



# 05

## Foundation for Supporting Co-creation

Ensuring the safety of employees, business partners, and other stakeholders, respecting human rights with an emphasis on diversity and inclusion, reducing environmental impact throughout the value chain, and governance with transparency and fairness—by promoting these initiatives, we aim to remain a company trusted by all our stakeholders.

### ESG Initiatives

The Mitsui-Soko Group promotes safety, human rights, the environment, and corporate governance initiatives.



### Safety

For details on our initiatives, please refer to "Sustainability Data Book 2023," p.24 (Occupational Health and Safety).

[https://www.mitsui-soko.com/en/ir/library/sustainability\\_report/](https://www.mitsui-soko.com/en/ir/library/sustainability_report/)

#### Basic Policy

The Mitsui-Soko Group believes that ensuring the safety of employees, business partners, and other stakeholders will lead to rewarding work environments and improvements in logistics quality. Based on our Occupational Health and Safety Policy, the Group is working to build logistics systems under safety and security throughout the Group, and is progressing with the creation of working environments where accidents do not occur.

#### Promotion Framework

The Group has established the Safety Subcommittee, a Group-wide organization, under the Sustainability Committee to reduce accidents resulting in injury or death and to plan, develop, and implement measures to ensure employee safety.

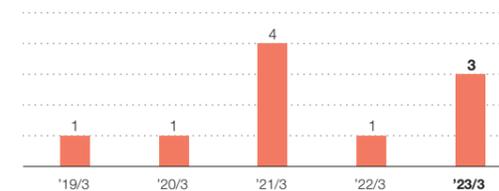
#### Safety Promotion Initiatives

Based on the safety activities of each Group company, the Safety Subcommittee shares the progress of activities toward the goal of zero occupational accidents, ascertains issues, and promotes important measures common to the Group.

In warehouse operations, we have established common Group standards for occupational accidents. Each business promotes activities to prevent accidents and to improve situations when a near-miss or accident occurs. Activities of each business are shared by the Safety Subcommittee, and examples of good practice that can be horizontally deployed are used at each Group company to raise the level of improvement activities across the Group. Moving forward, based on near-misses and serious disasters that have occurred in the Group, we will establish a method for identifying the sources of danger that exist in each operation and a method for identifying work processes. We will also strengthen risk assessment to prevent accidents before they occur.

In transportation, each of the Group's transportation companies promotes activities such as holding regular meetings and the establishment of uniform standards for safe driving so that the entire Group can work together to address vehicle accidents.

Number of occupational accidents



Occupational accident frequency rate (%)



Notes:  
 1. Occupational accident frequency rate:  
 No. of casualties per 1 million working hours = No. of casualties/Total work hours x 1,000,000  
 2. The same-industry (transportation and postal services) and all-industry averages are taken from the Ministry of Health, Labour and Welfare's "Outline of Survey on Industrial Accidents"

## ESG Initiatives

### Human Rights

For details on our initiatives, please refer to "Sustainability Data Book 2023," p.16 (Human Rights).

[https://www.mitsui-soko.com/en/ir/library/sustainability\\_report/](https://www.mitsui-soko.com/en/ir/library/sustainability_report/)



#### Basic Policy

At the Mitsui-Soko Group, the most important element underlying all our activities is to protect dignity and respect human rights of all people. We support and respect international human rights standards, including the International Bill of Human Rights, and promote them in accordance with the Mitsui-Soko Group Human Rights Policy, which is based on the United Nations Guiding Principles on Business and Human Rights.

#### Promotion Framework

Under the Compliance Committee, the Risk Management Department of MITSUI-SOKO HOLDINGS serves as the main department in charge of promoting initiatives related to respecting human rights, including human rights due diligence.

#### Identification of Key Human Rights Issues

In promoting efforts to respect human rights, we assessed the impact of our business activities on the human rights of our stakeholders and identified the following as Key Human Rights Issues: "prohibition of forced and child labor," "prohibition of all forms of discrimination," "prohibition of harassment," "provision of a safe working environment," "appropriate management of working hours," and "guarantee of rights of foreign workers." The process shown on the right is used to identify important human rights issues, and risk assessment is conducted focusing on the identified human rights issues. Understanding that specific relevant issues will change over time due to societal shifts and business trends, we plan to continuously review this policy upon holding dialogues and consultations with stakeholders and external specialists in order to further our efforts toward respecting human rights.

##### Process for Identifying Key Human Rights Issues



#### Conducting Human Rights Due Diligence

The Mitsui-Soko Group conducts human rights due diligence to fulfill its responsibility as a response to respecting human rights. As a result of implementing human rights due diligence for Group companies in Japan and overseas (consolidated subsidiaries) in the fiscal year ended March 31, 2023, we did not find any company that had significantly poor response to human rights or that required immediate stakeholder relief at this time. Furthermore, we analyzed the results with external specialists and confirmed that the key human rights issues identified remain key issues for the Group and should continue to be addressed. The process and results of promoting human rights due diligence are reported to the Board of Directors.

We will continue to implement regular human rights due diligence for Group companies and business partners in Japan and overseas, and strive to resolve human rights issues through ongoing education and training related to respecting human rights and the establishment of an effective remediation system.



#### Remediation and Grievance mechanism

If it becomes clear that the Mitsui-Soko Group has caused, facilitated, or otherwise contributed to adverse human rights impacts, the Group will work to correct and relieve such adverse impacts through appropriate means. Furthermore, if concerns related to the human rights of our Group employees arise, anonymous access to a consultation desk is available. Finally, with the aim of respecting dialogue with all stakeholders, we will also establish a point of contact to receive feedback from everyone in our supply chain, including customers and business partners.

### Environment

For details on our initiatives, please refer to "Sustainability Data Book 2023," p.9 (Environment Management).

[https://www.mitsui-soko.com/en/ir/library/sustainability\\_report/](https://www.mitsui-soko.com/en/ir/library/sustainability_report/)



#### Basic Policy

The Mitsui-Soko Group believes that its sustainable growth cannot be achieved without the sustainability of society, and considers the conservation of the global environment as one of its management issues. On the basis of its environmental policy, the Group will conduct initiatives in response to climate change and those designed to reduce waste emissions, and at the same time contribute to a reduction in the environmental impact from the value chains not only of the Group, but also of our client customers and society.

#### Promotion Framework

The Group has established the Environmental Subcommittee, a Group-wide organization, under the Sustainability Committee to plan, develop, and implement environmental measures.

#### Response to Climate Change

##### > Reduction of CO<sub>2</sub> Emissions in Our Businesses

In domestic warehouse facilities and offices, the Group is promoting energy conservation by switching to LED lighting, etc., and the spread of renewable energy by installing solar power generation systems. As for switching to LED lighting, we are proceeding with the renewal work one project at a time with the goal of completing the switch at all domestic facilities by the end of March 2025. In transportation, the Group is contributing to the reduction of CO<sub>2</sub> emissions by switching to fuel-efficient, low-emission models when replacing vehicles, as well as implementing driving techniques that show consideration for the environment and introducing EV trucks.

##### > Reduction of CO<sub>2</sub> Emissions in the Supply Chain

The Group is working to reduce CO<sub>2</sub> emissions (Scope 3) in its supply chain. Through the "MS CO<sub>2</sub> Analyzer," a menu item of our logistics service SustainaLink that helps resolve social issues for customers, we visualize CO<sub>2</sub> emissions in our customers' logistics and can provide solutions on how to reduce emissions. We are contributing to the reduction of CO<sub>2</sub> emissions by improving logistics efficiency through modal shifts, warehousing, joint deliveries, etc.

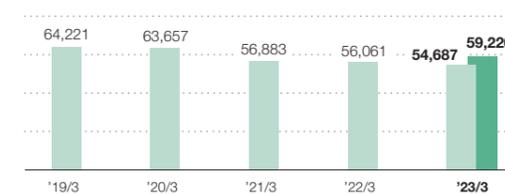
We are also working to reduce CO<sub>2</sub> emissions across our supply chain through the use of Sustainable Aviation Fuel (SAF) in air transportation and waste reduction.

#### Reduction of Waste Emissions

To contribute to the creation of a recycling-based society, the Group promotes initiatives to effectively utilize limited resources and increase economic productivity.

We are promoting paperless offices as well as improving operational efficiency by shifting to electronic payments and encouraging meetings that use digital devices to replace paper documents. In addition to using recycled materials, such as biomass-based polyethylene film (bio-polyethylene) and recycled resin pallets, as well as multiple-use recycled packing materials, we are also developing and utilizing logistics packages that are material recyclable and were designed with durability in mind. Utilizing these packing materials also helps to optimize the transportation of customers' packages and reduce logistics costs.

CO<sub>2</sub> emissions (Scope 1 + 2) (t-CO<sub>2</sub>)



■ Scope of periodic reports under the Energy Conservation Law (Data for MSH, MSC, MSL, Marukyo Logistics Co., Ltd. (Osaka), and Marukyo Logistics Co., Ltd. (Ehime))  
 ■ From the fiscal year ended March 31, 2023, the scope of coverage has been expanded to include MSH, MSC, MSE, MSL, MSCS, MST, Marukyo Logistics Co., Ltd. (Osaka), and Marukyo Logistics Co., Ltd. (Ehime)

Waste emissions (t)



■ MSC bases that have obtained green management certification.  
 ■ From the fiscal year ended March 31, 2023, the scope of coverage has been expanded to include MSH, MSC, MSE, MSL, MSCS, MST, Marukyo Logistics Co., Ltd. (Osaka), and Marukyo Logistics Co., Ltd. (Ehime)

MSH: MITSUI-SOKO HOLDINGS Co., Ltd., MSC: MITSUI-SOKO Co., Ltd., MSE: MITSUI-SOKO EXPRESS Co., Ltd., MSL: MITSUI-SOKO LOGISTICS Co., Ltd., MSCS: MITSUI-SOKO Supply Chain Solutions, Inc., MST: MITSUI-SOKO TRANSPORT Co., Ltd.

