundation"). Some of our business bases approaching their 10th year renewal in March 2017 were commended for their many years of certification.

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

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

Green Management Certification
Commendation for many years of certification
(Kobe Branch Office)



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

As a "Designated Business Operator" under the Law Concerning the Rational Use of Energy, the Company is obliged to reduce per-basic unit energy use more than 1% on an annual average on a medium- to long-term basis at facilities we own and rent. Moreover, we submit a regular report on energy saving and a medium- to long-term energy-saving plan to the Ministry of Economy, Trade and Industry. The values we reported to the Ministry in fiscal 2017 (the actual results for fiscal 2016) show that our energy-saving measures resulted in about 5% reduction of per-basic unit energy use compared with the base year fiscal 2012. We are also striving to reduce CO₂ emissions at our real estate facilities subject to the Tokyo Metropolitan Environmental Security Ordinance.



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

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

According to the “Act on Rational Use and Proper Management of Fluorocarbons”⁴, it is required of users that inspection on commercial refrigerators and air conditioners etc. using fluorocarbons (Class 1 specified products), or the report of the leakage amount of fluorocarbons from the aforementioned products when it exceeds a specified level. The Company is appropriately responding to the law by preparing the systems and operational guidelines related to inspection and leakage control. In addition, in fiscal 2017, the Company’s calculated leakage amount of fluorocarbons was 910.7 [t-CO₂], which was below the level of 1,000 [t-CO₂] that is subject to reporting leakage amount to the Minister of Land, Infrastructure, Transport and Tourism (the minister having jurisdiction over the warehouse industry).

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



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

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

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



Transfer crane

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

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

In fiscal 2017, a total of about 1,640 existing lighting units were renewed to LED lighting at 11 facilities, including Aomi Warehouse No. 1, Tokyo Branch; Ibaraki Warehouse No. 1, Osaka Branch; and Chuo Futo Warehouse, Fukuoka Branch.

A reduction of approximately 1,250 thousand kWh in electric energy, which corresponds to approximately 2.5% of the annual electric energy consumption at the Company’s warehousing facilities, is expected by renewing the existing lighting to LED lighting (8,600 units in total).

We are promoting solar power generation.

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

In fiscal 2017, solar power generation facilities were completed and started operation at the MM2100 Distribution Center in Indonesia (started operation in August 2017, 100 kW) and at the Seishin Distribution Center in Kobe (started operation in March 2018, 300 kW) for a total output of 400 kW.

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

The Eitai Dia Building has been certified since fiscal 2015 as a “Near-Top Level Facility” under the Tokyo Metropolitan Environmental Security Ordinance, Green Building Program for “Top-Level Business Facilities in Measures Against Global Warming” certification system.⁵

The “Certified Top-Level Business Facilities in Measures Against Global Warming” are “business facilities that have made outstanding progress in the implementation of measures against global warming” recognized by the Tokyo Metropolitan Government as offices complying with the standards designated by the Governor of Tokyo under the Tokyo Metropolitan Environmental Security Ordinance. Under the mandatory targets for reduction in overall greenhouse gas emissions and an emissions trading program, less stringent reduction targets are applied for the certified facilities.⁶

Although the Eitai Dia Building, which was completed in 1991, is quite aged, the proper renovations, renewal and maintenance of the facilities and equipment were highly evaluated and certified as a Near-Top-Level Facility in fiscal 2010, and a Top-Level Facility in fiscal 2014. In fiscal 2015, the governor has strengthened the standards, and demands regarding environmental consideration have increased. However, through updating the air-conditioning heat source for computer rooms to a high-efficiency version, conducting performance verification (commissioning) of the adopted facilities and equipment and continual improvement of the building management in cooperation with the tenants of the building and a building management company of the group, we were certified as a Near-Top-Level Facility again.

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

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

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

Environmental conservation

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

◆ Addressing environmental issues

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

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

In fiscal 2017, Ryoso Transportation improved gas mileage by 10.3% compared with fiscal 2006.

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

◆ Promotion of “Green Purchasing”

Ryoso Transportation is also striving to purchase products and services with less environmental burden. At Ryoso Transportation, they are aggressively purchasing retread tires,⁷ eco-stationery, etc.

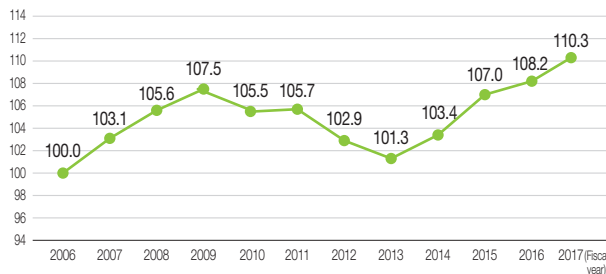
*7. A retread tire has new rubber pasted on a used base tire, thereby restoring the tire’s original functionality.

● Change of total gas mileage at all operational sites of Ryoso Transportation Co., Ltd. (fiscal 2006 to fiscal 2017) (Unit: km/L)

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

Fiscal year	2012	2013	2014	2015	2016	2017
Vehicles for business use	2.52 (102.9)	2.48 (101.3)	2.53 (103.4)	2.62 (107.0)	2.65 (108.2)	2.70 (110.3)

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



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

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

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

◆ Promotion of summertime and wintertime energy saving

We strove to save energy by participating as a Group in the Cool Biz campaign during the summertime (May through October 2017), which calls for offices to set their air-conditioning thermostats basically at 28°C, as well as in the Warm Biz campaign during the wintertime (November 2017 through March 2018), which calls for offices to set their air-conditioning thermostats basically at 20°C.

