

## Outside Director Roundtable Discussion

**The outside directors contribute to sustained improvement in corporate value by scrutinizing the management strategies of the Mitsui-Soko Group from an external perspective and addressing individual issues with care.**

We are continuously working to strengthen the governance structures of the Mitsui-Soko Group by actively reflecting the views of our outside officers. We asked the outside directors to provide frank input, including their assessments of management, their expectations toward future growth, achievements under Medium-term Management Plan 2022, and any other issues that they perceive, based on their wide-ranging backgrounds and fields of expertise.



<b>Takashi Hirai</b> Outside Director	×	<b>Takashi Tsukioka</b> Outside Director	×	<b>Maoko Kikuchi</b> Outside Director	×	<b>Taizaburo Nakano</b> Outside Director
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# 06 Corporate Governance that Realizes Value Creation

We are promoting transparent and fair corporate governance initiatives. By building a management foundation that enables optimal allocation of management resources and quick decision-making, we are aiming to enhance sustainable growth and medium- to long-term corporate value.

### Review of the Fiscal Year Ended March 31, 2024 and Key Topics Discussed in Board Meetings

**Nakano:** The fiscal year ended March 31, 2024, was the second year of Medium-term Management Plan 2022. I would characterize it as a year in which the Company worked to secure earnings by comprehensively pursuing operational efficiency improvements in the face of challenging business conditions, including the stagnation of cargo traffic due to inventory corrections, the elimination of special factors affecting air and sea freight

rates, and rising labor and logistics costs. Now that these special factors no longer apply, the Company's real potential will be reflected in its business performance. An area in which the Company will need to take comprehensive action in this environment is DX investment. The plan is to invest ¥20 billion in DX during the five-year period covered by the current Medium-term Management Plan. Such project has been assessed and verified by the Board of Directors, with a particular focus on whether or not the investment aligns with customer needs. The returns on DX investment cannot be fully quantified. I believe that the key

to achieving results through DX investment is to focus not only on efficiency improvements, such as the reduction of labor requirements and work processes, but also on the expansion of top-line growth through the use of logistics data accumulated from customer transactions to create services that match customer needs. **Hirai:** A few years ago there was a case in which we sought additional verification of risks affecting a proposal that included an investment project. However, I feel that risk information is being fully reflected in recent proposals, allowing us to have constructive discussions. With the COVID-19



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pandemic mostly behind us, companies are again being assessed based on their real potential. This is also a time for innovation by the Mitsui-Soko Group, and it is more important than ever for management to take up challenges that reflect future aspirations. For that reason, our discussions focused not on the downside of investment projects and other proposals, but rather on the upsides under best-case scenarios, including the value that could be created by the Group. In addition, the project to enhance the value of the Nihonbashi Hakozaki Building will have a major impact on profitability, so I look forward to receiving regular reports, in part as a way of ensuring that the PDCA cycle is running properly.

**Kikuchi:** Impairment losses resulted in a net loss of ¥23.4 billion in the fiscal year ended March 31, 2017. Since then, the Group has worked in unison to achieve fundamental improvements in its earnings power and rebuild its financial base. The current Medium-term Management Plan was formulated at a time when profitability had improved thanks to these efforts. It includes plans for strategic investments totaling ¥100 billion. Management needs to ensure that it contributes to the improvement of corporate value of this investment. Our discussions about investments are not limited to the recovery period for each investment. In the case of overseas investments, for example, we also look at the future potential of the countries concerned and the situation in nearby countries. In addition to normal scenarios, we also verify worst-case and best-case scenarios. As outside directors, we have tried to have in-depth and objective discussions about

projects, including the appropriateness of the amounts to be invested, and to determine whether or not projects should go ahead.

**Tsukioka:** I was appointed as an outside director in June last year. My stance at the Board of Directors over the past year has been to ascertain the current situation and identify the information needed when considering business strategies. According to an old business adage, structure follows strategy. I am concerned that there may be overlap in the business areas and processes of the Group's operating companies and organizations. The Group has a culture in which individuals are encouraged to take up new challenges, which is a positive. However, we need to consider the development of the organization from a long-term perspective. I believe that the Board of Directors should discuss the basis for the next Medium-term Management Plan with the aim of achieving further improvement in corporate value. In my opinion, the achievement of overall optimization and the evolution of the organization to fit its growth strategies will be vital questions for consideration going forward.