ESG Initiatives

Disclosure Based on the TCFD Recommendations

The Mitsui-Soko Group recognizes climate change as a key management issue, and has made contributing to a decarbonized, circular society by actively reducing environmental impact one of our material issues. This is based on the thinking that reducing our greenhouse gas (GHG) emissions in Scope 1 and 2, while at the same time contributing to decarbonization throughout the entire value chain including our customers, will lead to improved corporate value for the Group. We also declared our support for the TCFD recommendations in September 2021, and in addition to the initiatives that were already in place, we are now working to strengthen and expand our disclosure on the identification of climate-related risks and opportunities, and related systems.



Governance

With the aim of strengthening our system for promoting sustainability, in October 2021 we established the Sustainability Committee, which is chaired by the President & Group CEO and consists of executive directors and representative directors of five major operating companies, or persons appointed by the President & Group CEO from among persons in equivalent positions.

Supervised by the Board of Directors, the Sustainability Committee develops sustainability-related policies and manages their implementation, leads the identification, analysis, and evaluation of climate-related risks and opportunities, works to understand the impact of climate change on Group operations, and discusses relevant measures.

For other climate and environment-related initiatives and detailed discussion, a Group-wide organization under the Sustainability Committee called the Environmental Subcommittee investigates specific initiatives and management metrics and manages its implementation, and the director in charge reports progress and makes recommendations to the Sustainability Committee.

To make the investments necessary in responding to climate change, each one is individually discussed and approved following internal regulations through authorization bodies such as the Management Council and the Board of Directors.

Risk Management

We have established Risk Management Regulations detailing our awareness of risks and their management within our Group business activities, and have created systems to manage each type of risk. For climate-related risks and opportunities, the Sustainability Committee aims to respond to and minimize risk by leading identification, analysis and evaluation of risks and opportunities, sharing information within the Group, instructing relevant departments on how to respond, and reporting to the Board of Directors. KPI management and data analysis are

carried out through the Environmental Subcommittee, a Group-wide organization under the Sustainability Committee.

Metrics and Targets

To address the material issue of contributing to a decarbonized, circular society by actively reducing environmental impact, our Group has established and manages KPIs for climate change and other environmental issues.

For GHG emissions, we aim to reduce the CO<sub>2</sub> emissions stemming from our business in Scope 1 and 2.

Strategy

We identify risks and opportunities regarding the impacts of climate change on the Group's value chain, evaluate the results, and consider appropriate measures to take, so that they can be reflected in our short-, medium-, and long-term business strategies to make our policies more effective.

1) Scenario analyses using 1.5°C and 4°C scenarios

To assess the potential impact of climate change on our Group business, we perform scenario analyses using 1.5°C and 4°C scenarios.

2) Evaluation of the scenario analysis results

In our quantitative calculations, carbon pricing (introduction of a carbon tax) under the 1.5°C scenario has the greatest impact on our Group. In general, however, the financial impact of climate change on our Group is small, and we consider ourselves resilient to these shifts.

For countermeasures against the emerging impact of carbon pricing, since measures to reduce emissions in cooperation with our customers and business partners are effective, we will promote these measures in addition to our own measures. In addition to the quantitative analysis items, we will also update and monitor information on qualitative analysis items to verify their impact on our business.

CO<sub>2</sub> Emissions Reduction Targets

Timing	Targets	Scope	Implementation
2031/3	50% reduction (compared to 2014/3)	Scope 1 + 2	MITSUI-SOKO HOLDINGS Co., Ltd. and major Group companies*
2051/3	Achieve net zero		

\* MITSUI-SOKO Co., Ltd., MITSUI-SOKO EXPRESS Co., Ltd., MITSUI-SOKO LOGISTICS Co., Ltd., MITSUI-SOKO Supply Chain Solutions, Inc., MITSUI-SOKO TRANSPORT Co., Ltd., Marukyo Logistics Co., Ltd. (Osaka), and Marukyo Logistics Co., Ltd. (Ehime)

Details of Scenario Analyses and Evaluation Using 1.5°C and 4°C Scenarios

	Transition Risks and Opportunities	Financial Impact		Timing	Response Measures
		1.5°C	4°C		
Policy and Legislation	<b>Tax and other regulations relating to reducing CO<sub>2</sub> emissions</b> (Risks) <ul style="list-style-type: none"> <li>Increased costs due to introduction and strengthening of carbon pricing                             <ul style="list-style-type: none"> <li>Use of fuel and electricity in transportation and logistics facilities (including subcontractors)</li> </ul> </li> </ul>	Low-medium	—	Medium-term	<ul style="list-style-type: none"> <li>Improve transportation efficiency</li> <li>Introduce zero-emission vehicles</li> <li>Promote energy-saving in facilities and measures</li> <li>Promote lower-energy operations</li> <li>Encourage adoption of renewable energy</li> <li>Select partner companies</li> </ul>
	<b>Refrigerant regulation</b> (Risks) <ul style="list-style-type: none"> <li>Increased capital investment due to stricter regulation of alternative CFCs and other refrigerants                             <ul style="list-style-type: none"> <li>Adapting refrigeration equipment in logistics facilities</li> </ul> </li> </ul>	Low	Low	Medium-term	
	<b>Other regulations</b> (Risks) <ul style="list-style-type: none"> <li>Increased costs due to introduction and strengthening of energy-saving and other regulations</li> <li>Introduction of EVs and regulations such as bans on the sale of fossil fuel vehicles</li> <li>Heat insulation and other energy-efficiency standards for buildings</li> <li>Regulations on renewable energy procurement and share targets, etc.</li> </ul>	—	—	Long-term	
Market and Reputation	<b>Energy transition by transportation subcontractors</b> (Risks) <ul style="list-style-type: none"> <li>Increased transportation consignment costs arising from switch to low-carbon and decarbonized fuels                             <ul style="list-style-type: none"> <li>Adoption of fuels with low environmental impact, such as sustainable aviation fuel</li> </ul> </li> </ul>	Low	Low	Short- or medium-term	<ul style="list-style-type: none"> <li>Develop and promote logistics solution services, such as SustainaLink, that address societal issues based on the climate-related needs of existing and potential customers</li> </ul>
	<b>Customer trends (conditions)</b> (Risks, Opportunities) <ul style="list-style-type: none"> <li>Expansion of environmentally responsible practices                             <ul style="list-style-type: none"> <li>Monitoring and reduction of CO<sub>2</sub> emissions become conditions for contracts and orders</li> </ul> </li> </ul>	High	Low	Short-term	
	<b>Customer trends (products handled)</b> (Risks, Opportunities) <ul style="list-style-type: none"> <li>Changes in the products handled for customers                             <ul style="list-style-type: none"> <li>Changes in production volumes or regions, components produced, etc.</li> <li>Emergence of new sustainable products</li> </ul> </li> </ul>	High	High	Medium- or long-term	
Physical Risks		Financial Impact		Timing	Response Measures
		1.5°C	4°C		
Acute	<b>Intensification of wind and flood damage (direct impact)</b> (Risks) <ul style="list-style-type: none"> <li>Damage to owned assets and greater insurance premiums and repair costs caused by increased frequency and scale of severe disasters</li> </ul>	Low	Low	Medium-term	<ul style="list-style-type: none"> <li>Incorporate impacts of climate change, such as severe wind and flood damage, into risk management</li> <li>Continuously implement BCP and BCM measures</li> <li>Provide safe working environments</li> </ul>
	<b>Reputation (indirect impact)</b> (Risks) <ul style="list-style-type: none"> <li>Loss of confidence due to insufficient assessment of wind and flood damage impact and BCP response</li> </ul>	Low	High	Short- or medium-term	
Chronic	<b>Sea level rise</b> (Risks) <ul style="list-style-type: none"> <li>Damage to owned assets and greater insurance premiums and repair costs caused by increased flooding</li> </ul>	Low	Low	Long-term	
	<b>Temperature increase</b> (Risks) <ul style="list-style-type: none"> <li>Higher risk of heatstroke                             <ul style="list-style-type: none"> <li>Greater health hazard for employees</li> <li>Fewer possible working hours</li> </ul> </li> <li>Increased air-conditioning costs due to higher average temperatures</li> </ul>	Low	Low	Medium-term	

Legend

High/medium/low: Quantitative and qualitative assessments based on financial impact estimates  
 — : Potential risks not highly likely to occur by 2030 based on current information  
 Short-term : 3–5 years  
 Medium-term : 10 years (2030)  
 Long-term : More than 30 years (2050 or later)

## Outside Director Roundtable Discussion



Outside Director

Takashi Tsukioka

Outside Director

Takashi Hirai

Outside Director

Maoko Kikuchi

Outside Director

Taizaburo Nakano

## Providing impetus for transformation by focusing on the Mitsui-Soko Group's future, aiming for sustained improvement in corporate value

Based on Medium-term Management Plan 2022, which started from the fiscal year ended March 31, 2023, all four outside directors spoke about their evaluations of Mitsui-Soko Group strategies and policies, any issues of which they are aware, and their expectations for future growth.

