

Mitsubishi Logistics  
Environmental and Social Report

2020



### Corporate Philosophy

Engage in sincere and fair business activities to secure appropriate profits and promote steady growth, appropriately compensating our stakeholders while contributing to the realization of an affluent and sustainable society.



## Editorial Policy

The Mitsubishi Logistics Group (the “Group”) has issued 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, activity details and achievements 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 based on 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, 2019 to March 31, 2020. To ensure comprehensive disclosure, however, certain relevant information regarding events that occurred prior to and/or after this period has been included.

### Publication Date

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February 2021  
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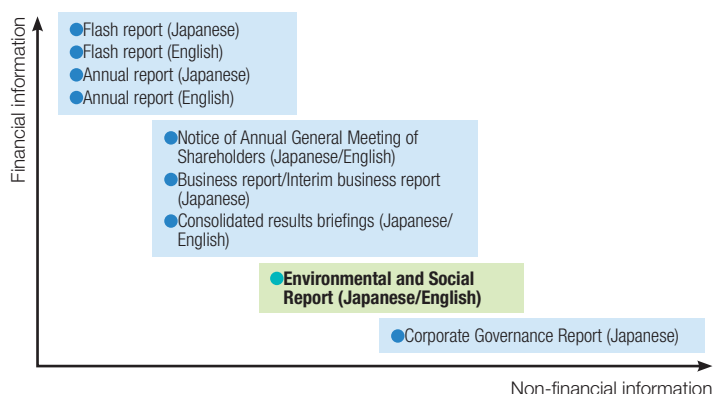
### Reference Guidelines

- JIS Z 26000: 2012 (Guidance on Social Responsibility) ISO 26000: 2010 (Guidance on Social Responsibility)
- Ministry of the Environment: Environmental Reporting Guidelines (Fiscal Year 2018 Version)
- Global Reporting Initiative (GRI): Sustainability Reporting Guidelines (GRI Standards)

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### Tool Map



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

“Extended version”

[https://www.mitsubishi-logistics.co.jp/english/csr/pdf/extended\\_version.pdf](https://www.mitsubishi-logistics.co.jp/english/csr/pdf/extended_version.pdf)

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

“GRI Guidelines reference table”

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

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

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

The Company was founded in 1887 in Fukagawa, Tokyo, after absorbing the warehousing business from the former Mitsubishi Company.

For over 130 years, we have been engaged in the logistics business through the organic integration of the overland transportation, port and harbor transportation, and international transportation businesses centering on the warehousing and distribution business.

Since the mid-1950s, we have been developing the real estate business, expanding our business domain from leased buildings constructed on company-owned property to the sale and leasing of homes and the management of retail facilities.

### 1950

### 1887

### 1887 —

**April 1887**

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

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

### 1900 —

**December 1902** Established Kobe Branch.

**November 1907**

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



1907 Wada Terminal, Kobe

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

**September 1923** Suffered damage in the Great Kanto Earthquake.

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

**January 1931**

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



1930 Edobashi Warehouse Building

**May 1949** Listed on the Tokyo Stock Exchange.

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

**November 1962**

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

(The Company subsequently made a full-scale entry into the real estate business in May 1969, constructing rental facilities, including buildings for computer processing centers, office buildings and commercial facilities, and continuing with the sale of condominiums.)



1973 Tokyo Dia Building

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

**April 1963** Made a full-scale entry into the trucking business.

**January 1970** Established a warehousing company in California, U.S.

**April 1971** Made a full-scale entry into the air freight business.

**April 1984** Established a transportation company in Singapore.

**October 1986** Established a company engaged in information-related business.

**April 1987** Celebrated the centennial of the Company's foundation.

to grow

2000

1992

Currently built high-performance warehouses at each branch (approximately 83,000 square meters) and declared the first year of our warehouse remodeling to change our corporate structure.

- September 1992 Constructed rental facilities, including retail facilities and office buildings, at Harborland, Kobe.
- January 1995 Suffered damage in the Great Hanshin Earthquake
- February Established a transportation company in the Netherlands.
- April 1996 Established a warehousing company in China.
- June Changed English name to Mitsubishi Logistics Corporation.

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

1999

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



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

1999 Automated warehouse (Ohi Refrigerated Warehouse)

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

2000

2003 Integrated air freight forwarding business



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



- August 2006 Constructed a retail facility at Yokohama Portside.
- January 2007 Formulated our Environmental Policy.
- April 2008 Certified as an Authorized Warehouse Operator (AEO warehouse)
- October Enacted our Quality Declaration.
- September 2010 Conducted a tender offer for the shares of Fuji Logistics Co., Ltd., turning the company and its 10 subsidiaries into our consolidated subsidiaries.

- March 2011 Suffered damage in the Great East Japan Earthquake.
- October 2012 Completed Ibaraki Distribution Center No. 3 in Osaka.



Disaster-Resistant Facility

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

- September 2014 Completed Nihonbashi Dia Building.



Disaster-Resistant Facility

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



Disaster-Resistant Facility

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

- June 2017 Certified as an Authorized Customs Broker (AEO customs)
- October Completed the MM2100 Distribution Center in Indonesia. Opened the first overseas Disaster-Resistant and Eco-Friendly Warehouse.



Disaster-Resistant Facility



Disaster-Resistant Facility

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



Disaster-Resistant Facility

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

2020

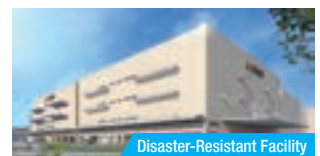
Fiscal 2019 (consolidated)  
Operating revenue: **¥229.0 billion**  
Operating income: **¥12.1 billion**



Disaster-Resistant Facility

February 2020 Completed Minamihonmoku Distribution Center in Yokohama.

October 2020 (scheduled) Completed Misato Distribution Center No. 2 Phase 2 building in Saitama Prefecture



Disaster-Resistant Facility

# Mitsubishi Logistics Group focuses on and engages in sincere and fair business contributing to the realization of an affluent

## Introduction

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

Our Group companies work in cooperation to carry out our logistics business both in Japan and around the world, organically and comprehensively

managing each business area through our information network, starting with our core warehousing business, and including overland transportation, port and harbor operations, and international transportation. Our real estate business focuses on leased buildings constructed on company-owned property. Of especial note, the involvement of our logistics operations in every industry countrywide provides a key function in the economic foundation as a highly public social infrastructure not only under normal circumstances, but also in case of natural disasters or other emergencies. We continue to make the utmost effort to support the daily lives of people everywhere and the business activities of our customers at every level of product procurement, production and sales.

## Second Year of the Management Plan (2019–2021)

The current fiscal year is the second year of the Management Plan (2019-2021), which started in April 2019. Overseas, although the economy in China continued a gradual slowdown, the U.S. economy continued to recover and a weak recovery was seen in Europe as well. Although the Japanese economy experienced sluggish exports, the economy recovered moderately, as seen by improved employment conditions and a recovery of personal consumption. However, from the fourth quarter, the economy took a sharp downturn, both in Japan and overseas, due to the global COVID-19 pandemic, and the situation became extremely difficult.

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

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



**Masao Fujikura**  
President

# global environment-friendly activities activities, and sustainable society.

## The MLC2030 Vision

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

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

## Initiatives for CSR management

With the establishment of our Code of Conduct in 1997, we have clearly demonstrated our stance and approach toward further enhancing our level of adherence to relevant laws and regulations, disclosing appropriate corporate information, addressing and resolving global environmental issues, and providing safe, high-quality and socially useful services. In addition, the Company approved and declared in May 2014 its support for the UN Global Compact, which is a set of universally accepted CSR-related principles. The Company considers complying with internationally accepted norms in the areas of human rights, labor, the environment and anti-corruption as fulfilling its social responsibility in its business activities and leading to an affluent and sustainable society. To firmly instill this stance throughout the entire Group, we have clarified that we promote CSR activities as a specific strategy in the management plan, and have incorporated such initiatives in specific measures.

Our logistics and real estate business activities are deeply connected to society. To earn recognition for the value of our existence as a member of society



and continue to grow in the future, the Group needs to steadily implement the goals set forth in the plan. In particular, taking into account the increased demand for reducing natural disaster risk stemming from the global increase and intensification of natural disasters that are believed to be caused by climate change, we are promoting the construction of Disaster-Resistant and Eco-Friendly Warehouses equipped with reinforced disaster-prevention functions and enhanced global environmental measures, as well as Disaster-Resistant and Eco-Friendly Office Buildings that have similar functions. As part of this initiative, in September 2014, the Nihonbashi Dia Building (of which the lower floors are used as the Company's Head Office and trunk rooms) was completed, followed by the Seishin Distribution Center Phase 2 Building in Kobe in November 2019, and the Minamihonmoku Distribution Center in Yokohama in March 2020.

These efforts are not only in line with the above-mentioned 10 principles of the UN Global Compact but are also in line with the SDGs (Sustainable Development Goals) similarly advocated by the United Nations. Going forward, we are considering the dissemination of information in a format that suits each goal.

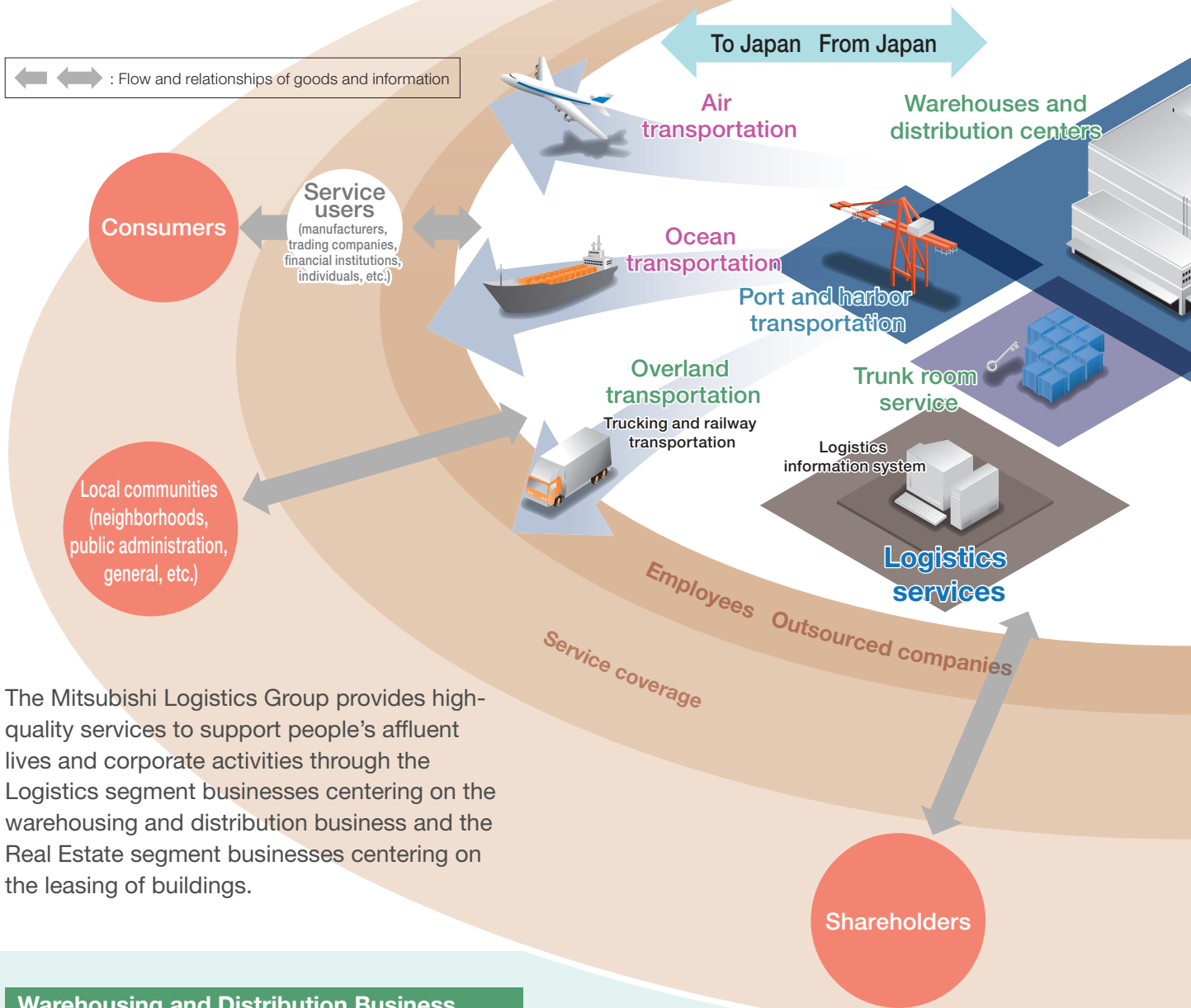
## Conclusion

From the end of fiscal 2019 through fiscal 2020, we worked on business continuity while implementing measures to prevent COVID-19. As a logistics company, I believe that we were able to fulfill our corporate social responsibility.

It is expected that we will be required to respond to difficult situations in the future as well. However, as the Mitsubishi Logistics Group continues, now and in the future, to place top priority on sincerity and fairness, contributing to customers' value enhancement based on principles that give weight to the global environment while fulfilling our responsibilities to society with stable growth, we ask for your continued understanding and support.

# Introduction of Businesses

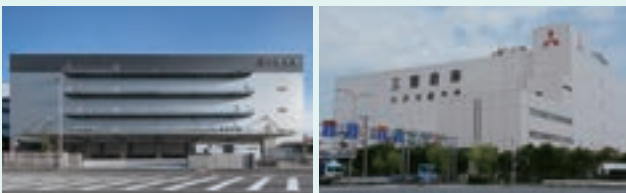
## We support people's affluent lives and corporate activities



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.

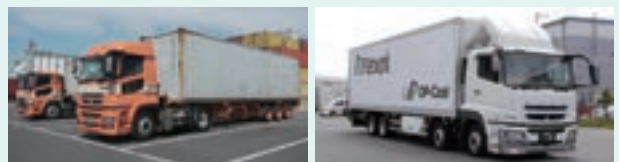
### Warehousing and Distribution Business

We are able to meet a broad range of customized logistics needs through the full integration of warehouses and distribution centers, which are located at major ports and key inland transportation areas nationwide; our transportation and delivery networks; and the logistics information systems that organically link them. In this business, fixed temperature storage and refrigerated warehouses for pharmaceuticals and fresh and processed foods are sufficiently offered in addition to ordinary warehouses for room temperature storage to ensure the provision of safe and efficient storage/distribution processing/delivery services using our original information technology and the latest facilities. Meanwhile, we strive to reduce the environmental impact by promoting green management. Furthermore, we are active in the construction of advanced facilities that aim to coordinate with local communities under the concept of Disaster-Resistant and Eco-Friendly Warehouse equipped with a solar power generation system and emergency power generators. One such model warehouse is the Seishin Distribution Center Phase 2 Building in Kobe, which was completed in November 2019, and another is the Minamihonmoku Distribution Center in Yokohama, which was completed in February 2020.