**Hirai:** Organizations within MITSUI-SOKO HOLDINGS include the Business Development Division, which creates seeds for new businesses and the Strategic Sales Division, which works with Group companies to expand their businesses. Individual organizations are working well, but I believe that we also need to look at how the Group can build cross-organizational structures to achieve overall optimization once these business operations are firmly established.

### Expectations toward the Centralization of Group Offices in the Nihonbashi Hakozaki Building

**Tsukioka:** During the time remaining under the current Medium-term Management Plan, we need to discover a new strategic direction that reflects areas in which results are being achieved and those in which results need to be achieved going forward. In the next fiscal year, the Mitsui-Soko Group will centralize its offices in the Nihonbashi Hakozaki Building, where it was originally founded. I look forward to lively discussions about our vision for the Group structure that will evolve through this convergence of MITSUI-SOKO HOLDINGS and its operating companies.

**Nakano:** The concentration of the Group's offices in the Nihonbashi Hakozaki Building will generate economic benefits through the reduction of common costs. Other benefits are likely to include a sense of cohesion and energized communications.

**Hirai:** The physical concentration of operations will also be beneficial in terms of sharing tacit knowledge. Information flows will be far more effective compared with information and numbers shared through data devices and online meetings. It will be an excellent opportunity to turn the Group into a single team, to take up the challenge of creating new businesses, and to accelerate co-creation within the Group.

**Kikuchi:** The project to relocate operations to the Nihonbashi Hakozaki Building is a focus of pride for the entire Group. Ideas put forward by employees are being reflected in office layouts and other aspects of the building. With an area of around 3,000 square meters per floor, this spacious building will provide an environment in which Group companies will be able to work and progress together. Moreover, the building is located in a beautiful environment. It overlooks the Sumida River and is surrounded by green areas and avenues of cherry trees. Like everyone has said, I believe that the building will contribute significantly to the future development of the Group's business.

### Revising the Materiality

**Nakano:** The Company has recently revised its materiality. The most

important feature of the new materiality is that it was formulated by backcasting from 2050 to 2035. Some people say that the future can never be predicted. However, I see great value in thinking about the society of the future and the roles that we will play in that society, regardless of whether our predictions are right or wrong. The old materiality lacked a sense of unity between the solution of social issues and the improvement of corporate value. The new materiality prioritizes the creation of sustainable logistics systems and the resolution of issues affecting customers and society through co-creation with stakeholders and the utilization of the diverse management resources of the Group. Based on the content of the materiality, we can clearly see the linkage between the solution of social issues and the improvement of corporate value, and the direction in which the Group will move.

**Kikuchi:** The old materiality was categorized into social, the economy, and the environment. The new eight materialities are organized into two broad frameworks: "Creation of Corporate Value and Social Values," and "Maintenance and Reinforcement of the Foundations for Value Creation." While the materiality as a whole may appear to have little that is unique, I believe that it provides an accurate picture of the goals that the Group needs to achieve. I am especially interested in the goal of "advancing human capital management." Many companies have adopted similar goals, but the ways that they manage their efforts to achieve those goals vary, as do the ways that the outcomes are manifested. As part of the service sector, the logistics business must not only provide appropriate answers to customers' needs, but also offer solutions that anticipate future needs. The development of human resources capable of supporting customers with flexibility and new ideas is a vital priority that will define the future of the Group. Progress in this area will need to be monitored closely.

**Hirai:** I believe that the materiality has two key roles. First, it defines the Group's priorities and policies in terms that can be shared with stakeholders, including investors, employees, and customers. Second, it is a measure of evolution. To evolve, a company needs to ascertain its present situation and measure the gap between that situation

and where it wants to be. We ensure that evolution occurs by maintaining PDCA cycles and working to achieve KPIs for each materiality, and by measuring progress.

The fact that this review of the materiality was discussed around a business model based on the concept of backcasting is also a positive. The materiality was identified not only by forecasting changes from the present situation, but also by considering future visions for society and the Group and defining priorities based on the business models needed to realize disruptive changes leading to that future. Admittedly, none of the items are unique. However, there is value in the process that led to the selection of the eight items through intensive debate linked to business.