### Medium-term Management Plan 2022: Evaluations and challenges upon completing its first year

**Nakano:** Amid dramatic changes in the environment, in the fiscal year ended March 31, 2023, the Mitsui-Soko Group was able to achieve record-high levels of profits for the third consecutive fiscal year. It can thus be said that Medium-term Management Plan 2022 has gotten off to an excellent start. What was particularly good was that new buds toward top-line growth have been emerging from various angles. The other day, I was kindly given a tour of a logistics center for a home appliance mass retailer in the Kansai region, where I was impressed by the installation of the latest systems, including robotics, and the construction of a logistics environment that achieves high levels of automation, labor-saving, and rationalization. The Company's logistics facilities that are dedicated to the healthcare business, which is a growth area, are also operating smoothly. From the beginning of the current fiscal year (ending March 31, 2024), two logistics center facilities have commenced operations, one for semiconductor-related business, the other for EC business in the B2B2C field. By accumulating and horizontally deploying the knowledge gained through these efforts, I am expecting that the Company will most likely be able to produce significant results over the next five years.

**Hirai:** I find it commendable that the Group has taken on new challenges that are consistent with its targeted long-term goals and that it was able to record a steadfast performance while taking a certain amount of risk. In contrast, although the overall actual value of operating profit has improved, now that the special demand caused by the COVID-19 pandemic is tapering off, with regard to the extent to which we can increase the Group's competitiveness, which equates to its actual value, it is important for us to start thinking and discussing the issue seriously at an early stage. To shift up a gear toward the achievement of Medium-term Management Plan 2022, I think it is time to reconsider the Company's strengths and weaknesses, as well as its future challenges, which we can understand for the very reason that we find ourselves in such a period of change.

**Kikuchi:** With regard to SustainaLink, which is one of the Company's sustainability initiatives, the Board of Directors is also receiving a variety of reports. With an exceptional business model that is said to help not only the Group but also its customers achieve sustainability in their supply chains, up to this point

I do not think any other company has initiated such a comprehensive approach to sustainability. Also, regarding One Mitsui-Soko, which was raised as an issue at the roundtable discussion in last year's integrated report, it has become clearer that each operating company is developing measures that make the most of their own individuality and that they are willing to grow together. The number of cases of co-creation with other companies is also increasing steadily, which is also commendable. In the collaboration with the home appliance mass retailer that Mr. Nakano mentioned, the Company is working closely with the customer and advancing logistics reforms while focusing on promoting DX, and I have the feeling that possibilities for new areas are constantly being opened up, such as the partnership with NRS Corporation, an expert in hazardous goods logistics.

**Hirai:** The subject of DX has just been brought up, and DX is definitely important for the logistics industry. Logistics is a world in which "network externality" is effective in business administration. The more connected, the greater the degree of freedom, and this is an area where overall optimization can be achieved. For growth in the years to come, it can be said that the challenge for the entire Group is to work together as a group, proactively utilize DX, and for the Group companies to bring about their own evolutions. Under Medium-term Management Plan 2022, the Company adopted the framework of a certain amount of investment in DX and adopted the policy of strengthening its initiatives, but since this has only just started, going forward it will be important to promote DX with an emphasis on a sense of urgency.

**Nakano:** Medium-term Management Plan 2022 is very detailed and contains all sorts of action plans, but when I look inside the Company, where the atmosphere has been changed to one of vitality and confidence, I think the Plan can be successfully completed. Naturally, when undertaking a variety of initiatives, there will be successes and failures. I would definitely like these to be shared within the Group and for the Group to work together to achieve its goals.

### Concerning the newly formulated profile of the human resources we seek

**Kikuchi:** The key to implementing human capital management is how a company will be able to recruit and develop its human resources, and I think that the

## Outside Director Roundtable Discussion



“profile of the human resources we seek is encapsulated in ‘Design the new story and lead everyone’” is a very good way to send out a message. Having overcome difficult times and achieved a turnaround, now is the time for the Company to go on the aggressive and continue to move on from there. I gained the impression that this is a good representation of the human resources the Company needs at this point in time. Personnel requirements are also defined, and include qualities such as individuality, positivity, ambition, customer orientation, leadership, humility, and honesty. By conducting recruitment activities and human resource evaluations based on requirements, the Company can expect to create a good team that understands its PURPOSE and VISION as well as the four VALUES.

**Hirai:** A conglomerate-affiliated company, the Mitsui-Soko Group has a history of having supported the infrastructure of society in a sincere and steady manner for more than 100 years. The profile of the human resources the Company is seeking this time states, “Imagine the future and act on your own initiative” while making best use of the qualities the Group has displayed so far. Amid the trend for emphasizing diversity, I think it is really very valuable for the Company to have come up with a policy that is somewhat radical yet meets the demands of the times.

**Nakano:** I think the profile is a declaration of the Company's determination to continue to innovate strategies and actions in response to changes in the environment without letting up, even while continuing to maintain favorable performance. The Group has already brought together some excellent human resources, but I sometimes make suggestions like “Wouldn't a way of operating that's a little more

aggressive be better?” I would like each and every employee to definitely act in line with the “profile of the human resources we seek” that the Company formulated this time. People grow by thinking for themselves, setting goals for themselves, and thinking and acting for themselves. And if the employees grow, a company will naturally grow in stature.

**Tsukioka:** Having accepted the position of outside director, I have read a variety of materials on the Mitsui-Soko Group. The first thing I thought was that it was the perfect time to revamp the Group Philosophy. The Diversity & Inclusion (D&I) movement is now gathering momentum around the world. From the point of view of productivity and efficiency, we have changed from an era that emphasized uniformity to an era of diversity. This means that we are required to advance together with people who have different values, but from a management point of view, it is also a situation that is confusing in terms of how the helm should be taken. For that very reason, a purpose and vision are needed to unify vectors, and I believe that a company will be able to move forward together as one by communicating to people inside and outside a company a message that states “We will move forward with these new values.” However, having come up with a new purpose and vision, it does not end there, as they have to be instilled. That is a role of top management, and probably the direction of a company will be determined by continuing to communicate and sharing values with all employees. With regard to the issue of retaining human resources, education and training are also important, and I believe that this is about to lead to investments in human capital.

**Hirai:** Organizations do not change suddenly, and the continuation of steady efforts is essential, but the most important thing is the leadership from the top. If it reaches the point that middle up-down management, that is, management by middle managers is added to the top management, and frontline employees link the philosophy with the work at hand and are able to act on their own, then little by little changes will appear. I would like all people—including top management, middle management, people in each field, and new employees—to strive to embody the profile of the human resources our Group is seeking, and I will do my best to support them.

### Sustainability in the Mitsui-Soko Group

**Tsukioka:** When it comes to environmental measures, I think the Company is in a very difficult position. As the movement toward a carbon-free society picks up speed, it is only natural that the logistics industry should also be aiming for that goal. However, if too much emphasis is placed on it and, in the worst-case scenario, logistics ends up being brought to a standstill or should something happen that disrupts customer SCM, it will have been a case of having put the cart before the horse. Considering the risks of the transition period and the viewpoint of economic security and other factors, the Company must engage while striking a balance between two goals: to “Empower society, encourage progress,” as adopted for its PURPOSE, and the building of a decarbonized and recycling-oriented society.

**Nakano:** The Company has set goals of reducing its CO<sub>2</sub> emissions by 50% by the fiscal year ending March 31, 2031 and of reaching net zero by the fiscal year ending March 31, 2051, so steady efforts must be made to achieve these targets. However, as Mr. Tsukioka said, it is important to proceed while striking a balance with management.

**Hirai:** As the Group possesses a sincere and solid culture that has been cultivated over the years, I am expecting that a balanced path will be found on the premise that the Mitsui-Soko Group will definitely not cease playing its current role. However, if anything, it would seem that there is a feeling that striking too much of a balance and ending up staying in one place could pose challenges.

**Kikuchi:** To move forward even while taking some risk. I would like the directors, including President Koga, to demonstrate leadership and move forward by finding the optimal solution for the Mitsui-Soko Group.

I think this applies not only to environmental issues but also to social issues. As operations at logistics sites involve hard work in some aspects, it is important to consider how to improve the working environments of the Company's employees and partners. In addition to employee job satisfaction, I believe this will also lead to resolving human rights issues in the supply chain.

**Nakano:** With regard to issues involving the environment and human rights, I think the key points are to recognize what has happened before, what must be done to survive as a company, and to always predict the future and recognize challenges.

Recently, the speed of change in the business environment has increased, and what used to be a good company may find itself now lagging behind.

**Tsukioka:** You are right. The Company is currently running a five-year medium-term management plan, but since the kind of changes that will occur in the business environment over the space of five years are unknown, I think there is a risk in getting too caught up in the numbers and current issues. To always manage a business with the understanding that unexpected situations may occur, and to go over the plan each time the circumstances change, that is the kind of flexibility that is needed.

### Future-oriented initiatives

**Hirai:** It is very difficult to be at the management helm in these times, but I therefore think that one solution to moving forward in a new way without halting a company's current role is a medium-term management plan.

A medium-term management plan serves two important roles. One is running a PDCA cycle and learning from it, and the other is commitment. Commitment is not just a numerical commitment, but a commitment to sense changes in the world and your customers and to changing ourselves. You can move an organization by making a commitment to the world. I believe that medium-term management plans should be the very starting point for change. If a medium-term management plan is just numerical targets and an action plan of what needs to be done, it will give rise to inflexibility. As goals and operations are changed according to the situation, a company can sense what is changing and whether something needs to be paid attention to, and sense and



## Outside Director Roundtable Discussion

ascertain the changes. I believe that a medium-term management plan plays an important role as a basis for thinking about what to look for to achieve this.

