



# 03

## Value Creation through PURPOSE Management

For more than 100 years, we have been responding to changes in the business environment and customer needs while supporting the development of logistics and of society as well as people's abundant lifestyles. Going forward, we will continue to realize the development of a sustainable society by fully leveraging our Group's unique strengths and creating new value from logistics based on our PURPOSE: "Empower society, encourage progress."

## History That Led to PURPOSE Management

The world has been progressing in concert with the evolution of logistics. People's daily lives are based on the foundation built by logistics, there are the vibrant workings of economies, and society is evolving every day while repeating the processes that are necessary for life.

Based on its avowed PURPOSE—Empower society, encourage progress—the Mitsui-Soko Group has since its founding in 1909 continued activities designed to link the flow of goods, link thoughts from person to person, and connect them to a better future.

### Empower society

It is said that approximately 85% of Tokyo's warehouses were destroyed at the time of the Great Kanto Earthquake of 1923. Having been almost completely destroyed by the earthquake or the ensuing fires, Mitsui-Soko warehouses in the Tokyo area were virtually non-existent. Even when relief supplies and reconstruction materials did arrive, there was nowhere to store them, so Mitsui-Soko hurriedly leased land around the city's Shibaura district and in just two weeks had built a barrack warehouse in which to store the reconstruction materials. Similar construction work was also carried out in Yokohama, where government rice was stored and efforts were made toward reconstruction during the difficult period immediately after the earthquake.

The experiences from that time having been handed down, we continue to take steps to ensure that the flow of society is not completely brought to a halt. In the 2011 Great East Japan Earthquake, we began support activities to deliver relief supplies that had been sent from Japan and overseas to the affected areas from the following day, undertook customs clearances, loading and handover, and delivered relief supplies. Under the conditions of the COVID-19 outbreak in 2020, we carried out emergency transportation from Shanghai to the disease control center in Wuhan, which at that time was the most seriously affected city. With transportation routes blocked and many points unclear, the entire Group worked together as one in its efforts to transport the equipment.

Today, the Mitsui-Soko Group continues to move forward to "empower society."



### Encourage progress

The spinning industry is said to have marked the beginning of Japan's industrial revolution. From the time, toward the end of the Edo period (1850s), when ports were opened to foreign trade, high-quality overseas cotton began to be imported, contributing to the subsequent development of Japan's spinning industry. Beginning its cotton handling business in 1917, Mitsui-Soko\*1 went on to handle approximately 40% of the cotton imported into Kobe. The world's largest export commodity at that time was raw silk, the trade in which formed the basis of Yokohama's prosperity. Recognized for its efforts in responding to the Great Kanto Earthquake, in 1923 the company operated a customs warehouse exclusively on loan\*2 from the Ministry of Finance to assist in reviving the city of Yokohama, which had suffered severe damage. The company thereby played a role in Japan's modernization.

During the period of high economic growth after World War II, electrical appliances quickly gained in popularity and rapid progress was made in heavy and chemical industrialization, resulting in explosive increases in domestic and international distribution, and thus Mitsui-Soko Group operations contributed to the evolution of society. In addition to storing the raw materials and products for these advances, Mitsui-Soko supported Japan's growth by contracting out port transportation services for SeaLand, the world's largest container shipping company at the time.

The Group's path of connecting evolution continues to this day. In 2015, we began transporting products for regenerative medicine, which have great potential to save the world from disease, and now we are also undertaking their storage. In addition, in these days when there are many social issues such as disasters and environmental concerns, in 2021 we launched the SustainaLink logistics sustainability service, which we are now promoting.

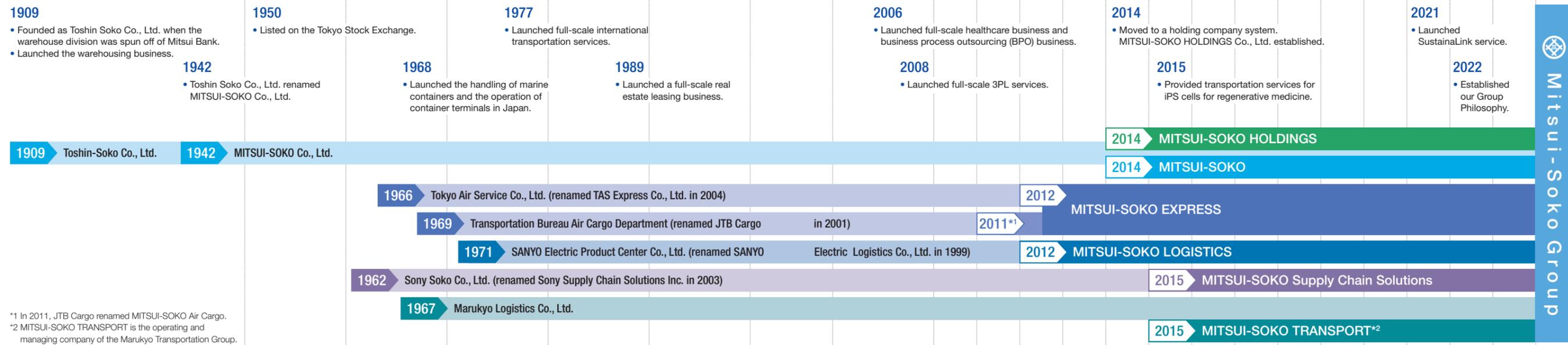
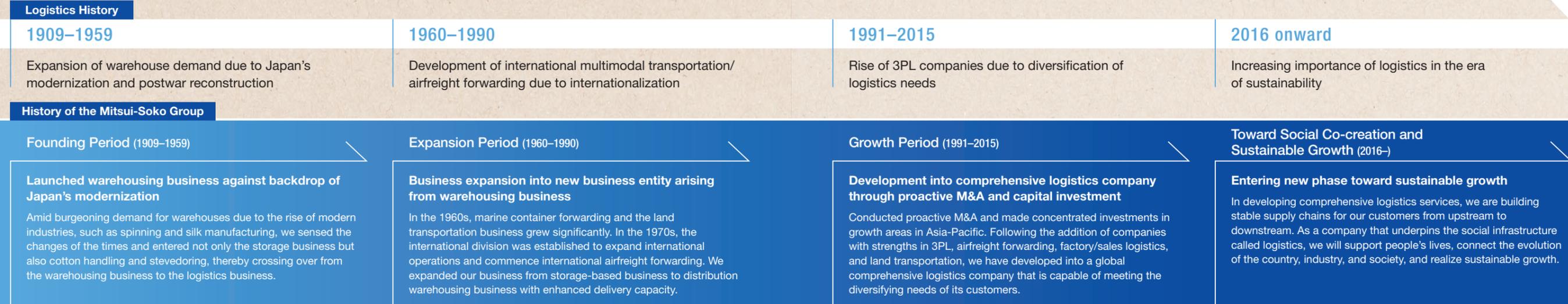
\*1 At that time, Toshin Soko Co., Ltd.