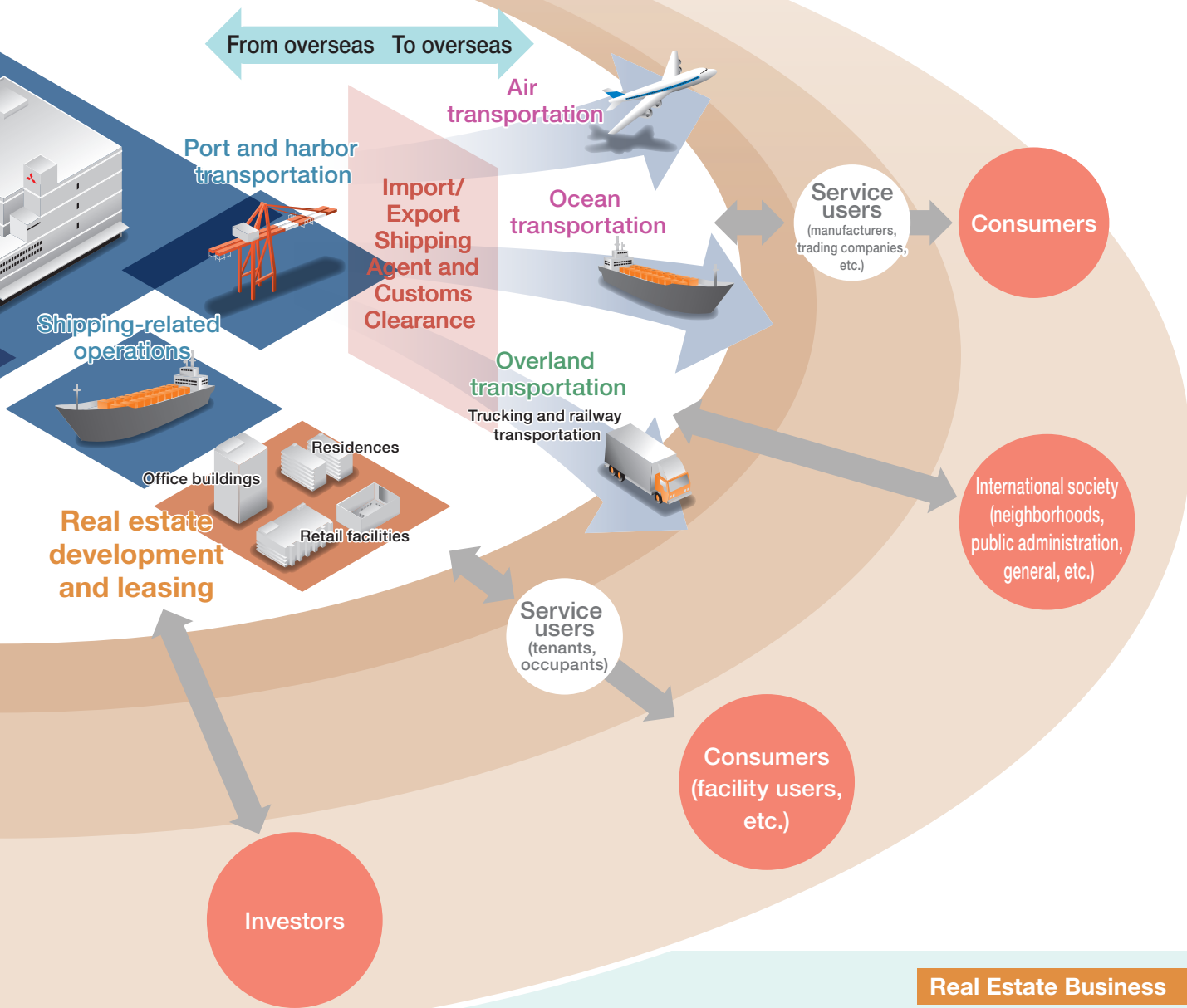
### Overland Transportation Business

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



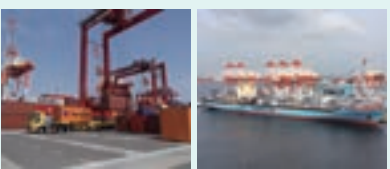


through the logistics business and the real estate business.



### Port and Harbor Operation Business

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



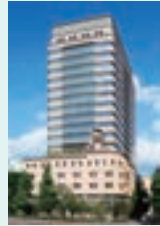
### International Transportation Business

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



### 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 m<sup>2</sup> 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.





Nihonbashi Dia Building

# Proceeding with the development

## Intensification of natural disasters

It has been pointed out that natural disasters have intensified in recent years, including heavy rains in western Japan in 2018 and Typhoon No.19 in 2019, and that climate change is likely the cause.

There has been a series of earthquakes, including the Great East Japan Earthquake in 2011, the Kumamoto Earthquake in 2016, and the Northern Osaka Earthquake and Hokkaido Eastern Iburi Earthquake in 2018. It is essential that we prepare for the large-scale earthquakes that are predicted in the future, including a Nankai Trough earthquake and an inland earthquake in the Tokyo metropolitan area.

## Disaster-Resistant Facility Concept

Since 2012, we have been developing disaster-resistant warehouse facilities under the concept of Disaster-Resistant and Eco-Friendly Warehouses. In addition, starting with the MM2100 Distribution Center in Indonesia, which was completed in 2017, we are looking to expand overseas with the same concept.

With real estate facilities, we utilized our extremely high level of safety expertise, which had been limited to facilities such as data center buildings where outages cannot occur even for a single moment, in the Yokohama Dia Building completed in 2009 as a Disaster-Resistant and Eco-Friendly Office Building, and further strengthened the disaster-prevention functions in the Nihonbashi Dia Building completed in 2014 in light of the Great East Japan Earthquake. Since then, we have been developing facilities that fully support the business continuity of customers, including through not only the construction of new facilities but also the refurbishment of existing facilities in accordance with this concept.

In 2015, the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals were adopted by the United Nations, and initiatives have been undertaken by industry in response. The Company believes that it can fulfil its social responsibility by building a strong infrastructure and maintaining a supply chain and an office environment even in times of disasters and other emergencies.

These efforts were implemented even before the SDGs were announced. However, from among the 17 goals, Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable; and Goal 12: Ensure sustainable consumption and production patterns have all been positioned as goals corresponding to the concept of Disaster-Resistant Facilities.

## Characteristics of Disaster-Resistant Facilities

Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings are equipped with disaster-response equipment such as seismic isolation equipment and emergency power generators, while power receiving equipment is installed on the second floors or above in consideration of potential water damage. In addition, in consideration of the environment, we are actively installing solar power generation equipment, LED lighting, and other equipment, and have obtained Rank A certification or above (some facilities are equipped with equipment equivalent to Rank A certification) with CASBEE<sup>\*1</sup>, which is a method for evaluating the environmental performance of buildings.

There have been cases of disasters actually occurring at a Disaster-Resistant Facility and, although the earthquake occurred prior to the startup of the facility, the seismic isolation equipment worked to prevent any damage, nor was the facility damaged when hit by a typhoon, which enabled us to conduct and continue our subsequent work.

Main disaster prevention functions	<b>Seismic performance</b>	Introduction of a seismic-isolated structure, including seismic isolation rubber parts and oil dampers, and strengthening of earthquake-resistant structure, etc.
	<b>Power outage countermeasures</b>	Introduction of emergency power generation equipment and installation of power receiving equipment at a certain height above ground, etc.
	<b>Wind pressure resistance</b>	Strengthen roof structure to a greater degree than required under the Building Standards Act (warehouse facilities only)
Main environmental performance and environmentally-friendly equipment	<b>Solar power generation</b>	Installation of solar panels on the roofs and walls for use as electric power for the facility, including lighting
	<b>LED lighting</b>	Used in combination with motion detectors (common areas)
	<b>CASBEE<sup>*1</sup></b>	Achieved Rank A or above in the objective evaluation of the environmental performance of buildings



Seismic isolation equipment



Solar power generation equipment

\*1 Comprehensive Assessment System for Built Environment Efficiency. See p. 29.

# of Disaster-Resistant Facilities

Relevant SDGs



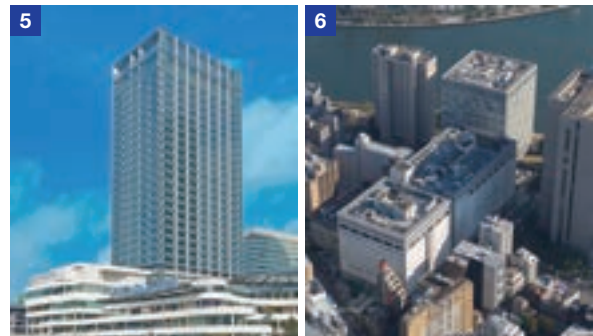
## Disaster-Resistant and Eco-Friendly Warehouses

Name of facility	Location	Completion date
Ibaraki Distribution Center No. 3	Ibaraki City, Osaka Prefecture	October 2012
Daito Distribution Center	Daito City, Osaka Prefecture	December 2012
Misato Distribution Center No. 2 (Phase 1)	Misato City, Saitama Prefecture	February 2013
Tobishima Distribution Center (expansion)	Ama County, Aichi Prefecture	September 2015
MM2100 Distribution Center <b>1</b>	Indonesia	August 2017
Seishin Distribution Center (Phase 1) <b>2</b>	Kobe City, Hyogo Prefecture	March 2018
Ibaraki Distribution Center No. 4 <b>3</b>	Ibaraki City, Osaka Prefecture	July 2018
Seishin Distribution Center (Phase 2) <b>2</b>	Kobe City, Hyogo Prefecture	November 2019
Minamihonmoku Distribution Center <b>4</b>	Yokohama City, Kanagawa Prefecture	February 2020
Misato Distribution Center No. 2 (Phase 2)	Misato City, Saitama Prefecture	October 2020 (scheduled)



## Disaster-Resistant and Eco-Friendly Office Buildings

Name of facility	Location	Completion date
<b>New facility</b>		
Yokohama Dia Building <b>5</b>	Yokohama City, Kanagawa Prefecture	December 2009
Nihonbashi Dia Building	Chuo-ku, Tokyo	September 2014
Meieki Dia Meitetsu Building	Nagoya City, Aichi Prefecture	June 2020
<b>Existing facilities</b>		
Tokyo Dia Building <b>6</b>	Chuo-ku, Tokyo	September 1973 - January 1990
Eitai Dia Building	Koto-ku, Tokyo	September 1991



## Future Development

During the course of our history of over 130 years, the Company has experienced various natural disasters and our facilities have been subject to damage. In light of that experience, however, the “Disaster-Resistant” concept, which aims to minimize any reduction in the functions of our warehouses, was born.

In order to fulfill our corporate social responsibility while giving consideration to our relationship with the SDGs, which have been attracting attention in recent years, we have introduced environmentally-friendly equipment in response to climate change. Going forward, we will continue to develop office and warehouse facilities based on the Disaster-Resistant concept.



### Message from the Managing Officer in charge of the Warehousing and Distribution Business

**Hitoshi Wakabayashi,**  
Managing Director

Maintaining a distribution network, which gained much attention in the midst of dealing with COVID-19, is also essential for social life. By developing Disaster-Resistant and Eco-Friendly Warehouses in response to the various natural disasters that may arise in the future, we will provide security to clients who use the facilities, safety for products etc. which the clients store in the facilities, and security and safety to the employees who work there. We will also work to reduce our environmental impact, including a reduction in CO<sub>2</sub> emissions.

Going forward, we have plans to expand overseas, and will make steady preparations for this while considering the local situation.



### Message from the Managing Officer in charge of the Real Estate Business

**Shinji Kimura,**  
Managing Director

Disaster-Resistant and Eco-Friendly Office Buildings as represented by Yokohama Dia Building and Nihonbashi Dia Building provide security and safety to the people involved with the building, including employees and visitors, and work to support business continuity, including for tenant companies.

We will extend this concept to existing and new facilities, while also working to reduce our environmental impact.

# BRIEF COMMENT

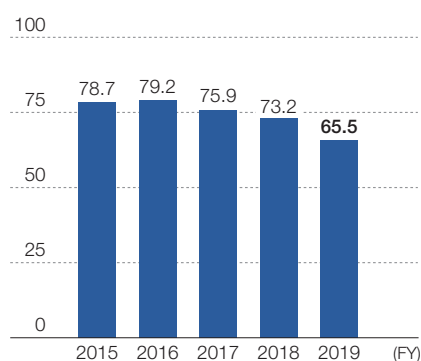
# At a Glance

## ◆ Financial Items

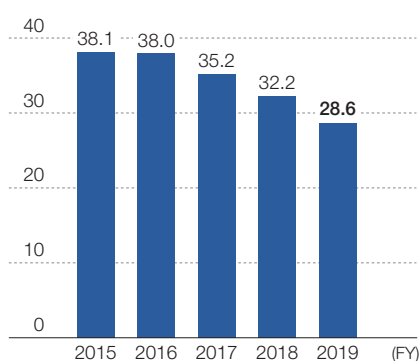
		Fiscal 2010 (year ended March 31, 2011) (actual results)	Fiscal 2011 (year ended March 31, 2012) (actual results)	Fiscal 2012 (year ended March 31, 2013) (actual results)	Fiscal 2013 (year ended March 31, 2014) (actual results)	Fiscal 2014 (year ended March 31, 2015) (actual results)
Operating revenue	(million yen)	175,879	203,697	192,260	198,161	204,362
Operating income	(million yen)	12,164	12,533	12,305	12,148	11,449
Non-operating income (loss)	(million yen)	1,524	1,975	2,221	1,965	3,007
Ordinary income	(million yen)	13,688	14,508	14,526	14,113	14,456
Extraordinary income (loss)	(million yen)	(2,248)	(742)	(804)	288	395
Profit before income taxes	(million yen)	11,439	13,766	13,721	14,402	14,851
Profit attributable to owners of parent	(million yen)	6,973	7,564	8,591	8,520	9,133
EBITDA (Operating Income + Depreciation)	(million yen)	25,817	26,101	24,402	24,665	24,838
Amounts per share of profit attributable to owners of parent/Earnings per share	(yen)	39.78	43.16	49.02	48.62	52.12
Amounts per share of cash dividends applicable to the year/Annual dividend per share	(yen)	Interim 6 Term-end 6	Interim 6 Term-end 6	Interim 6 Term-end 6	Interim 6 Term-end 6	Interim 6 Term-end 6
Dividend payout ratio	(%)	30.2	27.8	24.5	24.7	23.0
Total assets	(million yen)	350,425	353,269	375,180	396,238	433,041
Total liabilities	(million yen)	144,619	141,733	147,352	159,596	169,952
Total net assets	(million yen)	205,806	211,536	227,827	236,641	263,089
Net assets per share	(yen)	1,163.00	1,195.82	1,288.42	1,337.56	1,486.99
Equity ratio	(%)	58.2	59.3	60.2	59.2	60.2
Return on investment (ROE)	(%)	3.4	3.7	3.9	3.7	3.7
Return on assets (ROA)	(%)	2.0	2.1	2.4	2.2	2.2
Depreciation	(million yen)	13,653	13,567	12,097	12,517	13,389
Increase in non-current assets (capital investment amount)	(million yen)	6,522	10,949	17,723	23,674	24,462
Cash flows from operating activities	(million yen)	15,650	14,630	19,552	19,701	20,691
Cash flows from investing activities	(million yen)	(14,236)	(12,478)	(16,513)	(23,144)	(20,562)
Cash flows from financing activities	(million yen)	(4,100)	(6)	1,760	11,634	1,638
Cash and cash equivalents at the end of the year	(million yen)	25,349	27,416	32,461	41,236	43,276

## ◆ Non-financial Items

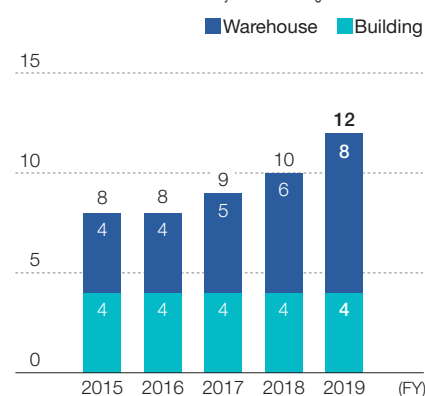
CO<sub>2</sub> emissions (Unit: thousand t-CO<sub>2</sub>)



CO<sub>2</sub> emissions per revenue (Unit: t-CO<sub>2</sub>/100 million yen)



Cumulative number of Disaster-Resistant Eco-Friendly Warehouses and Disaster-Resistant Eco-Friendly Office Buildings (Unit: buildings)