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

◆ Promotion of Green Purchasing of stationery and other office supplies

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

Use of renewable resources

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

We completed and started operation of the Seishin Distribution Center in Kobe (4 floors above ground, floor area: 60,000 m²), a Disaster-Resistant and Eco-Friendly Warehouse, in March 2018. The Center is the Company’s first facility to be equipped with ramps giving trucks access to every floor.

VOICE



The 60,000 m² Disaster-Resistant and Eco-Friendly Warehouse

Masayuki Watanabe
Technical Dept., Kobe Branch

The Seishin Distribution Center in Kobe, for which I was in charge of the overall facility construction, is a Disaster-Resistant and Eco-Friendly Warehouse with the largest floor area among the Company’s warehouses. Built on solid ground, it is also our largest anti-seismic warehouse employing a seismic-isolated structure. The basement floor where the seismic isolation equipment is installed is designed to be viewed by visitors, and many of the visitors find that the sight of the multiple seismic isolation rubber parts and dampers is overwhelming.

For lighting, we installed around 1,400 LED lighting units in the Center, which, when compared with conventional fluorescent lights, means that the amount of electric energy that can be reduced annually is equivalent to the usage by approximately 60 households.

I feel that the concept of Disaster-Resistant and Eco-Friendly Warehouses is becoming increasingly important for large-scale facilities where the volume of items stored and the amount of electric energy used is high.

(1) Main Disaster Prevention Functions

a. Seismic performance

We have created a seismic-isolated structure with the installation of seismic isolation equipment (129 units of seismic isolation rubber, 46 elastomeric sliding bearings and 48 oil dampers) in the basement of the entire warehouse, including the ramps, to improve seismic performance.

b. Power outage countermeasures

Emergency power generation facilities (420 kVA, operates for 24 hours after outage) have been installed to prepare for a power outage.

(2) Main Environmental Performance

a. Solar power generation system

The solar power generation facilities installed on the roof with an output of approximately 300 kW will reduce annual CO₂ emissions by around 160 tons.

b. LED lighting

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



LED lighting

c. Air conditioning load reduction

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

d. Low-E glass

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

e. CASBEE

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

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

As one measure under the Environmental Voluntary Plan that the Company formulated, we are using electric cars that emit no CO₂ exhaust for some of our company vehicles. When introducing electric cars, we consider the use of various subsidies for electric cars and the completion status of the relevant infrastructure including high-speed charger equipment for adopting such cars.

In fiscal 2017 vehicles came up for renewal as well, following the revision in the number of company vehicles in use, the number of vehicles decreased, but 23 electric vehicles are now in use in our head office and all branches.



► The data on the status of using electric cars can be viewed on Mitsubishi Logistics' Web site in "Extended version."

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

Contribution to the recovery of the eco-system

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

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

In October 2017, the sixth reforestation activity was held in the prefectural forest by Tanzawa Lake. Participants included 26 executives and employees from Head Office, Tokyo Branch and Yokohama Branch, and with the instructions from the Kanagawa prefecture certified forest instructor and the support from the Prefectural Water Source Environment Conservation Division, we performed tree thinning works and took a walk along the mountain trails.

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

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



Participants



Walking along the mountain trails



Thinning works

Fulfillment of Sincere and Fair Business Activities

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

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



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

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

In March 2018, we conducted training concerning the Act against Delay in Payment of Subcontract Proceeds, etc., covering the Company and its domestic Group companies. A total of 1,890 employees who are in charge of implementing the aforementioned Act and related associates from each division attended the training and learned the purpose of the law, the scope of applications, responsibilities and prohibited matters using related questions on our Web site. In February 2018, we conducted training related to the prevention of insider trading for a total of 50 newcomers and verified their understanding using related questions on our Web site.



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

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

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

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

In fiscal 2017, we conducted a web-based questionnaire with regard to information security in August 2017 (answered by 1,709 persons from the Company), and in September 2017 (1,562 persons from Group companies) thereby raising the awareness of information security among the cumulative 3,271 people who answered the questionnaire.

Furthermore, in fiscal 2017, as a measure against cyber-

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



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

Management of Information Security

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

Management of Network Security

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

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

Provision of Safe, High-Quality and Useful Services

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



Provision of socially and environmentally beneficial high-quality services

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

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

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

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

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

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

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

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

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

The Warehousing Business Division has quality management groups.

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

complete operational documents and share information on various measures. We will continue to aim to enhance customer satisfaction.

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

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

● Measures taken by Dia Buil-Tech Co., Ltd.



Business Improvement Committee



Near-miss Case Studies

● Measures taken at divisions or branches and Group companies

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

Provision of Safe, High-Quality and Useful Services

We held a forklift competition in Shanghai.

Shanghai Linghua Logistics Co., Ltd., which is engaged in the warehousing and transportation business, held a competition for its workers on Sunday, April 23, 2017, where they competed to demonstrate their forklift driving skills. About 50 participants, including from the head office administration departments, actively took part in the competition, enabling workers to reconfirm basic forklift operations. It was an extremely meaningful event from the perspective of accident prevention, and also gave participants a great deal of opportunity to cultivate mutual friendships.

Going forward, we will take initiatives to prevent accidents, and aim to improve quality.