\*2 Joint name with Yokohama Trade Revival Association



## History That Led to PURPOSE Management

In the 114 years since its founding, the Mitsui-Soko Group has been continuing to create a constant flow of goods at all times while embodying its “Empower society, encourage progress” purpose. In recent years, we have brought together a wide range of expertise through M&A, transforming ourselves from a warehouse business that mainly focused on storage to a comprehensive logistics company. To lead to further evolution, we will create value from logistics by solving social issues.



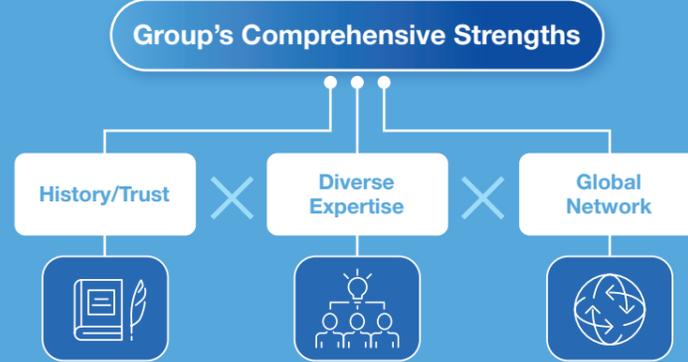
### Trends in Consolidated Operating Revenue

\*3 1909 (Settlement of accounts for 1st Period: Oct. to Dec. 1909) and 1951 (Settlement of accounts for 78th/79th periods: Apr. 1950 to Mar. 1951) are recorded as gross profit.



## Strengths of the Mitsui-Soko Group

The Mitsui-Soko Group is building logistics services that respond to social changes and customer needs by refining the “Group’s comprehensive strengths” derived from the strengths of “history and trust,” “diverse expertise,” and “global network.” We optimize our customers’ supply chains by building up our ability to respond to a wide range of value chains using our full range of logistics functions for land, sea, and air, developed in Japan and overseas.



### Diverse Expertise

#### Combining expertise and know-how through M&A with companies from various backgrounds

We have accumulated diverse expertise and know-how by bringing together companies from various backgrounds.

Each Group company possesses strengths in a different logistics function, such as storage, air cargo, and land forwarding.

We also have a wide range of areas of specialty in the value chain, from raw materials and parts to finished goods and distribution, allowing us to respond to a variety of customers and the particular characteristics of their industries.

	DNA	Major Logistics Area
<b>MITSUI-SOKO</b> Logistics/ Port transportation	Established in 1909: Warehouse division was spun-off from Mitsui Bank. Handled sugar, rice, cotton, imported rice, and textiles. Began operation of terminals in 1968, and launched full-scale international services in 1977.	Raw materials/ Parts → Finished goods → Distribution
<b>MITSUI-SOKO EXPRESS</b> Airfreight forwarding	Established in 1969: In 1986, Toyota Motor Corporation became a major shareholder, and the Company continued to grow with a focus on automotive parts logistics. In a form that has tracked Toyota's rapid overseas production, we have established overseas business sites around the world.	Raw materials/ Parts → Finished goods → Distribution
<b>MITSUI-SOKO LOGISTICS</b> 3PL/LLP (Distribution/Sales logistics)	Established in 1971: Due to the rapid rise in popularity of home appliances in the early 1960s, we were established as a transportation center for Sanyo Electric's headquarters. We handle home appliances that include color TVs and air conditioners.	Raw materials/ Parts → Finished goods → Distribution
<b>MITSUI-SOKO</b> Supply Chain Solutions 3PL/LLP (Procurement/Production logistics)	Established in 1962: Established as a specialized logistics company for Sony Corporation and the Sony Group during Japan's period of high economic growth. We handle the TVs and other products that have supported Sony's growth for more than 30 years. Sony started its export business in 1971 and we provided a full-scale response to its internationalization.	Raw materials/ Parts → Finished goods → Distribution
<b>MITSUI-SOKO</b> TRANSPORT Co., Ltd. Land transportation	Marukyo Logistics* founded in 1967: Having started business in Osaka City, the main cargo at that time was food, carpets, and interior materials. In 1971, we opened a sales office in Matsuyama, Ehime Prefecture, and logistics centers throughout Japan but primarily in Kansai and Shikoku.	Raw materials/ Parts → Finished goods → Distribution

\* Subsidiary of MITSUI-SOKO TRANSPORT, which is the operating and managing company



### History/Trust

#### More than 100 years of trust and achievements since our founding

For more than 110 years, we have been engaged in the logistics business while expanding our business to meet the needs of the times. We have long supported many leading customers in each industry by expanding our logistics functions along with the development of society and customers. As a result, we have fostered a sense of trust for the Mitsui-Soko Group, which has led to the formation of an excellent customer base.

