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## Business Strategy

Possessing a large number of warehouses in Japan and overseas as well as logistics functions that cater to land, sea, and air forwarding, we are developing services in a variety of logistics areas. To lead to top-line growth by mobilizing the Group's collective strength, Group companies are promoting their strategies that leverage each company's strengths.

## Business Overview

The Mitsui-Soko Group consists of MITSUI-SOKO HOLDINGS Co., Ltd., 76 consolidated subsidiaries, and 6 affiliates. The Group operates a logistics business, providing clients with various logistics services in an organic and efficient manner, and a real estate business centered on building leases.

### Logistics Business

The logistics business is composed of warehousing and port transportation, airfreight forwarding, 3PL/LLP, and land transportation. We have 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 warehousing locations and logistics functions, we optimize our customers' supply chains. We handle cargo from various industries, including raw materials, pharmaceuticals, and home appliances, and offer a wide range of flexible logistics services from upstream to downstream in procurement, production, and sales logistics. As a result, we have built a stable revenue base that does not rely on specific fields or areas.

Mitsui-Soko Group's Major Logistics Areas

Industry	Value Chain	Raw materials/Materials/Parts			Finished goods			Distribution	
		Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Sales logistics
Healthcare									
Automotive									
Home appliances									
Precision equipment/Machinery									
Consumer goods									
Interior/Furniture									
Food & beverage									
Apparel									
Paper/Pulp									
Chemicals									

### Real Estate Business

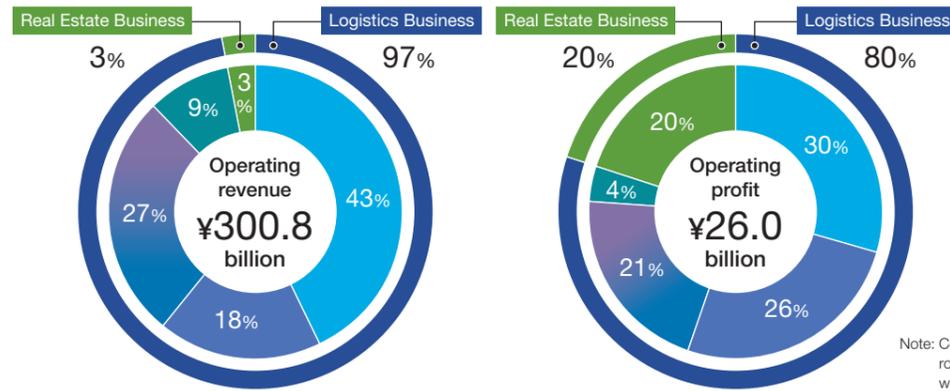
Our real estate business operates and manages office buildings, including the MITSUI-SOKO Hakozaki Building, MSC Center Building, and MSC Onarimon Building, as well as rental condominiums. For assets that are no longer suitable for logistics use due to changes in the surrounding environment, we are taking profitability into consideration and converting them into real estate business through a scrap-and-build method. With a business management policy that ensures long-term, stable profits, the real estate business is working to secure quality tenants and maintain high occupancy rates by carrying out renewal work in response to aging deterioration, and value-enhancement work to meet the needs of the times.

#### Major Properties under Management

Purpose	Area	Name	Total floor area	Purpose	Area	Name	Rental units
Office	Tokyo	MITSUI-SOKO Hakozaki Building	135,608 m <sup>2</sup>	Residence	Tokyo	Hakozaki River & Tower	99 units
		MSC Center Building	32,507 m <sup>2</sup>			Park Axis Onarimon	52 units
		MSC Onarimon Building	10,516 m <sup>2</sup>			Osaka	Port Villa Utsubo Park
		MSC Fukagawa Building	14,199 m <sup>2</sup>				
		MSC Fukagawa Building No.2	22,046 m <sup>2</sup>	Total	Three properties	259 units	
Total		Five properties	214,876 m <sup>2</sup>				

Business Overview

Highlights for the Fiscal Year Ended March 31, 2023



Note: Composition ratios are rounded to the nearest whole number.



Note: Operating revenue includes intersegment revenue or transfers, and operating profit is the figure before adjustment for expenses associated with the administrative department.

In the logistics business, operating revenue decreased ¥190 million year on year to ¥292,022 million, but operating profit increased ¥188 million to ¥23,923 million.

In warehousing and port transportation, we proposed alternative transportation routes that helped customers modify their BCPs, and logistics solutions that reduced environmental impact. Also contributing to improved profits was a newly built warehouse dedicated to healthcare logistics, which was launched in the previous fiscal year. With regard to airfreight forwarding, although supply chain disruptions seemed to have calmed down for a while, we accurately ascertained rapidly changing customer needs, flexibly procured space, and secured solid profits. Our 3PL and lead logistics provider (LLP) services were affected by rising costs, but sales have been steady due to the new projects—a distribution center for a home electronics retailer and another for e-commerce—that were launched in the previous fiscal year.

There were no major changes in vacancy rates or rent levels for office properties, and year-on-year increases were recorded in terms of both revenue and profit: operating revenue by ¥54 million to ¥9,629 million, and operating profit by ¥110 million to ¥5,908 million.

MITSUI-SOKO HOLDINGS

Holding Company and the Real Estate Business

Real Estate Business	Logistics/Port Transportation	Airfreight Forwarding	3PL/LLP	Land Transportation
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For more details on business areas, please visit: <https://www.mitsui-soko.com/en/>



**Hirobumi Koga**  
Representative Director, President  
MITSUI-SOKO HOLDINGS Co., Ltd.

We will steadily implement the strategies set forth in Medium-term Management Plan 2022 to achieve sustainable growth of the Mitsui-Soko Group.

Operating revenue ratio by business



MITSUI-SOKO HOLDINGS Co., Ltd. is a holding company that provides guidelines for the entire Mitsui-Soko Group and management support and overall optimization for its operating companies. MITSUI-SOKO HOLDINGS works on appropriate Group management by offering support and advice based on the business strategy of each Group company, reallocating management resources, and conducting the efficient management of Group common functions. We lease, operate, and manage the real estate we own.

Group Management Strategy Formulation and Management

Under our PURPOSE of “Empower society, encourage progress,” we will implement management strategies including sustainability, DX promotion, and the medium-term management plan, to enhance the Group’s corporate value and achieve sustainable growth for society and our customers. Under Medium-term Management Plan 2022, the three growth strategies—Top-line Growth by Mobilizing the Group’s Collective Strength, Reinforcement of Operational Competitiveness, and Building Management Foundations to Support the Deepening—will steadily take effect, in order to realize the Group’s Vision of “The co-creative logistics solutions partner. For every day, emergency, and always will be.”

Real Estate Business

To enhance corporate value through effective use of owned assets, we will promote corporate real estate measures, provide management and operational support for the Group’s logistics real estate, and focus on capital investment with market competitiveness in mind.

1. Promotion of Corporate Real Estate Measures

We renewed a lease with a major tenant by signing a multi-year fixed-term lease agreement beginning May 2024 at the MITSUI-SOKO Hakozaki Building (“the Building”), one of our major office buildings. The tenant is promoting various measures to realize diverse work styles and is optimizing the office layout, including renovations. We will carry out construction to increase the value of some of the excess space created by this agreement and renovate it into multi-tenant office building to strengthen the revenue base of our real estate business. These renovations will involve implementing energy-saving initiatives to transform the Building into an environment-friendly office space that promotes productivity while also contributing to achieving sustainability for our tenants.