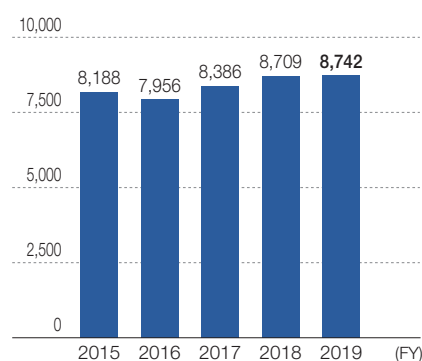


	Fiscal 2015 (year ended March 31, 2016) (actual results)	Fiscal 2016 (year ended March 31, 2017) (actual results)	Fiscal 2017 (year ended March 31, 2018) (actual results)	Fiscal 2018 (year ended March 31, 2019) (actual results)	Fiscal 2019 (year ended March 31, 2020) (actual results)	Fiscal 2020 (year ending March 31, 2021) (forecast)	Fiscal 2021 (year ending March 31, 2022) (management plan targets)
	206,831	208,718	215,407	227,185	<b>229,057</b>	213,000	240,000
	11,309	12,748	12,421	12,660	<b>12,195</b>	10,000	14,500
	2,716	3,308	3,739	4,673	<b>4,626</b>	—	—
	14,025	16,056	16,160	17,333	<b>16,822</b>	14,200	17,100
	645	(260)	(790)	(541)	<b>(84)</b>	—	—
	14,670	15,796	15,370	16,792	<b>16,737</b>	—	—
	9,350	10,665	10,517	11,564	<b>11,851</b>	37,600	—
	25,139	25,673	25,168	25,656	<b>26,447</b>	—	30,100
	53.37	60.88	120.07 <sup>1</sup>	132.03	<b>137.31</b>	—	—
	Interim 6 Term-end 6	Interim 6 Term-end 8	Interim 7 Term-end 14 <sup>1</sup>	Interim 15 Term-end 30	<b>Interim 30 Term-end 30</b>	Interim 30 Term-end 30	—
	22.5	23.0	23.3	34.1	<b>43.7</b>	—	—
	413,264	435,354	462,031 <sup>2</sup>	482,575	<b>468,243</b>	—	—
	155,740	158,484	167,480 <sup>2</sup>	183,470	<b>181,886</b>	—	—
	257,524	276,870	294,550	299,104	<b>286,356</b>	—	—
	1,455.06	1,565.27	3,330.71 <sup>1</sup>	3,381.20	<b>3,298.18</b>	—	—
	61.7	63.0	63.1 <sup>2</sup>	61.4	<b>60.5</b>	—	—
	3.6	4.0	3.7	3.9	<b>4.1</b>	—	—
	2.2	2.5	2.3	2.4	<b>2.5</b>	—	—
	13,830	12,925	12,747	12,995	<b>14,252</b>	—	—
	8,841	27,336	21,582	18,036	<b>26,387</b>	—	—
	17,246	21,466	21,481	23,352	<b>17,624</b>	—	—
	(7,032)	(22,270)	(22,219)	(31,786)	<b>(18,022)</b>	—	—
	(7,927)	(7,819)	3,419	12,066	<b>(2,359)</b>	—	—
	45,658	36,921	39,580	42,972	<b>40,541</b>	—	—

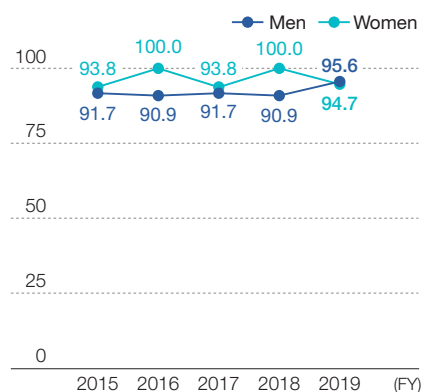
\*1 A reverse stock split was conducted on October 1, 2017 at a ratio of one share for every two shares of common stock.

\*2 The Company has applied "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" (Accounting Standards Board of Japan Statement No. 28, February 16, 2018) beginning from fiscal 2018. The consolidated financial position for fiscal 2017 has been retrospectively adjusted to reflect the application of the Standard, etc.

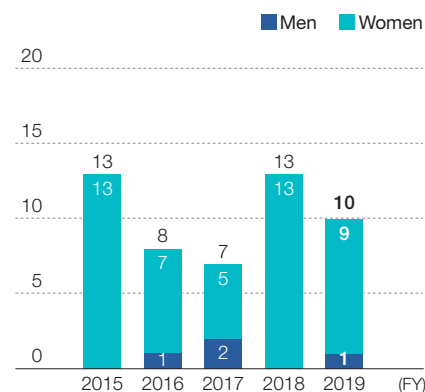
Total number of people who received compliance education<sup>\*3</sup> (Unit: persons)



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



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



\*3 Total number of participants (cumulative number of participants during each fiscal year) for all Group companies

# 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.



May 2019 Results briefing for analysts

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

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

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

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

#### The Three Principles of Mitsubishi’s Business Management Philosophy

<p><b>“Shoki Hoko”</b> Corporate Responsibility to Society</p> <p>Strive to enrich society, both materially and spiritually, while contributing toward the preservation of the global environment.</p>	<p><b>“Shoji Komei”</b> Integrity and Fairness</p> <p>Maintain principles of transparency and openness, conducting business with integrity and fairness.</p>	<p><b>“Ritsugyo Boeki”</b> Global Understanding through Business</p> <p>Expand business, based on an all-encompassing global perspective.</p>
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#### ◆ Code of Conduct

We have established the following Code of Conduct to realize our corporate philosophy (☞ see page 4: Top Message) based on the spirit of the Three Principles of Mitsubishi’s Business Management Philosophy.

#### Code of Conduct

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

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

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

#### ● Stakeholders recognized by the Mitsubishi Logistics Group



● 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 in 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 a specific policy pertaining to the Environmental Policy to review and implement specific measures in view of "measures to address future strengthening of regulations" and "maintaining and ensuring the competitive edge of our businesses."

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

◆ Our Declaration of Quality

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

**Our Declaration of Quality**

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

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

## Promotion of CSR

### ◆ The MLC2030 Vision

We have newly established the MLC2030 Vision as the ideal image of the Mitsubishi Logistics Group in 2030 (☞ see page 4: Top Message).

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

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

#### 1. Establish a customer-oriented support system

The Group will establish a customer-oriented support system with a focus on the medical/health care, food/beverage, and machinery/electrical machine industries as priority areas, and will take on comprehensive supply chain challenges as the customer's partner. Through these efforts, the Group will seek to expand its business domain and boost its market share.

#### 2. Expand overseas businesses

The Group will move forward with system enhancements to support customer supply chains in the medical/health care and food/beverage industries and strengthen its forwarding business with demand for high-quality cold chains<sup>\*1</sup> expected to grow in a number of regions such as Southeast Asia (ASEAN).

<sup>\*1</sup> Services providing uninterrupted temperature-controlled transport and distribution for refrigerated goods.

#### 3. Secure stable profits in the port and harbor transportation and the real estate businesses

The Group will further enhance the competitiveness of the port and harbor transportation business by leveraging its cargo handling services, which ranks the highest globally for efficiency, while at the same time developing commercial complexes and facilities and boosting its operational capability in the real estate business. By doing so, the Group will seek to secure stable profits.

#### 4. Improve operational processes and further utilization of new technologies

The Group will review the operational processes of all businesses and facilitate efficient operations by utilizing new technologies such as IoT, AI and robotics. Through these efforts, it aims to improve service quality and production efficiency.

#### 5. Strengthen the Group management base

The Group aims for growth by strengthening cost competitiveness through organizational management across the Company and its Group companies and securing/developing human resources, particularly in the priority areas.

### ◆ Management plan (2019–2021)

The following is an outline of the plan.

#### 1. Positioning of the New Medium-term Management Plan (2019-2021)

The Group has established the New Medium-term Management Plan (2019-2021) as its first step in achieving the MLC2030 Vision. We are implementing the following measures during the three fiscal years from FY2019 to FY2021.

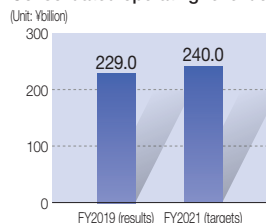
1. Strengthening the business foundations of the priority areas
2. Establishing a system that leverages new technologies
3. Maintaining competitiveness in the port and harbor transportation business
4. Developing commercial complexes and other facilities for the real estate business and improving the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

#### 2. Financial targets

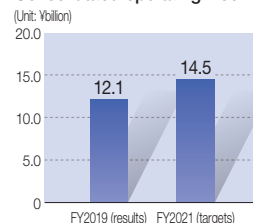
Figures of consolidated business results (Unit: ¥billion)

	Operating revenue	Operating income	Ordinary income
Actual results for FY2019	229.0	12.1	16.8
Targets for FY2021	240.0	14.5	17.1

##### Consolidated operating revenue



##### Consolidated operating income



#### 3. Financial strategy

With respect to the raising of funds for new investments, the Group seeks to boost its financial leverage through a range of measures such as borrowings and the issuance of corporate bonds, while following the principle of maintaining financial soundness.

#### 4. Investment plan

During the plan period, the Group plans to make investments totaling ¥100.0 billion (¥50.0 billion in logistics and ¥50.0 billion in real estate).



## Promotion of CSR for every employee

### CSR & Compliance Handbook

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

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



CSR & Compliance Handbook

### CSR and Compliance Awareness Survey

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

### Training on CSR and Compliance

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

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



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

## Emphasis on communication

### Timely and appropriate news releases

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



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

### Information disclosure

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

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

### Dialogue between shareholders/ investors, analysts and top management

#### ◆ Easy-to-understand shareholders' meetings

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

#### ◆ Results briefing

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 2019 we checked whether all executives and regular employees of the Group were familiar with our internal reporting system and whether they intended to use the system. Consequently, it was confirmed that almost all the respondents expressed an affirmative opinion, suggesting widespread recognition of the system.

## Promotion of CSR

### Confirmation of major CSR activities

The Group is committed to CSR activities so that socially responsible behavior will be disseminated among employees as part of a willing cooperate culture.

● Checklist for the confirmation of major CSR activities

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

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

Activity process (Plan)	Achievements/Results	Division/Chamber/ Branch and/or Group companies in charge
<ul style="list-style-type: none"> <li>Disseminate the corporate philosophy and the management plan.</li> <li>Deliberate how to promote CSR at the CSR and Compliance Committee.</li> <li>Strive to improve the understanding of the Code of Conduct and the awareness of compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Dissemination of the new management plan</li> <li>Worksite meeting held every month (dissemination of our corporate philosophy and our Management Plan).</li> <li>Mar. 2020: Held the CSR and Compliance Committee meeting.</li> <li>FY2019: Check for compliance with the Code of Conduct; Number of participants: 4,336.</li> <li>FY2019: Compliance Awareness Survey; Number of participants: 3,476 (Web-based check).</li> </ul>	General Affairs Division Personnel Division Planning & Business Coordination Division Other Divisions, Chambers and Branches
<ul style="list-style-type: none"> <li>Strive to disseminate the awareness of respect for human rights among all employees by establishing a dedicated promotion system.</li> <li>Conduct education on human rights.</li> </ul>	<ul style="list-style-type: none"> <li>FY2019 Human rights awareness training; held with 49 participants.</li> </ul>	Personnel Division
<ul style="list-style-type: none"> <li>Streamline the personnel system in the pursuit of creating worksites where employees can demonstrate their personality and competence.</li> <li>Execute industrial safety and health-related measures to maintain and enhance employees' health.</li> <li>Promote a work-life balance to support the sound development of the next-generation children.</li> </ul>	<ul style="list-style-type: none"> <li>Self-declaration once a year and interviews for appraisal conducted three times a year.</li> <li>Conducted “Health Promotion” seminars and annual health checkups.</li> <li>FY2019 beneficiaries of the child-care leave system: 10 persons; beneficiaries of the general care leave system: 31 persons.</li> </ul>	Personnel Division
<ul style="list-style-type: none"> <li>Work on industrial safety and health-related activities among operating bases in an aim to prevent industrial accidents.</li> <li>Promote the prevention of industrial accidents and conduct periodic disaster prevention drills and meetings in the Harbor Transportation Business Division.</li> </ul>	<ul style="list-style-type: none"> <li>Monthly convening of Industrial Safety and Health Committee.</li> <li>Number of serious industrial accidents in the Port and Harbor Operation Business: zero.</li> </ul>	Personnel Division Harbor Transportation Business Division Branches
<ul style="list-style-type: none"> <li>Endeavor to develop human resources that can contribute not only to corporate growth but also to social development.</li> </ul>	<ul style="list-style-type: none"> <li>FY2019 logistic training with 238 participants.</li> <li>Securing opportunities to take training programs through e-learning courses.</li> </ul>	Personnel Division
<ul style="list-style-type: none"> <li>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.</li> <li>Enhance the shift of existing lighting devices to LED lighting.</li> </ul>	<ul style="list-style-type: none"> <li>FY2019: The existing lighting devices (around 3,500 units in total) at our warehouses were changed to LED lighting.</li> </ul>	Technical Division Branches
<ul style="list-style-type: none"> <li>We promote the implementation of large-scale solar power generation equipment in existing equipment in line with the government's policy of enhancing the use of renewable energy.</li> <li>Expand the use of environmental-friendly vehicles for company vehicles.</li> <li>Promote the reduction of waste.</li> </ul>	<ul style="list-style-type: none"> <li>Started operation of solar power generation facilities at the Seishin Distribution Center Phase 2 building in Kobe in November 2019 with a total output of 400 kW, and at the Minamihonmoku Distribution Center in Yokohama in March 2020 with a total output of 220 kW.</li> <li>Since Mar. 2016: The Eitai Dia Building has been certified as a “Near-Top-Level Facility” under the Tokyo Metropolitan Environmental Security Ordinance.</li> </ul>	Warehousing and Distribution Business Division Real Estate Division Technical Division Branches
<ul style="list-style-type: none"> <li>Conduct reforestation through volunteer activities and donations as a partner of reforestation of Kanagawa Prefecture.</li> </ul>	<ul style="list-style-type: none"> <li>Oct. 2019: Reforestation activities held with 35 participants.</li> </ul>	General Affairs Division Tokyo Branch Yokohama Branch
<ul style="list-style-type: none"> <li>Hold training sessions for the compliance of the Act against Delay in Payment of Subcontract Proceeds, etc., and the prevention of insider trading.</li> <li>Distribute information security questionnaires to disseminate the awareness of security.</li> </ul>	<ul style="list-style-type: none"> <li>FY2019: Lecture for compliance with the Act against Delay in Payment of Subcontract Proceeds, etc.; Number of participants: 1,951 (Web-based check).</li> <li>FY2019: New employee training on Prevention of Insider Trading; Number of participants: 67.</li> <li>Number of respondents to the FY2019 Information Securities Questionnaire: 3,315.</li> </ul>	General Affairs Division Information Systems Division
<ul style="list-style-type: none"> <li>Take specific initiatives for quality improvement at each of the operating sites, subsidiaries and affiliates.</li> <li>Reestablish our information systems for warehousing and distribution center operations to improve the quality of logistics.</li> </ul>	<ul style="list-style-type: none"> <li>Held regular quality improvement conferences.</li> <li>Quality education at monthly safety conferences and information exchanges at regular conferences with customers conducted.</li> <li>Commendation system for improvement activities was carried out.</li> <li>Following the implementation of a new warehousing and distribution center operations system (G-MIWS) was completed on offices during the first half of FY2017, we constructed support systems.</li> </ul>	Planning & Business Coordination Division Personnel Division Warehousing and Distribution Business Division Information Systems Division Branches
<ul style="list-style-type: none"> <li>Deepen people's understanding of the logistics of relief supplies in case of large-scale disasters.</li> <li>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.</li> <li>Thoroughly implement disaster prevention measures at facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Total number of designated support/relief goods logistics base facilities: 11.</li> <li>Fire prevention inspection patrols in facilities of the Company and the Group were conducted (annually).</li> </ul>	General Affairs Division Warehousing and Distribution Business Division Technical Division Branches
<ul style="list-style-type: none"> <li>Hold activities that aim to coordinate with local communities and international society.</li> </ul>	<p>[Yokohama Bay Quarter]</p> <ul style="list-style-type: none"> <li>Aug. 2019: Held the “Charity Ennichi (Street Fair).”</li> <li>Aug. 2019: Held the “Radio Exercise.”</li> <li>Held running club events (monthly)</li> </ul> <p>[Nagoya Branch]</p> <ul style="list-style-type: none"> <li>Installed flower beds in the greenbelt near Nagoya Station.</li> </ul> <p>[Osaka Branch]</p> <ul style="list-style-type: none"> <li>Participated in blood donation activities together with customers.</li> </ul> <p>[Kobe Harborland]</p> <ul style="list-style-type: none"> <li>Harborland Cleanup Movement (monthly)</li> </ul> <p>[Kobe Harborland umie]</p> <ul style="list-style-type: none"> <li>Feb. 2020: Engaged in a joint fire drill with the Kobe Chuo Ward Fire Station.</li> </ul>	Real Estate Division Yokohama Dia Building Management Corporation Nagoya Branch Osaka Branch Kobe Branch
<ul style="list-style-type: none"> <li>Raise and provide relief funds for disasters that happen in Japan and overseas.</li> </ul>	<ul style="list-style-type: none"> <li>Nov. 2019: Provided relief funds for disaster victims of Typhoon Hagibis</li> </ul>	General Affairs Division Other Divisions, Chambers and Branches Group companies

# Organizational Governance

To ensure socially responsible positive decision making, it is necessary to establish organizational processes to optimally utilize the Group's philosophy, strategies and standards. As for organizational governance, the Group recognizes and strengthens such issues as "Promoting the realization of our corporate philosophy and strategies," "Entrenchment of the compliance of standards, etc.," "Confirmation of the processes of implementation for action plans" and "Review of goals and standards, etc."