Out of the top 100 companies in terms of sales,

Number of listed companies

**73** companies

Note: Number of domestic and overseas companies whose own company or parent company is listed

Number of industrial classifications

**41** classifications

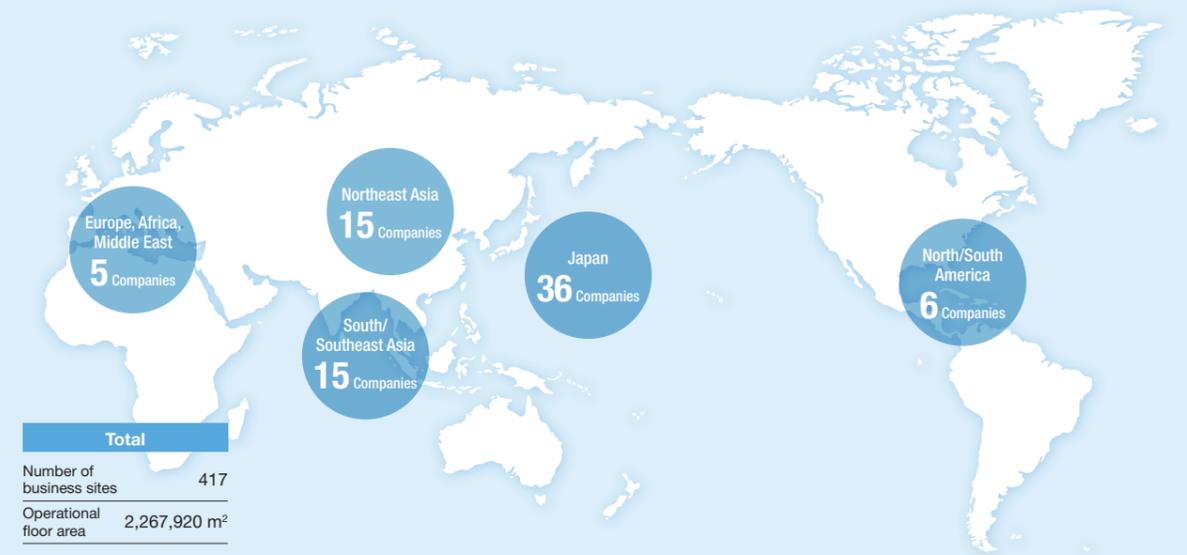
Note: Classified by our company with reference to the middle classification of the Japan Standard Industrial Classification



### Global Network

#### Hard and soft aspects of our network that spread in Japan and throughout the world

Possesses an extensive network worldwide and throughout Japan. We not only provide logistics bases, but also support customers expanding their businesses globally to optimize their supply chains by providing up-to-date information at the time they are expanding overseas.

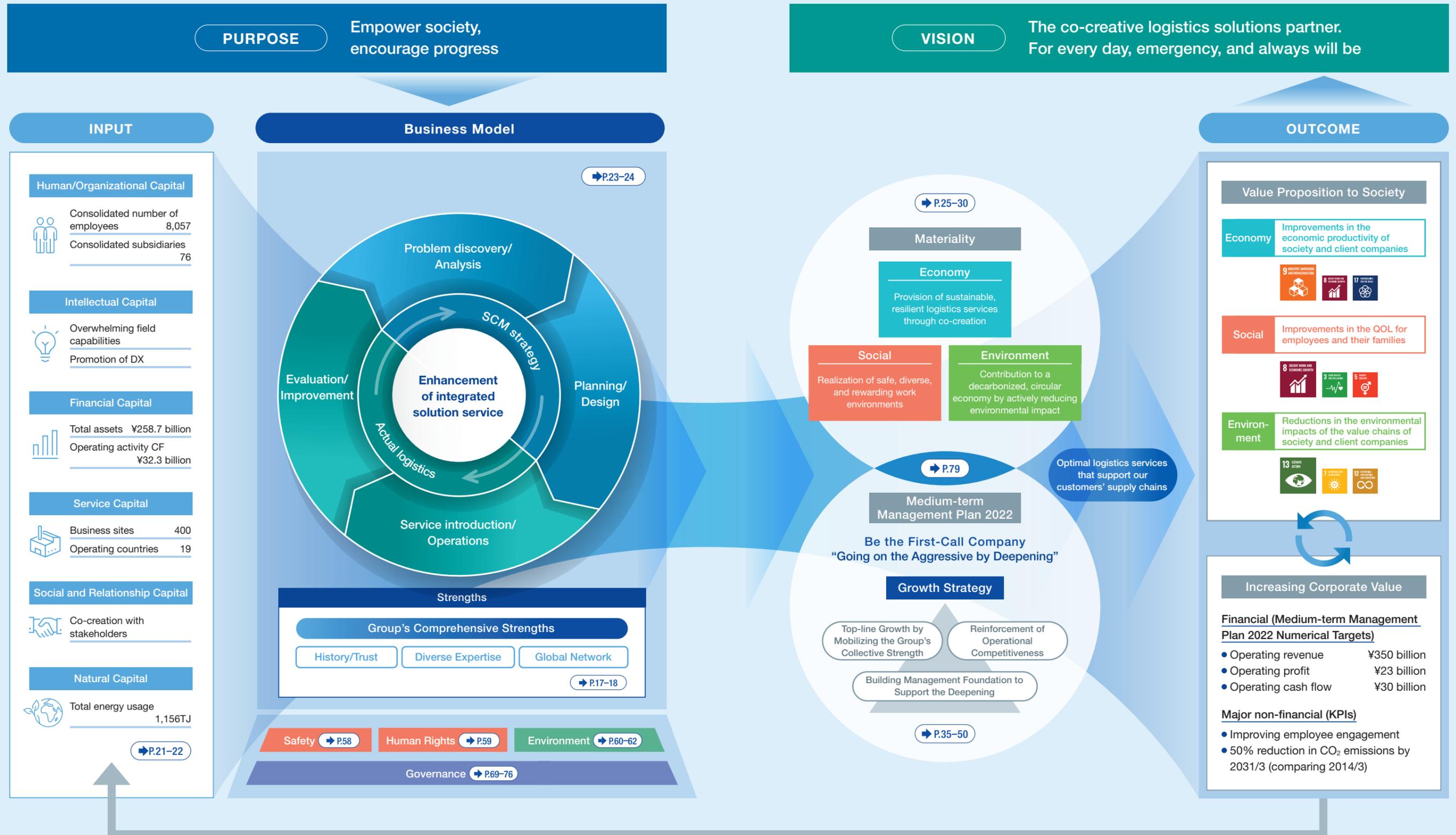


The figures are as of March 31, 2023.