**Tsukioka:** Discussion about the revision of the materiality was based on medium- to long-term timelines leading up to 2035 and 2050. There was also a strong focus on the next steps forward from the current situation. I feel that one of the tangible outcomes to emerge from this process was the discovery of a path to the redefinition of the Group's medium- to long-term vision, including its current priorities. What is unique is the fact that the achievement of the operating revenue and operating profit targets in the current Medium-term Management Plan has been used as KPIs for the two materiality under the "Creation of Corporate Value and Social Values" framework. Initiatives targeted toward materiality will be meaningless unless business performance goals are achieved. It is important to maintain a direct linkage with the creation of business value, including top-line growth.

This aspect requires careful management to ensure that the revised materiality is tightly linked to the Medium-term Management Plan, and that the Group can pursue growth strategies that are compatible with the materiality.

**Nakano:** I feel that "promoting digital transformation (DX)" has a particularly important role to play in the context of our eight materialities, from the perspective of achieving top-line growth.

**Hirai:** The world will be totally different 50 or 100 years from now. The core driver will be science and technology. DX will also play an important role in creating seeds and foundations for the ongoing transformation of the Group's business, and as a driving force for the realization of our other materiality.

**Tsukioka:** The benefits of DX are difficult to quantify if we just consider the content of minor initiatives. We need to approach DX within a broader framework, starting with ambitious, large-scale initiatives. In relation to DX, AI also seems likely to be as influential as the internet as a force for social transformation. AI is expected to change the amount of energy consumed in society and the shape and role of logistics bases. We need to monitor its progress carefully.

### Enhancing Corporate Governance

**Nakano:** There has been considerable improvement of the Board of Directors. The environment at meetings is now very conducive to frank discussions and the exchange of views, while the delegation of authority to the executive side means that we can have more focused agendas.



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Going forward, I would like us to focus our discussions toward the enhancement of medium- to long-term corporate value. The acceleration of overseas expansion and the promotion of DX are important, but the real priority in terms of achieving top-line growth is the development of human resources, especially the training of middle management employees and the development of female managers. The Group has an open culture in which middle management employees can freely express their views to officers. In addition to top-down measures, I expect middle management initiatives to become a key driving force for the Company.

**Hirai:** I feel that there has been an improvement in the clarity of the matters to be determined through deliberations on proposals to the Board of Directors, as well as the background of those proposals. Information about internal deliberations leading up to the submission of proposals is shared, and the documentation provided is also easier to understand. However, there is always a tendency for discussions to center on the proposals. I would recommend the allocation of more time for discussion about the relevance of proposals to the Company's vision and the Medium-term Management Plan, and the significance and benefits of measures. The Board is also considering the establishment of a separate forum for discussions about long-term strategies.

**Kikuchi:** I believe that the quality of proposals is fine, and that adequate time is provided for deliberations. However, I agree with Mr. Hirai about the tendency for discussions to center on proposals. One of the issues that we need to

consider is how we can discuss important matters that are not put forward as proposals. For example, one approach that we could try would be to consider the matters to be discussed by the Board of Directors before the start of each fiscal year, and to reflect the views of outside directors in the selection of themes for discussion. Also significant is the fact that we now receive detailed reports about IR and SR activities, allowing the Board of Directors to function as a forum for sharing investor feedback.

**Tsukioka:** The Board of Directors should be a forum for sharing information about important issues relating to management policies. I place great importance on visits to frontline operations to obtain direct input as a way to prevent our discussions from being limited just to agenda items. Such visits can be extremely stimulating for us and deepen our awareness of issues. When discussing the Company's strategic direction, views based on knowledge obtained outside of the meeting room are also likely to provide insights for the executive side. There is also a clearly defined PDCA cycle. For example, views put forward by directors and Audit and Supervisory Board members in surveys about the effectiveness of the Board of Directors have resulted in discussions about ways to set up off-site meetings. The effectiveness of the Board of Directors is likely to improve further if this PDCA cycle continues to operate.

### Views on the Current Level of the Stock Price and Achieving Greater Recognition

**Hirai:** The Company's market

capitalization has more than doubled since I became an outside director in 2019. The concerted efforts made by management since the Company recorded a major impairment loss have been reflected in the sustained generation of value. However, the level of the PER, which is an indicator of future expectations of the Mitsui-Soko Group, suggests that investors are not fully aware of key aspects of the Group, including its growth potential, strength as a comprehensive logistics company, and the robustness of its foundation. More needs to be done to inform the market about the Group's innovative initiatives in partnering and co-creation with other companies.