May 2019: Group Management Meeting



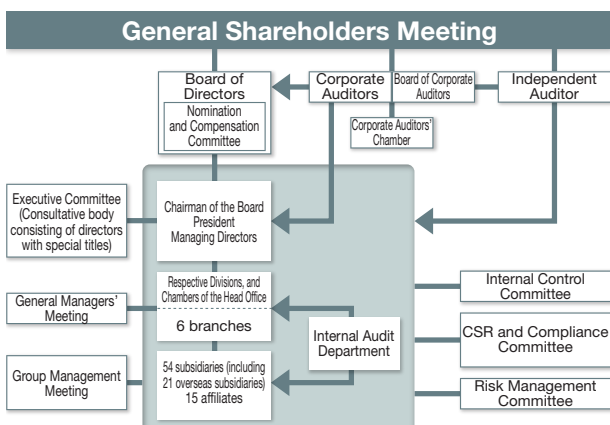
## Corporate Governance

### Basic stance

The Company recognizes the enhancement of corporate governance as a significant business issue that will enable us to carry out our social mission and responsibilities as a publicly listed company and to aim for sustainable growth and development. Accordingly, we are working to enhance the function of the board of directors and board of auditors by appointing outside directors and auditors. On April 30, 2020, we established a Nomination and Compensation Committee as an advisory body to the Board of Directors to further enhance the objectivity and transparency of the procedures for determining the nomination and compensation of directors.

In addition, we are endeavoring to boost corporate governance through multiple initiatives, such as: establishing an internal control system through drafting the rules of conduct for our executives and employees, setting up the Internal Control Committee, the CSR and Compliance Committee, and enhancing an internal audit system; instituting a risk management system via the Risk Management Committee; and, finally, by reinforcing disclosure through the early publication of financial statements. (See the chart of corporate governance system below)

● Chart of corporate governance system



## Promoting the realization of our corporate philosophy and strategies

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

The Group has expressed the goal of "contributing to the realization of an affluent and sustainable society" in its corporate philosophy (see page 4: Top Message) to make its intent of strengthening social responsibility known to every party concerned within the Group.

To facilitate this goal and achieve the MLC2030 Vision (see page 14), the Company is engaged in the following specific measures in its management plan, and endeavors to disseminate them at worksite meetings and other occasions.

#### Specific Measures

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

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

## Review of goals, standards, etc.

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

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


In fiscal 2019, the committee met in March 2020 and deliberated on the improvement of compliance based on the self-check of the status of complying with the Code of Conduct, as well as on trends and measures in our internal reporting system and matters to be addressed in the following fiscal year and thereafter.  CSR and Compliance Committee

## Entrenchment of the compliance of standards, etc.

### Disseminating the awareness of compliance

The Group endeavors to instill awareness of compliance based on corporate ethics in every employee through the employee's self-check 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 the "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 the 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 that it can be used for prevention of fraud and errors, and rationalization of management and improvement of business operations and raising operating efficiency. The Audit Division reports the results of audits regarding the Company and subsidiaries to the management team. The General Affairs Division supports the follow-up checks on any issues noted in the audit results, if any, and reports the results to the management team.

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

## Confirmation of the implementation process of action plans

### Confirming the appropriateness of operations via internal control

The Board of Directors of the Company resolved the "Basic Policy on the Improvement of an Internal Control

System" to ensure the appropriate execution of duties by executives and regular employees and the appropriateness of corporate affairs.

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

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

The Authorized Warehouse Operators' Program, one of the AEO Systems <sup>(\*)</sup>, 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 acquired certification as Authorized Customs Brokers under the AEO System in June 2017, and each Group company on the dates shown in the table. An authorized customs broker is a customs clearance operator subject to various preferential privileges, which is authorized by the customs office to arrange for security management system regarding cargo and company-wide compliance system. The Company strives to further improve the quality of customer service going forward.



Certificate of AEO Customs Broker (The Company)

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

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

\*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.

May 2020: Central Management Conference

## Improvement in the awareness of human rights

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

The Company is committed to educating employees on human rights issues with the aim of creating a "positive worksite atmosphere in which every employee's human rights are respected and personal competence and personality can be fully demonstrated."

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

In fiscal 2019 a total of 49 employees participated in the training for new employees.

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

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



▶ Actual performance data on human rights training can be viewed on Mitsubishi Logistics' Web site in "Extended version."

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

## Respecting human rights through business activities

**Outsourcing works to a provider of continuous employment support service, where people with disabilities are working**

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

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

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

Slogan for human rights awareness (Employees' section)

Caring for each individual makes everyone feel comfortable

## VOICE

### Reflection on the Human Rights Training

Nobuki Kaneko  
Harbor Transportation Dept., C-11 Office, Osaka Branch



In the human rights training, we learned about harassment and gender issues by working with case studies. We worked in groups of several people, exchanging opinions on how we felt about the themes we were given. I thought that everyone would feel the same way but the fact that various people put forward different opinions made me reacknowledge that there are differences in how people feel. These problems stem from a lack of mutual understanding and an intolerance to differences. I felt that going forward, as the opportunities to interact with people of different genders, ages, and cultures increase, I need to set aside my preconceived ideas and think about how they feel on each occasion.

The COVID-19 pandemic has highlighted various human rights issues. While it seems true that we are still a long way from achieving a society where everyone can live comfortably, I would like to act with a sense of awareness of these problems.

# Appropriate Working Environment

An appropriate working environment serves to stabilize employees' living standards, is the source of meaning in employees' lives and is indispensable for safety and health, productivity growth, human resource development and so forth. Regarding the appropriate working environment, the Group recognizes and addresses such issues as "Respect of labor-management relations," "Employment and the importance of the employment relationship," "Rewarding and friendly working conditions," "Ensuring the safety of workers" and "Human resource development and training."

Sub-entrance Hall, Seishin Distribution Center (Phase 2), Kobe

## Respect for labor-management relations

### Having close communications with the labor union

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

#### 1. (Company's Responsibility)

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

#### 2. (Union's Responsibility)

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

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

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

## Employment and the importance of the employment relationship

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

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

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

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

#### ● Status of employees (as of the end of March 2020)

Status in fiscal 2019	
Number of regular employees (consolidated)	4,625
Number of temporary employees (consolidated)	2,564

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

Number of regular employees (non-consolidated)	952 (611 men / 341 women)
Average age (non-consolidated)	39.9 years (men: 39.6 years; women: 40.3 years)
Average years of service (non-consolidated)	16.1 years (men: 15.4 years; women: 17.3 years)
Number of temporary employees (non-consolidated)	794

#### Status of new graduate recruits (joining the Company in April 2020)

University graduates	47
Male university graduates	25
Female university graduates	22
Junior college/Vocational college graduates	0
High school graduates/Others	4
<b>Total</b>	<b>51</b>

#### Status of mid-career recruits (joining the Company between April 2019 and March 2020)

University graduates	16
Male university graduates	14
Female university graduates	2
Junior college/Vocational college graduates	3
High school graduates/Others	2
<b>Total</b>	<b>21</b>

#### Status of new graduate recruits retained

	New graduate recruits joining the Company in April 2017	No. of recruits retained as of April 2020 (percentage)	
Men and women total	42	40	(95.2%)
<b>Men</b>	<b>23</b>	<b>22</b>	<b>(95.6%)</b>
<b>Women</b>	<b>19</b>	<b>18</b>	<b>(94.7%)</b>

## Rewarding and friendly working conditions

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

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

To realize this philosophy, the Company endeavors to improve worksite environments so that employees can

## Appropriate Working Environment

demonstrate their individuality and competence to the utmost extent with improved motivation and better workplace environments, through a variety of personnel and educational systems.

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

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

#### **◆ Self-declaration system**

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

#### **◆ Evaluation and treatment of employees**

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

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

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

#### **◆ Regular medical checkup**

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

#### **◆ Health promotion**

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

### **Involvement in mental health activities focusing on precautionary measures and preventing recurrence**

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

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

### **Promotion of Workstyle Reforms**

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

### **Revised the dress code as part of workstyle reforms**

As part of our workstyle reforms, in January 2020 we revised the dress code to give employees more freedom and allow them to choose clothes that feel comfortable when working. We anticipate that this will lead to improved business efficiency and productivity, and that employees will be able to propose new ideas freely.

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

Pursuant to the implementation of the Act on Advancement of Measures to Support Raising Next-Generation Children, the Company formulated the "Ordinary Business Owner Action Plan" and implemented a child-care leave system, a reduced working hours system, a nursing care leave system, a general care leave system and a family care leave system to assist with the coexistence of employees' working life and home life. Furthermore, the Company encourages the enhanced use of annual paid vacations to reduce working hours in a year and has introduced a systematic granting system (six days per year) of annual paid vacations under labor-management collaboration.

### **Promoting welfare measures to help employees cultivate the energy to work**

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



● Acquisition results for various systems

System	Description	Results (number of beneficiaries)				
		FY2015	FY2016	FY2017	FY2018	FY2019
Child-care leave	Leave of absence is allowed for a desired period until a child becomes 2 years old.	13	8	7	13	10
Reduced working hours	Service hours may be reduced by up to 2 hours per day for nurturing a child.	17	22	25	28	28
Nursing care leave	Leave of absence is allowed for a desired period within one year to take care of a family member in need of nursing care.	0	0	0	0	0
General care leave	Paid leave for nursing care of a child (up to 10 days per year).	27	29	38	34	31
Family care leave	Paid leave for nursing care of a family member in need of nursing care (up to 10 days per year).	0	4	4	5	10

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



Club activities (Futsal Club)

**Major welfare programs of the Company:**

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

**VOICE**

**Having taken child-care leave**

Takuya Uehara  
Accounting Dept., Yokohama Branch



I took child-care leave for one month for the birth of my first daughter. As this was my first experience in child raising, I consulted with my manager from around four months prior to my due date and started making adjustments to my work. Once the child-care leave started, I was extremely busy every day, and looking back, the month just flew by. I think the biggest advantage of taking child-care leave was not only that I could take care of my newborn daughter but also that I was able to support my wife, who was exhausted after giving birth. My daughter started eating solids when she was six months of age. She was very adorable when her cheeks were stuffed with food from the spoon in my hand and took to me quite well. I think it's because I was able to spend much time looking after her. Not only did everyone at my workplace accept my application for child-care leave but they also gave me a lot of support in terms of my work. I feel truly grateful to everyone.

**VOICE**

**Having taken general care leave**

Mizuho Koganei  
Planning Team, Planning & Business Coordination Div.



I have an 18-month-old daughter who has been going to a nursery school since I returned to work when she reached 11 months of age. When all the children are together at nursery school, various infections are passed around from child to child, and once a child becomes sick, they have to take several days off until they can return. It was extremely helpful to me that at those times I was able to take general care leave. I felt very guilty for handing over my work to my colleagues while I was taking the general care leave, but thanks to the warm support of everyone at my workplace, I was able to change my mindset and concentrate on looking after my daughter. I may take general care leave again in the future. I will focus on my daily work so as to cause as little inconvenience as possible if that happens, and do my best to actively repay the favor if someone else suddenly has to take a leave.

**VOICE**

**Participating in the Mitsubishi Firm's Track-and-field Tournament**

Seiya Taira  
Technical Team, Technical Div.



The Mitsubishi Firm's Track-and-field Tournament is a competition held once a year that brings together Mitsubishi Group companies to compete in track events such as 100-meter and 1,500-meter races and field events such as long jump and shot put. Last year, 13 companies from the Mitsubishi Group entered the tournament with over 100 participants. Our company had 6 members including men and women from the Track & Field/Marathon Club. Although the number of our participants was fewer than other companies with our entry in only 8 events, we were able to work together as a team and came in 8th overall. The employees participated in various events regardless of their experience, put their daily practice to good use, and enjoyed the tournament. The tournament also provided an excellent opportunity for participants to get to know employees from other branches and from the different Mitsubishi Group companies with whom they do not usually interact. The number of participants from the Company has increased for five consecutive years since we first entered the tournament in 2015. We would like to further encourage the Track & Field/Marathon Club so that we can continue to provide an opportunity for more employees for interaction.

## Appropriate Working Environment

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

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

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

### Improving access in the work environment to increase the employment of people with disabilities

There are physically challenged employees who work in diverse operations at the Company. However, as of June 1, 2019, the Company's employment rate of said employees was 1.92%, lower than its legally mandated 2.20% employment ratio. We will continue to steadily strengthen improvements of the worksite environment in which people with disabilities can easily demonstrate their capabilities and competence, aiming to reach our legally mandated employment ratio as soon as possible.

#### ● Employment ratio of employees with disabilities

	June 2014	June 2015	June 2016	June 2017	June 2018	June 2019
Number of employees with disabilities (actual)	16	16	14	14	14	15
Employment ratio (%)	2.05	2.05	1.86	1.83	1.80	1.92

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

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

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

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

## Ensuring the safety of workers

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

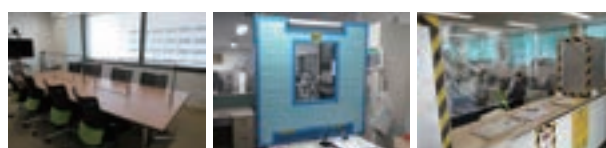
Each branch has an "Industrial Safety and Health Committee" (and a Health Committee at Head Office) to share information with operating bases including operation-commission and cargo-handling companies where operations are outsourced. In addition, we strive to prevent industrial accidents by conducting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

### Implemented countermeasures against COVID-19 to continue business operations

In order to stop the spread of COVID-19, which was seen also in Japan in 2020, we introduced basic countermeasures including avoiding the 3Cs, maintaining social distancing, and wearing masks. We also adopted staggered working hours, working from home, a ban in principle on business trips, a ban in principle on meetings involving food and drinks inside or outside the Company, and health checks, while encouraging various measures such as hand washing, gargling, and following coughing etiquette. These efforts enabled us to continue business operations and protect the health of our employees.

Some distribution centers continued operations based on a business continuity plan that they had formulated in advance, while at branch offices, we installed vinyl curtains between employees' desks and at reception areas for truck drivers from outsourced transportation companies and other visitors arriving for appointments in order to prevent droplet infection.

Going forward, we will continue to prepare not only for COVID-19 infections but also for other infectious diseases and various disasters in order to ensure the safety of our employees and continue operations as our corporate social responsibility.



Measures adopted by various branches

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

Ryoso Transportation Co., Ltd. (a company that specializes in overland transportation that is in charge of the overland transportation business of the Company), aims to increase the security of transportation and ensure safety through concerted efforts with the recognition that ensuring the security of freight transportation is the pillar of our business management. In addition, Ryoso Transportation engages in the internal audit of compliance with relevant laws and regulations such as the Motor Truck Transportation Business Act and the Road Traffic Act, and steps are taken to ensure the dissemination of information on compliance with these laws and regulations. Operations are checked at all times from a safety viewpoint, fully recognizing the public nature and importance of the freight trucking business. As initiatives for daily accident preventive

activities, they also hold safety conferences, conduct safety patrols and hold head office and all-branches marketing staff conferences. Furthermore, they conduct thorough checks at all car-allocation bases using a high-performance alcohol detector unit to check at roll call whether any crew members have been drinking.