**Nakano:** I believe the same goes for the role in the Group Philosophy, including its purpose and vision. Its philosophy indicates the direction of the Mitsui-Soko Group in extremely plain, easy-to-understand language. If an entire group works together on the basis of a philosophy, it will naturally lead to change.

**Tsukioka:** By the way, one of the items listed under Values in the Mitsui-Soko Group Philosophy that I thought was very good is GEMBA (front lines). This straightforward expression is striking. I think that the things that are said to be happening now are best understood by people on the front line. This is an expression of the attitude of the management team to always have an ear to listen to that front line, and by this word alone the Company's open organizational climate that facilitates the expressing of opinions can be identified.

**Nakano:** As logistics firms in particular are companies that make their money on the front line, that is the starting point. One of the future challenges the Company will be facing is to make the world aware of this kind of work and company, in other words, to strengthen the dissemination of information. This will also lead to making the Mitsui-Soko Group a company that employees want to join, a company that employees want to continue working for, and a company in which people will want to invest.

**Tsukioka:** I think that not only IR but also PR are extremely important. Until recently, I had been looking at the Mitsui-Soko Group from the outside and had understood that it was a company primarily involved



in the warehousing industry. Through my studies, however, I have now come to understand that the Company is making innovative efforts in a wide range of fields and also playing an important role in society. I think it is important to actively publicize, receive external evaluations, and give back to the Company. I believe that receiving external evaluations will increase employee motivation, improve loyalty, and lead to an increase in corporate value.

### Concerning discussions at and effectiveness of Board of Directors' meetings

**Nakano:** At every Board of Directors' meeting very lively discussions take place in a frank atmosphere, and it is recognized that their effectiveness is being sufficiently ensured. I would, however, like to hear more opinions from people within the Company. While the content of Management Council meetings is shared with us in advance, I think we could have more constructive exchanges of opinions even in Board of Directors' meetings if we could hear what kind of opinions had been passed on from people within the Company and brought before Board of Directors' meetings. There are many topics that I would like to discuss in depth, such as the progress and review of the medium-term management plan, the ideal form of the Group's organizational structure, the direction of M&A, and human resource development, but time constraints are causing bottlenecks.

**Hirai:** Because the discussions are so lively, meetings are often pressed for time, so the Company may need to narrow down the topics. Nonetheless, in the normal course of business, there are many cases in which proposal-based approvals must be made. Since it is difficult to do this at Board of Directors' meetings alone, it may, for example, be a good idea to create a separate meeting forum where internal and outside directors can gather and have discussions, or try holding off-site meetings (in lodgings for example).

**Kikuchi:** At Board of Directors' meetings, we receive detailed reports on important themes and projects, such as DX, IR, SR, and sustainability. Since we are entering the second year of the Medium-term Management Plan 2022, I think it would be even better if we could see how each report item is linked to the results of the growth strategies set forth in the Plan. By doing so, I think it will lead to the development of discussions that are related to the

issues, which will most likely lead to a further activation of discussions and improved effectiveness. For example, I am thinking whether, at the start of a new fiscal period, there is also a way the Company could plan what kind of discussions they will develop at Board of Directors' meetings during that year with regard to the Mitsui-Soko Group over the medium to long term, based on factors that the management team is expecting.

### Toward further improvement of corporate value

**Hirai:** Along with the successful completion of its medium-term management plans, the Mitsui-Soko Group is hoping to become a company recognized as a leader in a logistics industry that is at the cutting edge. Were this to be achieved, a virtuous cycle would be created in which talented human resources would be attracted, both their motivation and the value they could provide to customers would increase, and both stock prices and employee salaries would rise. To that end, I believe that my role is to utilize my expertise in management strategy, to logically verify, for example, the direction of strategy with a "cool head" and to point out issues, give advice, and make recommendations with a "warm heart." I will do my best to support the Company in becoming a company that is referred to in terms of "For both logistics and warehousing it's Mitsui-Soko Group, who else?"

**Tsukioka:** The source of corporate activities is people. I would like to use my experience to give advice and come up with ideas, so that the Company can become "the Mitsui-Soko Group that values people." I would like to think about what I can do so that each and every one of the Company's employees, who have diverse personalities and abilities, are able to demonstrate their full potential in a lively and energetic manner. There is a Gauguin masterpiece entitled "Where Do We Come From? What Are We? Where Are We Going?" To put this into perspective, "What Are We?" is represented by the Company's PURPOSE, and "Where Are We Going?" by the Company's VISION and Medium-term Management Plan 2022. I believe supporting the realization of these goals is the responsibility of outside directors.

**Kikuchi:** "A company where employees are happy" is what I want the most. If its employees are happy, the value of a company should naturally rise. As a result, I believe that this will lead to contributions to



shareholders and other stakeholders as well as to society. To comment on the diversity aspect, I believe that an environment that is easy for women to work in is actually an environment that is rather easy for men to work in as well. From the perspective of improving the workplace environment for all employees, I would like to see the Company promote the active participation of women, and I will do my best to help. I would like to have the opportunity to obtain feedback directly from female employees.

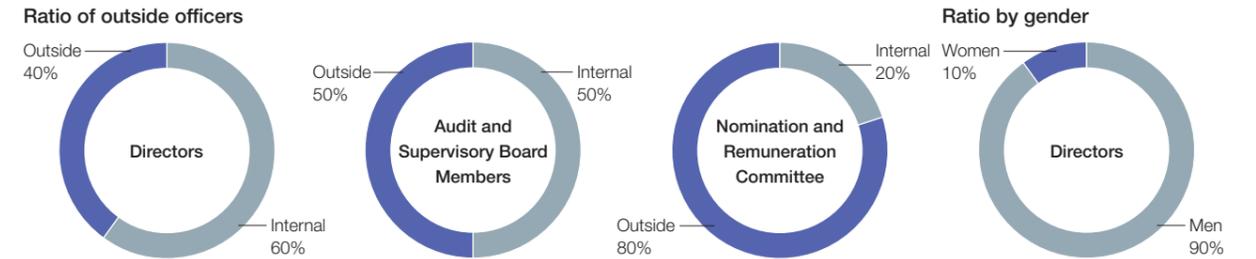
**Nakano:** A new philosophy has been created and a new medium-term management plan has been launched. While leveraging the brand power and history of the traditional Mitsui-Soko Group as its foundation, amid major changes in its business environment the Group is currently in the process of engaging in innovation with the spirit of "once again creating a new company." In addition to its existing businesses, the Company is also working on further scaling up, for example by utilizing DX and co-creating with other companies, and focusing on sustainability initiatives, including the environment, human rights issues, and diversity. In response to the diverse challenges faced by the Group in its efforts toward improving its corporate value and achieving sustainable growth, I will support and contribute in a variety of ways based on my past experience.

Corporate Governance

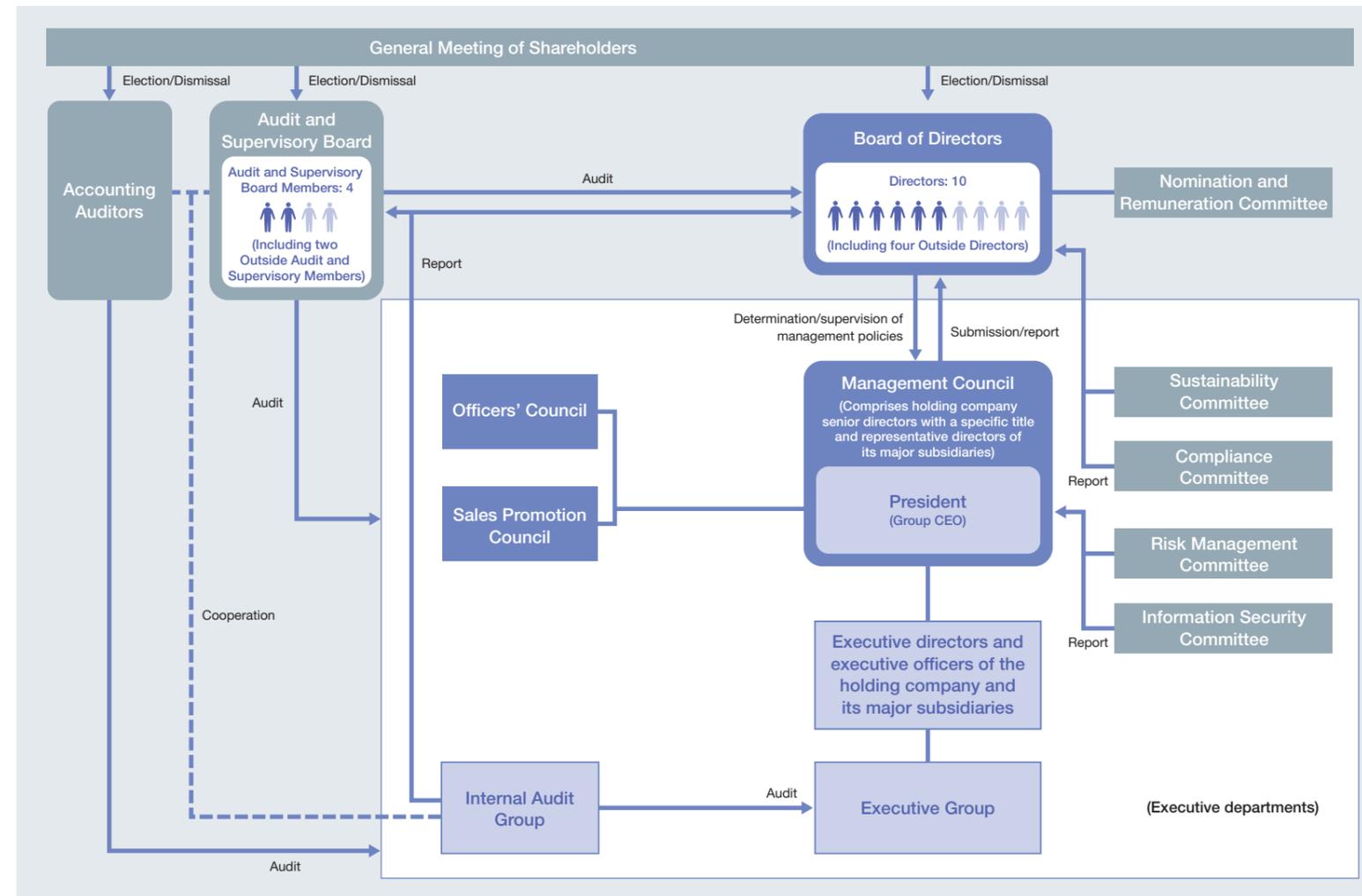
# Building a Governance Structure Aimed at Improving Corporate Value