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

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

VOICE



Reflection on the Forklift Competition

Liang Jun Chang
Manager, Equipment Dept., Shanghai
Linghua Logistics Co., Ltd.

On Sunday, April 23, 2017, we held a forklift competition at our head office warehouse. The themes of the competition this time were skill and safety, but we also added elements to make it fun for the contestants by including work based on actual warehouse operations, such as carrying balls filled with water and intersecting with other forklifts.

Company executives, including general managers of the company, gave speeches at the beginning of the competition, and we also received greetings from the forklift manufacturers who sponsored the event. A total of 70 competitors participated in the individual and group categories, filling the venue with excitement as they waged their fierce battles. The event was a great success, culminating in the top three prize winners receiving their awards at the end of the competition.

As a result of the competition, the forklift operators became enthusiastic about improving their skills, and their teamwork also became stronger. The event also attracted the attention of China's online media, including people.cn and NetEase, which helped boost the company's image. (Group company of Mitsubishi Logistics Corporation)

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

In the second half of fiscal 2016, 42 groups (314 people) participated and in fiscal 2017, 48 groups (286 people) joined the activities. In fiscal 2018, we are expanding the scope to include affiliated companies, and expect even more groups to participate. Their wide-ranging themes included not only the activities within warehouses such as review on the operation flow lines and improving storage efficiency, but also business improvement and streamlining of clerical work in offices.

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

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



Improvement activities (Fukuoka Branch)

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

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

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

VOICE



Reflection on Improvement Activities

Shohei Takasawa
Harbor Transportation Dept., Fukuoka Branch

For the improvement activities for which I acted as a leader, we made improvements to the workplace environment at Tosu Warehouse, where I was assigned, and worked to ensure that it became a warehouse where the office staff and the workers could work with a sense of security. At first glance, it appeared to be clean, and safety rules, including forklift speed limits, seemed to be displayed in order within the warehouse. But going around the warehouse and carefully identifying areas to be improved contributed to the creation of a more secure and safe environment.

Additionally, because the office staff and the workers all came together to work on the improvement activities, communication in the entire workplace improved and work efficiency also improved as a result of the active exchange of opinions.

Although I was a newcomer, by acting as a coordinator for the improvement activities, I was able to ascertain the detailed operations taking place within the warehouse with my own eyes. From now on, I would like to utilize this experience to undertake my work with an awareness of making improvements.

minimize human and material damage that affects corporate management and restore the normal operational structure quickly. Especially, with an aim to become disaster-resistant in software and hardware, we have developed “Disaster-Resistant and Eco-Friendly Warehouses,” “Disaster-Resistant and Eco-Friendly Office Buildings.”



Seismic isolation equipment of the Disaster-Resistant and Eco-Friendly Warehouse (Seishin Distribution Center, Kobe)

To fulfill our corporate social responsibility, we intend to:

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

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

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

VOICE



Initiatives Following the Installation of the G-MIWS System

Yosuke Arakawa
Information Systems Development Dept., Information Systems Div.

We completed the installation of G-MIWS at all 46 locations in summer 2017, and are currently engaged in follow-up work for users. For these follow-up activities, we are promoting the more effective use of G-MIWS by introducing optimum functions for users' operations and explaining the effective usage of the system.

At the same time, we aim to improve the level of service and ensure greater work efficiency by reviewing the operations of each office based on past improvement cases and know-how, etc., and by standardizing operations across all offices.

Even when we engage in work that we normally take for granted, there are more than a few cases where efficiency can be further increased by approaching the work from a different angle.

Going forward, I would like to explore the possibilities for further improving work efficiency using G-MIWS together with everyone in our office.

Conducted training for earthquake measures

During February and March 2018, we conducted training for earthquake measures at the Nagoya, Osaka and Fukuoka branches. The training was based on a scenario reflecting the characteristics of a large-scale earthquake expected to cause major damage to the locations of each branch. It considered the initial response, mainly during the period from the occurrence of the earthquake until the following day, and confirmed aspects such as the timely and appropriate verification and reporting of the damage situation, communication between branches and offices, the role of each branch and office, and the centralization of information.



▶ Implementation performance data from the training for earthquake measures can be viewed on Mitsubishi Logistics' Web site in the “Extended Version.”

HOME>CITIZENSHIP>Environmental and Social Report>Extended Version

● Training for earthquake measures



Nagoya Branch



Osaka Branch



Fukuoka Branch

Promotion of disaster measures to maintain service functions

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

The basic purpose of our crisis management measures is to predict various crises that can seriously affect corporate management, prevent such crises and, in case of occurrence, focus on the crisis quickly and effectively to

VOICE



Reflection on the Training for Earthquake Measures

Wataru Hasegawa
Sakurajima No. 2 Office, Osaka Branch

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

During the training, the situation changed moment by moment and I was overloaded with the gathering and reporting of information. I found that in a situation where time and methods of communication are limited, it is very difficult to get an overall picture of what is happening and to respond calmly. As well as verifying the issues that I learned from this training, I want to focus on my daily duties with a constant awareness of disaster prevention.

Reinforcing the emergency and disaster measures system

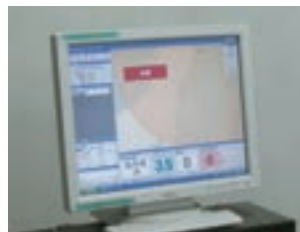
As an emergency measure, we implemented large-scale disaster measure training with mandatory employee participation. The training involved use of a mobile phone safety confirmation system, going or coming to a work site by walking and checking restoration procedures from disaster damage, etc.