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



Alcohol detector unit

### Warehousing Business Division: Promoting safety patrols and working to prevent accidents

Each office in the Warehousing Business Division (including some operating bases in the International Transportation Business Division) conducts regular safety patrols. During these safety patrols, employees of the Company and our operating companies jointly patrol warehouse sites to check the status of the facilities and the cargo storage. In addition, they hold meetings depending on the outcome of the patrols and take measures to prevent accidents in efforts to ensure the safety of employees and cargo.



Safety patrol (Warehousing Business Division, Osaka Branch)

## VOICE

### Measures to Ensure Safety and Security

Eiji Shimane  
Deputy General Manager, Sales Div.,  
Ryoso Transportation Co., Ltd.



Here at Ryoso Transportation Co., Ltd., as part of our corporate social responsibility, we not only work to secure safety and security through transport accident prevention, but are also actively involved in compliance with laws and regulations of all kinds, as a trucking business operator certified as an excellent safety (G mark) enterprise by the Ministry of Land, Infrastructure, Transport and Tourism. From January 2019, we commenced “trucking business audits” conducted by the Planning & Business Coordination Division, aiming for the standardization of business across all branches, as well as the further improvement of business standards. In addition, in February 2020, we submitted a declaration of voluntary action in support of the purpose of the White Logistics promotion campaign advocated by the Ministry of Land, Infrastructure, Transport and Tourism, among others. Furthermore, we strive to reduce the environmental burden, including the practice of idling-stop, and aim for logistics that are friendly to the global environment.

While undertaking such initiatives, in response to the increasing diversification and sophistication of customers’ needs, we are implementing duty- and position-based education aimed at raising awareness of employees, and holding safety meetings and safety patrols. Through these measures we are endeavoring to ensure thorough information sharing and precise operational instructions, as well as promote the maintenance and improvement of mental and physical health. We will continue to strive for safe transportation and the further improvement of transportation quality with the motto, “More swiftly, reliably, and safely.” (Group company of the Company)

### Harbor Transportation Business Division: Promote the prevention of industrial accidents and conduct periodic disaster prevention drills and meetings.

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

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

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

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

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

#### Results/Achievements

No serious industrial accidents were reported in fiscal 2019.

## Human resources development and training

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

#### ◆ Concept image of ideal human resources

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

## Appropriate Working Environment

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.



Training for newly appointed managerial employees

### 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 2019, lectures regarding the latest trends in logistics, human error countermeasures, improvement activities, and logistics proposals, etc. were held with 238 participants coming from the Company and also subsidiaries and affiliates.

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

### VOICE

#### Participating in training at the 6th year

Koichi Tsukamoto  
Ohi Office, Tokyo Branch



In the training at the 6th year, I participated in such programs as problem-solving exercises, leadership and followership, management planning, career design, and mental toughness.

Particularly in the problem-solving exercises, I was able to learn the process from identifying the cause of a problem to resolving the issue by using actual examples of improvements. Through the group work, I was able to interact with my contemporaries playing active roles in various operations, which was extremely stimulating.

Going forward, I would like to utilize what I learned through the training in my workplace in an effort to improve my operations.

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

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

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

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

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

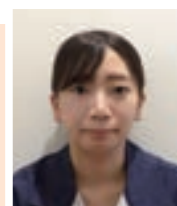
In "Outline of warehousing facilities management," an employee from the technical division explained the important points of a daily check that can be performed onsite at warehousing facilities, as well as the importance of fire prevention management.

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

### VOICE

#### Taking the logistics training (basic course in human error countermeasures)

Yuzuki Ueno  
Harbor Transportation Dept., Kobe Branch



The training was conducted in a lecture format. In the first half, we learned the basic concept of human error measures, and in the second half, we learned about human error extraction and accident prevention measures through case studies.

Firstly, we learned the basic concept that "human error cannot be reduced to zero, but its impact can be controlled," and learned about human characteristics through works in the lecture. In the subsequent case studies, we actually extracted the errors and engaged in a group discussion.

In the first lecture, I gained a greater perspective about extracting errors for the case studies by learning about human characteristics from various angles, including a behavioral perspective and a psychological perspective. Furthermore, the group discussions enabled us to share error extraction cases and prevention measures from different perspectives.

Taking advantage of what I learned through this training, I would like to take the first step by finding elements for error that are hidden in my immediate surroundings, analyzing them, and sharing them with my team members to find out countermeasures.

## Human resources (training) systems

### General employee development course:

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

Career stages	Problem-solving	Human skills	Career development	CSR and compliance	Management	Logistics	Global	Health promotion	Self-development	Cross-industrial exchange
General Manager class			Life plan seminar		Management strategy					
Managerial employee class	Problem-solving practical training							Health promotion seminar		
Assistant manager class	Training for newly appointed managerial employees (Understand management skills, corporate ethics, etc.)									
Midlevel employees	Management training by theme (Leadership (compulsory), labor management (compulsory), accounting (compulsory), problem resolution, etc. (selective course))					Logistics training <sup>1</sup>				
Young employees	Supervisor Grade 2 training (Improve perspectives via action learning, acquire basic management skills)					Overseas operations training <sup>2</sup>	Young employee overseas dispatch program			
	Training at the 6th year (Problem-solving, followership, career design, etc.)						English and Chinese conversation courses			
	Training at the 2nd year Global mindset, problem-solving, mental health, etc.									
	New employees' first-half training / New employees' second-half training (Business manners, basic knowledge on general corporate operations, visits to logistics facilities and real estate of the Company, etc.)									
									Correspondence education	Mitsubishi Marketing Association Mitsubishi Shichikenkaai 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	Health promotion	Self-development
Senior leader class of regional employees		Life plan seminar				
Leader class of regional employees	Regional supervisor training (Confirm expected roles, leadership)			Logistics training <sup>1</sup>	Overseas operations training <sup>2</sup>	Health promotion seminar
Midlevel employees	Training on regional employees (Discover one's own strengths and weaknesses, improve communication capabilities)					Correspondence education
Young employees	Training at the 6th year (Problem-solving, career design, etc.)					
	Training at the 2nd year (CSR, problem-solving, mental health, etc.)					
	New employees' first-half training / New employees' second-half training (Business manners, basic knowledge on general corporate operations, visits to logistics facilities and real estate of the Company, etc.)					

\*1: Major lectures for the Logistics training

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

- Warehousing Business Act and contracting practices
- Outline of warehousing storage operation
- Improvement award case studies, etc.

\*2: Major lectures for the Overseas Operations Training

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

- Export shipping agent business

# Environmental Conservation

Environmental issues are not only local issues of the region where our business bases are located but are also globally interconnected. Environmental accountability is a global-level social responsibility that affects the future of humanity. The Mitsubishi Logistics Group recognizes and undertakes initiatives for such environmental issues as the reduction of CO<sub>2</sub> emissions as a countermeasure for climate change, the use of renewable natural resources and contribution to recovery of the eco-system.

Solar panels at the Seishin Distribution Center (Phase.2) in Kobe

## Reduction of CO<sub>2</sub> emissions as a measure for reducing climate change

### Certified under the Logistics Efficiency Improvement Act<sup>\*1</sup>, we are integrating logistics bases and reducing the environmental burden

Obtaining the same certification under the following ten business plans, we made transportation and distribution systems more efficient by integrating logistics bases for customers who used to employ multiple logistics bases, thereby reducing the number of delivery trucks. By collecting customers' freight and implementing joint delivery, we reduce emissions of greenhouse gases (CO<sub>2</sub>), contributing to a reduction of the environmental burden.

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

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

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

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

The Group obtained the Green Management Certification<sup>\*3</sup>, which pursues profitability and environmental conservation by promoting environment-friendly business activities from the certification registration organization Foundation for Promoting Personal Mobility and Ecological Transportation (abbreviated as "Eco-Mo Foundation"). Some of our business bases that welcomed their 10th year renewal in March 2017 were commended for their many years of certification. Under the Certification, in addition to engaging in initiatives to reduce energy consumption such as electricity saving in our everyday business and initiatives to reduce waste, we are also engaged in initiatives to reduce the amount of logistics materials used in packing, etc. and to reuse these materials.

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



Green Management Certification Commendation for many years of certification

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

\*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.

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

As a “Designated Business Operator” under the Act on Rationalizing Energy Use, the Company is obliged to reduce per-basic unit energy use more than 1% on an annual average on a medium- to long-term basis at facilities we own and rent. Moreover, we submit a regular report on energy conservation and a medium- to long-term energy-conservation plan to the Ministry of Economy, Trade and Industry. The values we reported to the Ministry in fiscal 2019 (the actual results for fiscal 2018) show that our energy-conservation measures resulted in a roughly 7% reduction of per-basic unit energy use compared with the base year fiscal 2014. We are also striving to reduce CO<sub>2</sub> emissions at our real estate facilities subject to the Tokyo Metropolitan Environmental Security Ordinance.



▶ The actual results of our environmental conservation efforts can be viewed on Mitsubishi Logistics' Web site in “Extended version.”

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

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

According to the Act on Rational Use and Appropriate Management of Fluorocarbons<sup>\*4</sup>, companies are required to inspect commercial refrigerators and air conditioners etc. that use fluorocarbons (Class 1 specified products), or the report of the leakage amount of fluorocarbons from the aforementioned products when it exceeds a specified level. The Company is appropriately responding to the law by preparing the systems and operational guidelines related to inspection and leakage control. In addition, in fiscal 2019, the Company's calculated leakage amount of fluorocarbons was 361.1 [t-CO<sub>2</sub>], which was below the level of 1,000 [t-CO<sub>2</sub>] 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 of the Act on Rational Use and Appropriate Management of Fluorocarbons (implemented on 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-CO<sub>2</sub>] 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

## Aiming to obtain Rank A certification or above with CASBEE

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

CASBEE is a method for evaluating the environmental performance of buildings with a system that comprehensively evaluates the quality of buildings in addition to facility installations that consider nature environment, such as energy conservation and the use of equipment with a low environmental burden. This includes the degree of comfort for building users, as well as the consideration given to the building's appearance, and measures to reduce impact on the building's surroundings, such as the effect of light pollution.

The results of CASBEE evaluation are given one of five ranks from S (superior), through A (very good), B+ (good), B (slightly poor) and C (poor). Under the Group's specific policy pertaining to environmental policy (see page 13: Environmental Voluntary Plan), the acquisition of a rank of A or above is targeted for all of our new facilities to be constructed, through the introduction of energy-saving equipment and initiatives including global warming countermeasures.

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



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

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

To save energy and reduce CO<sub>2</sub> emissions with regard to the lighting systems inside the Company's warehouses, we are promoting updating the existing lighting systems with high-efficiency lighting equipment when it is time for replacements.

In fiscal 2019, a total of about 3,500 existing lighting units were updated with LED lighting at five facilities, including Ohi Warehouse and Ariake Warehouse, Tokyo, Daikoku Warehouse A, Yokohama, and Honjoh Warehouse, Nagoya Branch.

The Company expects a reduction of approximately 1,830 thousand kWh in electric energy, which corresponds to approximately 3.6% of the annual electric energy consumption at the Company's warehousing facilities, by updating existing lighting to LED lighting (12,900 units in total).

## We are promoting solar power generation

In line with the governmental policy of enhancing the use of renewable energy to cope with global warming and other issues, the Company is promoting the adoption of large-scale solar power generation equipment at its warehousing facilities.

In fiscal 2019, solar power generation equipment was installed and began operation at the Seishin Distribution Center (Phase 2 building) in Kobe (started

## Environmental Conservation

operation in November 2019, 400 kW) and at the Minamihonmoku Distribution Center in Yokohama (started operation in February 2020, 220 kW) for a total output of 620 kW.

With the addition of these two facilities, the Company's total solar power generation capacity is 4,394 kW.

### The Eitai Dia Building has been certified 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.<sup>5</sup>

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.<sup>6</sup>

Although the Eitai Dia Building, which was completed in 1991, is quite old, 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 strengthened the standards, and demands regarding environmental consideration were increased. However, by 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.

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

<sup>6</sup> 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.

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

#### ◆ Addressing environmental issues

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

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

In fiscal 2019, Ryoso Transportation improved gas mileage by 9.2% compared with fiscal 2006.

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



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

HOME>CITIZENSHIP>Environmental and Social Report>Extended version

### Proposing environment-friendly transportation and distribution materials in air freight transportation

Unitrans Ltd. (a subsidiary responsible for the air freight transportation business) signed a business partnership agreement in March 2018 with va-Q-tec, a German manufacturer of refrigerated boxes. Using the

#### VOICE

#### Proposal for environmentally-friendly transportation and distribution materials

Yuki Sakiyama  
Chemical Sales Dept., Unitrans Ltd.



The main customers of the Chemical Sales Department, to which I belong, are manufacturers that export chemicals. Until now, dry ice has been used for the transportation and distribution of chemicals for which control of temperature at a low level is required. However, in order to reduce CO<sub>2</sub> emissions, we proposed temperature control with a method that does not use dry ice. We have established a cycle for the multiple use of transportation and distribution materials. Through this cycle, Fukui Warehouse Co., Ltd., a Group company in Fukui Prefecture, freezes the phase change materials, prepares the refrigerated boxes and uses them for the export transportation to delivery destinations instructed by the customer. Those boxes are collected and reimported for inspection with a view to reusing.

Although it was difficult to establish a procedure for freezing phase change materials, we succeeded in shortening the freezing time through the introduction of quick-freezer machines and careful management by on-site staff, which ensured stable shipments.

In addition, with the cooperation of Osaka Branch for the inspection of refrigerated boxes which have a significant impact on temperature control, the Mitsubishi Logistics Group is working collaboratively to maintain the quality of transportation and distribution services.

Going forward, we will continue to incorporate new technology, etc., propose environment-friendly transportation and distribution materials to customers, and provide environment-friendly transportation and distribution services. (Group company of the Company)



refrigerated box technology, which is achieved by a combination of va-Q-tec's vacuum insulating materials and phase change materials<sup>\*7</sup>, Unitrans made a proposal to a major Japanese chemical manufacturer in fiscal 2018 of an alternative method to dry ice for refrigerated transportation.



Refrigerated box proposed for use in refrigerated transportation

The proposal was adopted, and the technology contributed greatly to reductions in CO<sub>2</sub> and the waste volume of packaging materials at the time of transportation. It was also highly evaluated by the global semiconductor manufacturers which are customers of the chemical manufacturers.

Going forward, we will continue to propose environment-friendly transportation and distribution materials to customers, by such means as incorporation of new technology.

<sup>\*7</sup> Phase change material (PCM): A type of cold storage material (cold insulator). Unlike dry ice, it uses a material that can be re-frozen. It has a higher refrigeration effect than ordinary cold insulators (gel ice) and can be used in long-time transportation.

## Introducing vehicles that comply with local regulations at Shanghai Linghua Logistics

Shanghai Linghua Logistics Co., Ltd., which is engaged in the warehousing and transportation business mainly in Shanghai, China, has introduced trucks that comply with regulations in line with the

tightened local exhaust gas regulations, and is consecutively disposing of and replacing diesel forklifts.

Furthermore, Shanghai Linghua Logistics thoroughly separates business-related waste discharged from its warehousing facilities in response to the tighter regulations.

Going forward, we expect environment-related regulations will continue to be tightened in each region throughout China, and will take the appropriate measures and work on environmental conservation.



Waste separation in Shanghai



Trucks compliant with Shanghai's local regulations

## Promoting environmental conservation with regard to information system equipment

On adopting information system equipment including servers and PCs, we select models that consume 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 2019), 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 2019 through March 2020), which calls for offices to set their air-conditioning thermostats basically at 20°C.