Under the PURPOSE of “Empower society, encourage progress,” MITSUI-SOKO HOLDINGS, as a holding company, is aiming to improve its medium- to long-term corporate value by strengthening Group governance to properly undertake the management of each subsidiary in the Group. The Company has thus established various organizational entities and introduced an executive officer system that separates business execution and supervision and clarifies responsibilities and authority for business execution by directors and executive officers as part of its initiatives for strengthening corporate governance.

## Composition of Directors and Audit and Supervisory Board Members



Corporate Governance System (as of July 1, 2023)



### Board of Directors (Chair: Hirobumi Koga, President)

No. of times held in '23/3: 16  
Director attendance rate: 100.0%

The Board of Directors makes decisions on basic management policies, management strategies, and other important business executions in accordance with regulations stipulated by law, the Articles of Incorporation, and internal rules, while overseeing the status of execution by executive directors.

- Main Agenda Items for the Fiscal Year Ended March 31, 2023**
- Establishment of Group Philosophy and formulation of Medium-term Management Plan 2022
  - Projects for Medium-term Management Plan 2022 growth strategy
  - Introduction of stock-based remuneration system
  - Board of Directors' effectiveness evaluation
  - Verification of the significance of holding strategic stockholdings
  - Establishment of the Mitsui-Soko Group Human Rights Policy
  - Dialogues with shareholders and evaluation of the Group by the market

### Audit and Supervisory Board

No. of times held in '23/3: 16  
Audit and Supervisory Board member attendance rate: 100.0%

Striving to enhance audits, members of the Audit and Supervisory Board attend Board of Directors' meetings, the Officers' Council, and other important meetings while overseeing the directors in the execution of their duties.

### Compliance Committee (Chair: Hirobumi Koga, President)

No. of times held in '23/3: Four  
Committee member attendance rate: 100.0%

The Committee discusses compliance violations affecting the Group's management and ways of responding, establishes corporate codes of conduct that should serve as behavioral standards for officers and employees, develops a compliance system, promotes respect for compliance, and works to prevent compliance violations.

### Nomination and Remuneration Committee (Chair: Taizaburo Nakano, Outside Director)

No. of times held in '23/3: Three  
Committee member attendance rate: 100.0%

The Committee deliberates on the nomination of directors and Audit and Supervisory Board members, the determination of remuneration for directors and executive officers (standard amount for remuneration for officers, individual evaluation of each director, and verification of the adequacy and appropriateness of performance-linked remuneration amounts), and the formulation and review of the officer remuneration system (including non-monetary remuneration such as stock-based remuneration) to enhance the objectivity, fairness, and transparency of each item.

### Management Council (Chair: Hirobumi Koga, President)

No. of times held in '23/3: 26  
Council member attendance rate: 99.2%  
(Executive Managing Director Mr. Kino and MSC President Kubo absent once)

With the aim of maximizing the value of the Group, the Management Council discusses, or resolves matters to be submitted to the Board of Directors, important matters related to overall management, and matters delegated to the Management Council by the Board.

MSC: MITSUI-SOKO Co., Ltd.

### Sustainability Committee (Chair: Hirobumi Koga, President)

No. of times held in '23/3: Two  
Committee member attendance rate: 100.0%

The Committee works to improve the Group's corporate value through discussions on sustainability-related strategies and policies of the Group, and implementation and management of initiatives to address the materiality and target KPIs.

## Corporate Governance

### Changes in Initiatives to Strengthen Corporate Governance

	2004-	2006-	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Separation of management and execution	2004 • Introduction of executive officer system	2006 • Establishment of Remuneration Committee			2016 • Reorganization of Remuneration Committee into Nomination and Remuneration Committee							
Total no. of directors	9-12							8	9			10
Outside directors		1-2						2	3 (1 female)			4 (1 female)
Outside Audit and Supervisory Board members	2-3							3	2			
Officer remuneration		2006 • Start of a performance-linked officer remuneration system									2022 • Introduction of stock-based remuneration system	
Evaluation of Board of Directors' effectiveness					2016 • Start of evaluation of Board of Directors' effectiveness (interviews and questionnaires)							
Other			2014 • Transition to a holding company							2021 • Set up of Sustainability Committee	2022 • Establishment of Group Philosophy	

### Skills Matrix

The Group appoints directors and Audit and Supervisory Board members to ensure that the Board of Directors has an overall balance of knowledge, experience, and ability, and is both diverse and of the right size.

Name	Position	Corporate management	Sales/marketing	Global business	DX/IT	Operation	ESG	Financial accounting/Finance	Human resource development/personnel	Law/risk management
Hirobumi Koga	Representative Director, President and Group CEO, Chairman of the Board of Directors	●	●	●			●	●	●	●
Nobuo Nakayama	Representative Director, Senior Managing Director, Responsible for Finance Headquarters	●		●			●	●		●
Hiroshi Kino	Executive Managing Director, Responsible for Personnel, HR, Real Estate Division	●			●	●			●	
Takeshi Gohara	Executive Managing Director, Responsible for Compliance, Legal and General Affairs, Risk Management	●	●			●				●
Yuji Itoi	Director, Senior Executive Officer, Responsible for Information Systems				●					
Tomoaki Kiriya	Director, Senior Executive Officer, Responsible for Strategic Sales, Development Administration		●			●				
Taizaburo Nakano	Outside Director	●	●	●						
Takashi Hirai	Outside Director		●	●	●					
Maoko Kikuchi	Outside Director			●			●			●
Takashi Tsukioka	Outside Director (newly appointed)	●					●		●	
Yukio Ishida	Senior Standing Audit & Supervisory Board Member	●	●							
Norio Miyashita	Standing Audit & Supervisory Board Member	●						●		
Motohide Ozawa	Outside Audit & Supervisory Board Member							●		
Hidetaka Miyake	Outside Audit and Supervisory Board Member (newly appointed)									●

Note: The table is not indicative of all the expertise and experience possessed by the Directors and Audit & Supervisory Board Members.

### Initiatives Geared toward Enhanced Management of Board of Directors

To improve our corporate value, we make sure there is time at Board of Directors' meetings to discuss medium- to long-term management issues and matters that have a major impact on management. To enable the holding of meaningful and lively discussions, we are addressing the following:

Ensuring Sufficient Discussion Time	Providing Information and Support to Outside Directors
<ul style="list-style-type: none"> <li>• Drawing up of plans with regard to annual schedule of and agenda items for Board of Directors' meetings</li> <li>• Advance explanation of matters to be discussed at Board of Directors' meetings</li> <li>• Clarification of progress of discussions leading up to Board of Directors' meetings</li> <li>• Authority regarding business operations to be delegated to the Management Council, managing officers, and representatives of operating companies</li> </ul>	<ul style="list-style-type: none"> <li>• Providing prior briefings on important matters and individual explanations of urgent matters</li> <li>• Regular briefings on operations and business strategies from directors in charge of each holding company and representatives of operating companies</li> <li>• Conducting group visits of various facilities</li> </ul>

#### Conducting of On-Site Inspection Tours for Outside Directors and Audit and Supervisory Board Members

In December 2022, we conducted tours of the Ibaraki Moegi warehouse of MITSUI-SOKO Logistics, which handles home appliances, and the Saijo Office of Marukyo Logistics, which handles consumer electronics and other products, to promote better understanding of the business and of workplaces among outside directors. At the Moegi Warehouse, participants were given a tour of the latest logistics robotics facilities, and at the Saijo Office they were given briefings of Marukyo Logistics' history, company profile, and business model to deepen their understanding of the business.

### Effectiveness of the Board of Directors

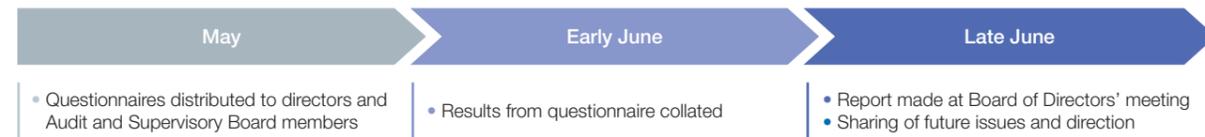
To work on the enhancement of the Board of Directors' functions and thereby improve corporate value over the medium- to long-term, we evaluate the effectiveness of the Board of Directors by means of questionnaires between directors and Audit and Supervisory Board members, and discuss the results at Board of Directors' meetings.