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

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



Transceiver (MCA radio)



Earthquake Early Warning System

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

In February 2017, a fire took place at the warehouse of a major mail order company. The warehouse was for in-house use, and was not a commercial warehouse as stipulated in the Warehousing Business Act. However, all the commercial warehouses received a heads-up from the Ministry of Land, Infrastructure, Transport and Tourism that governs the warehousing industry. The Company, even before this incident, had been conducting thorough employee education, enhancing security, and, upon constructing a warehouse, taking fire preventive measures from the aspects of structure and facility. In addition, we have established a constant

communication system with local fire stations and conduct periodic fire drills every year in preparation for the occurrence of fire. Through continuing such measures and initiatives, we will strive to provide highly reliable services for our customers.



Fire prevention patrol



Fire drill

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

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



Disaster countermeasure center in the Kansai region

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

The Ministry of Land, Infrastructure, Transport and Tourism, learning from its reflection on the Great East Japan Earthquake, held an advisory conference from September to December 2011, attended by experts, logistics business operators and people related to industry organizations, among others, to compile the "Basic concept on the support/relief goods logistics system," which aims for the efficient and smooth delivery of support/relief goods to afflicted areas at the time of a disaster.

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

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

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



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version



Daikoku Warehouse B, Yokohama Branch



Rokko Warehouse E, Kobe Branch

Creating a disaster communication system in our building leasing business

Until now, emergency communication between the leased building management offices in the Tokyo metropolitan area and the Company, and emergency communication between those offices and Dia Buil-Tech Co., Ltd. head office, which is a management company for the Company's leased buildings, utilized a telephone communication network. However, based on the assumption that telephone lines become overloaded during large-scale emergencies, we introduced the Disaster Information Communication System (D-DICS) jointly with Dia Buil-Tech, using Internet networks that are not prone to overloading even during emergencies. (Started operation in September 2017, initially covering 24 leased buildings in the Tokyo metropolitan area.)

By creating a reliable communication system for use in disasters, we are endeavoring to gather the information required in the event of an emergency so that tenants of the buildings can use it with confidence.

In-house firefighting crew for our leased buildings received commendation by a fire station

Dia Buil-Tech Co., Ltd., a management company for the Company's leased buildings, is working to strengthen and enhance the disaster-prevention system companywide. Every year the company participates in the In-house Firefighting Review Committee, whose role is to improve the results and techniques of in-house firefighting activities at operating bases. Last year, the Review Committee awarded a prize to the security team at Nihonbashi Dia Building, which won the title for the third consecutive year, while their women-only security team came in second in the women-only category. Tokyo Dia Building won in the security services category and was runner-up in the non-specific applications category. MCC Mitaka Building was runner-up in the type 1 fire hydrant (firefighting planning crew) category.

In the future, we are committed to giving the building owners and tenants a sense of safety and security by continuing trainings in preparation for disasters.



Tokyo Dia Building In-house Firefighting Crew



Review Committee (MCC Mitaka Building)

VOICE



Actively Participated in the In-house Firefighting Crew Competition

Hiryu Machida
Nihonbashi Dia Building Management Office, Dia Buil-Tech Co., Ltd.

What is important with in-house firefighting when a disaster occurs is how quickly the initial response can be made, and whether the firefighting crew can grasp the state of the fire and any human casualties, minimize the damage, and hand the situation over to the professional firefighters.

For this reason, management office staff train daily in case of an emergency.

The In-house Firefighting Crew Competition, which demonstrates the results of the trainings, looks at what happens from the time the crew rushes to the scene assuming a disaster has occurred, to when it hands the situation over to the professional firefighters. The in-house firefighting crew of the Tokyo Dia Building Management Office, of which I was a part, was able to place second because we were able to demonstrate what we had learned in our daily training.

Going forward, I will continue my training and would like to undertake my duties with an awareness that we ourselves are protecting the buildings we manage and the tenants inside them. (Group company of Mitsubishi Logistics Corporation)

Coordination with Local Communities and International Society

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

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

HIDENOBU ARAKI (hollyhock.inc)



Contribution to cultural activities

We conducted a charity auction and a charity fair.

At the Yokohama Bay Quarter, the Company's commercial real estate facilities in Yokohama, we held our charity fair on Sunday, August 20, 2017. On this eighth charity fair, popular traditional fair games such as shooting games and yo-yo fishing were enjoyed by three generations of people.

The event has become a regular occurrence in the school summer vacation season and is gaining popularity every year among the families who live in the community. This year, revenues from the event exceeded the previous year's, and were donated to the Great East Japan Earthquake relief fund via the Japanese Red Cross Society. We will continue to hold the events that can entertain visitors, aiming to make a facility indispensable to the regional community.



Charity fair

Cooperating with the local community through sports.

At "Yokohama Bay Quarter," as its facility storefront falls on the starting point of "Yokohama Marathon," a civic marathon, we have hosted a monthly running club event since September 2014 with the aim of contributing to the local community and bringing excitement to the marathon event. In 2017 that marked the fourth year of this event, the "lunch club," which was a new project we started whereby all of the participants ate lunch together at the restaurant in the facility after the training session, proved popular and had about 50 civic runners participate every month.