In January 2020, we revised the dress code as part of our workstyle reforms, which we believe contributes to energy savings throughout the entire year, not just in summer and winter.

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

### ◆ Promotion of Green Purchasing of stationery and other office supplies

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

As one example, Ryoso Transportation is aggressively purchasing retread tires<sup>\*8</sup>.

<sup>\*8</sup> A retread tire has new rubber pasted on a used base tire, thereby restoring the tire's original functionality.

## VOICE

### Growing environmental awareness and response to regulations

Jianjun Ye  
Assistant Manager, Equipment Section,  
Shanghai Linghua Logistics Co., Ltd.



Global warming is becoming an increasingly serious issue year by year, and one of the causes is said to be exhaust gas from vehicles which contains large amounts of greenhouse gases such as carbon monoxide, nitrous oxide, and methane. In order to reduce the emission of these gases to the greatest extent, every country has formulated global warming-prevention measures, and the same is true for China.

In Shanghai last year, the government announced a policy to tighten regulations on exhaust gas from trucks and other vehicles. In order to comply with these regulations, in May 2020, our company disposed of two diesel trucks that were due for replacement and instead introduced two trucks that emit 50% less greenhouse gas than existing models and meet the new regulations. This is an example of how our company engages in its daily transportation operations.

Although still a minor initiative, we will continue to promote these types of environment-friendly initiatives. (Group company of the Company)

## Use of renewable resources

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

In fiscal 2019, we completed construction and started operation of two Disaster-Resistant and Eco-Friendly Warehouses.

#### ◆ 1. Seishin Distribution Center Phase 2 building, Kobe

We completed construction and started operation of the Seishin Distribution Center Phase 2 building in Kobe (4 floors above ground, floor area: 57,000 m<sup>2</sup>), a Disaster-Resistant and Eco-Friendly Warehouse, in November 2019. The distribution center is one of our largest warehousing facilities that can provide even more efficient logistics services by sharing and operating ramps in conjunction with the Phase 1 building completed in March 2018.

#### (1) Main Disaster Prevention Functions

##### a. Seismic performance

We have created a seismic-isolated structure with the installation of seismic isolation equipment (84 units of seismic isolation rubber, 52 elastomeric sliding bearings and 48 oil dampers) in the basement of the warehouse, including the ramps, to improve seismic performance.

##### b. Power outage countermeasures

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

##### c. Wind pressure resistance on the roof

Wind pressure resistance on the roof has been increased to the sufficient level, which is 15% higher than the regulation under the Building Standards Act, to strengthen countermeasures for disasters such as typhoons.

#### (2) Main Environmental Performance and Environmentally-Friendly Equipment

##### a. Solar power generation system

The solar power generation equipment installed on the roof with an output of approximately 400 kW will reduce annual CO<sub>2</sub> emissions by around 146 tons. (Based on a CO<sub>2</sub> emission factor of 0.334 kg-CO<sub>2</sub>/kWh.)

##### b. LED lighting

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



LED lighting

##### c. Air conditioning load reduction

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

##### 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.

#### ◆ 2. Minamihonmoku Distribution Center in Yokohama

We completed construction and started operation of the Minamihonmoku Distribution Center in Yokohama (5 floors above ground, floor area: 36,000 m<sup>2</sup>), a Disaster-Resistant and Eco-Friendly Warehouse, in February 2020. The distribution center is a warehousing facility equipped with cool storage and constant temperature storage for the handling of import and export freight such as food and food materials.

#### (1) Main Disaster Prevention Functions

##### a. Seismic performance

We are working to improve seismic performance by adopting a seismic structure, the performance of which is 10% higher than the regulation under the Building Standards Act.

##### b. Power outage countermeasures

Emergency power generation equipment (500 kVA, operates for 72 hours after outage) has been installed to prepare for a power outage.

## VOICE

### Initiatives in Disaster-Resistant and Eco-Friendly Warehouses

Hirohide Kamihigashi  
Real Estate Dept., Yokohama Branch



The Minamihonmoku Distribution Center is located close to the Minamihonmoku Pier Container Terminal, making it an ideal location for handling ocean container freight. Minamihonmoku Hama Road, which is the harbor road that connects directly with the Metropolitan Expressway Bay Shore Route, provides good access to Yokohama and other parts of the Tokyo metropolitan area.

The distribution center is designed with consideration for a natural disaster response and a reduction in the environmental impact, based on the Disaster-Resistant and Eco-Friendly Warehouse concept. However, in view of the recent increase in the intensity of typhoons, we are particularly strengthening wind pressure resistance in response to natural disasters.

We were pleased that the construction was completed without any major problems, despite the approach of a large typhoon during the course of the construction.

**c. Wind pressure resistance on the roof**

Due to its location in port area, wind pressure resistance on the roof has been increased to the sufficient level, which is 30% higher than the regulation under the Building Standards Act, to strengthen countermeasures for disasters such as typhoons.

**(2) Main Environmental Performance and Environmentally-Friendly Equipment**

**a. Solar power generation system**

The solar power generation equipment installed on the roof with an output of approximately 220 kW will reduce annual CO<sub>2</sub> emissions by around 120 tons. (Based on a CO<sub>2</sub> emission factor of 0.5415 kg-CO<sub>2</sub>/kWh.)

**b. LED lighting**

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



LED lighting

**c. Air conditioning load reduction**

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

**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.

## Contribution to the recovery of the eco-system

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

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

In September 2019, the eighth reforestation activity was held in the prefectural forest by Tanzawa Lake. Participants included 35 executives and employees from Head Office, Tokyo Branch and Yokohama Branch, and we performed tree thinning activities and took a walk along the mountain trails with instructions from Kanagawa Prefecture certified-forest instructor and support from the Prefectural Water Source Environment Conservation Division.

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

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



Participants



Tree thinning activities

# Fulfillment of Sincere and Fair Business Activities

We earn trust from society by fulfilling our responsibilities regarding ethical activities. By conducting fair and open competition in our activities, we can showcase our compliance to society. To fulfill our sincere and fair business activities, we recognize the issues of appropriate management of information and compliance with laws and regulations such as the Act against Delay in Payment of Subcontract Proceeds, etc. and the insider trading prevention law and strive to establish a foundation of trust from society.

Seishin Distribution Center Phase 2 building, Kobe 4th floor vehicle passage

## 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 2020, 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 1,951 employees who are in charge of implementing the aforementioned Act and related associates from each division attended the training and learned the purpose of the law, the scope of applications, responsibilities and prohibited matters using related questions online. In February 2020, we conducted training related to the prevention of insider trading for a total of 67 new employees of the Company and verified their understanding using related questions online.



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

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

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

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

In fiscal 2019, we conducted a web-based questionnaire with regard to information security in October 2019, answered by a total of 3,315 persons, including 1,691 persons from the Company and 1,624 persons from Group companies, thereby raising the awareness of information security.

As a measure to prevent viruses through cyber attacks, we introduced software in each employee's computer to detect suspicious virus behavior including sending files to an external destination (conventional software detects virus patterns based on registered information), and worked to increase our information security.



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

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## Management of Information Security

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

## Management of Network Security

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

Also, part of the operations of the Tokyo Branch trunk room office, Dia Systems Corporation (our subsidiary to develop and manage our information system) and Fuji Logistics Co., Ltd. (our logistics subsidiary responsible for the main part of the Warehousing Business Division) all acquired ISO27001 certification, an international information security management system standard, and receive periodic evaluation by a certifying organization-approved third-party organization, thereby attesting to our efforts to improve our information security.

# Provision of Safe, High-Quality and Useful Services

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

1st floor truck entry and exit to the Minamihonmoku Distribution Center in Yokohama

## Provision of socially and environmentally beneficial high-quality services

**We will continue to promote the improvement of quality, aiming to be a company that plays a role in enhancing the quality of our customers' products**

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

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

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

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

We put up an "Our Declaration of Quality" notice at each worksite, distributed the "Our Declaration of Quality" cards to all employees of the Mitsubishi Logistics Group and explained about it during stratified trainings, etc., to further disseminate the information. (☞ See page P13: 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.

**Obtained the quality management standard (AS9120) certification in the field of aerospace defense**

Nagoya Branch is engaged in a large number of aerospace industry-related storage and transportation operations under contract, and aims to further improve the quality of logistics. In April 2018, we obtained certification from DNV GL BUSINESS ASSURANCE USA, INC. in the U.S. for the AS9100 series of quality management standards, which aerospace defense-related companies around the world including Boeing and Airbus have acquired.

The AS9120 certification is one of AS9100 series of quality management system standards for logistics companies and trading companies established by the International Aerospace Quality Group (IAQG), which is composed of aerospace-related companies.

Based on this standard, we provide the advanced logistics services required for the aerospace-related business. Going forward, we will continue to improve quality in order to meet the needs of our customers.

**Obtained CEIV Pharma certification, a quality certification system for pharmaceutical air transportation**

In response to a call from Kansai Airports, the Company participated in KIX Pharma Community<sup>\*1</sup>, which was formed for the first time in Japan mainly by airports, and acquired the CEIV Pharma certification under the quality certification system for pharmaceutical air transportation, along with the other five participating companies.

CEIV Pharma certification is a quality certification system for pharmaceutical air transportation promoted by IATA (International Air Transport Association). CEIV Pharma certification has a unique aspect of being certified in accordance with the same quality inspection standards worldwide. Going forward, we will continue to provide high-quality pharmaceutical transportation.

\*1 Formed through the collaboration of Kansai Airports and international air transportation carriers that use Kansai International Airport (KIX) in order for each carrier to obtain CEIV Pharma certification with a view to ensuring the high quality of pharmaceuticals freight handling at KIX.

## Provision of Safe, High-Quality and Useful Services

### Each operating site and affiliated company conduct 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 Kobe Dia Maintenance Co., Ltd.



#### Measures taken at divisions or branches and Group companies

Divisions or Branches and Group companies	Content of measures
Warehousing and Distribution Business Division	Held meetings attended by managers from all of the operating bases to share information on improvement of quality.
Tokyo Branch	Determined issues on operational procedures by monitoring the interior of warehousing facilities.
Yokohama Branch	The 4S Activities Promotion Committee patrolled the warehousing facilities and made evaluations on each checklist item.
Monryo Transport Corporation	Establish a Safety Quality Promotion Chamber to prevent industrial accidents
Saiyo Service Co., Ltd.	Compilation of a forklift operating manual, instruction using the manual, and information sharing of near-miss cases, etc.
Fuji Logistics Co., Ltd.	Improving quality through obtaining and maintaining ISO9001 certification, forklift competitions, improvement team activities, internal company training, and 5S activities, etc.
Kyokuryo Warehouse Co., Ltd.	Implemented measures to prevent heatstroke in summer and influenza in winter
Shinryo Koun Co., Ltd.	Provided technical training to improve workers' technical capability.
Mitsubishi Logistics China Co., Ltd.	Improved and implemented the human resources development system at all the Group companies in China.
Shanghai Linghua Logistics Co., Ltd.	Collected accident-related information at each division and department, analyzed the tendencies and gave feedback to all managerial employees.
Yokohama Dia Building Management Corporation	Collected information on complaints from customers through suppliers and shared the information at meetings with the tenants.
Dia Buil-Tech Co., Ltd.	Improving service quality and strengthening measures for environmental issues by obtaining ISO9001 certification
Keihin Naigai Forwarding Co., Ltd.	Held internal company lectures on customs clearance
Kobe Dia Maintenance Co., Ltd.	Set annual goals for quality improvement for each department, managed the progress, and commended an internal award for excellent cases once a year

#### Measures taken by Fuji Logistics Co., Ltd.



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

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

In addition, as the system is open not only to Group companies but also to anyone who engages in the Company's business including suppliers, it is designed to enable each worksite and team to come together and join the improvement activities.

In fiscal 2019, the fourth year of the commendation system, 56 groups (349 people) joined the activities, making a cumulative total of around 1,400 participants. Their wide-ranging themes included not only the activities within warehouses such as review on the operation flow lines and improving storage efficiency, but also business improvement and streamlining of clerical work in offices.

In fiscal 2019, Group companies also made excellent improvement proposals, some of which were commended.

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 (Tokyo Branch)

## VOICE

### On measures for improvement activities

Izumi Okuda  
Ibaraki No.1 Office, Osaka Branch



The improvement activity in which I am involved is the simplification of toner purchasing procedures for printers used at warehouses.

Previously, general affairs staff at branch offices collected orders for toners from the 13 warehouses at the branch, purchased them in bulk, and delivered them to each warehouse. By changing this way to an operation where each warehouse orders toners online and receive direct delivery, the workload for the general affairs staff was reduced. At the same time, we switched to cheaper recycled toners. As a result, we were able to reduce the office working hours of the general affairs staff by approximately 300 hours per year, and cut purchasing costs by around 40%.

In the course of the activity, we analyzed the current situation in accordance with the Mitsubishi Logistics Improvement Procedures that we learned during the training, explained the purpose of the activity and the expected effects to the clerical staff at each warehouse, and asked for their understanding. There was a little confusion at the beginning of the operational change, but since the branch as a whole worked together on the improvement activity, the effects exceeded our expectations and we were able to experience a sense of accomplishment. Going forward, I would like to continue working while maintaining an awareness of improvements, trying to find room for improvement in what everyone takes for granted.

### 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 installed G-MIWS (Global Mitsubishi Intelligent Warehouse System), a warehousing and distribution center system, at all domestic locations and at some overseas bases. The “G” of “G-MIWS” signifies “global,” aiming to expand the Company’s logistics business to integrate nationwide and overseas logistics. Our system is available in English and Chinese for overseas use and is designed to be effective in standardizing operations, improving service quality and reducing costs. By exporting various types of logistics-related data, we will analyze operations, formulate

sales strategies, provide useful information for customers’ decision making in a timely manner and provide even higher-quality logistics services than ever to fully support customers’ business development from the aspect of logistics.

### Conducted a verification test to improve works efficiency at warehouses using AI

As one of the growth strategies of the MLC2030 Vision, we are promoting “the improvement of operational processes and further utilization of new technologies.” Based on this strategy, we started studying the introduction of an AI system that will contribute to improved productivity of warehouse operations, and conducted a verification test from November 2019 to February 2020.

In the test, we analyzed shipping performance by combining our existing operational expertise at distribution centers with AI distribution software. We also worked on the optimization of inventory placement, improved efficiency of combining work instructions (picking order), and a reduction in operation flow lines. As a result, because we confirmed an improvement in the productivity of warehouse operations, we are aiming to introduce the system in fiscal 2020.

We plan to subsequently carry out the horizontal expansion of the system to bases handling medical/health care, food/beverage, and machinery/electrical machine, which are the priority areas in the MLC2030 vision.

## VOICE

### Measures for the Promotion of Digitalization

Go Takehana  
Digital Transformation Team, Information Systems Div.



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

As a member of the team, I have been working on the introduction of an automatic conveyance apparatus that realizes the automation of cargo conveyance operations at warehouses, and verification tests of AI technology to optimize inventory placement and picking order. Although there is an element of trial and error, thanks to the cooperation among branches, offices and members of Group companies, we were able to confirm the effect of improved productivity.

Going forward, we will proceed with the project aimed at the actual introduction of the system. In addition to reviewing the business processes with members of the project team and the branches where the system will be introduced, we would also like to contribute to the improved competitiveness and proposal capabilities of the Company by studying efficient operations using new technology without being bound by existing ideas, and achieve improvements in service quality and productivity.

## Provision of Safe, High-Quality and Useful Services

### Promotion of disaster measures to maintain service functions

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

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



Seismic isolation rubber and seismic isolation dampers (Ibaraki Distribution Center No. 4 in Osaka)



Emergency power generator (Minamihonmoku Distribution Center in Yokohama)

#### To fulfill our corporate social responsibility, we intend to:

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

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

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

#### Reinforcing the emergency and disaster measures system

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

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

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



Transceiver (MCA radio)



Earthquake Early Warning System

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

Following the fire at a warehouse of a major mail order company in February 2017, the Building Standards Act was amended in June 2019, requiring the formulation of a maintenance plan for fire shutters at warehouses of a certain size or larger. The Company, even before this incident, had been conducting thorough employee education, enhancing security, and taking fire preventive measures from the aspects of structure and facility when constructing warehouses. In addition, we have established a constant communication system with local fire stations and conduct periodic fire drills every year in preparation for the occurrence 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 internet environment. In addition, the Company has formulated a manual



Disaster countermeasure center in the Kansai region



focused on information system disasters and other measures as countermeasures taken during operation of such systems against information system accidents and failure.