#### Issues Raised in previous fiscal year and Response Status

Tasks	Response Status
<ul style="list-style-type: none"> <li>• Further expansion of discussions on DX and sustainability</li> <li>• Expansion of discussions towards realization of Medium-term Management Plan 2022 growth strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Progress reports on measures based on DX strategy (introduction of robotics, cloud migration, etc.)</li> <li>• Conducting tours of facilities that have installed the latest robotics</li> <li>• Sustainability Committee meets twice a year</li> <li>• Conducting discussions on growth strategy projects (conclusion of strategic partnerships, new warehouse construction projects for handling semiconductors, new warehouse construction projects for handling e-commerce, etc.)</li> </ul>

## Corporate Governance

### Method for Evaluating Effectiveness

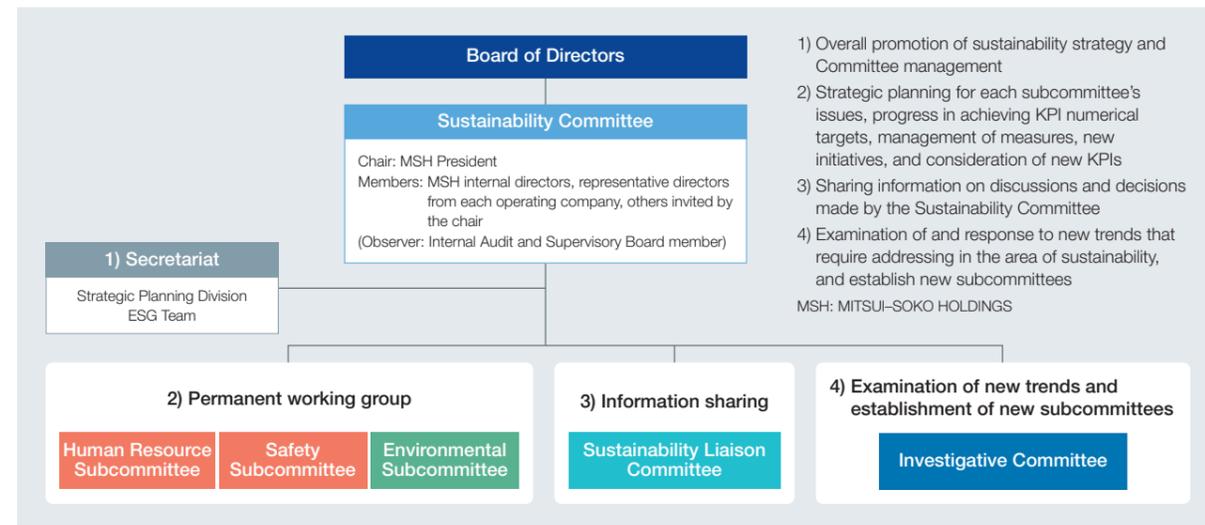


### Evaluation of Board of Directors' Effectiveness for the fiscal year ended March 31, 2023

Main Content of Questionnaire	Evaluation Results
<ul style="list-style-type: none"> <li>Structure and operational methods of the Board of Directors</li> <li>Content of agendas</li> <li>Director compensation, election and dismissal, etc.</li> <li>Progress of Medium-term Management Plan 2022</li> <li>DX, sustainability, and human capital</li> <li>Status of discussions at the Board of Directors' meetings</li> </ul>	<ul style="list-style-type: none"> <li>By providing prior briefings and delegating authority, we were able to enrich the content of the discussion and take sufficient time to discuss strategically important topics in the medium-term management plan.</li> <li>DX promotion involves a wide range of issues and rapid changes, making it difficult to make decisions on the return on investment. This makes it necessary to regularly check the positioning and policy of DX and discuss the progress of measures.</li> <li>With regard to sustainability, a mechanism has been put in place to facilitate discussion, and ongoing regular information sharing and discussion forums are desirable. Further discussion on strategies for improving and upgrading human capital will be needed going forward.</li> <li>The briefings on the status of dialogue with investors are very helpful. In the future, we would like to invigorate discussions to gain understanding and recognition from a wider range of stakeholders, including investors.</li> </ul>

### Sustainability Promotion Framework

The Mitsui-Soko Group is promoting sustainability management with the aim of realizing a sustainable society and increasing the corporate value of the Group. To further promote and strengthen our sustainability management, we established the Sustainability Committee, chaired by the President. This Committee is responsible for considering the strategy and policy on sustainability, as well as implementing and managing initiatives to achieve materiality and target KPIs. In addition, discussions by the Committee are reported to the Board of Directors, and the Board's opinion and advice are duly reflected in sustainability measures.



### Sustainability Committee Topics for the Fiscal Year Ended March 31, 2023

- 1st Meeting (July 2022): Specific responses to TCFD, progress of activities relating to business and human rights (identification of human rights issues and formulation of human rights policy)
- 2nd Meeting (December 2022): Reports from each subcommittee (human resources, safety, environment), CO<sub>2</sub> emission reduction response policy, progress of activities relating to business and human rights (implementation of human rights due diligence and feedback on results)

### Officer Remuneration (as of March 31, 2023)

#### Officer Remuneration Decision Process

The Board of Directors has adopted a decision-making policy for determining remuneration details of each director. To further ensure the appropriateness of individual remuneration amounts and the transparency of the decision process, remuneration amounts are decided at a Nomination and Remuneration Committee meeting—chaired by an outside director and comprised of other outside directors and the President and Group CEO—and the Board of Directors are paid in accordance with those decisions.

#### Composition of Officer Remuneration

The remuneration system for directors consists of monetary remuneration (fixed portion and variable portion) and non-monetary remuneration (stock-based remuneration) for each position. Outside directors and Audit and Supervisory Board members receive fixed remuneration but are ineligible for stock-based remuneration.

#### Total Amount of Remuneration, etc., for Each Officer Category, Total Amount by Remuneration Type, and Number of Eligible Officers

Officer category	Amount of remuneration, etc. (millions of yen)	Total amount by remuneration type, etc. (millions of yen)			No. of officers paid
		Fixed portion	Variable portion	Stock-based remuneration	
Directors (excluding outside directors)	356	210	123	21	8
Hirobumi Koga	(101)	(63)	(31)	(6)	—
Audit and Supervisory Board members (excluding outside Audit and Supervisory Board members)	63	63	—	—	2
Outside officers	47	47	—	—	5

Note: The number of eligible officers is the total for the fiscal year. The figures in parentheses is included in the total amount.

#### Officer Remuneration

Monetary remuneration	The base amount of a position is determined in accordance with the officer's position.
Fixed portion	70% of the base amount of a position is paid as monetary remuneration that is not linked to performance indicators.
Variable portion (performance-linked remuneration, etc.)	To motivate an increase of corporate value through the improvement of business performance, monetary remuneration is paid that varies according to performance-linked evaluation and other factors. The indicators for the performance-linked evaluation include consolidated operating profit, which reflects business performance, and consolidated profit before income taxes, which reflects the results of investments, loans, etc. The system is designed so that the amount of payment ranges from 0% to 60% of the base amount of a position.
Non-monetary remuneration (stock-based remuneration)	Restricted stock equivalent to 10% of the base amount of a position is paid as non-monetary remuneration to share the benefits and risks of stock price fluctuations with shareholders and motivate them to contribute to increasing the stock price and enhancing corporate value.

#### Visualization of Officer Remuneration (Base amount of a position set at 100)



## Corporate Governance

### Group Governance

Having established a policy relating to Group governance, the Company has clarified the responsibilities and authorities that each company in the Group should have.

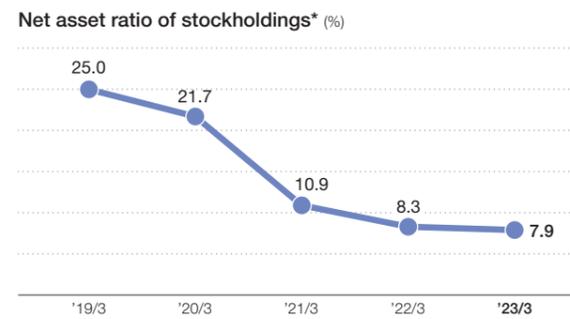
In addition to discussing and resolving matters to be submitted to the Board of Directors, the Management Council meets twice a month discusses and reports on important matters relating to the management of each company, including business plans, large-scale investment projects, and the internal controls of each company, and thus the Company has in place a system to share information appropriately throughout the Group.

### Stockholdings

The Company maintains a policy of holding strategic stockholdings when these are considered effective in improving corporate value over the medium to long term by comprehensively considering the Group's business strategies and relationships with its business partners. With regard to the verification of stockholdings, we report regularly to the Board of Directors every year.

For verification of stockholdings, we individually qualitatively and quantitatively verify them from the perspectives that include the purpose of the holding and capital cost, and we are also promoting efforts to reduce holdings as appropriate.

While assessing the management policy of the investee company, we exercise voting rights related to strategic stockholdings in an appropriate manner based on whether they will contribute to the improvement of corporate value over the medium to long term.