	Japan	Northeast Asia	South Asia, Southeast Asia	Europe, Africa, Middle East	North/South America
Number of business sites	281	52	38	30	16
Operational floor area	1,662,165 m <sup>2</sup>	138,113 m <sup>2</sup>	369,070 m <sup>2</sup>	57,666 m <sup>2</sup>	40,905 m <sup>2</sup>
Employees	4,956	528	1,985	470	118

### Value Creation Process

Based on its PURPOSE of “Empower society, encourage progress,” the Mitsui-Soko Group will continue to grow to become a logistics solutions partner that supports the development of a sustainable society by creating new value through co-creation—For every day, emergency, and always will be.



## Management Capital

Importance of management capital

Management capital indicators

Strategies to strengthen capital



### Human/Organizational Capital

To provide a sustainable supply chain as a logistics company, it is necessary to accurately identify social issues and customer needs, and then propose and implement solutions. While being accepting of diverse values and the ideas of each individual and fostering a spirit to take on challenges, we will work to improve the environment and enhance the system to promote the creation of rewarding work environments so that each and every employee can demonstrate their abilities to the fullest extent. The growth of our diverse employees leads to organizational growth, which raises the Group's overall strengths.

➔ P.51-53

Consolidated number of employees

**8,057**

Number of group seminar participants

**1,644**

Consolidated subsidiaries

Domestic Overseas

**35 41**

Personnel with expertise

- SCM solution sales personnel
- Operational personnel to strengthen field capabilities
- Specialized personnel (IT professionals, pharmacists, etc.)

- Instill our Group Philosophy
- Recruit, train, and retain in line with "profile of human resources we seek"
- Enhance employee engagement
- Promote Diversity & Inclusion to improve organizational capabilities
- Personnel training to raise SCM solutions and field capabilities



### Intellectual Capital

To continuously develop new businesses and competitive services, it is necessary to improve design capabilities and logistics quality of logistics solutions by utilizing digital technology while leveraging our accumulated know-how. To further improve logistics quality, the Group is incorporating manufacturer-standard improvement methods into the logistics know-how accumulated over more than 100 years.

In addition, by promoting DX, we are building an SCM digital platform to deepen our integrated solution services.

➔ P.54-56

Overwhelming field capabilities

- Standardization method established by transforming know-how accumulated over many years into explicit knowledge
- High-quality logistics based on manufacturer-standards

Promotion of DX

- DX strategic investment: ¥20 billion (Medium-term Management Plan 2022 period)
- SCM digital platform

- Promote supply chain logistics
- Promote smart logistics (robotics, etc.)
- Company-wide penetration of standardization methods



### Financial Capital

To invest in growth to create new value and provide stable returns to shareholders, it is necessary to improve the ability to generate cash and build a sound financial base. The Group is committed to strategic financial operations and management to establish a business structure that can secure healthy profits even in an increasingly uncertain business environment.

➔ P.32-34, 99

Total assets

**¥258.7 billion**

Operating cash flow

**¥32.3 billion**

Operating profit

**¥26.0 billion**

Equity capital

**¥93.3 billion**

Medium-term Management Plan 2022 financial strategy execution

- Investments: ¥130.0 billion
- Payout ratio: 30%
- D/E ratio: 1.0 times
- ROE: Over 12%



### Service Capital

To realize a stable logistics service that can withstand changes in social conditions and the environment, it is necessary to develop facilities and transportation networks that are suited to the characteristics of the industry, as well as expanding into a wide range of regions. The Group has a global presence, as well as healthcare facilities and state-of-the-art facilities equipped with robotics, to support the provision of optimal supply chains for our customers.

➔ P.18

Number of business sites/  
Floor area under our control

Domestic

**281 sites**

**1,662,165 m<sup>2</sup>**

Overseas

**136 sites**

**605,755 m<sup>2</sup>**

Operating countries

**19**

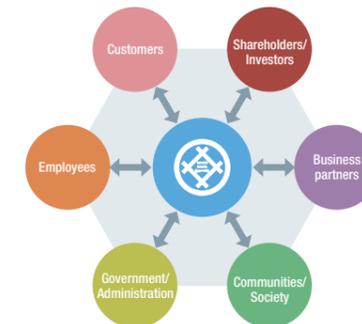
- Build resilient distribution networks and logistics facilities
- Strengthen logistics services in focus areas
- Build logistics facilities in competitive areas



### Social and Relationship Capital

To be a company that continues to create long-term value through sound and transparent management activities, it is necessary to have relationships of trust with stakeholders. We will build strong relationships of trust and enhance the sustainability of value through proactive and constructive communication, as well as co-creation, with our shareholders, customers, and other stakeholders.

➔ P.80



- Effective communication with investors and shareholders
- Increase customer satisfaction
- Develop rewarding work environments and systems for employees
- Build responsible supply chains



### Natural Capital

To operate a logistics business, it is necessary to utilize energy such as electricity and light oil. Based on the idea that conservation of the global environment will lead to sustainable growth of society and companies, we will efficiently utilize energy and realize reductions in CO<sub>2</sub> and waste materials emissions.

➔ P.60-62

Total energy usage

**1,156 TJ**

Renewable energy usage

**2,615 MWh**

- Effective use of limited resources
- Reduce CO<sub>2</sub> emissions
- Reduce waste emissions

## Business Model that Leverages Strengths

Amid dramatically changing global turning points, how to build robust and sustainable supply chains remains one of the most important themes for society and customers. Making full use of the strengths built up through the utilization of its management capital, the Mitsui-Soko Group contributes to the sustainable development of society and its customers through its SCM strategy for problem solving and by providing integrated solution services through actual logistics of undoubtable quality.

If a customer's industry, scale, and goods handled change, the content and quality of logistics required will differ.

Putting together optimal logistics strategies for its customers, the Mitsui-Soko Group provides high-quality actual logistics, which in turn leads to continuous improvements in service quality.

This chain of events is something that we are able to demonstrate through the three strengths we have built up so far: History and trust based on a wealth of knowledge accumulated over many years; diverse expertise that enables us to handle everything, from upstream to downstream, in the supply chains of a variety of customers; and a global network that facilitates the connecting of optimal routes in major areas around the world. By means of our Group's comprehensive strengths that were born out of combining these three strengths, we are able to provide optimal solutions for our customers' needs and the challenges they face.