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

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

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

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

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

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

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Daikoku Warehouse C, Yokohama Branch Rokko Warehouse D, Kobe Branch

## In-house firefighting crew for our leased buildings won the title in the examination board sponsored by the 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 fire station-sponsored In-house firefighting examination board, whose role is to improve the results and techniques of in-house firefighting activities at operating bases. Last year, the examination board awarded first prize in the non-specific applications category and third prize in the security services category to Tokyo Dia Building.

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

## A letter of appreciation was presented by the Yokohama Fire Department

At the Yokohama Bay Quarter, the Company's commercial real estate facilities in Yokohama, we work throughout the year to create safe facilities and raise disaster prevention awareness, by such means as conducting disaster prevention drills in collaboration with local fire stations. On January 11, 2020, we were presented with a letter of appreciation by the Yokohama Fire Department in recognition of the daily initiatives.

Going forward, we will continue to make various efforts and aim for safer and more secure facility management.



Letter of appreciation from Yokohama Fire Department

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

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

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

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

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

# Coordination with Local Communities and International Society

To contribute to the development of local communities and international society, we must focus not only on the site where our business base is located but also understand our relationship with society and recognize our common interests with society. To maintain harmonious relationships with local and international societies, we will contribute to cultural activities and health services and make donations.

Fire drill at Kobe Harborland

## Contribution to cultural activities

### We conducted a charity auction and a charity fair

At the Yokohama Bay Quarter, the Company's commercial real estate facilities in Yokohama, we held our charity fair on Saturday, August 17, 2019. On this tenth charity fair, popular traditional fair games such as shooting games and yo-yo fishing were enjoyed by everyone from children to the elderly.

The event has become a regular occurrence in the school summer vacation season, and attracted a total of 1,180 people in 2019. Revenues from the event were donated to the Japanese Red Cross Society. We will continue to hold the events that can entertain visitors, aiming to make a facility indispensable to the regional community.



Charity fair

### Cooperating with the local community through sports

Yokohama Bay Quarter, the Company's facility, is positioned right in front of the starting point of "Yokohama Marathon," a public marathon, therefore we have hosted a monthly running club event there since September 2014 with the aim of contributing to the local community and bringing excitement to the marathon event. The club, now in its sixth year, is popular for its level-based training for runners from beginners who have just started running to those who are aiming for a record in a marathon, by coaches who are active professional runners. About 40 civic runners participate in the event every month.

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



Running club event

### Providing a place for learning in collaboration with local schools

At Yokohama Bay Quarter, we are collaborating with neighborhood elementary and junior high schools in "general study time" education and work experience learning.

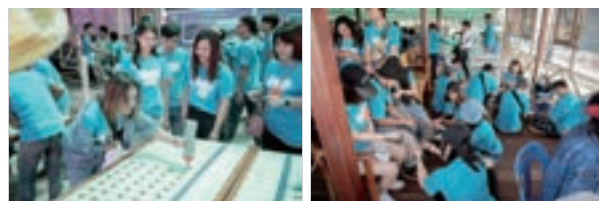
Minatomiraihoncho Elementary School (Nishi-ku, Yokohama) is implementing ESD (Education for Sustainable Development). Students in Class 2 of the fourth grade have been researching the ocean plastics issue and the environmental conservation of forests. They conducted street interviews with regard to "wooden straws made of wood from thinned trees" and hands-on workshops at our facilities, which is expected to be a solution to these problems.

Similarly, five second graders from the neighboring Urashimaoka Junior High School (Kanagawa-ku, Yokohama) experienced work on information counters and as security guards over a period of two days.

Going forward, we will continue to contribute to the local community by collaborating with local educational institutions and providing a place where children can learn.



Street interview and workshop by students from Minatomiraihoncho Elementary School



Artificial fish reef production



Visit to an orphanage



Donating masks

## Contribution through activities in local communities, etc.

### Conducted CSR activities in Thailand

As part of our CSR activities in Thailand, Mitsubishi Logistics Thailand Co., Ltd. conducted artificial fish reef production and made a donation to an orphanage from Saturday, October 26 to Sunday, October 27, 2019 as part of the program for the annual company trip. A total of 140 employees joined the activities.

In addition, on Monday, March 9, 2020, in view of the serious shortage of masks in hospitals in Thailand due to COVID-19, 800 N95-compatible masks were donated, which Mitsubishi Logistics Thailand had previously purchased and stored, to hospitals under the Thailand Ministry of Public Health's Department of Disease Control in our belief that they were necessary in the medical domain.

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

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

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

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

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

Interest is growing in social participation by the elderly, in the context of a declining birthrate and aging population. The Company is collaborating with The Dia Foundation for Research on Ageing Societies in the utilization of diverse human resources, including the elderly. In this way we aim to realize an affluent and sustainable society.

## Coordination with Local Communities and International Society

### We are cosponsoring Diamond Cup Golf as a community contribution.

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

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

### Installed flower beds in the greenbelt near the Nagoya Station

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

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



The flower bed in spring/autumn



The flower bed of hospitality

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

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

### We engaged in joint fire drills with the fire station at Kobe Harborland umie (Takahama Greenbelt)

At the Takahama Greenbelt in the Kobe Harborland umie MOSAIC shopping center, we engaged in a joint fire drill with the Kobe Chuo Ward Fire Station on Wednesday, February 26, 2020, in combination with the spring fire prevention campaign.

About 40 firefighters participated in the fire drill. Based on a simulated situation where a chemical terrorism event caused casualties, participants engaged in rescue and transport training using helicopters flown by rescue teams, decontamination training, and full water discharge training based on a simulated fire.

A display and photo session featuring fire engines and ambulances, and a simulated earthquake experience using an earthquake simulation vehicle were held after the fire drill, as well as education activities for local citizens.

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

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



Fire drill

### Donated disaster stockpiles to Second Harvest Japan (certified NPO)

Nihonbashi Dia Building has the advantage of being a disaster-resistant office building. In case a disaster occurs that makes it difficult for people to return home, the building has prepared a disaster stockpile (sufficient amount approximately for 3 days as stipulated by a Tokyo Metropolitan Government ordinance) for distribution to tenants.



Donated disaster stockpile

## VOICE

### Disaster stockpile donation

Ryozo Furusato  
Property Management Team, Real Estate Div.



The Nihonbashi Dia Building, which I am in charge of, has the advantage of being a disaster-resistant office building. In case a disaster occurs that makes it difficult for people to return home, the building has prepared a disaster stockpile (sufficient amount approximately for 3 days as stipulated by a Tokyo Metropolitan Government ordinance) for distribution to tenants.

Disaster stockpiles need to be replaced as their expiration dates approach. Normally, disaster stockpiles that are close to the expiration date are disposed of when they are replaced, but in order to reduce food loss, which has become a key issue these days, for the first time we donated the stockpile to Second Harvest Japan (certified NPO) introduced by a supplier.

I believe that reducing food loss is important not only from the perspective of making a social contribution but also from the perspective of environmental protection. Going forward, I would like to continue donating disaster stockpiles.

Since the disaster stockpile was prepared upon the completion of the building, it is nearing its expiration date (approximately 5 years). Although we are therefore gradually replacing items, in order to effectively utilize the disaster stockpile that is no longer used and reduce food losses, we donated the stockpile to Second Harvest Japan (certified NPO).

Going forward, we will continue to work on environmental protection and social contributions through these activities.

## We hold radio exercise events at Yokohama Bay Quarter

At the Yokohama Bay Quarter, for seven days during the school summer vacation season in August, radio exercises were held at the main plaza. 2019 marks the sixth year of organizing this event, all managed by employees of Yokohama Dia Building Management Corporation. More than 180 people attended the event through seven days, including senior couples living close by and small children with their parents before work. In the future, we would like to bring further excitement to the region as a shopping mall close to the community.



Radio exercises

## Illuminations matching the theme of the Mosaic Ferris Wheel

At the Mosaic Ferris Wheel in Kobe Harborland, illuminations in theme colors and messages are displayed in accordance with various international days and awareness days to disseminate information to local citizens.

In fiscal 2019, there were over ten illuminations, including blue to match the theme color of World Refugee Day on June 20 and pink for Pink Ribbon Day (breast cancer awareness campaign) on October 1.

The Mosaic Ferris Wheel is one nighttime scenery that represents the Port of Kobe. Going forward, we will continue to collaborate in disseminating awareness and other information through the illuminations.



Illumination (message to express appreciation to medical workers)

## We participate in local cleanup activities.

Operating bases of the Company and Group companies nationwide also participated in local cleanup activities voluntarily. We will strive to contribute to the local communities by continuing to participate in these cleaning activities.



Cleanup activities at the Head Office



Cleanup activities in the Kobe Harborland area



Cleanup activities at Fuji Logistics Co., Ltd.



## Participating in local blood donation activities

Osaka Branch sales office participated in the local blood donation activities together with our customers in spring and autumn. At the Osaka Dia Building, we agreed to a request from the Osaka Red Cross Blood Center and participated in blood donation activities together with the building's tenants in June and December. Going forward, we will continue to contribute to the local community through these activities.



Blood donation activities at the Osaka Branch sales office



Blood donation activities at Osaka Dia Building

# Statement Supporting the UN Global Compact

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



## Practice of the UN Global Compact's 10 principles

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

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



At the World Economic Forum in Davos, Switzerland, in 1999, Kofi Annan, then Secretary-General of the United Nations, proposed that companies should observe the 10 principles in the areas of human rights, labor, the environment and anti-corruption to solve various problems that could occur due to internationalization and the global expansion of businesses. In July 2000, the UNGC was launched at the UN Headquarters in New York. As of July 2020, approximately 14,900 companies and organizations around the world were participating in the UNGC.

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

### UNGC's 10 principles

- |                 |   |
|-----------------|---|
| Human Rights    | Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and                     |
|                 | Principle 2: Make sure that they are not complicit in human rights abuses.  |
| Labor           | Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; |
|                 | Principle 4: The elimination of all forms of forced and compulsory labor;   |
|                 | Principle 5: The effective abolition of child labor; and  |
|                 | 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, 2020)

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 2019)	Consolidated: ¥229.0 billion Non-consolidated: ¥160.0 billion	
The number of employees of the Mitsubishi Logistics Group	4,625 (excluding 40 workers on leave to work outside the Group, 1,298 temporary staff and 1,266 employees on loan/dispatched from outside the Group)	
The number of employees of the Company	952 (excluding 107 employees on leave to work for other companies, 156 temporary staff and 638 employees on loan/dispatched from inside and outside the Group)	
Branches	Tokyo, Yokohama, Nagoya, Osaka, Kobe, Fukuoka	
Major Businesses	<b>Logistics</b> Warehousing; trucking; port and harbor operation; international transportation; marine freight transportation; customs clearance; development, sales, management and administration of logistics information systems; etc. <b>Real Estate</b> Buying, selling, leasing and management of real estate; contracting of construction work, its design and supervision; operation of parking lots; etc.	
Companies in the scope of consolidation (as of August 31, 2020)	<b>Consolidated subsidiaries (50 companies)</b> Tohoku Ryoso Transportation Co., Ltd., Saiyo Service Co., Ltd., Dia Pharmaceutical Network Co., Ltd., Tokyo Dia Service Co., Ltd., Dia Systems Corporation, Ryoso Transportation Co., Ltd., Unitrans Ltd., Keihin Naigai Forwarding Co., Ltd., Touryo Kigyo Co., Ltd., Fuji Logistics Co., Ltd., Tokyo Juki Transport Co., Ltd., SII Logistics Inc., Fuji Logistics Support Co., Ltd., Kinko Service Co., Ltd., Chubu Trade Warehousing Co., Ltd., Meiryu 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 Qingke Warehouse Management Co., Ltd., Shanghai Linghua Logistics Co., Ltd., Shanghai Linghua Qingsheng Logistics Co., Ltd., Shanghai Lingyun Global Forwarding Co., Ltd., Fuji Logistics (China) Co., Ltd., Fuji Logistics (Dalian F.T.Z.) Co., Ltd., Fuji Logistics (Shanghai) Co., Ltd., Mitsubishi Logistics Hong Kong Ltd., Fuji Logistics (H.K.) Co., Ltd., Mitsubishi Logistics Thailand Co., Ltd., P.T. Mitsubishi Logistics Indonesia, P.T. Dia-Jaya Forwarding Indonesia, Fuji Logistics Malaysia SDN.BHD., Dia Buil-Tech Co., Ltd., Yokohama Dia Building Management Corporation, Chubo Kaihatsu Co., Ltd., Osaka Dia Buil-Tech Co., Ltd., Kobe Dia Maintenance Co., Ltd., T'ACT Co., Ltd. MY Terminals Holdings, Limited, Kusatsu Soko Co., Ltd., Jupiter Global Limited	Subsidiaries and Affiliates Accounted for by the Equity Method (3 companies)

## Stock Information (as of March 31, 2020)

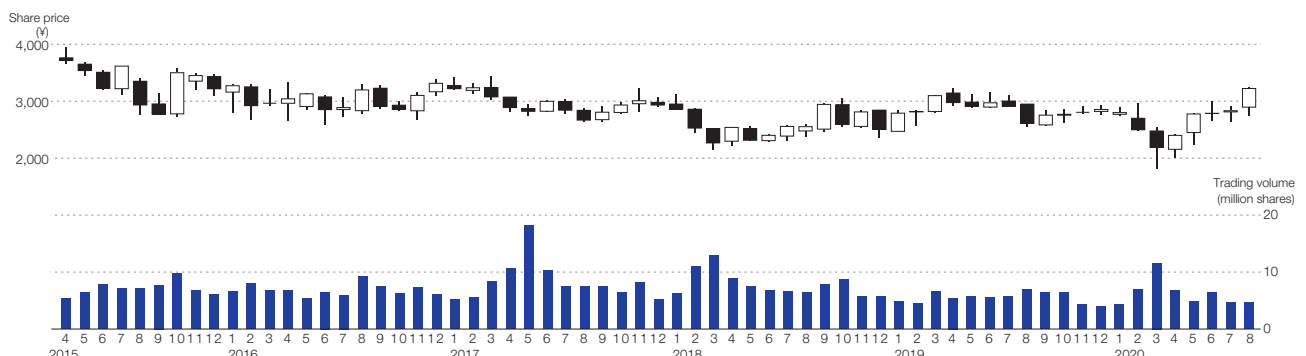
### Status of stocks

Authorized shares	220,000,000
Number of shares issued	87,960,739
Number of shareholders	6,714
Stock exchange listing	1st section of the Tokyo Stock Exchange
Securities code	9301
Major shareholders	

Shareholder's name	Number of shares held (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	11,376	13.2
Japan Trustee Services Bank, Ltd. (trust account)	5,997	7.0
Meiji Yasuda Life Insurance Company	5,153	6.0
MITSUBISHI ESTATE CO., LTD.	3,665	4.3
Kirin Holdings Company, Limited	2,224	2.6
Tokyo Marine & Nichido Fire Insurance Co., Ltd.	2,041	2.4
STATE STREET BANK AND TRUST COMPANY 505001	2,025	2.4
MUFG Bank, Ltd.	1,864	2.2
AGC Inc.	1,657	1.9
TAKENAKA CORPORATION	1,505	1.8

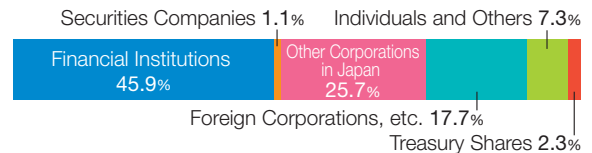
Note: 1 In addition to the above, the Company holds 2,017 thousand shares of treasury shares  
 Note: 2 MUFG BANK, Ltd. have set 750,000 Mitsubishi Logistics' shares as trust funds for retirement benefits for which voting rights are reserved, in addition to the shares stated in the table above.  
 Note: 3 The "Shareholding ratio" is calculated after excluding treasury shares (2,017,892 shares).