\* Ratio of consolidated net assets accounted for by market value of stockholdings held

### Compliance

To implement highly transparent management, we have established the Compliance Committee, which convenes every quarter, to strengthen our compliance systems, including legal compliance.

In addition, a monthly Compliance and Risk Management Liaison Committee attended by those in charge of operating companies is held to ensure that each company has an organizational structure in place to properly follow compliance requirements. We also investigate the status of legal compliance in an ongoing, comprehensive manner by striving to improve our legal compliance system by verifying the results of the activities and building a system to help prevent the risk of compliance violations for the next year. We conduct annual compliance-related training and awareness surveys to raise awareness of compliance issues throughout the Group.

To prevent or quickly detect major violations, such as legal noncompliance, malpractice, or harassment, we have established rules for the handling of internal reporting. The Mitsui-Soko Group Compliance Hotline has also been established for Group employees and others. An external point of contact in Japan has been outsourced to a third-party organization, which further strengthens the anonymity of the whistleblower and can also deal with reports in English and Chinese. By working to expand the whistleblowing system, we are preventing the potential for risks such as scandals.

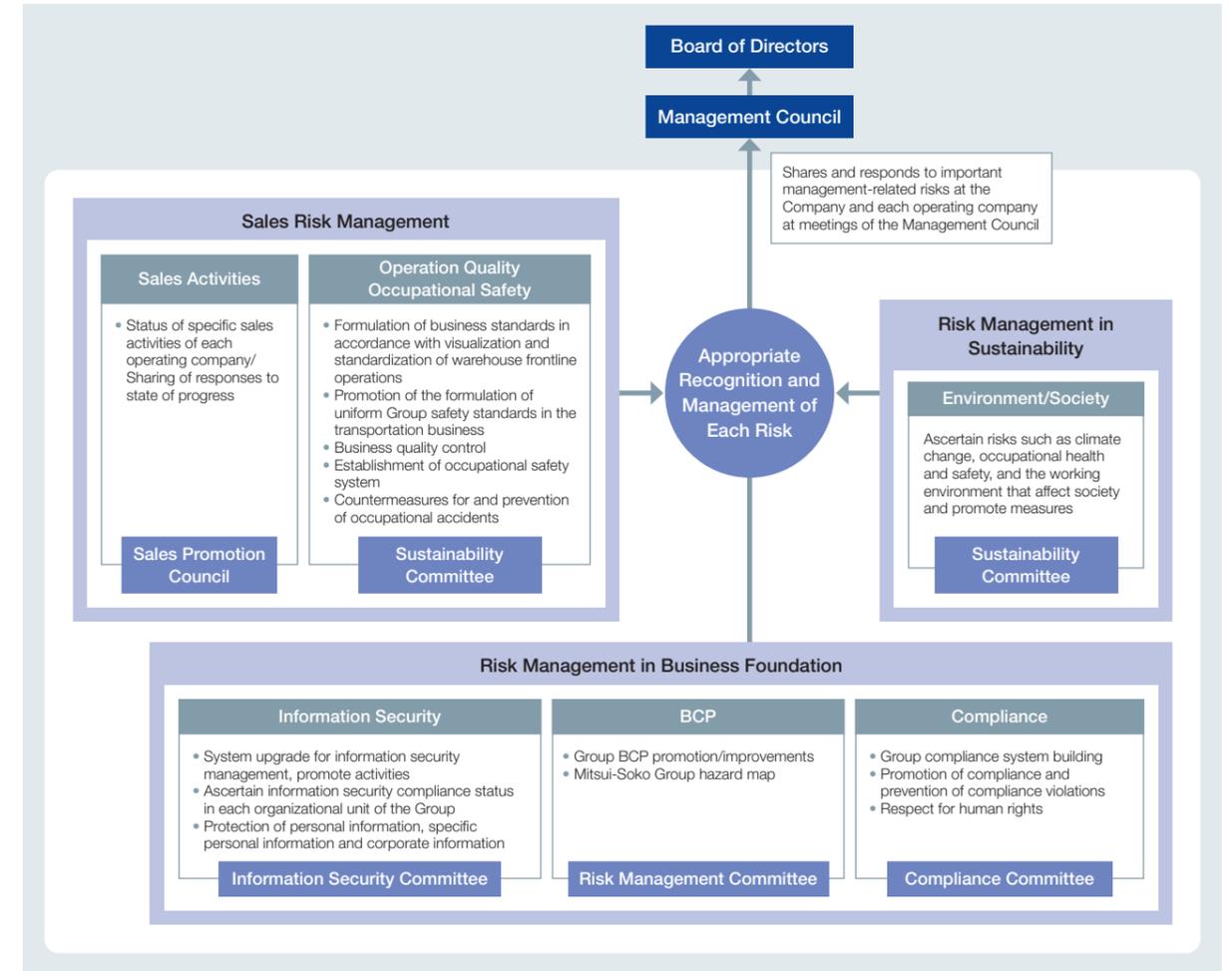
### Risk Management

Basic facts pertaining to the recognition of risks and their management in the Mitsui-Soko Group's business activities are defined in its Risk Management Regulations, and the Risk Management Committee convenes quarterly to improve and strengthen risk management. Comprising risk managers from the Company and major Group companies, the Risk Management Committee deliberates the status of risk management for the Group as a whole and establishes basic response items and policies. The department in charge of risk management for each Group company establishes rules and guidelines, conducts training programs and creates and distributes manuals about individual risks, such as those related to compliance, human rights, the environment, natural disasters, quality, finance, accounting, and information security. The Group's Risk Management Department is responsible for promoting Group-wide risk assessments and responses.

Under the supervision of the director responsible for risk management, who is also responsible for compliance, the Risk Management Department (16 staff members, four of whom are dedicated to risk management) is working on corporate risk prevention, maintaining and

updating the corresponding manuals in the unlikely case that an incident occurs, and striving to reduce corporate risk. Specifically, the Risk Management Department focuses on high-priority risks, which are determined by the Risk Management Committee from among the corporate risks listed in advance. Having prepared response manuals in cooperation with the relevant executive departments, we are verifying the implementation status of preventive measures and sharing the results throughout the Company, while constantly reviewing them.

### Risk Management Framework



### Business and Other Risks

The Group conducts logistics business mainly in Japan, North America, Europe, Northeast Asia, and Southeast Asia, as well as real estate business in Japan. Matters that may have a significant influence on investors' investment decisions are shown on the right. (As of the submission of the annual securities report for the fiscal year ended March 31, 2023)

#### Business and Other Risks Listings

- Changes in economic environment
- Changes in public regulations
- Changes in industry structure
- Exchange rate fluctuations
- Changes in interest rates
- Increasing importance of ESG
- Occurrence of disasters and damage to social infrastructure
- Potential risks from international activities and overseas expansion
- Risks related to systems
- Risks related to information leaks
- Dependence on specific customers
- Changes in market value of owned assets
- Retirement benefit obligation
- Impairment of fixed assets
- Financial covenants for debt cover

## Directors and Audit and Supervisory Board Members

As of July 1, 2023

### Directors

**Hirobumi Koga**

Representative Director,  
President and Group CEO  
Chairman of the Board of Directors  
(Concurrently) Chairman of  
MITSUI-SOKO EXPRESS Co., Ltd.  
(Concurrently) Chairman of  
MITSUI-SOKO TRANSPORT Co., Ltd.



Apr. 1981 Joined The Mitsui Bank, Limited (currently Sumitomo Mitsui Banking Corporation)  
Apr. 2013 Managing Executive Officer of Sumitomo Mitsui Banking Corporation  
May 2014 Joined the Company  
June 2016 Executive Managing Director of the Company  
June 2017 Representative Director, President and CEO of the Company (to the present)

**Hiroshi Kino**

Executive Managing Director  
Responsible for Personnel, HR, Real Estate  
(Concurrently) Director of  
MITSUI-SOKO LOGISTICS Co., Ltd.



Apr. 1984 Joined the Company  
Apr. 2015 Director, Senior Executive Officer of MITSUI-SOKO Co., Ltd.  
Apr. 2016 Representative Director and President of MITSUI-SOKO BUSINESS TRUST Co., Ltd.  
June 2017 Representative Director and President of MITSUI-SOKO Co., Ltd.  
June 2021 Director and Senior Executive Officer of the Company (to the present)

**Yuji Itoi**

Director, Senior Executive Officer  
Responsible for Information Systems



Apr. 1981 Joined IBM Japan, Ltd.  
May 2009 Joined Oracle Corporation Japan  
Aug. 2012 Joined the Company  
Apr. 2016 Executive Officer of the Company  
June 2022 Senior Executive Officer of the Company (to the present)

**Nobuo Nakayama**

Representative Director and  
Senior Managing Director  
Chief Financial Officer  
Responsible for Finance Headquarters  
(Concurrently) Director of MITSUI-SOKO Co., Ltd.  
(Concurrently) Director of MITSUI-SOKO Supply Chain Solutions, Inc.  
(Concurrently) Auditor of MITSUI-SOKO TRANSPORT Co., Ltd.



Apr. 1975 Joined The Mitsui Bank, Limited (currently Sumitomo Mitsui Banking Corporation)  
Apr. 2007 Joined the Company  
June 2015 Executive Managing Director of the Company  
June 2017 Representative Director and Senior Managing Director of the Company (to the present)

**Takeshi Gohara**

Executive Managing Director  
Responsible for Compliance,  
Legal and General Affairs,  
Risk Management  
(Concurrently) Director of  
MITSUI-SOKO LOGISTICS Co., Ltd.  
(Concurrently) Auditor of  
MITSUI-SOKO EXPRESS Co., Ltd.