In addition, through this club operation, "Yokohama North Dock" U.S. Army base also situated in Kanagawa-ku of Yokohama City contacted us, and we

co-hosted a marathon race with the U.S. forces. In "Yokohama North Dock SAKURA RUN" held in April 2017, and in "Yokohama North Dock FALL RUN" held in November 2017, over 1,000 runners joined each event, thereby deepening our cooperation with the local community through sports. We aim for our facilities to coexist with local communities through such initiatives in the future as well.



Running club event

Contribution through activities in local communities, etc.

We conducted tree planting events in China and Thailand.

As part of our CSR activities in China, a tree planting event like last year was conducted on Saturday, March 3, 2018, in collaboration among Mitsubishi Logistics China Co., Ltd., Shanghai Lingyun Global Forwarding Co., Ltd., Shenzhen Lingyang Global Forwarding Co., Ltd., Shanghai Branch, Shanghai Linghua Logistics Co., Ltd., and Fuji Logistics (China) Co., Ltd.

Also in China, Beijing Global Express Co., Ltd. held a tree planting event on Thursday, May 4, 2017.

As part of our CSR activities in Thailand, tree planting activities were conducted on Saturday, October 28, 2017, as part of the program for the annual company trip hosted by Mitsubishi Logistics Thailand Co., Ltd. A total of 135 employees of the company joined the activities.

These events helped the employees and their families in each country to understand the significance of making a social contribution and enhance their environmental awareness, and provided an opportunity

outside work for them to interact with each other to build friendships.



Tree planting in Beijing



Tree planting in Thailand

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

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

VOICE



Reflection on Tree Planting Activities

Man Huanhuan
Human Resource & General Affairs
Dept., Beijing Global Express Co., Ltd.

As a company welfare event, 19 employees of the company participated in tree planting activities at Happy Valley in the Huairou District in Beijing on Thursday, May 4, 2017.

Unfortunately, it was a day of a heavy yellow-sand storm but we worked in pairs, sweating as we used a shovel by turns to dig the ground and carefully plant the seedlings. We cannot wait for these seedlings to quickly grow to become large, leafy trees that enrich the hearts of the local people.

Beijing is proactively promoting greening as a way to improve the natural environment, and there are many places where these kind of events are taking place throughout the suburbs. This was one such activity, and I think that it was a good opportunity for each and every one of the participants to understand the significance of making a social contribution and acquire that awareness. (Group company of Mitsubishi Logistics Corporation)

We are cosponsoring Diamond Cup Golf as a community contribution.

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

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

Installed flower beds in the greenbelt near the Nagoya Station

Our Nagoya Branch responded to the request from the Meieki Development Council, made up of landowners around Nagoya Station, to install flower beds to liven up and bring color to the front of the Nagoya Station owned by Nagoya City.

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



The flower bed in spring/autumn



The flower bed of hospitality

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

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

Nihonbashi Dia Building received the BCS Prize

Nihonbashi Dia Building received a special award in the 58th BCS (Building Contractors Society) Prize sponsored by the Japan Federation of Construction Contractors, the awards ceremony for which was held on November 17, 2017. The business planning, the design, works and completion of the building, as well as the maintenance management that followed ensured the continuity of the landscape and history by preserving and reproducing the former Edobashi Building, a historic architecture selected by Tokyo Metropolitan Government, and this led to the high acclaim.

The BCS Prize is an award given to recognize excellent domestic buildings, and was founded in 1960. Tokyo Tower and the Kasumigaseki Building are among past recipients, and in 2012, the Company won the award for Yokohama Bay Quarter and Yokohama Dia Building.

Coordination with Local Communities and International Society

Received commendation by Kyoto City as a Contributing Business Operator to the Upgrade of the Kyoto Region.

Management by the Osaka Branch of DIACREST KYODAI-KUMANO (Sakyo Ward, Kyoto City), a dormitory for Kyoto University staff, has been recognized as playing a role connecting dormitory residents with the region, thereby contributing to the formation of local communities, and in March 2018 it received commendation by Kyoto City as a Contributing Business Operator to the Upgrade of the Kyoto Region.

Members of the local residents' association that recommended the Company attended the awards ceremony, and the certificate of commendation was presented by the Mayor of Kyoto.

We will continue to contribute to the formation of local communities through these types of initiatives.



The awards ceremony



DIACREST KYODAI-KUMANO

Harborland Day was held at Kobe Harborland

In the Kobe Harborland district, where "Kobe Harborland umie," the Company's commercial real estate facility in Kobe, is located, we hold a street market and other events under the name "Harborland Day" every year in August. Together with everyone involved, the Company makes it a day of fun for the entire district.

On the 2017 Harborland Day (August 11 and 12), which was the ninth such event, we held the Harbor Bon-Odori Dance for the first time as part of the 25th commemoration of Harborland in its plaza. On the day, the "HARBOR Ondo," a song for Bon Odori created especially for this day, was performed for the first time and many visitors enjoyed dancing to the music. We also organized food stalls with residents in the neighborhood condominiums as a way of interacting with the local residents.

Harbor Bon-Odori Dance was enjoyed by many people and we decided to hold the event again in 2018. We will continue to contribute to the rejuvenation of the region together with local related parties and the local residents.



Bon-odori dance

A human life was saved using an AED at Kobe Harborland umie

On the evening of November 2, 2017, a customer suddenly collapsed while shopping at Kobe Harborland umie after suffering cardiopulmonary arrest. A security guard of Kobe Dia Maintenance Co., Ltd. (Group company of Mitsubishi Logistics Corporation), who was contacted by a tenant employee who noticed that something was wrong, worked with some nearby visitors to conduct cardiopulmonary resuscitation using AED. After then being treated by rescue crews, the customer survived.