### Changes in share price (as of August 31, 2020)

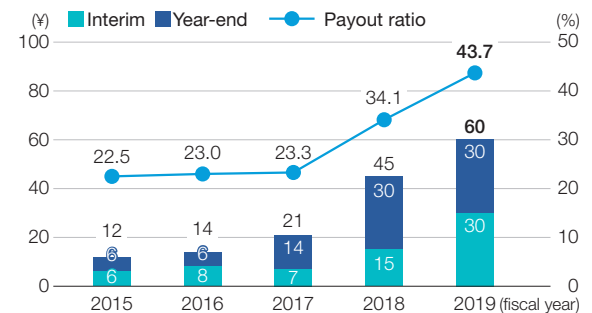


\* The Company carried out a reverse stock split at a ratio of 1 share for every 2 shares of common stock, with an effective date of October 1, 2017. Accordingly, the share price and trading volume prior to September 2017 are calculated taking into account this reverse stock split.

### Classification by types of shareholders



### Dividend payouts/Payout ratio



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

 **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 2020, which was collected at the end of fiscal 2019.

## Environmental conservation

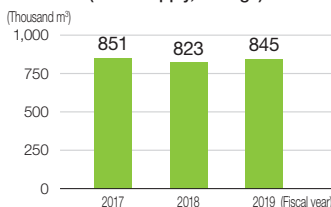
### Environmental conservation activity data (by business)

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

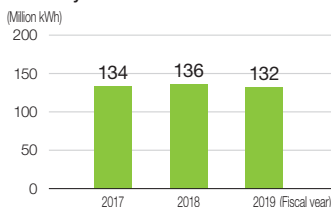
		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Warehousing and distribution business	Basic unit denominator	Thousand m <sup>2</sup> <Floor area>	1,444	1,555	1,578
	CO <sub>2</sub> emissions	Thousand t-CO <sub>2</sub>	33.9	32.6	27.9
	CO <sub>2</sub> emissions basic unit	kg-CO <sub>2</sub> /m <sup>2</sup>	23.5	21.0	17.7
Port and Harbor Operation Business	Basic unit denominator	Thousand tons <Handling tons>	44	55	48
	CO <sub>2</sub> emissions	t-CO <sub>2</sub>	9	7	6
	CO <sub>2</sub> emissions basic unit	kg-CO <sub>2</sub> /thousand tons	203.2	127.8	124.2
Overland transportation business	Basic unit denominator	Million km <Total transportation distance>	4.1	3.9	3.8
	CO <sub>2</sub> emissions	Thousand t-CO <sub>2</sub>	3.6	3.5	3.4
	CO <sub>2</sub> emissions basic unit	kg-CO <sub>2</sub> /thousand km	881.4	898.2	904.7
Real estate business	Basic unit denominator	Thousand m <sup>2</sup> <Operational area>	681	686	681
	CO <sub>2</sub> emissions	Thousand t-CO <sub>2</sub>	38.4	37.1	34.2
	CO <sub>2</sub> emissions basic unit	kg-CO <sub>2</sub> /m <sup>2</sup>	56.3	54.0	50.2
CO <sub>2</sub> emissions		Thousand t-CO <sub>2</sub>	75.9	73.2	65.5

### Environmental conservation data (by usage, by emission type)

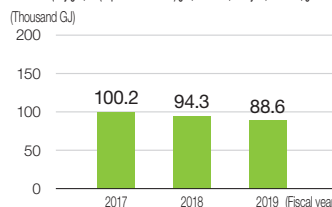
#### Water use (water supply, sewage)



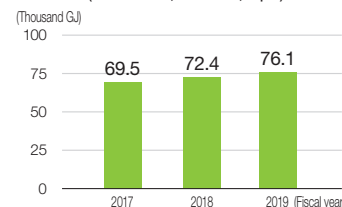
#### Electricity use



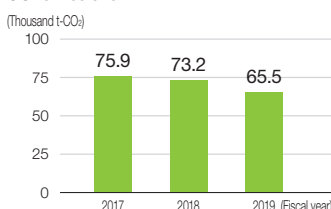
#### Fuel use (City gas, LP (Liquefied Petroleum) gas, kerosene, heavy oil, diesel oil, gasoline)



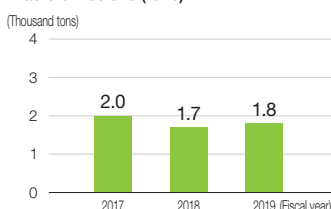
#### Heat use (Heated water, cold water, vapor)



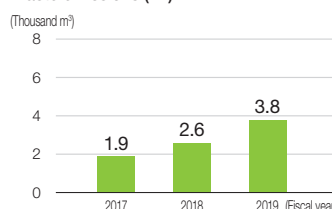
#### CO<sub>2</sub> emissions



#### Waste emissions (tons)



#### Waste emissions (m<sup>3</sup>)



#### \*Calculation standard

- Volume related to electricity usage, fuel usage, heat usage, CO<sub>2</sub> emissions and basic unit denominator from the warehousing and distribution business, the port and harbor operation business and the real estate business are based on the reported values in the Company's report based on the Act on Rationalizing Energy Use.
- The international transportation business is included in the warehouse and distribution business, given the small number of operating sites.
- Although the overland transportation business is not under the Act on Rationalizing Energy Use, fuel usage, CO<sub>2</sub> emissions and basic unit denominator were calculated for one of the Company's major trucking subsidiaries based on the standard in the Act on Rationalizing Energy Use.
- Business sites for the port and harbor operation business were restricted to three places where the Company is in charge of transportation referenced to the Act on Rationalizing Energy Use.
- For electricity usage and CO<sub>2</sub> emissions, the reported amounts for the Company's subsidiary in the logistics business (the one company under the Act on Rationalizing Energy Use) were added.
- The CO<sub>2</sub> emission volume was calculated based on the electricity, fuel and heat volume used under the standard of the Act on Rationalizing Energy Use.
- For water use, the volume of water used by the Company is indicated. The waste emission shows the volume of waste emitted by part of the Company (excluding the real estate business, etc.) and by some of the Group companies.

### Tokyo Metropolitan Environmental Security Ordinance Large scale companies CO<sub>2</sub> emissions Unit: t-CO<sub>2</sub>

Fiscal year	Base year	2015	2016	2017	2018
Tokyo Dia Buildings	33,531	29,820	28,170	26,203	24,697
Eitai Dia Building	10,132	6,508	6,119	5,562	5,336
<b>Total</b>	<b>43,663</b>	<b>36,328</b>	<b>34,289</b>	<b>31,765</b>	<b>30,033</b>
Reduction	—	7,335	9,374	11,898	13,630

### Subcalculated leakage amount of fluorocarbons Unit:t-CO<sub>2</sub>

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Leakage amount	1,027	468	910	605	361

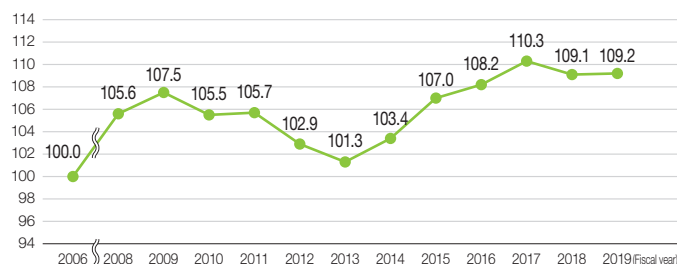
### The Company's facilities that have obtained CASBEE Rank A certification or above

Number	Name of facility	Branch	Completion month	CASBEE name, etc.	Rank obtained	Notes
1	Sakurajima Distribution Center No. 3	Osaka	March 2008	CASBEE Osaka	A	Osaka City
2	Tobishima Distribution Center	Nagoya	October 2008	CASBEE construction (new)	A	Institute for Building Environment and Energy Conservation (IBEC)
3	Yokohama Dia Building	Yokohama	December 2009	CASBEE Yokohama	S	
4	Ibaraki Distribution Center No. 3	Osaka	October 2012	CASBEE Osaka Prefecture	A	Osaka Prefecture
5	Daito Distribution Center	Osaka	December 2012	CASBEE Osaka Prefecture	A	Osaka Prefecture
6	Misato Distribution Center No. 2 (Phase 1)	Tokyo	March 2013	CASBEE Saitama Prefecture	A	Saitama Prefecture
7	DIACREST MUSASHI-NAKAHARA	Head Office	October 2013	CASBEE Kawasaki	A	
8	Nihonbashi Dia Building	Head Office	September 2014	CASBEE new construction	S	ERI Co., Ltd.
9	Tobishima Distribution Center (expansion)	Nagoya	September 2015	CASBEE Aichi	A	
10	DIACREST KYODAI-KUMANO	Osaka	February 2017	CASBEE Kyoto	A	Kyoto City
11	Seishin Distribution Center (Phase 1)	Kobe	March 2018	CASBEE Kobe	A	
12	Ibaraki Distribution Center No. 4	Osaka	July 2018	CASBEE Osaka Prefecture	A	Osaka Prefecture
13	DIACREST KOKUJUN-KENTO	Osaka	March 2019	CASBEE Osaka Prefecture	A	Osaka Prefecture, carpark building is Rank B
14	Seishin Distribution Center (Phase 2)	Kobe	November 2019	CASBEE Kobe	A	
15	Minamihonmoku Distribution Center	Yokohama	February 2020	CASBEE Yokohama	A	
16	Meieki Dia Meitetsu Building	Nagoya	June 2020	CASBEE Nagoya	A	

## Change of total gas mileage at all operational sites of Ryoso Transportation Co., Ltd. (fiscal 2006 to fiscal 2019) (Unit: km/L)

Fiscal year	2006	2008	2009	2010	2011	2012	2013
Vehicles for business use	2.45 (100.0)	2.59 (105.6)	2.63 (107.5)	2.58 (105.5)	2.59 (105.7)	2.52 (102.9)	2.48 (101.3)
Fiscal year	2014	2015	2016	2017	2018	2019	
Vehicles for business use	2.53 (103.4)	2.62 (107.0)	2.65 (108.2)	2.70 (110.3)	2.67 (109.1)	2.67 (109.2)	

Parenteses indicate index numbers setting the mileage for fiscal 2006 as 100.0.  
\*Erroneous figures for the gas mileage and the index number in parentheses for fiscal 2018 have been corrected.



## Promotion of CSR

Number of news releases

Unit: case

	Fiscal 2017 achievements	Fiscal 2018 achievements	Fiscal 2019 achievements
Logistics	6	7	7
Real Estate	1	3	1
IR	8	6	11
CSR	2	2	2
Other	3	7	1
Total	20	25	22

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

Unit: persons

	Fiscal 2017 achievements	Fiscal 2018 achievements	Fiscal 2019 achievements
Awareness surveys concerning CSR and compliance			
In-house	1,426	1,517	1,533
Domestic Group companies	1,869	1,882	1,943
Total	3,295	3,399	3,476

## Organizational Governance

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

Unit: persons

	Fiscal 2017 achievements	Fiscal 2018 achievements	Fiscal 2019 achievements
Check on status of compliance with Code of Conduct			
In-house	1,499	1,565	1,606
Domestic Group companies	2,671	2,646	2,646
Overseas Group companies	74	80	84
Total	4,244	4,291	4,336

## Respect for Human Rights

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

Unit: persons

	Fiscal 2017 achievements	Fiscal 2018 achievements	Fiscal 2019 achievements
Human rights awareness course	53	58	49

## Fulfillment of Sincere and Fair Business Activities

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

Unit: persons

	Fiscal 2017 achievements	Fiscal 2018 achievements	Fiscal 2019 achievements
In-house	50	59	67

Number of respondents to information security questionnaire

	Fiscal 2017 achievements	Fiscal 2018 achievements	Fiscal 2019 achievements
Number of questionnaires conducted	Twice	Once	Once
Number of respondents	3,271	3,431	3,315

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

Unit: persons

	Fiscal 2017 achievements	Fiscal 2018 achievements	Fiscal 2019 achievements
In-house	801	846	854
Domestic Group companies	1,019	1,033	1,097
Total	1,820	1,879	1,951

## Provision of Safe, High-Quality and Useful Services

Number of persons who participated in training for earthquake measures

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

\* In addition, training for large-scale disaster measure is held every year with mandatory employee participation. (See p. 38)

Support/relief goods logistics base facilities

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

# GRI Standards reference table

(Lists mainly “Core” options)

## ● General Disclosures

Disclosure number	Disclosure contents	Reference page number	Contents
<b>1. Organizational Profile</b>			
102-1	a. Name of the organization.	P. 45	Company Profile
102-2	a. A description of the organization’s activities. b. Primary brands, products and services, including an explanation of any products or services that are banned in certain markets.	P. 6-7	Introduction of Businesses
102-3	a. Location of the organization’s headquarters.	P. 45	Company Profile
102-4	a. Number of countries where the organization operates, and the names of countries where it has significant operations.	P. 45	Company Profile
102-5	a. Nature of ownership and legal form.	P. 45	Company Profile
102-6	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	P. 45	Company Profile
102-7	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	P. 10-11 P. 45	At a Glance Company Profile
102-8	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	P. 21 P. 45	Status of employees Company Profile
102-9	a. A description of the organization’s supply chain, including its main elements as they relate to the organization’s activities, primary brands, products, and services.	P. 6-7	Introduction of Businesses
102-10	a. Significant changes to the organization’s size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	P. 17, P. 32-33	Openings of Seishin Distribution Center (Phase 2) in Kobe and Minamihonmoku Distribution Center in Yokohama
102-11	a. Whether and how the organization applies the Precautionary Principle or approach.	P. 18-19 P. 35-39	Organizational Governance Provision of Safe, High-Quality and Useful Services
102-12	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	P. 44	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.	—	—
<b>2. Strategy</b>			
102-14	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	P. 4-5	Top Message
<b>3. Ethics and integrity</b>			
102-16	a. A description of the organization’s values, principles, standards, and norms of behavior.	P. 12-14	Promotion of CSR, MLC2030 Vision
<b>4. Governance</b>			
102-18	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	P. 18 P. 18-19	Organizational governance CSR and Compliance Committee

Disclosure number	Disclosure contents	Reference page number	Contents
<b>5. Stakeholder engagement</b>			
102-40	a. A list of stakeholder groups engaged by the organization.	—	—
102-41	a. Percentage of total employees covered by collective bargaining agreements.	—	—
102-42	a. The basis for identifying and selecting stakeholders with whom to engage.	P. 6-7, P. 12  P. 13	Stakeholders recognized by the Mitsubishi Logistics Group Seven Principles of Social Responsibility
102-43	a. The organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	—	—
102-44	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	—	—
<b>6. Reporting practice</b>			
102-45	a. A list of all entities included in the organization’s consolidated financial statements or equivalent documents. b. Whether any entity included in the organization’s consolidated financial statements or equivalent documents is not covered by the report.	P. 45	Company Profile
102-46	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	P. 1	Editorial Policy
102-47	a. A list of the material topics identified in the process for defining report content.	—	—
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	Extended version	Partial amendment to actual gas mileage figures at all operational sites of Ryoso Transportation Co., Ltd.
102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	—	—
102-50	a. Reporting period for the information provided.	P. 1	Editorial Policy
102-51	a. If applicable, the date of the most recent previous report.	P. 1	Editorial Policy
102-52	a. Reporting cycle.	P. 1	Editorial Policy
102-53	a. The contact point for questions regarding the report or its contents.	P. 1	Editorial Policy
102-54	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. ‘This report has been prepared in accordance with the GRI Standards; Core option’; ii. ‘This report has been prepared in accordance with the GRI Standards; Comprehensive option.’	—	—
102-55	a. The GRI content index, which specifies each of the GRI standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	—	—
102-56	a. A description of the organization’s policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization’s sustainability report.	—	—

## ● Management Approach

Disclosure number	Disclosure contents	Reference page number	Contents
<b>General requirements for reporting the management approach</b>			
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.	—	—