The very act of providing integrated solution services that leverage these strengths is our business model that creates value from logistics.

### Enhancement of integrated solution services

The Mitsui-Soko Group provides integrated solution services that realize optimal logistics across the entire supply chain for our customers. Integrated solution services is a business model that combines both SCM strategy, such as analysis and design, and actual logistics that include the provision of logistics functions and operational execution.

By expanding the business scope of actual logistics, we are creating a virtuous cycle in which newly discovered information is analyzed from the perspective of overall optimization, and is then fed back into the SCM strategies to propose and implement logistics solutions to our customers, thereby further expanding the business scope of actual logistics.

### Evaluation/Improvement

#### Enhancing logistics quality through continuous improvement activities

We verify the effectiveness of services after their introduction and carry out continuous improvement activities. By sharing information and providing education on cases of improvement within the Group, we are also aiming to further enhance efficiency, and improve productivity and quality.

### Problem discovery/Analysis

#### Identification and analysis of logistics issues faced by customers

We identify logistics issues that capture not only the business issues facing our customers but also the changes, such as social issues, in the external environment behind them. After collecting logistics data and on-site interviews, we visualize and analyze the current logistics operations and clarify the processes that are under strain and the items necessary for improving productivity and quality.

### Planning/Design

#### Planning and design of logistics business processes

- **Solution design**

To realize our customers' business strategies, we plan and design logistics solutions that contribute to the optimal supply chain. In addition to planning and designing logistics strategies that also utilize digital technology, such as logistics strategy and business process construction, we also undertake the overall management of projects, such as IT implementation and change management, to devise ways to firmly establish logistics measures.

- **Base locations**

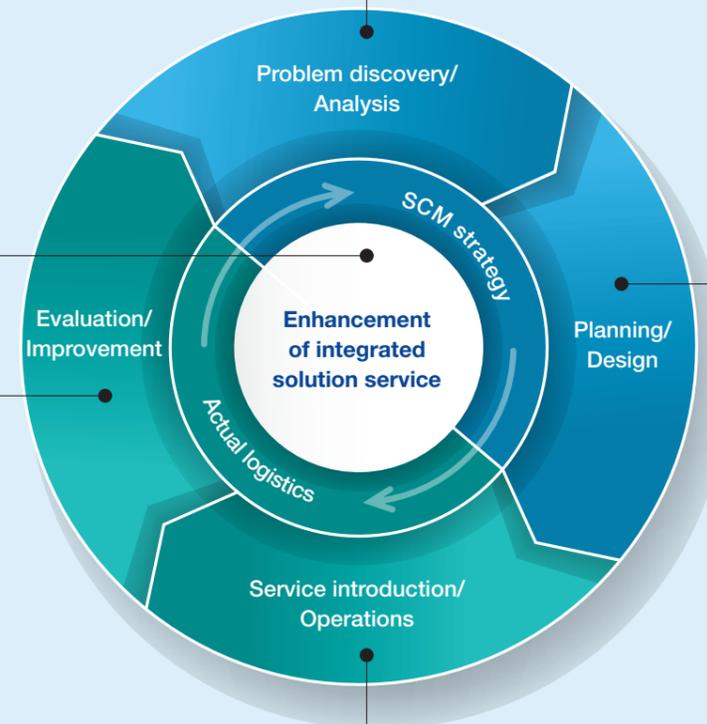
In addition to reducing distribution costs and improving lead times based on storage and transportation fees, we are proposing base locations that also take into account disaster risk and employment conditions.

- **Warehouse operations**

Based on the data on work hours, we strive to reduce costs and improve productivity by designing optimal warehouse layouts by automating warehouse equipment and mechanizing cargo handling operations according to the characteristics of the business.

- **Construction of transportation networks**

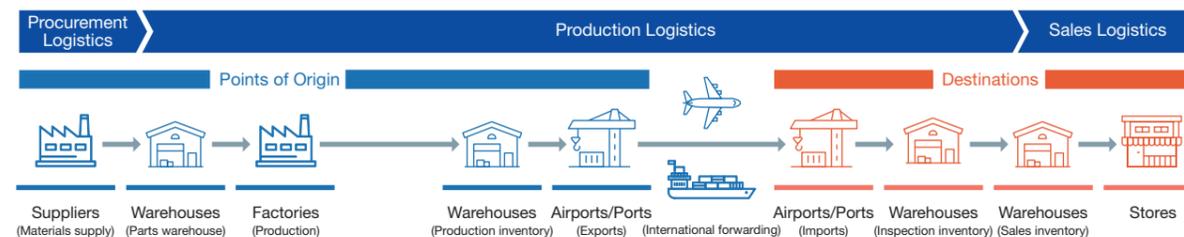
Utilizing our joint delivery networks that we have established over many years and AI-based simulation systems, we determine the optimal number of vehicles to be dispatched, their point-to-point times, and the forwarding costs to build optimal vehicle allocation plans and forwarding networks.



### Service introduction/Operation

#### Provision of comprehensive end-to-end logistics services from upstream to downstream

The Group has a large number of warehouses in Japan and overseas and a comprehensive lineup of logistics functions that cater to land, sea, and air forwarding. By combining these various logistics functions and executing optimal and efficient operations, we provide a wide range of flexible logistics services from upstream to downstream. In addition to logistics operations in the value chain, such as procurement to production to sales logistics, we are operating after-sales services, including the installation and repair of furniture and home appliances, as well as BPO operations for document management and back offices.