2. Management and Support of the Group’s Logistics Real Estate

We manage value-added logistics real estate, such as designing logistics facilities capable of handling cutting-edge medical products in the healthcare field, in addition to maintenance and renewal of aging facilities. We will also help to reduce CO<sub>2</sub> emissions and build more sustainable logistics facilities by systematically updating LED lighting and air conditioning to conserve energy, and we are exploring installing solar power generation systems. We aim to complete this by the end of March 2025.

# MITSUI-SOKO

Real Estate Business	Logistics/Port Transportation	Airfreight Forwarding	3PL/LLP	Land Transportation
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MITSUI-SOKO CO., Ltd. composes three business divisions: warehousing, port transportation, and overseas logistics business, all of which are the core business that has established our Group business.

By providing logistics, services that start from "warehousing and port transport terminals," which serve as the intersection of logistics, we will realize the optimization of our customers' logistics.

Operating revenue ratio by business



**Takanobu Kubo**  
President  
MITSUI-SOKO Co., Ltd.



## Domestic Logistics

### Business Areas

<b>Main products handled</b>	Food and raw materials, pharmaceuticals and medical devices, chemicals, artworks and valuables
<b>Region</b>	Japan
<b>Main clients</b>	General trading companies, food manufacturers, chemical manufacturers, machinery manufacturers, pharmaceutical and medical device manufacturers



For more details on business areas, please visit:  
<https://www.mitsui-soko.com/en/company/group/msc/>

### Strengths

- > Asset-type distribution network that utilizes multifunctional logistics facilities and nationwide base network
- > Professional knowledge and experience in warehouse storage, cargo handling, and import/export customs clearance services applicable to various cargo types and business industries
- > Diverse and high-quality client base

### Environmental Awareness

#### Opportunities and Risks (External Environment)

- Growing storage needs caused by uncertainties in world affairs and disruptions in distribution networks
- Growing logistics needs that require advanced expertise, such as strict regulations and temperature control
- New entrants from different industries due to the progression of equipment industrialization

#### Challenges (Internal Environment)

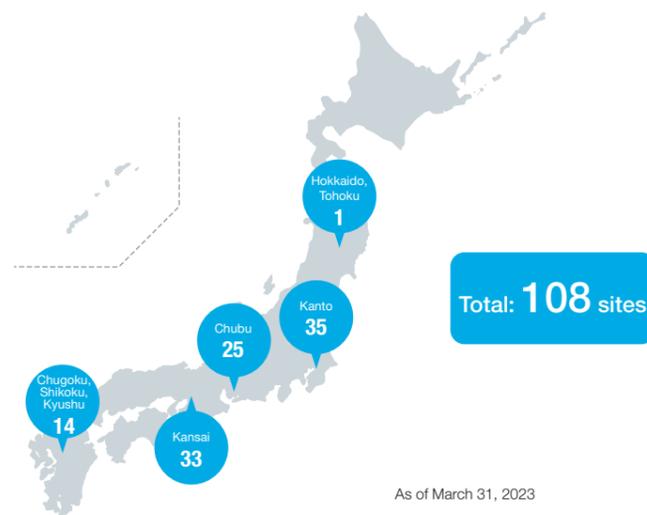
- Strengthening of revenue base in port warehousing
- Increase in the pace of growth in inland warehousing

Our strengths lie in the Company's history of having been in the warehousing business for more than 100 years and our expertise from having provided logistics services to customers in a wide range of industries. We possess deep knowledge of the import/export business and storage and cargo handling expertise based on the characteristics of various types of cargo. In recent years, we have accumulated storage and delivery know-how with professional expertise in, for example, the healthcare field and highly functional materials.

Due to distribution network disruptions, there are opportunities for business expansion owing to the need for storage as a BCP measure and the optimization of SCM logistics that starts from warehouses. Logistics needs that require advanced expertise, such as strict regulations and temperature control, are also increasing. In the meantime, responding to the industrialization of logistics equipment, such as AI and robotics, has become an issue.

In the domestic logistics business, we provide a wide range of supply chain services that include warehouse storage, cargo handling, transportation, and a variety of other distribution services. We have over 100 years of experience in the fields of warehousing and cargo handling business and own warehouse facilities across the country. From import/export customs clearance services to customer delivery, we customize suitable services for each customer's requirements and the commodities we handle.

### Logistics Business Sites



### Main Logistics Areas

Industries	Value Chain	Raw materials/Materials/Parts			Finished goods			Distribution		Main Services
		Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Sales logistics	
Healthcare										<ul style="list-style-type: none"> <li>• Storage and cargo handling</li> <li>• Sea cargoes</li> <li>• Import/export services</li> <li>• 3PL</li> <li>• Trunk room goods (artworks and valuables)</li> <li>• BPO services</li> <li>• Equipment transportation</li> </ul>
Automotive										
Home appliances										
Precision equipment/Machinery										
Consumer goods										
Food & beverage										
Apparel										
Paper/Pulp										
Chemicals										

We handle various cargo, and provide storage/cargo handling services as well as import/export services, etc., according to cargo characteristics. For healthcare, in pharmaceuticals, medical devices, and investigational new drugs, we have obtained various approvals, including drug manufacturing and wholesale businesses, enabling us to provide a one-stop procurement, production, and sales logistics service.

### Medium-term Management Plan 2022 Initiatives

#### Goal: Realization of complex logistics services that start from warehouses

##### Basic Strategy 1

#### Securing of stable revenues by leveraging warehouse assets

Starting from port warehousing, we will realize SCM logistics, such as consolidated cargo transport from domestic warehouses to overseas local subsidiaries and door-to-door integrated transportation logistics services, while securing stable revenues. In addition to handling our existing product fields, we will expand our handling in the automotive and electronic materials fields by providing SCM logistics in collaboration with Group companies. Toward the realization of sustainable logistics, we will also promote the maintenance and renewal of aging facilities.

##### Basic Strategy 2

#### Creation of growth opportunities by developing highly functional services that start from warehouses

In the healthcare business, we will establish ourselves as a "one-stop logistics player" for global companies, handling everything from international logistics to storage and delivery. We will also leverage our nationwide logistics facilities and logistics expertise in a wide range of industries to create highly profitable growth businesses such as EC logistics and SustainaLink.

##### Basic Strategy 3

#### Realization of overwhelming field capabilities

We will realize overwhelming on-site capabilities and strengthen our business foundation. We will turn the logistics know-how we have cultivated into explicit knowledge by redefining procedures and standardizing them to stabilize services as well as establish a culture of continuous improvement. Through the introduction of IT systems, we will work to accumulate logistics technologies and streamline services, while building a service system that contributes fully to understanding customer needs and implementing SCM logistics.