**Tsukioka:** The fact that the PER level is not high can perhaps be explained by the perception that the Company's performance fluctuates according to increases and decreases in demand in its existing business areas. For example, it might be easier for investors to predict performance trends if the Company disclosed information about the benefits that can be expected from business partnerships in their second and the third years. Management needs to help investors to understand the Group's growth strategy by disclosing it in a form that shows how it is linked to the materiality. I believe that the stock market's appraisal will rise naturally if people can see the Group's growth potential.

**Kikuchi:** I agree. The Group needs to provide investors with specific information from qualitative and quantitative perspectives, including its strategic direction and approach, and its projected earnings in future years, and to commit to its stated goals.

**Nakano:** Mindsets are changing within the Company, and there have also been changes in the way that it competes in each business area. The key is to gain the understanding of individual and institutional investors about how the Group is changing and evolving. I believe that the Group's specialized capabilities, including its ability to provide integrated logistics solutions, will be an important driver of growth in the number of customers who make the Group their first-call company. Provided that it can accumulate success stories based on its unique capabilities as a comprehensive logistics company, I expect the Group to become a landmark presence in the logistics sector. That is also likely to

transform its presence in the stock market.

### Issues from the Perspective of Outside Directors

**Kikuchi:** Two issues affecting the Group that we have not yet discussed are the status of its overseas businesses, and the utilization of human resources. In many cases, the Group has built overseas businesses in step with overseas expansion by its Japanese corporate clients, and it is good that this approach aligns with its VISION of being "the co-creative logistics solutions partner for every day, emergency, and always will be." However, I feel that more consideration should be given to the continuation of this approach to overseas expansion, and ways to improve returns on investment.

**Hirai:** The Group's global network has not expanded overseas through top-down initiatives to build a global network and create business models for competing with major overseas firms. Like the business models adopted by global and local operators in overseas markets, it is focused on the achievement of organic growth through the provision of fine-tuned services targeted primarily toward Japanese companies with overseas business operations. This approach has not always been successful, and it is important to use the Group's strengths to build the overseas business up steadily by taking on new challenges when opportunities arise.

**Kikuchi:** Another priority that is linked to the development of overseas business is the recruitment of overseas talent. At present, most senior managers in overseas offices are Japanese. It should be possible to pursue different business strategies by actively promoting local people. I'm also concerned about the target of raising the ratio of female managers to 15% by the end of March 2031. I've recommended in Board meetings that they should aim for a higher target.

**Nakano:** The number of female employees tends to be low because of the characteristics of the logistics industry. The development of female executives is still in a transitional phase. Education is obviously important, but the provision of opportunities to gain experience is equally vital. We're told



that positions develop people. People improve when you create situations in which they can use the skills that they've learned. The Group needs to make full use of that approach.

### Messages to Stakeholders

**Hirai:** The Mitsui-Soko Group has made a painful transition from its traditional role as a warehouse operator, resulting in its evolution into an integrated logistics company. The foundations are already in place, and I hope our discussions going forward will focus not on the risks but rather on ways to achieve growth by creating more value. A key word in this context will be "cross-border." The Group will steadily generate value through cross-border business based on collaboration and co-creation within the Group and with other companies. The Group has inherited a culture focused on defense and reliability from its founding business as a warehouse operator. As a result, it has maintained a stance of avoiding risk and prioritizing safety. However, the Group has reached a watershed moment. As an outside director, I feel that I should do whatever I can to accelerate growth by advocating for more aggressive efforts to drive value creation.

**Tsukioka:** I would like to expand dialogue with investors and shareholders, including not only briefings about the Group's current situation, but also narratives about future initiatives and clear evidence to support those initiatives. Discussions with investors can be a source of ideas and often lead companies to change

their strategies. Rather than looking inwards, I intend to turn outwards and keep my antenna constantly tuned, and to work with high perspectives and aspirations to develop a vision for not just the Group, but the entire Japanese logistics industry.

**Kikuchi:** I have gained new insights and knowledge through this roundtable discussion. My most important duty as an outside director is to improve corporate value, or in other words to increase market capitalization. I will remain fully committed to that role. The Company has a lineup of outside directors with diverse backgrounds. I will continue to work toward sustainable improvement in corporate value while prioritizing objectivity and engaging in constructive discussions with the executive side.