Apr. 1987 Joined the Company  
Apr. 2013 Representative Director and Senior Executive Managing Director of MITSUI-SOKO EXPRESS Co., Ltd.  
June 2017 Director, Senior Executive Officer of the Company  
June 2022 Executive Managing Director of the Company (to the present)

**Tomoaki Kiriya**

Director, Senior Executive Officer  
Responsible for Strategic Sales,  
Development Administration  
(Concurrently) Director of MITSUI-SOKO Co., Ltd.  
(Concurrently) Director of  
MITSUI-SOKO Supply Chain Solutions, Inc.



Apr. 1990 Joined the Company  
Apr. 2018 Executive Officer of the Company  
June 2022 Senior Executive Officer of the Company (to the present)

### Outside Directors

**Taizaburo Nakano**

Outside Director



Apr. 1969 Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)  
June 1973 Joined Tokyo Coca-Cola Bottling Co., Ltd. (currently Coca-Cola Bottlers Japan Inc.)  
Mar. 2003 Representative Director & Vice President of the same company  
Nov. 2013 President and CEO of TIEUP Co., Ltd. (to the present)  
June 2018 Outside Director of the Company (to the present)

**Takashi Hirai**

Outside Director



Apr. 1989 Joined Bain & Company Japan, Inc.  
July 1997 Joined Dell Japan Inc.  
Apr. 2001 Head of Corporate Planning Division/Officer of Starbucks Coffee Japan, Ltd.  
Sept. 2003 Executive Officer and Senior Partner of Roland Berger Ltd.  
Mar. 2017 Professor of Graduate School of Business Sciences of MBA Program in International Business, University of Tsukuba (to the present)  
June 2017 Outside Director of KITO CORPORATION (to the present)  
June 2019 Outside Director of the Company (to the present)

**Maoko Kikuchi**

Outside Director



Apr. 1992 Joined Public Prosecutors Office of Ministry of Justice as a Public Prosecutor  
Mar. 1999 Registered as an attorney at law in Japan and New York State, U.S. Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)  
Apr. 2004 Joined General Secretariat, Fair Trade Commission  
May 2006 Executive Officer and CCO of Vodafone K.K. (currently SoftBank Corp.)  
Apr. 2014 Executive Officer of Microsoft Japan Co., Ltd.  
June 2016 Standing Outside Audit and Supervisory Board Member of the Company  
Outside Director of the Company (to the present)  
June 2020 Audit and Supervisory Board Member (Part-time), KADOKAWA CORPORATION  
July 2020 Outside Director of Hitachi Construction Machinery Co., Ltd. (to the present)

**Takashi Tsukioka**

Outside Director



Apr. 1975 Joined Idemitsu Kosan Co. Ltd.  
June 2009 Director of the above company  
June 2013 Representative Director & Chief Executive Officer of the above company  
Apr. 2018 Chairman & Representative Director of the above company  
June 2020 Special Advisor of the above company  
June 2021 Outside Director of Mizuho Financial Group, Inc. (to the present)  
July 2022 Honorary Advisor of Idemitsu Kosan Co., Ltd. (to the present)  
June 2023 Outside Director of the Company (to the present)

### Audit and Supervisory Board Members

**Yukio Ishida**

Senior Audit and Supervisory Board Member  
(Concurrently) Corporate Auditor of  
MITSUI-SOKO Co., Ltd.



Apr. 1982 Joined the Company  
Apr. 2014 Representative Director and President & Chief Executive Officer of MITSUI-SOKO LOGISTICS Co., Ltd.  
June 2019 Director, Senior Executive Officer of the Company  
June 2021 Senior Audit and Supervisory Board Member (to the present)

**Norio Miyashita**

Audit and Supervisory Board Member  
(Concurrently) External Auditor (Part-time) of  
MITSUI-SOKO LOGISTICS Co., Ltd.  
(Concurrently) External Auditor (Part-time) of  
MITSUI-SOKO Supply Chain Solutions, Inc.



Apr. 1980 Joined Japan Development Bank (currently Development Bank of Japan Inc.)  
Apr. 2006 Joined the Company  
Apr. 2015 General Manager of Business Administration Division, MITSUI-SOKO LOGISTICS Co., Ltd.  
June 2016 Standing Audit and Supervisory Board Member of the Company (to the present)

### Outside Audit and Supervisory Board Members

**Motohide Ozawa**

Outside Audit and  
Supervisory Board Member



Oct. 1977 Joined Coopers & Lybrand Accounting Firm  
Aug. 1996 Senior Partner of Chuo Audit Corporation  
Sept. 2006 Senior Partner of Arata & Co.  
June 2013 Outside Audit and Supervisory Board Member of the Company (to the present)

**Hidetaka Miyake**

Outside Audit and  
Supervisory Board Member



Apr. 2000 Joined Public Prosecutors Office of Ministry of Justice as a Public Prosecutor  
June 2004 Registered as an attorney at law Joined Ashurst LLP, Tokyo Office\*  
Joined the Securities and Exchange Surveillance Commission, Financial Services Agency  
Jan. 2010 Partner of the above law office (to the present)  
June 2023 Outside Audit and Supervisory Board Member of the Company (to the present)

Note: The "Company" as indicated in the career summary column refers to MITSUI-SOKO HOLDINGS Co., Ltd. (the corporate name before the change on October 1, 2014, was MITSUI-SOKO Co., Ltd.)

\*Currently Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyō

### Relationship between Materiality and Medium-term Management Plan 2022

		Materiality								
		Economy			Social			Environment		
		Provision of sustainable, resilient logistics services through co-creation 			Realization of safe, diverse, and rewarding work environments 			Contribution to a decarbonized, circular economy by actively reducing environmental impact 		
		Development and provision of sustainable logistics services	Supporting optimization of supply chain management that underpins customers' businesses	Building of partnerships for sustainable logistics	Creation of safe and rewarding work environments	Promotion of health and productivity management	Promotion of diversity	Response to climate change	Utilization of renewable energy	Reuse and reduction of resources
Top-line Growth by Mobilizing the Group's Collective Strength	01 Enhancement of integrated solution service	●	●							
	02 Expansion of sustainability-oriented business	●	●	●	●			●	●	●
	03 Deep digging in the inter-industrial business		●							
Reinforcement of Operational Competitiveness	01 Company-wide penetration of standardization	●	●		●					
	02 Improvement of operational quality	●	●		●					
	03 Lower cost of operations	●	●		●					
Building Management Foundation to Support the Deepening	01 DX	●	●	●	●		●	●		
	02 Co-creation			●			●	●		
	03 Business assets	●			●			●	●	
	04 ESG	●			●	●	●	●	●	●

### Stakeholder Engagement

The Mitsui-Soko Group, for over 100 years since its founding, has conducted corporate activities in connection with various regions and people around the world. Further, to build mutual trust with these diverse stakeholders, we place importance on active information disclosure and ongoing dialogue. By co-creating with our stakeholders, we aim to enhance our corporate value and realize a sustainable society.



Stakeholders	Purpose of the initiative	Means of communication
Shareholders/Investors	To continuously improve corporate value and achieve fair market valuation while maintaining good communication that leads to investment decisions through sound business management and timely and appropriate information disclosure.	Financial results briefings (four times, 191 companies in total) Individual IR coverage (74 companies in total) Engagement with institutional investors (11 companies) General Meeting of Shareholders Dissemination of information to investors and shareholders (Value reports, sustainability data book, business reports, annual securities reports, etc.) Shareholder surveys
Customers	To continue to pursue highly satisfactory services that are trusted by our customers, and to realize a secure and comfortable society for people around the world through our logistics business.	Daily sales and service activities, information on website (Japanese and English) Online and phone consultation services Series of logistics articles Business introduction videos on official YouTube channel Provision of corporate activity information using digital signage displays Participation in large-scale exhibitions and conduct online seminars
Employees	To promote systems that allow employees to feel rewarded in their work and the development of safe and healthy work environments, to ensure that each employee's human rights are respected and they are able to maximize their abilities.	Employment engagement surveys Enhancement of training programs Creation of comfortable working environments Fair assessment system Promotion of occupational health and safety and health and productivity management Awards and contests (sales and business improvement categories) Stress checks Dissemination of information on the company Intranet, community activities, and in-house newsletters Establishment of human rights policy and implementation of due diligence Compliance Hotline (multilingual support)
Business partners	To achieve stable and high-quality logistics services by building deep relationships of mutual trust and strengthening cooperation through sound transactions based on fairness and honesty, and co-existence and co-prosperity.	Formulation and disclosure of basic policy on sustainable and responsible procurement Fair, open, and transparent transactions Cooperation in the event of a disaster Quality improvement initiatives Response to phone and e-mail inquiries
Government/Administration	To co-create a better future for the logistics industry through dialogue and cooperation with government and industry groups, as well as conduct fair corporate activities in compliance with laws, regulations, and social norms.	Legal and regulatory compliance Dialogue and collaboration with business and industry groups (Ministry of Land, Infrastructure, Transport and Tourism, Japan Association for Logistics and Transport, etc.)
Communities/Society	To build good relationships with local communities, operate constructive businesses as a trusted company, and aim to create a society in which diverse people can co-exist in harmony.	Approval of community initiatives Donation activities (medical, artistic, research fields, etc.) Contribution to communities and society through volunteer activities Lectures at universities Response to surveys and questionnaires