### Achievements in the fiscal year ended March 31, 2023

- SustainaLink service deployment (In response to the disruption caused to customers' SCM by the impact of COVID-19, acquisition of projects through logistics proposals that expanded handling by proposing alternative transportation means and routes, and reduced both CO<sub>2</sub> emissions and costs, including modal shift and CRU<sup>\*1</sup>.)
- Acquisition of large-scale projects and high-fashion logistics projects in the EC logistics field that provide highly functional services that start from warehouses
- Installation of material handling for EC logistics at existing bases for the purposes of accumulating logistics technologies and streamlining services
- Installation of truck reception reservation systems at some bases to realize overwhelming field capabilities

\*1 Container Round Use: After unloading an import container, continuing to use the empty container for export loading

### Future initiatives

Concerning the gaining of SCM logistics business, for existing customers we will bring together the overseas warehouse, NVO, and import/export FWD know-how that we have cultivated so far to provide integrated logistics operations. We will also strongly promote the deployment of the SustainaLink service while aiming to acquire new projects.

With regard to soaring costs, including electricity charges and labor costs that have exceeded expectations, we will realize sustainable logistics by working to optimize the fees collected linked to the securing of stable revenue. With regard to orders for high-fashion logistics projects, we will also leverage our domestic and overseas warehouses and extensive storage know-how in building high-quality, ESG-oriented logistics infrastructure.

At the same time, we will verify the operational efficiency of EC logistics that start from warehousing, which will be the pillar of the new business, by utilizing the material handling systems installed at existing bases.

From the perspective of the strengthening of operations, we will work to ensure the smooth operation of the systems we have installed to systematize and deploy on a Company-wide basis the standardization method we put in place in the previous fiscal year. Ultimately, in conjunction with appropriate staffing levels we will verify the low cost of operations.

## Overseas Logistics

### Business Areas

<b>Main products handled</b>	Chemicals, food and raw materials, consumer goods
<b>Regions</b>	Southeast Asia, Northeast Asia, Europe, Americas, Middle East
<b>Main clients</b>	Chemical/materials manufacturers, consumer goods manufacturers, general trading companies



For more details on business areas, please visit:  
<https://www.mitsui-soko.com/en/company/group/msc/>

### Strengths

- > Global network: Approx. 100 business sites in 13 countries
- > Flexibility in dealing with local laws and regulations and adapting to regional characteristics
- > Excellent client portfolio that mainly consists of major Japanese companies

### Opportunities and Risks (External Environment)

- Impact on the global supply chain due to uncertainties in world affairs
- Changes in each country's national policies, regulations, and logistics conditions
- Increase in business needs toward domestic demand in each country due to an increasing world population
- Normalization of increase in labor costs

### Environmental Awareness

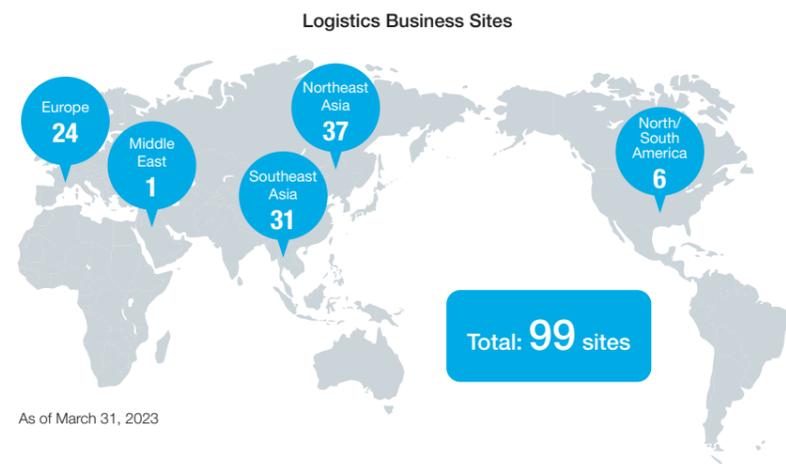
### Challenges (Internal Environment)

- Cargo portfolio bias due to mainly handling raw materials, etc.
- Provision of logistics services limited to individual functions, such as storage and transportation

Having been in the overseas logistics business for more than 50 years, we provide a global network that has been expanded to countries around the world. With this global network and responsiveness backed by experience, and the same high-quality logistics services as in Japan.

In overseas logistics, transformational needs are being anticipated in global supply chains due to the destabilizing effects of global affairs and the increased intensity and frequency of natural disasters. At the present time, our Company mainly provides logistics services for individual functions, such as storage and transportation, but we recognize the need to evolve into SCM logistics going forward.

In the overseas logistics business, we are providing the same high-quality logistics services as in Japan, such as storage/cargo handling, transportation, and a variety of other distribution services, to support the supply chains of our customers who are expanding globally. We will provide optimal solutions that match the local conditions of each country and contribute to our customers' global business based on the overseas network that we have been developing in 13 countries around the world since our establishment in the United States in 1971.



### Main Logistics Areas

Industries	Value Chain	Raw materials/Materials/Parts			Finished goods			Distribution		Main Services
		Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Sales logistics	
Automotive										<ul style="list-style-type: none"> <li>• Storage/cargo handling</li> <li>• Sea cargoes</li> <li>• Import/export services</li> <li>• 3PL</li> <li>• Equipment transportation</li> </ul>
Precision equipment/Machinery										
Home appliances										
Consumer goods										
Food & beverage										
Paper/Pulp										
Chemicals										

Handling large amounts of raw materials and materials, we are developing storage/cargo handling as well as import/export services at our overseas bases. We also handle yard operations for home appliances and consumer goods, and also specialize in transporting equipment such as large machinery.

### Medium-term Management Plan 2022 Initiatives

#### Goal: Rebuild each base's network while providing logistics network services worldwide

##### Basic Strategy 1

#### Strengthen revenue base by expanding distribution services for existing customers

We will promote proposal-based sales that efficiently combine the Group's logistics functions, and expand our service range from providing individual functions to integrated distribution and SCM distribution. We will also develop new logistics menus that incorporate elements that anticipate customer needs, such as DX and sustainability, and strengthen our revenue base by acquiring inter-industry operations from existing customers or horizontal expansion to new customers.

##### Basic Strategy 2

#### Realization of SCM logistics focusing on automotive and electronic components

We will designate automotive and electronic components as target areas for SCM logistics sales, since this is where the transformational needs for supply chains are expected to further increase and where Japanese companies are actively expanding overseas. We aim to expand business through approaches tailored to the characteristics of each area.

##### Basic Strategy 3

#### Rebuilding of IT systems base

We will continue to promote service standardization and efficiency as well as operation cost reductions at each site. We will review the functions of existing systems and build systems that contribute to the provision of high-value-added logistics services to customers.

### Achievements in the fiscal year ended March 31, 2023

Implemented rationalization measures such as base integrations and operational improvements for low-cost operations. In addition, each measure was implemented in accordance with the characteristics of each area.

- Americas: Amid the disruption to sea cargoes and rail transportation, we proposed solutions to customers, such as alternative transport routes and transload transportation, which repackages cargo from ocean containers to rail trailers, etc., and expanded our business
- Asia: Promotion of proposal-based sales that took a bird's-eye view of entire supply chains, improvement of handling ratios for automobiles and electronic parts, expansion of inter-industry operation acquisitions
- Europe: Rationalization such as base integration, opening of Rotterdam branch directed toward business expansion in Europe

### Future initiatives

Making the most of the knowledge and networks throughout the Group, we will promote cross-organizational sales activities for each target industry, such as automotive and electronic components, and aim to gain customers and expand the scope of our business. From single-item logistics we will focus on proposal-based sales that combine a variety of logistics menus, including buyer's consolidation\*1 and multimodal transportation, to evolve our service to SCM logistics that optimize entire supply chains linked to production and sales plans.