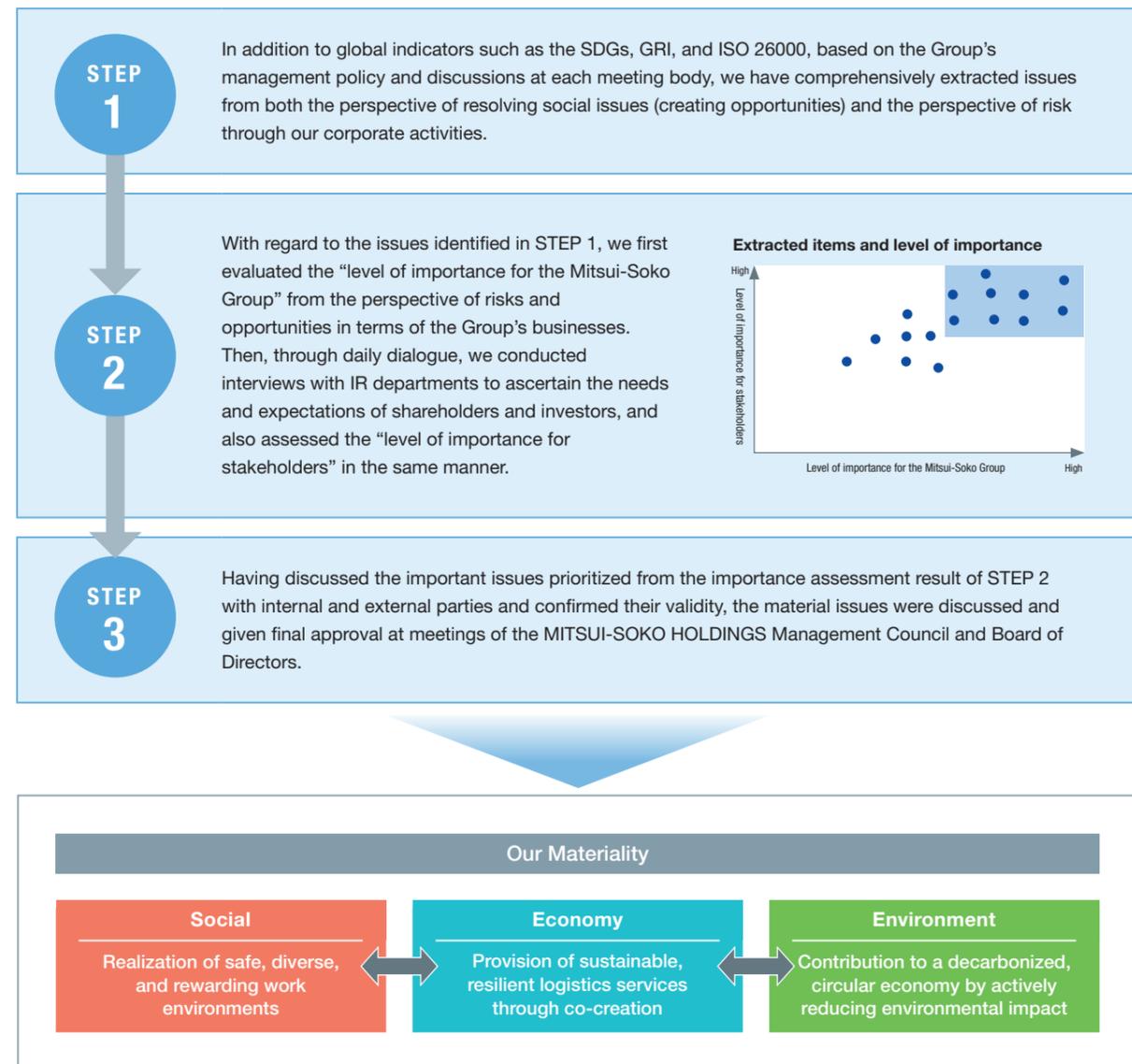
Materiality > Identification of Materiality

Based on its PURPOSE of “Empower society, encourage progress,” the Mitsui-Soko Group identified materiality with the aim of creating new value and achieving sustainable growth for the Group and for society through its business activities. We will promote initiatives for these materiality and thereby contribute to achieving the goals of the eight SDGs related to our business, while realizing the sustainable enhancement of the Group’s corporate value.

Identification of Materiality

Based on the idea that materiality is viewed from the perspective of enhancing corporate value, and that solving social issues will lead to the creation of medium- to long-term value for the Group, we identified issues that are of great importance to the Group’s businesses and are important for stakeholders, especially shareholders and investors, as materiality in 2020.

Process for Identifying Materiality



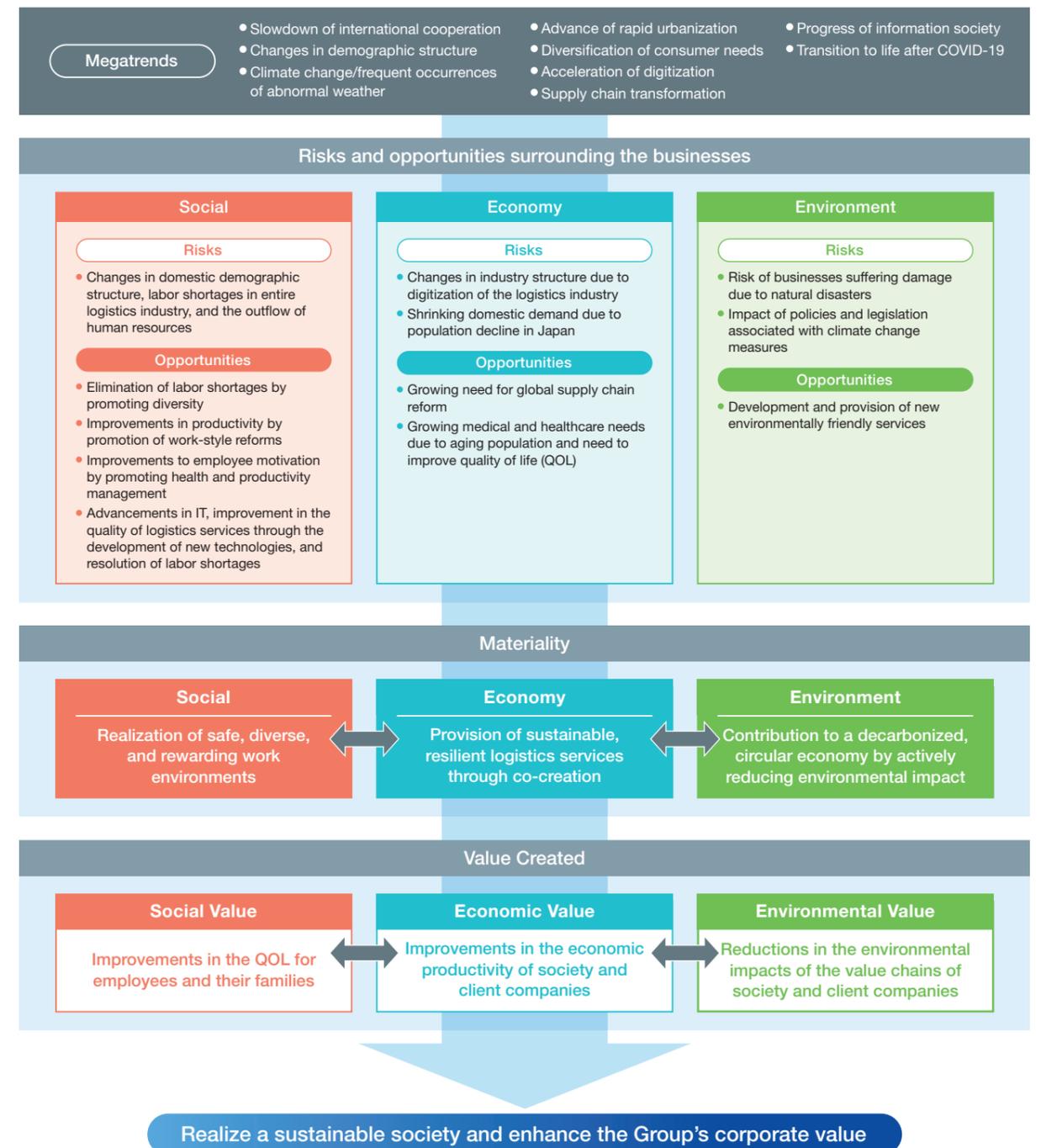
Materiality > Value Created by the Mitsui-Soko Group