This rapid initial response was recognized by Kobe City, which presented the Hanadokei Award, a citizen's award of Kobe City, to umie and other related parties.

We have been holding regular life-saving trainings for security guards, tenant employees and others involved in the building management at umie since its opening. In the future, we will continue to use the trainings to teach the method of using AED and to deepen the understanding of cardiopulmonary resuscitation, and work to create facilities that customers can use with confidence.



Certificate of commendation



Award ceremony

VOICE



Lifesaving Using AED Protected a Customer's Life

Katsumi Uchida
General Manager, Security Dept., Kobe
Dia Maintenance Co., Ltd.

Since many customers visit Kobe Harborland umie, where the company is in charge of security services, we work hard on our daily operations to provide safety and security.

On this occasion we were able to successfully save the customer's life by using one of the AEDs, and I feel that the ability of employees to respond as a result of the in-house trainings, onsite training, and fire drills, has led to the protection of the customer's livelihood.

Knowing that the customer's life was saved as a result of this rapid sequence of cooperation that started when the security guard who was contacted by the management company rushed to the scene, checked the customer's condition, used the AED and requested an ambulance, gives me the greatest happiness.

In addition to the commendation from Kobe City, the company's security guards who performed the life-saving treatment also received the Chairman Award from the Hyogo Prefecture Security Business Association.

Going forward, we will continue in our aim to improve the quality of security guards as we strive for the safety and security of facilities. (Group company of Mitsubishi Logistics Corporation)

We hold radio exercise events at Yokohama Bay Quarter

At the Yokohama Bay Quarter, the Company's commercial real estate facilities in Yokohama, for eight days during the school summer vacation season in August, radio exercises were held at the main plaza. 2017 marks the fourth year of organizing this event, all managed by employees of Yokohama Dia Building Management Corporation. Despite the early start at 7 o'clock in the morning, the number of participants have increased year by year, including senior couples living close by, small children with their parents before work. We had more than 450 people attend over the eight days this year. In the future, we would like to bring further excitement to the region as a shopping mall close to the community.



Radio exercises

We participate in local cleanup activities.

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



Cleanup activities at the Head Office



Blood donation activities at Osaka Branch

Statement Supporting the UN Global Compact

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

This Certificate of Joining the UN Global Compact is given to **Mitsubishi Logistics Corporation** committing to respect the ten principles of the Nations Global Compact, to take action in support of U and to submit annually a Communication on Progress

HUMAN RIGHTS
Businesses should support and respect the protection of internationally proclaimed human rights; and
1. make sure that they are not complicit in human rights abuses.

LABOUR STANDARDS
2. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

ENVIRONMENT
7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION
10. Businesses should work against all forms of corruption, including extortion and bribery.

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 May 2018, approximately 13,000 companies and organizations around the world were members of UNGC.

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

UNGC's 10 principles

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



▶ Global Compact Network Japan's Web site

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

Company Profile (As of March 31, 2018)

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 2017)	Consolidated: ¥215.4 billion Non-consolidated: ¥148.6 billion
The number of employees of the Mitsubishi Logistics Group	4,463 (excluding 51 workers on leave to work outside the Group, 1,306 temporary staff and 1,198 employees on loan/dispatched from outside the Group)
The number of employees of the Company	891 (excluding 140 employees on leave to work for other companies, 122 temporary staff and 594 employees on loan/dispatched from inside and outside the Group)
Branches	Tokyo, Yokohama, Nagoya, Osaka, Kobe, Fukuoka
Major Businesses	<p>Logistics Warehousing; trucking; port and harbor operations; international transportation; marine freight transportation; customs clearance; development, sales, management and administration of logistics information systems; etc.</p> <p>Real Estate Buying, selling, leasing and management of real estate; contracting of construction work, its design and supervision; operation of parking lots; etc.</p>
Companies in the scope of consolidation	<p>Consolidated subsidiaries (51 companies) Tohoku Ryoso Transportation Co., Ltd., Sairyo 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 Kigyo Co., Ltd., Fuji Logistics Co., Ltd., Tokyo Juki Transport Co., Ltd., SII Logistics Inc., Fuji Logistics Operations Co., Ltd., Fuji Logistics Support Co., Ltd., Kinko Service Co., Ltd., Chubu Trade Warehousing Co., Ltd., Meiryu Kigyo Co., Ltd., Ryoyo Transportation Co., Ltd., Kyokuryo Warehouse Co., Ltd., Hanryo Kigyo Co., Ltd., Shinryo Koun Co., Ltd., Naigai Forwarding Co., Ltd., Kyushu Ryoso Transportation Co., Ltd., Monryo Transport Corporation, Hakuryo Koun Co., Ltd., Seiho Kaiun Kaisha, Ltd., Saryo Service Co., Ltd., Mitsubishi Logistics America Corporation, Mitsubishi Warehouse California Corporation, Mitsubishi Logistics Europe B.V., Fuji Logistics Europe B.V., Mitsubishi Logistics China Co., Ltd., Shanghai Linghua Logistics Co., Ltd., Shanghai Qingke Warehouse Management Co., Ltd., Shanghai Lingyun Global Forwarding Co., Ltd., Fuji Logistics (China) Co., Ltd., Fuji Logistics (Dalian F.T.Z.) Co., Ltd., Fuji Logistics (Shanghai) Co., Ltd., Mitsubishi Logistics Hong Kong Ltd., Fuji Logistics (H.K.) Co., Ltd., Mitsubishi Logistics Thailand Co., Ltd., P.T. Mitsubishi Logistics Indonesia, P.T. Dia-Jaya Forwarding Indonesia, Fuji Logistics Malaysia SDN.BHD., Dia Buil-Tech Co., Ltd., Yokohama Dia Building Management Corporation, Chubu Kaihatsu Co., Ltd., Nagoya Dia Buil-Tech Co., Ltd., Osaka Dia Buil-Tech Co., Ltd., Kobe Dia Maintenance Co., Ltd., T'ACT Co., Ltd.</p> <p>Subsidiaries and Affiliates Accounted for by the Equity Method (3 companies) Nippon Container Terminals Co., Ltd., Kusatsu Soko Co., Ltd., Jupiter Global Limited</p>