In cooperation with domestic and overseas groups, we will expand handling volumes by digging deeper in inter-industry areas, such as acquiring storage and transportation operations in the pre- and post-process of NVOCC\*2 operations. In addition, by acquiring domestic demand logistics rooted in the regions in which we operate, we will build a revenue base that is resilient to changes in the external environment.

\*1 A method for collecting cargoes shipped from multiple suppliers in a single warehouse and loading and transporting them in a single container in the exporting country. Enables transportation cost reductions when buyers procure products from multiple manufacturers overseas.

\*2 Short for Non-Vessel Operating Common Carrier. Adopting this business form enables the provision of door-to-door services that combine two or more means of transportation, including sea cargoes and land transportation, and international intermodal transportation.

## Port Transportation

### Business Areas

**Main services** Operation of container terminals, conventional shipping, shipping agency services

**Regions** Tokyo, Yokohama, Nagoya, Yokkaichi, Osaka, Kobe, Moji, Naha

**Main clients** Shipping companies



For more details on business areas, please visit:  
<https://www.mitsui-soko.com/en/company/group/msc/>

### Strengths

- > Licensed container terminal operator at major domestic ports
- > Know-how in standardizing and consolidating operations cultivated in terminal and agency operations
- > Strategic container sales capabilities mainly targeted at Japan, China, and nearby coastal regions

### Environmental Awareness

#### Opportunities and Risks (External Environment)

- Relative decline of Japanese ports due to expansion of port capacity in neighboring countries such as China
- Worsening shortage of domestic dockworkers
- Strengthening of environmental regulations through the Carbon Neutral Port (CNP) concept, etc.
- Progress of digitalization through the establishment of a comprehensive information system

#### Challenges (Internal Environment)

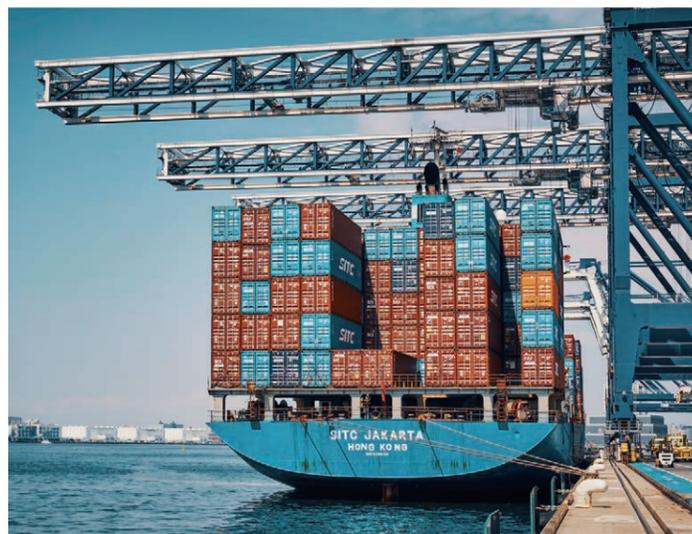
- Strengthening of facility and equipment management
- Streamlining of container terminal operation methods
- Business area expansion

Operating container terminal facilities at major ports in Japan, we bring together a wide variety of cargo handling equipment, advanced systems, and many years of accumulated know-how in developing streamlined operations that integrate sequences of operations.

The volume of container handling is recovering, especially on China and Southeast Asian routes. On one side, there is an urgent need to improve and review container terminal operation methods due to the aging of facilities and cargo handling equipment. In addition, our challenge is to develop and foster new core business by strengthening cooperation with group companies.

The port transportation business manages terminal operations, which play a vital role in connecting sea and inland logistics, and wharf operations in major ports such as Tokyo, Yokohama, Nagoya, Yokkaichi, Osaka, Kobe, Moji, and Naha. Other services include conventional shipping services that enable proposing the optimal handling for any kind of cargo and shipping agency services, such as arranging shipping arrival/departure applications and issuing bills of lading. A business steeped in tradition that has underpinned the Mitsui-Soko Group's 100-year history, port transportation serves as an important form of infrastructure that supports economies and helps to sustain people's lives and livelihoods by connecting the sea and land.

### Logistics Business Sites



#### Container terminal operations

In the container terminal facilities of each domestic port, we utilize advanced systems to efficiently provide a series of operations, such as loading and unloading of container cargo onto and off ships, container loading and unloading, and inventory management.

#### Conventional shipping services

For heavy cargoes such as large vehicles or construction equipment that cannot fit in a container, we offer crating proposals that take into account the cargo's characteristics and stowage planning for conventional ships and perform high-quality cargo handling operations based on many years of accumulated experience.

#### Shipping agency services

As a contact point in Japan for mainly overseas shipping companies, we undertake documentation-related services for ship port arrival and departure applications and issuances of bills of lading. Also, we conduct safe and stable container collection services.

### Medium-term Management Plan 2022 Initiatives

**Goal** Expansion of business by integrating container terminal operations ("hard" aspect) and know-how ("soft" aspect), including peripheral services

#### Basic Strategy 1

**Establishment of operational foundation for container terminals that generate stable profits**

Assuming that maritime container transport volumes are expected to remain stable, we will strengthen the foundation for operating container terminal facilities that generate robust profits. Specifically, in addition to improving revenues by putting into effect low-cost operations, we will verify modes and appropriate scales of operation while optimizing bases that capitalize on the characteristics of each port. We will also share information between bases, implement the horizontal expansion of measures, and promote the expansion of peripheral services that will fully utilize our facilities.

#### Basic Strategy 2

**Commercialization of services by clarifying and improving business know-how**

In trade services, there is growing momentum for the building and utilizing of digital platform infrastructure for logistics information, and advances are being made in the consideration of mutual utilization of trade and logistics data. For the future, we will collaborate with administrative bodies and platformers through participation in demonstration experiments, undertake the development of streamlining tools for shipping companies and port administrators, provide consulting for container terminal operations, and engage in the contract operation of wharf business at local ports.

#### Basic Strategy 3

**Expansion of service areas utilizing port functions, development of new bases**

As the market for the handling of import/export containers in Japan is maturing, and restrictions are expected to be placed on efforts to attract shipping companies, we aim to attract new services related to attracting non-container ships and contributing to the SDGs by means of collaboration with port transportation and logistics businesses. We will also continue to advance the expansion of our Okinawa business.

### Achievements in the fiscal year ended March 31, 2023

- Strengthened the operational foundations of container terminals by conducting analyses and verification geared toward the effective maintenance and management of cargo handling equipment and by installing new terminal systems
- Implementation of low-cost operations by consolidating bill of lading (BL) issuance operations and the standardization and streamlining of paperwork
- Commercialization of know-how through computerization of ports (Cyber Port), participation in a variety of verification projects, and implementation of container terminal research projects in collaboration with harbor consulting companies
- Expansion of business domains by strengthening freight collection and warehousing in the Okinawa business, acquiring peripheral services and intermodal transportation projects that utilize each base

### Future initiatives

At container terminals, we will undertake the collection and analysis of data utilizing IT such as AI and promote the increased sophistication and efficiency of operations by conducting appropriate repairs and updates through the introduction of digital cargo handling equipment management and analysis tools. At the same time, we will strive to increase revenue by focusing on attracting shipping companies and developing new projects that organically utilize port functions.