Integrating Sustainability and Management

To create medium- to long-term value, the Mitsui-Soko Group promotes management activities that incorporate sustainability into the core of its business strategy.

Our materiality is organized based on the triple bottom line approach of economic, social, and environmental concerns, adding the perspective of enhancing our corporate value to sustainability factors. For each materiality, we discover opportunities to increase our Group’s value, as well as risks that can harm our value, based on social issues. We then identify priority issues to be managed.

By promoting initiatives for each materiality and integrating sustainability and management, we will realize a sustainable society and increase our Group’s corporate value.



Materiality > Value Created by the Mitsui-Soko Group

**Economic Value** Improvements in the economic productivity of society and client companies

The impact of intensifying disasters and infectious diseases has heightened interest in sustainable supply chains. Logistics plays an important role as a link in the supply chain, and it is essential to establish resilient distribution networks for a sustainable supply chain. The Mitsui-Soko Group will contribute to improving the economic productivity of society and its customers, as well as its own corporate value through the “provision of sustainable, resilient logistics services through co-creation.”

Materiality	Provision of sustainable, resilient logistics services through co-creation
Initiative Pillars	<ul style="list-style-type: none"> <li>Development and provision of sustainable logistics services</li> <li>Supporting optimization of supply chain management that underpins customers' businesses</li> <li>Building of partnerships for sustainable logistics</li> </ul>

> Economic KPIs

- Expansion of businesses arising from social issues
- Achievement of high economic productivity and efficiency through DX promotion and innovation
- Expansion of partnerships toward sustainable logistics

> Results for the year ended March 31, 2023

- Number of CO<sub>2</sub> calculations of customers (cumulative total); Approx. 100,000<sup>\*1</sup>
- Pilot operation of LVL<sup>\*2</sup>
- Launch of a large-scale center using robotics
- Partnerships for growth areas

<sup>\*1</sup> Cumulative total as of August 31, 2023; Approx. 4 million  
<sup>\*2</sup> Logistics Value Link: SCM digital platform

- With regard to SustainaLink, a service that focuses on social issues, the Supply Chain Sustainability Sales Division, established in October 2022, leads the implementation of cross-organizational sales activities and promotion of solution proposals as a unified group. In particular, customer inquiries about environmental risks are increasing.
- We formulated an overall plan for LVL and started pilot activities with customers to improve the trade efficiency menu. We also introduced robotics to large-scale centers and conducted demonstration experiments on new technologies such as automated guided vehicles (AGVs) and image recognition.
- We entered strategic partnerships with companies with strengths in mobility and healthcare, which are focus areas of the medium-term management plan.

Business Impact

- Increase in profits by developing and providing sustainable and resilient logistics services
- Secure competitive advantage by accumulating logistics know-how that contributes to SCM optimization
- Improvements in economic productivity and efficiency due to digitization and DX promotion
- Expansion of new business through co-creation with stakeholders

Social Impact

Contribution to SDGs

- 9.1 Develop sustainable and resilient infrastructure
- 9.4 Increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes
- 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation in labor-intensive sectors
- 17.16 Enhance the global partnership

**Social Value** Improvements in the QOL for employees and their families

Building a corporate structure in which each employee can feel proud and fulfilled, and maximize their abilities in a safe and secure work environment, will enhance our Group's competitive advantage and lead to the creation of new value. Through the “realization of safe, diverse, and rewarding work environments,” we will improve the QOL for employees and their families, and realize a society in which people can live healthy and happy lives as our Group grows.

Materiality	Realization of safe, diverse, and rewarding work environments
Initiative Pillars	<ul style="list-style-type: none"> <li>Creation of safe and rewarding work environments</li> <li>Promotion of health management</li> <li>Promotion of diversity</li> </ul>

> Social KPIs

- Improvement of employee engagement
- Maintain zero occupational accidents
- Achieve ratio of paid leave taken of 70%\*
- Improvement of absentee rate over previous fiscal year's level
- Achieve health checkup take-up rate of 100%\*
- Achieve male childcare leave acquisition rate of 30%\*
- Achieve female manager ratio of 15%\*

\* Achievement deadline is end of March 2026

> Results for the year ended March 31, 2023

- Employee engagement: 65
- Number of occupational accidents: 3
- Ratio of paid leave taken: 60.83%
- Absentee rate (Increase over prior year): 0.17%
- Health checkup take-up rate: 99.44%
- Male childcare leave acquisition rate: 93.33%
- Female manager ratio: 9.26%

- We conduct regular employee engagement surveys. We share the results with the Sustainability Committee to discuss the recognition of issues and improvement measures. Moving forward, we will develop a human resources strategy in line with the profile of the human resources we seek, which the Group formulated in April 2023, while working to resolve the issues identified in the engagement survey.
- The number of occupational accidents and the resulting absentee rate have worsened from the previous fiscal year's level. The Safety Subcommittee is discussing Group-wide countermeasures and implementing efforts to make improvements.
- Ratio of paid leave taken, health checkup take-up rate, male childcare leave acquisition rate, and female managers ratio improved from the previous fiscal year.