Financial Data

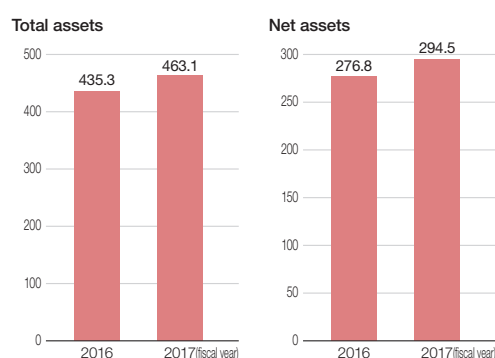
Business results (Consolidated)

(Unit: ¥billion)



Assets (Consolidated)

(Unit: ¥billion)



 **Mitsubishi Logistics Corporation**

CSR-Compliance Team, General Affairs Division

Nihonbashi Dia Building

19-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8630, Japan

TEL: +81-3-3278-6657

FAX: +81-3-3278-6694



Extended version

The following are some data related to the Mitsubishi Logistics Environmental and Social Report 2018, which was collected at the end of fiscal 2017.

Environmental conservation

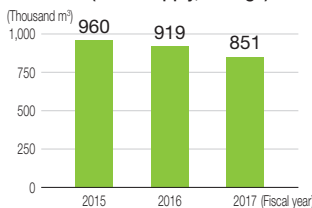
Environmental conservation activity data (by business)

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

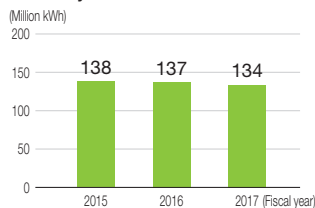
	Unit Basic unit denominator CO ₂ emissions CO ₂ emissions basic unit	Fiscal 2015	Fiscal 2016	Fiscal 2017
Warehousing and distribution business	Thousand m ² <Floor area>	1,424	1,439	1,444
	Thousand t-CO ₂	34.1	35.0	33.9
	kg-CO ₂ /m ²	23.9	24.3	23.5
Harbor transportation business	Thousand tons <Handling tons>	28	18	44
	t-CO ₂	7	8	9
	kg-CO ₂ /thousand tons	246.8	440.3	203.2
Overland transportation business	Million km <Total transportation distance>	3.9	4.4	4.1
	Thousand t-CO ₂	3.5	3.8	3.6
	kg-CO ₂ /thousand km	889.3	861.5	881.4
Real estate business	Thousand m ² <Operational area>	716	710	681
	Thousand t-CO ₂	41.1	40.4	38.4
	kg-CO ₂ /m ²	57.4	56.9	56.3
CO ₂ emissions	Thousand t-CO ₂	78.7	79.2	75.9

Environmental conservation data (by usage, by emission type)

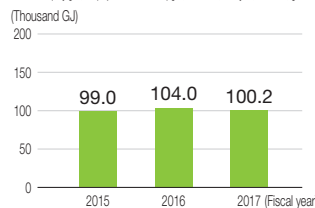
Water use (water supply, sewage)



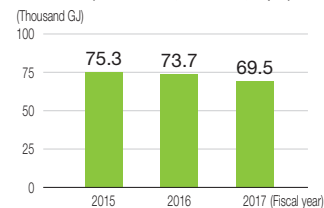
Electricity use



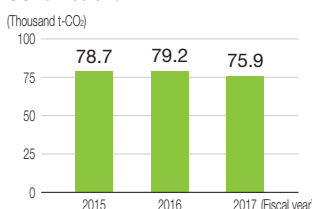
Fuel use (City gas, LP (Liquefied Petroleum) gas, kerosene, heavy oil, diesel oil, gasoline)



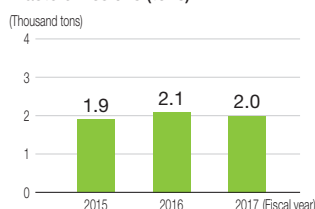
Heat use (Heated water, cold water, vapor)



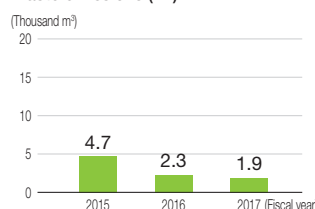
CO₂ emissions



Waste emissions (tons)



Waste emissions (m³)



*Calculation standard

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

* Note Erroneous figures of "Waste emissions (tons)" and "Waste emissions (m³)" in Fiscal 2016 in the previous report have been corrected.