Through the knowledge cultivated over many years, we are also actively involved in government-advocated AI terminal measures. We will accelerate the commercialization of high-value-added services and expand our business scope by promoting technological developments through co-creation between different industries and establishing new management methods.

In the Okinawa business, we will work on building a transportation scheme system that unites the public and private sectors by making the most of the Group's network and strengthening cooperation between government and local companies.

# MITSUI-SOKO EXPRESS

Real Estate Business	Logistics/Port Transportation	Airfreight Forwarding	3PL/LLP	Land Transportation
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Our strengths lie in recognizing customer needs and responding promptly with a high level of expertise. We are also aiming to remain a first-choice forwarding company by continuing to provide solutions that anticipate the trends of each industry.

Operating revenue ratio by business



**Hisanari Ichiryu**

President  
MITSUI-SOKO EXPRESS Co., Ltd.



## Airfreight Forwarding

### Business Areas

<b>Main products handled</b>	Automotive parts, chemicals, pharmaceuticals
<b>Regions</b>	Japan, Southeast Asia, South Asia, Northeast Asia, Europe, Americas, Africa, Middle East
<b>Main clients</b>	Automobile manufacturers, automotive parts manufacturers, consumer goods manufacturers, general trading companies



For more details on business areas, please visit:  
<https://www.mitsui-soko.com/en/company/group/mse/>

### Strengths

- > High-quality, comprehensive forwarding services cultivated in the automotive and electronic component industries
- > Flexible and speedy response capability in the event of emergency transportation
- > Optimal logistics design and construction capabilities using the functions and air cargo of Mitsui-Soko Group companies

### Opportunities and Risks (External Environment)

- Impact on global supply chain caused by uncertainties in world affairs
- Intensification of competition, normalization of price competition in the air cargo market
- Changes in market conditions in automotive and electronic component industries

### Environmental Awareness

### Challenges (Internal Environment)

- Response to changes in airline market
- Response to changes in automotive industry

Our strengths lie in the high quality of logistics that have supported Toyota's logistics, and our ability to respond steadily to customer needs even during the supply chain disruptions caused by COVID-19. Also, by possessing bases all over the world, we can work in tandem with the functions of Mitsui-Soko Group companies in providing global SCM logistics.

In addition to the difficulty of forecasting demand in an uncertain global situation, air transportation is a business that is highly susceptible to economic fluctuations. Furthermore, with regard to the automotive industry, which accounts for most of our logistics services, changes in the structure of the industry, such as the shift to EVs, are expected in the years to come.

MITSUI-SOKO EXPRESS Co., Ltd. was formed as a joint venture between MITSUI-SOKO HOLDINGS Co., Ltd. and Toyota Motor Corporation in July 2012. We provide high-quality, comprehensive forwarding services by both air and sea by combining the knowledge and experience cultivated in international logistics through a wide range of industries, such as automotive parts, chemicals, apparel, hazardous goods, cold storage products, pharmaceuticals, and household relocation services, with our global network.

### Medium-term Management Plan 2022 Initiatives

<b>Goal</b>	To remain a first-choice forwarding company that works closely with specific customers and aims for efficient and sustainable growth
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#### Basic Strategy 1

**Expand revenue by increasing cargo collection volumes in existing businesses**

The automotive industry, which is our main client, is accelerating its shift to EVs. Although the key components of EVs fall in our specialist area of hazardous goods transportation, legal compliance will be required. We aim to improve profitability by anticipating changes in industry trends, making proposals in anticipation of customer needs, and promoting the overseas expansion of the services we provide in Japan.

#### Basic Strategy 2

**Nurturing new customers to improve the customer portfolio**

Working to improve our customer portfolio by implementing the following four measures: 1. Acquisition of inter-industry sales by deepening cooperation within the Mitsui-Soko Group; 2. Expand and acquire customer groups that requires expertise in machinery, semiconductors/electronic components, pharmaceuticals, etc.; 3. Efficient expansion of revenue by determining which products and routes generate special demand; and 4. Development of services that anticipate measures oriented toward sustainability and industry trends.

#### Basic Strategy 3

**Strengthen resource management to respond to fluctuations in demand**

In the air transportation business, it is important to allocate personnel according to the situation due to its short business cycle and occurrences of sudden mass transportation projects with short delivery times. By standardizing operations, we will strengthen our support system across the bases, improve operational efficiency, and enhance human resource development.



### Main Logistics Areas

Industries	Value Chain	Raw materials/Materials/Parts			Finished goods			Distribution		Main Services
		Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Sales logistics	
Healthcare										<ul style="list-style-type: none"> <li>• Air transportation</li> <li>• Import/export business</li> <li>• Hazardous goods transport</li> <li>• Transportation of cold storage products</li> <li>• Relocating households overseas</li> </ul>
Automotive										
Precision equipment/Machinery										
Consumer goods										
Apparel										
Chemicals										

Mainly providing air transportation services, we handle large volumes of automotive cargo. For consumer goods we provide some EC logistics services, and for apparel we handle select shops and branded products. We also provide transportation services for cargo that require specialist know-how, such as hazardous goods or cold storage products, the regulations for which differ for each country, airline company, and item.

### Achievements in the fiscal year ended March 31, 2023

- In cooperation with customers and the Ministry of Land, Infrastructure, Transport and Tourism, built an air cargo scheme compatible with international container certification and hazardous goods transport approvals
- Expanded the areas covered by business contracts in North America for the logistics of prototype vehicle components
- Acquired new business by providing integrated services of the Mitsui-Soko Group
- Acquired CEIV Pharma certification at Kansai International Airport and Narita International Airport, and put in place quality and control systems for international pharmaceutical transportation
- Achieved a certain level of work standardization in customer service and customs clearance, improved productivity
- Built a human resource development curriculum relating to the strengthening of support systems, and conducted training sessions in Japan

### Future initiatives

Since laws and regulations have not yet been put in place around the world due to the rapid technological advances in EVs, we will ascertain industry trends and customer needs on an ongoing basis while proceeding with the trial implementation of a compliant transportation scheme. We will also leverage the know-how of North American prototype logistics that we acquired last year and thereby broaden our overseas expansion. With regard to the focus areas of Medium-term Management Plan 2022, in addition to steadily accumulating a track record in pharmaceutical transportation, we are expanding and upgrading our services centered on semiconductor material companies that can take advantage of our strengths in the transportation of refrigerated and hazardous goods. We will also work to dig deeper in inter-industry areas by Group collaboration. To work on establishing the standardization of customer service and customs clearance work that we engaged in last year, we will work hard on Group-wide awareness and education activities and aim to continuously improve productivity by improving work units. With regard to the support systems, we will also expand the scope of the training sessions that were held in Japan last year to overseas bases, promote human resource development, and strengthen systems both in Japan and overseas.

# MITSUI-SOKO LOGISTICS

Real Estate Business	Logistics/Port Transportation	Airfreight Forwarding	3PL/LLP	Land Transportation
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We understand our customers' wishes and think about "what we can do, what we should do, and what we want to do," before executing them. We aim to remain a company chosen by customers for our outstanding logistics technologies, which were cultivated in home appliance logistics.

Operating revenue ratio by business



**Hiroshi Torii**

President & Chief Executive Officer  
MITSUI-SOKO LOGISTICS Co., Ltd.