Business Impact

- Strengthen organizational capabilities and increase per capita profit through improved engagement
- Improvements in labor productivity due to promotion of health and productivity management
- Secure competitive advantage through the active participation of diverse human resources
- Improvements in logistics quality by building safe and secure logistics systems

Social Impact

Contribution to SDGs

- 8.5 Achieve full and productive employment and decent work, equal pay for work of equal value
- 8.8 Protect labor rights and promote safe and secure working environments
- 3.6 Reduce the number of global deaths and injuries from road traffic accidents
- 3.d Strengthen the capacity for early warning, risk reduction and management of health risks
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership
- 5.b Enhance the use of information and communications technology to promote the empowerment of women

Materiality > Value Created by the Mitsui-Soko Group

Environmental Value
Reductions in the environmental impacts of the value chains of society and client companies

The Mitsui-Soko Group believes that sustainable growth of a company cannot be achieved without the sustainability of society. Conservation of the global environment not only leads to the realization of a sustainable society, but also reduces risks surrounding business activities. Through our “contribution to a decarbonized, circular economy by actively reducing environmental impact,” we will reduce the environmental impact not only on our own businesses, but also on society and our customers’ value chains.

Materiality	Contribution to a decarbonized, circular economy by actively reducing environmental impact
Initiative Pillars	<ul style="list-style-type: none"> <li>● Response to climate change</li> <li>● Utilization of renewable energy</li> <li>● Reuse of resources, reduction of waste emissions</li> </ul>

**Environmental KPIs**

- Total CO<sub>2</sub> emissions (Scope 1 + 2): 50% reduction by 2031/3 (Compared to 2014/3) Net-zero by 2051/3
- Volume of waste emissions: reduced from the previous fiscal year's level

**Results for the year ended March 31, 2023**

- Total CO<sub>2</sub> emissions (Scope 1 + 2): 59,220 t-CO<sub>2</sub> (15.8% reduction compared to 2014/3)\*<sup>1</sup>
- Volume of waste emissions: 8,519 t\*<sup>2</sup>

\*1 Revised figures for the fiscal year ended March 31, 2014 due to expanded scope of coverage for the fiscal year ended March 31, 2023

\*2 Scope of coverage expanded from the fiscal year ended March 31, 2023

- In terms of CO<sub>2</sub> emissions, the scope of data collection has now been expanded from companies subject to periodic reports under the Energy Conservation Law to include MITSUI-SOKO HOLDINGS and major Group companies. At the same time, we are proceeding with the switch to LEDs and air conditioning equipment to reduce CO<sub>2</sub> emissions. Moving forward, we are formulating a medium- to long-term reduction roadmap for CO<sub>2</sub> emissions, and establishing a steady execution system to achieve a 50% reduction by the fiscal year ending March 31, 2031.
- In terms of waste emissions, the scope of data collection has now been expanded from some Mitsui-Soko locations to include MITSUI-SOKO HOLDINGS and major Group companies. We will continue to promote recycling and paperless operations, and analyze visualized data to further reduce emissions.

Business Impact

- Reduce insurance premiums and repair costs due to the impact of natural disasters
- Reduce energy usage in energy-efficient facilities and equipment, and solar power
- Cost savings from installation of power generation systems
- Secure competitive advantage by providing logistics services with low environmental impact

Social Impact

Contribution to SDGs

- 13.1 Strengthen resilience and adaptive capacity to climate-related natural disasters
- 13.2 Integrate climate change measures into strategies and planning
- 13.3 Climate change mitigation, adaptation, impact reduction
- 7.2 Increase substantially the share of renewable energy in the global energy mix
- 12.2 Achieve the sustainable management and efficient use of natural resources
- 12.5 Substantially reduce waste generation through reduction, recycling and reuse [the 3Rs]

Materiality > Materiality Promotion System

Promotion Initiatives toward Materiality Throughout the Group

For materiality, it is necessary to promote activities throughout the Group based on appropriate governance. The Group considers materiality as an important component that contributes to management. We set KPIs for each materiality, and discuss them through the Sustainability Committee and the Management Council under the supervision of the Board of Directors.

The Sustainability Committee manages the validity of materiality and KPIs themselves. Furthermore, with regard to social and environmental KPIs, we have positioned each subcommittee, which are Group-wide organizations, under the Sustainability Committee to formulate and implement measures. We incorporate economic KPIs into sales and DX promotion measures, etc., which are discussed at the Management Council.

Going forward, we will work with a view to revise materiality from the perspective of further enhancing corporate value and improving human capital through the integration of sustainability promotion and management.

Materiality Promotion System

	Materiality	Economic KPIs	Social KPIs	Environmental KPIs
Supervision/ Approval	Board of Directors			
Meeting body	Sustainability Committee (Chair: President [Group CEO] Members: MSH internal directors; Representatives from each major operating company; Others)	Management Council (MSH internal directors; Representatives from each major operating company)	Sustainability Committee (Chair: President [Group CEO] Members: MSH internal directors; Representatives from each major operating company; Others)	
			Secretariat (MSH Strategic Planning Division ESG Team)	
			Human Resource Subcommittee (MSH Personnel, Human Resource Division; Department in charge from each major operating company)	Safety Subcommittee (MSH Operation Management Division; Department in charge from each major operating company)
				Environmental Subcommittee (MSH Risk Management Division; Department in charge from each major operating company)

MSH: MITSUI-SOKO HOLDINGS

Materiality Promotion PDCA Cycle