Tokyo Metropolitan Environmental Security Ordinance Large scale companies CO₂ emissions

Unit: t-CO₂

	Emissions standard	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Tokyo Dia Buildings	33,531	26,607	24,419	29,820	28,170
Eitai Dia Building	10,132	5,341	5,227	6,508	6,119
Ohi Cold Storage Office	4,394	3,620	3,100	2,197	2,197
Total	48,057	35,568	32,746	38,525	36,486
Reduction		12,489	15,311	9,532	11,571

Status of using electric cars (units introduced)

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Total number of cars in use	14 (5)	19 (5)	22 (3)	26 (4)	26 (0)	24 (0)	23 (1)

* Note Erroneous figures of the number of units introduced in Fiscal 2014 and the numbers of cars used in Fiscal 2014, Fiscal 2015 and Fiscal 2016 in the previous reports have been corrected.

Calculated leakage amount of fluorocarbons

Unit:t-CO₂

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

Promotion of CSR

Number of news releases

Unit: case

	Fiscal 2015 achievements	Fiscal 2016 achievements	Fiscal 2017 achievements
Logistics	2	2	6
Real Estate	0	0	1
IR	5	5	8
CSR	3	3	2
Other	4	5	3
Total	14	15	20

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

Unit: persons

	Fiscal 2015 achievements	Fiscal 2016 achievements	Fiscal 2017 achievements
Awareness surveys concerning CSR and compliance			
In-house	1,462	1,458	1,426
Domestic Group companies	1,848	1,807	1,869
Total	3,310	3,265	3,295

Organizational Governance

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

Unit: persons

	Fiscal 2015 achievements	Fiscal 2016 achievements	Fiscal 2017 achievements
Check on status of compliance with Code of Conduct			
In-house	1,416	1,421	1,499
Domestic Group companies	2,684	2,745	2,671
Overseas Group companies	79	81	74
Total	4,179	4,247	4,244

Respect for Human Rights

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

Unit: persons

	Fiscal 2015 achievements	Fiscal 2016 achievements	Fiscal 2017 achievements
Human rights enlightenment course	48	49	53

Fulfillment of Sincere and Fair Business Activities

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

Unit: persons

	Fiscal 2015 achievements	Fiscal 2016 achievements	Fiscal 2017 achievements
In-house	44	49	50

Number of respondents to information security questionnaire

	Fiscal 2015 achievements	Fiscal 2016 achievements	Fiscal 2017 achievements
Number of questionnaires conducted	Twice	Twice	Twice
Number of respondents	2,978	2,887	3,271

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

Unit: persons

	Fiscal 2015 achievements	Fiscal 2016 achievements	Fiscal 2017 achievements
In-house	757	757	801
Domestic Group companies	1,143	1,047	1,019
Total	1,900	1,804	1,820

Provision of Safe, High-Quality and Useful Services

Number of persons participated in training for earthquake measures

	Fiscal 2015 achievements	Fiscal 2016 achievements	Fiscal 2017 achievements
Execution period	—	—	February, March 2018
Place	—	—	Nagoya Branch, Osaka Branch, Fukuoka Branch
Number of participants	—	—	Total of around 70

Support/relief goods logistics base facilities

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

GRI 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.	37	Company Profile
102-2	a. A description of the organization’s activities. b. Primary brands, products and services, including an explanation of any products or services that are banned in certain markets.	4~5	Introduction of Businesses
102-3	a. Location of the organization’s headquarters.	37	Company Profile
102-4	a. Number of countries where the organization operates, and the names of countries where it has significant operations.	37	Company Profile
102-5	a. Nature of ownership and legal form.	37	Company Profile
102-6	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	37	Company Profile
102-7	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	37	Company Profile Financial Data
102-8	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	15 37	Status of employees Company Profile
102-9	a. A description of the organization’s supply chain, including its main elements as they relate to the organization’s activities, primary brands, products, and services.	4~5	Introduction of Businesses
102-10	a. Significant changes to the organization’s size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	11 24~25	Openings of MM2100 Distribution Center in Indonesia and Seishin Distribution Center in Kobe
102-11	a. Whether and how the organization applies the Precautionary Principle or approach.	12~13 27~31	Organizational Governance Provision of Safe, High-Quality and Useful Services
102-12	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	36	Statement Supporting the UN Global Compact
102-13	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	-	-
2. Strategy			
102-14	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	2~3	Top Message
3. Ethics and integrity			
102-16	a. A description of the organization’s values, principles, standards, and norms of behavior.	6~7	Promotion of CSR
4. Governance			
102-18	a. Governance structure of the organization, including committees of the highest governance body.	8	Corporate governance system
	b. Committees responsible for decision-making on economic, environmental, and social topics.	13	CSR and Compliance Committee

Disclosure number	Disclosure contents	Reference page number	Contents
5. Stakeholder engagement			
102-40	a. A list of stakeholder groups engaged by the organization.	–	–
102-41	a. Percentage of total employees covered by collective bargaining agreements.	–	–
102-42	a. The basis for identifying and selecting stakeholders with whom to engage.	7 8	Seven Principles of Social Responsibility Responses to Stakeholders' Expectations
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.	37	Company Profile
102-46	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	1	Editorial Policy
102-47	a. A list of the material topics identified in the process for defining report content.	–	–
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	–	–
102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	–	–
102-50	a. Reporting period for the information provided.	1	Editorial Policy
102-51	a. If applicable, the date of the most recent previous report.	1	Editorial Policy
102-52	a. Reporting cycle.	1	Editorial Policy
102-53	a. The contact point for questions regarding the report or its contents.	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.	–	–