**3PL/LLP**  
(Distribution/Sales logistics)

**Business Areas**

<b>Main products handled</b>	Home appliances, consumer goods, clothing, interiors, medical devices, food & beverage
<b>Region</b>	Japan
<b>Main clients</b>	Home appliance mass retailers and manufacturers



For more details on business areas, please visit:  
<https://www.mitsui-soko.com/en/company/group/msl/>



- > Extensive nationwide logistics network in the home appliance field
- > Provision of high-value-added solution services (business analysis, operation design, robotics, package solutions)



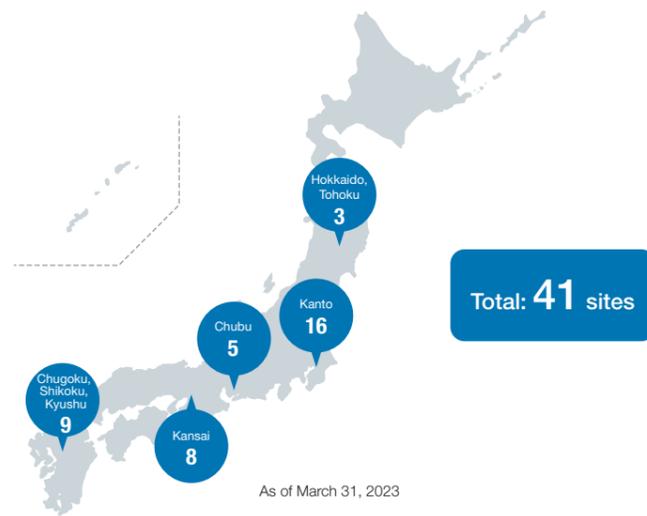
- Opportunities and Risks (External Environment)**
- Market changes in home appliance industry
  - Changes in business customs and logistics characteristics due to e-commerce expansion
- Challenges (Internal Environment)**
- High degree of dependence on home appliance logistics
  - Further strengthening of human resources in response to increased demand

We provide "consumer electronics retail center management" and "consumer electronics manufacturer logistics" based on our outstanding logistics technology cultivated during our days as a logistics function company for consumer electronics manufacturers. In addition, we provide "technical logistics" including delivery, installation, construction, maintenance, and repair of coffee machines and other products. Our strength lies in our ability to combine these menus and propose solutions that resolve our customers' needs and issues.

Home appliance logistics account for the majority of the Company's logistics services and are therefore affected by the market conditions in the home appliance industry. One trend is home appliance mass retailers expanding services beyond their current store operations by, for example, handling products other than home appliances and developing e-commerce.

Having started out as a company providing the logistics functions for home appliance manufacturers, the Company's main business is providing third-party logistics (3PL) for home appliance mass retailers and manufacturers. In recent years, we have also been focusing on handling a wide variety of other products, such as apparel, miscellaneous goods, food, and commercial coffee systems. We are also strengthening service businesses, such as in delivery, construction, and installation, as well as in repair, maintenance, and inspection for large home appliance products. In addition, we are providing logistics solutions that resolve customer issues.

**Logistics Business Sites**



**Main Logistics Areas**

Industries	Value Chain	Raw materials/Materials/Parts			Finished goods			Distribution		Main Services
		Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Sales logistics	
Home appliances										<ul style="list-style-type: none"> <li>• 3PL</li> <li>• LLP</li> <li>• BPO</li> <li>• Technical logistics (home delivery installation, repair, etc.)</li> </ul>
Consumer goods										
Interior/Furniture										
Food & beverage										

We mainly handle home appliances and provide a one-stop logistics service connecting home appliance manufacturers and mass retailers. We are responsible for the downstream logistics areas and, in addition to providing LLP services from logistics strategy planning to operation, also provide technical logistics services, such as home delivery installation and repair for home appliances. For apparel, we operate e-commerce mall logistics, and for housing and interiors, we also provide services such as furniture installation.

**Medium-term Management Plan 2022 Initiatives**

**Goal** Assist our customers through our outstanding logistics technologies

**Basic Strategy 1**

**Deepen and stabilize the home appliance logistics business**

We will expand the handling of furniture and daily necessities related to living, and strengthen the logistics functions in the EC field related to these products, aiming to become a platformer for the home appliance logistics business. With regard to issues such as labor shortages and the improvement of working environments, we will promote streamlining and stabilizing operations by optimizing the days of operation at centers and frequency of deliveries.

**Basic Strategy 2**

**Pursue new business development and solutions businesses**

While proposing logistics strategies with customer's supply chain optimization and business improvements, we will work to set ourselves apart from our competitors by combining the logistics menu such as technical logistics that can handle everything from delivery and installation to repair and maintenance. We will also promote the acquisition of new businesses and the expansion of existing ones. We are considering the construction of our own warehouse for the purpose of co-creation with our customers and nurturing the next generation of logistics human resources.

**Basic Strategy 3**

**Promotion of mechanization, systemization, and DX**

We will strongly urge the promotion of mechanization, systemization, and DX to help resolve the labor shortage issue, improve the quality of work, and reduce workloads associated with cargo handling. Promoting the redefinition and standardization of operations, we will actively adopt new technologies and new systems. The latter will include the introduction of, for example, AGVs\*, packing machines, and sorting machines.

\*1 Automated Guided Vehicle: Unmanned transport vehicles/robots.

**Basic Strategy 4**

**Initiatives for sustainability and development of comfortable working environments**

To reduce CO<sub>2</sub> emissions throughout the supply chain, we will promote LED lighting in our facilities, introduce environment-friendly packing materials, and joint delivery. Regarding working environments, we have introduced a truck berth reservation system to reduce waiting times and, by utilizing DX, are working to streamline operations and create comfortable working environments.

**Achievements in the fiscal year ended March 31, 2023**

- Stabilized warehouse operations for home appliance mass retailers in pursuit of seamless logistics by the mutual complementation of real stores and EC sales
- Installed a dispatch system to promote DX
- Proposed technical logistics to customers in the EC field, received orders for home delivery installation work from large-item warehouse operations
- Switched to LED lighting equipment at warehouse bases, thereby reducing CO<sub>2</sub> emissions
- Transported solar power generation systems, which are sustainable products

**Future initiatives**

For the purpose of acquiring new businesses, we will leverage the know-how cultivated during the period when we were a company providing the logistics functions for home appliance manufacturers, which is our strength, while strengthening LLP solution sales, such as expanding operations in the EC field and technical logistics.

At the warehouse for a home appliance mass retailer that started full operations last year, we will undertake further productivity improvements and rationalization. In logistics for existing home appliance mass retailer customers, we will reduce costs by mechanization and operational reviews.

From the perspective of sustainability, we will consider the installation of LED lighting equipment and solar power generation systems while promoting the reduction of CO<sub>2</sub> emissions.

In considering our response to environmental issues and labor shortages, we will actively engage in verification experiments in collaboration with other companies to build sustainable distribution networks.

# MITSUI-SOKO Supply Chain Solutions

Real Estate Business	Logistics/Port Transportation	Airfreight Forwarding	3PL/LLP	Land Transportation
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We consider and execute projects together with our customers through supply chains and solutions, which form part of our Company name.

Operating revenue ratio by business



## 3PL/LLP (Procurement/Production logistics)

Business Areas	
Main products handled	Precision equipment, home appliances
Regions	Japan, Southeast Asia
Main clients	Electrical manufacturers, machinery manufacturers

For more details on business areas, please visit: <https://www.mitsui-soko.com/en/company/group/mscs/>

**Strengths**

- > Knowledge, experience, and human resources that play roles in global supply chains
- > On-site capabilities and improvement capabilities cultivated through manufacturer logistics
- > Supply chain proposal capabilities from being well-versed in both planning and actual logistics based on the manufacturer's perspective

**Environmental Awareness**

- Impact from the uncertainty of the international situation on global supply chains
- Growing need for outsourcing of logistics by environment change acceleration in each industry
- Changes in market conditions and the environment of the electronics industry

**Challenges (Internal Environment)**

- Ability to respond to market changes in the electronics industry
- Acquisition and expansion of new business

In addition to wide-ranging services in actual logistics, including services overseas, our strength lies in our ability to propose logistics plans that contribute to our customers' business strategies. Leveraging the experience and knowledge gained in supporting Sony's logistics, we provide end-to-end logistics services by means of our ability to build and execute total supply chains that can respond globally and from the upstream to the downstream.

Due to the uncertain global situation and dramatic changes in the environment, such as with COVID-19, the electronics industry is also reviewing its products, production areas, and supply chains at an accelerated pace. Our logistics services are also greatly influenced by those of our customers, so we need to further strengthen our ability to respond to market changes in the electronics industry, as well as acquire and expand new businesses.

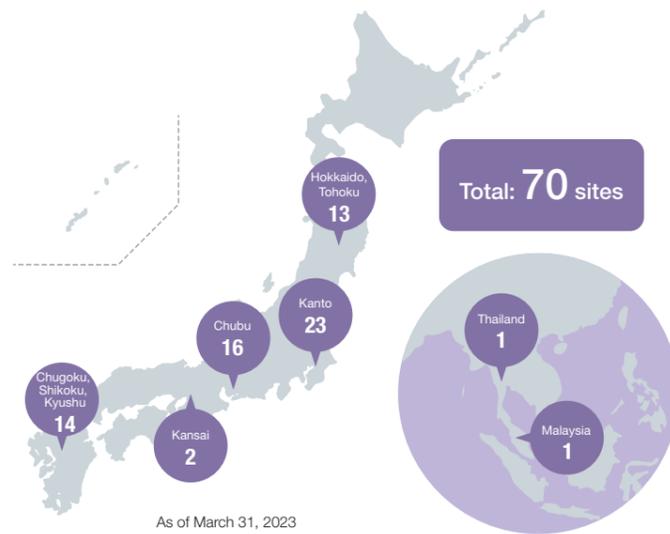


**Takayuki Sekitori**  
President  
MITSUI-SOKO Supply Chain Solutions, Inc.

MITSUI-SOKO Supply Chain Solutions, Inc. was established in April 2015 as a joint venture with Sony Corporation.

Having a logistics network based in Japan, Thailand, and Malaysia, the company is responsible for various logistics operations. These operations include: procurement logistics for the efficient procurement of raw materials and manufacturing parts; factory logistics, such as in-factory cargo handling and inter-process transportation that contribute to improved factory productivity; sales logistics, which uses highly efficient transportation to connect product centers and dealers with timely and appropriate volumes; and repair parts logistics, which handles the huge number of items required for repairs. While combining these logistics functions, we also undertake the planning and make proposals to build integrated logistics systems from which our customers will derive a competitive advantage, while providing logistics solutions that contribute to the optimization of our customers' supply chains.

### Logistics Business Sites



### Main Logistics Areas

Industries	Value Chain	Raw materials/Materials/Parts			Finished goods			Distribution		Main Services
		Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Sales logistics	
Home appliances										<ul style="list-style-type: none"> <li>• 3PL</li> <li>• LLP</li> <li>• Storage/cargo handling</li> <li>• Import/export services</li> <li>• International transportation</li> <li>• Moving/office relocations</li> </ul>
Precision equipment/Machinery										

We are responsible for supply chain logistics mainly for manufacturers of precision equipment, machinery, and home appliances. We provide global LLP services from the manufacturer's perspective, from logistics planning that contributes to our customers' business strategies to actual logistics, such as factory logistics and sales logistics.

### Medium-term Management Plan 2022 Initiatives

Goal	The pursuit of supply chains and solutions, as represented in our company name		
<b>Basic Strategy 1</b>	<b>Basic Strategy 2</b>	<b>Basic Strategy 3</b>	
<p><b>Response to change: Expansion and deepening of existing businesses</b></p> <p>As a supply chain partner of the Sony Group, one of our major clients, we will contribute building optimal total supply chains by promoting both global logistics planning and high-quality actual logistics operations that are close to customer needs, and in coordination with logistics DX initiatives.</p>	<p><b>Expansion and growth of new business: Unique new business development</b></p> <p>Armed with our strength to construct a total supply chain from a global manufacturer's perspective with a wealth of experience and know-how, we will develop a sales strategy that emphasizes "selection and concentration" and promote growth and expansion through new customer development and new business acquisition.</p>	<p><b>Strengthen foundation: Continuous evolution of human resources and operational quality</b></p> <p>We position our non-asset assets as both human resources and quality, and we will continue to work on strengthening them. In terms of human resources, in order to achieve a high level of expertise and planning ability, we will promote the formation of human resources and organizations through enhanced recruitment and systemic training programs and create comfortable working environments. We will continue to persistently work on improving and enhancing our operational quality by thoroughly implementing activities for quality improvement and PDCA cycle management methods.</p>	

### Achievements in the fiscal year ended March 31, 2023

- Newly secured a logistics base in Kyushu in anticipation of growing needs for semiconductor-related logistics, including the development of EVs in the mobility field
- Strengthened domestic sales and distribution bases and thereby acquired new customers/businesses
- Expanded value-added logistics services to new customers by logistics planning/LLP from the manufacturer's point of view, which is our strength
- Promoted initiatives that show consideration for the environment, such as the installation of solar panels at overseas bases, to improve on-site quality
- As a child-rearing support company, continued acquisition of the Kurumin mark certification by the Minister of Health, Labour and Welfare

### Future initiatives

Utilizing manufacturer logistics and SCM planning capabilities from the shipper's point of view, we will promote both the strengthening of the relationships of trust with our existing major customers and the diversification of our business portfolio through new business development. For existing major customers, we will work to further solidify our position as a logistics partner for our customers by providing solutions through collaboration between logistics planning and international business and improving the quality of on-site services.

Concerning the expansion of new growth, we will acquire new customers by means of new development strategies and LLP proposals geared toward manufacturers that are expanding on a global scale. In addition to aiming to further incorporate logistics in anticipation of battery- and semiconductor-related demand expansion in the years to come, we will work to expand our business by leveraging the Group network.

To further promote our ongoing efforts to strengthen and evolve human resources and on-site quality as well as to encourage the formation of professional groups, we will also promote further improvements in engagement by implementing work-style reforms on an ongoing basis.

# MITSUI-SOKO TRANSPORT

Real Estate Business	Logistics/Port Transportation	Airfreight Forwarding	3PL/LLP	Land Transportation
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We will continue to pursue business growth in line with Medium-term Management Plan 2022. In the second year of the Plan, we will focus on initiatives that need to be developed and strengthened, with particular consideration on progress and changes in the management environment, in order to better ensure the achievement of our goals.

Operating revenue ratio by business



**Takayoshi Masuda**

President  
MITSUI-SOKO TRANSPORT Co., Ltd.



## Land Transportation

### Business Areas

<b>Main products handled</b>	Consumer goods, beverages, interior/housing materials, non-prescription pharmaceuticals, paper products
<b>Regions</b>	Japan, Northeast Asia
<b>Main clients</b>	Consumer goods manufacturers and wholesalers, drugstores, beverage manufacturers



For more details on business areas, please visit:  
<https://www.mitsui-soko.com/en/company/group/mst/>



- > Asset-type operation owning approx. 1,000 vehicles and using about 2,000 leased vehicles at 60 locations nationwide
- > Completely in-house delivery network and joint delivery system covering the Chugoku and Shikoku areas
- > Low-cost operation



### Opportunities and Risks (External Environment)

- Tighter regulations stemming from 2024 problem and environmental concerns
- Soaring fuel costs and increased labor costs due to shortage of drivers
- Growing need for combined deliveries/joint logistics

### Challenges (Internal Environment)

- Responding to labor shortages
- Contributing to ESG management

Leveraging our nationwide transportation network, especially in the Kansai, Chugoku, and Shikoku regions, we provide a one-stop logistics service that meets the needs of our customers. We achieve this by having developed business extensively, and combining asset-type 3PL, joint delivery, independent transportation and delivery, trunk route transportation, and other services.

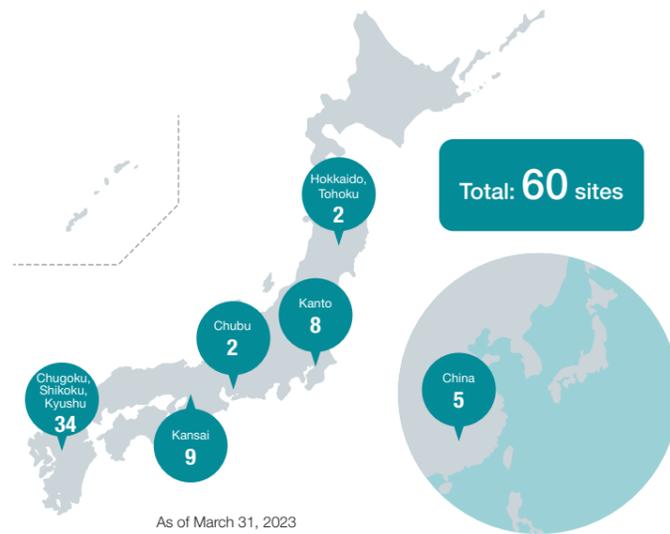
The transportation industry is facing a difficult business environment due to a shortage of truck drivers and an aging labor force, as well as expected increases in costs due to the recent surge in fuel prices. We believe that joint delivery is a service that contributes to social demands for sustainability and customer cost reductions, and that demand will increase in the years to come.

MITSUI-SOKO TRANSPORT Co., Ltd. operates and manages a transport network that has at its core the Marukyo Logistics Group, providing logistics services centered on its transportation business.

The Marukyo Logistics Group, which owns approximately 1,000 vehicles and also uses 2,000 leased vehicles, provides highly efficient regional joint delivery services, including the high-volume, long-distance hauling of consumer products, and is developing asset-type 3PL.

MITSUI-SOKO TRANSPORT will contribute to the growth of the Marukyo Logistics Group as a whole, and build a high-quality domestic logistics service by organically linking the transportation function that lies at the core of the Marukyo Logistics Group with the various logistics functions of the Mitsui-Soko Group.

### Logistics Business Sites



As of March 31, 2023

### Main Logistics Areas

Industries	Value Chain	Raw materials/Materials/Parts			Finished goods			Distribution		Main Services
		Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Sales logistics	
Healthcare										<ul style="list-style-type: none"> <li>• Land transportation</li> <li>• 3PL</li> <li>• Storage/cargo handling</li> </ul>
Home appliances										
Precision equipment/Machinery										
Consumer goods										
Interior/Furniture										
Food & beverage										
Paper/Pulp										

Mainly providing land transportation services, we are responsible for sales distribution from upstream to downstream. With regard to beverages, we also transport ingredients and concentrates between bases, while in the case of daily consumer goods, we provide a service that integrates not only transportation, but also storage services.

### Medium-term Management Plan 2022 Initiatives

**Goal** Provide new value to our customers by integrating base logistics and transportation network logistics

#### Basic Strategy 1

**Expansion of transportation network in Western Japan**

Focusing on products destined for drugstores, we will build a transportation network that covers all of Western Japan by extending the joint delivery network, which is a strength of this business, to the Chugoku and Kyushu areas.

#### Basic Strategy 2

**Improvements in income and expenditure through visualization of joint delivery operations**

While joint delivery, the mainstay of this business, enables efficient transportation because goods from multiple customers are delivered together, its structure makes it difficult to ascertain the actual costs for each customer. In expanding the joint delivery business going forward, we will work to improve income and expenditure by visualizing services carried out for each customer and thoroughly manage income and expenditure.

#### Basic Strategy 3

**Improving service quality and reinforcing transportation safety**

We will standardize services through DX promotion, develop human resources who are capable of improving KPI management and on-site services, and increase employee engagement and improve working quality through ongoing work-style reforms. We will also strengthen our transportation safety system by leading Group-wide initiatives, including the unification of transportation safety standards.

### Achievements in the fiscal year ended March 31, 2023

- Launched new business geared toward drugstores in the Kansai region, enhanced transportation capacity in the Kyushu region, and made inroads into the transportation of general consumer goods within Okinawa Prefecture
- Provided joint deliveries for consumer goods companies. Improved customer satisfaction levels through reduction of CO<sub>2</sub> emissions by streamlining transportation
- For major customers, subdivided the levels for understanding income and expenditure thereby enhancing their representation in visual form
- Responded to the upper limit that will be placed on crew overtime work in what is known as the 2024 problem (shortened waiting times with client companies, improved the working environment for employees, reviewed long-distance transport operations in the Kyushu region)
- Conducted introduction test of voice picking system<sup>\*1</sup>, and replaced vehicle digital tachograph equipment with state-of-the-art model

<sup>\*1</sup> Voice picking system: A method of using a voice recognition system for logistics operations, such as picking, warehousing, shelf replenishment, warehousing, shipping, and inventory, with the aim of improving the productivity of warehouse work and the quality of logistics.

### Future initiatives

Centered on joint delivery, which is the mainstay of MITSUI-SOKO TRANSPORT's business, we will expand and upgrade our transportation network in western Japan. In the drugstore business in the Kyushu region, which we launched last fiscal year, we will expand the top line by expanding center business in line with store development. In addition to ongoing cost reductions, in existing operations in the Chugoku region we will collect appropriate fees by presenting income and expenditure in visual form, which were enhanced in the previous fiscal year. We will also consider introducing a warehouse management efficiency tool for the purpose of improving operational quality. In consideration of transportation safety, we aim to strengthen the safety organization management system, including the use of a remote roll call system, to enhance the effectiveness of the safety activity policy formulated every year. In matters relating to the 2024 problem, we completed our response to the upper limit of overtime work for our crews by last fiscal year and will take measures throughout the supply chain, such as expanding our network of subcontractors going forward.