**Nakano:** As an outside director, I am committed to supporting the Group in its efforts in the fiscal year ending March 31, 2025, to deliver results in the third year of the Medium-term Management Plan and link those achievements to future growth. At the same time, the Group has the resources to compete as a comprehensive logistics company, and I will also focus on ways to bring those resources together and make them stronger. One of the topics discussed today was the centralization of the Group's offices in the Nihonbashi Hakozaki Building. I will work to turn this move into the first step on a path that will align the Group's goals. I hope that all concerned will share my high expectations toward the enormous potential of the Mitsui-Soko Group.





## Directors and Audit and Supervisory Board Members

As of July 1, 2024

### Directors

**Hirobumi Koga**

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

**Takeshi Gohara**

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



Apr. 1990 Joined the Company

Apr. 2018 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) Corporate Auditor of  
MITSUI-SOKO Supply Chain Solutions, Inc.  
(Concurrently) Corporate 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)

**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)

### Audit and Supervisory Board Members

**Yukio Ishida**

Senior Standing 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 Standing Audit and Supervisory Board Member of the Company  
(to the present)

**Hiroshi Kino**

Standing Audit and Supervisory Board Member  
(Concurrently) Corporate Auditor 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 Executive Managing Director of the Company

June 2024 Standing 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.)

### 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

June 2020 Outside Director of the Company (to the present)

July 2020 Outside Director of Hitachi Construction Machinery Co., Ltd. (to the present)

Nov. 2023 Outside Corporate Auditor of Ryohin Keikaku 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)

### 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\*

Jan. 2010 Joined the Securities and Exchange Surveillance Commission,  
Financial Services Agency

Jan. 2020 Partner of the above law office (to the present)

June 2023 Outside Audit and Supervisory Board Member of the Company (to the present)

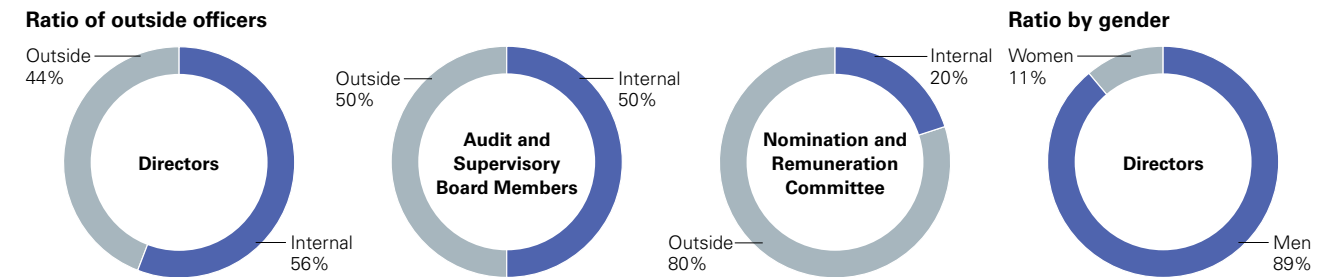
\*Currently Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyō

# Corporate Governance

## Building a Governance Structure Aimed at Improving Corporate Value

Under the PURPOSE of “Empower society, encourage progress,” MITSUI-SOKO HOLDINGS positions strengthening our governance structure as one materiality that leads to improving our medium- to long-term corporate value. The Company has adopted a holding company structure and introduced an executive officer system to ensure appropriate business management at our subsidiaries and created systems including the establishment of various committees to realize fast and appropriate decision-making. In introducing the executive officer system, by clarifying the responsibilities and authority for business execution by directors and executive officers, the Company has separated business execution and supervision. Furthermore, as a company with an audit and supervisory board, our Audit and Supervisory Board acts as an independent body from the Board of Directors to supervise the individual directors and progress in the execution of duties by the Executive Group.

## Composition of Directors and Audit and Supervisory Board Members (As of July 1, 2024)



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

No. of times held in '24/3: 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, 2024**
- Projects for Medium-term Management Plan 2022 growth strategy
  - Evaluation of the effectiveness of the Board of Directors
  - Verification of the significance of holding strategic stockholdings
  - Dialogues with shareholders and evaluation of the Group by the market
  - Formulation of the profile of human resources we seek
  - Materiality review

### Audit and Supervisory Board

No. of times held in '24/3: 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.

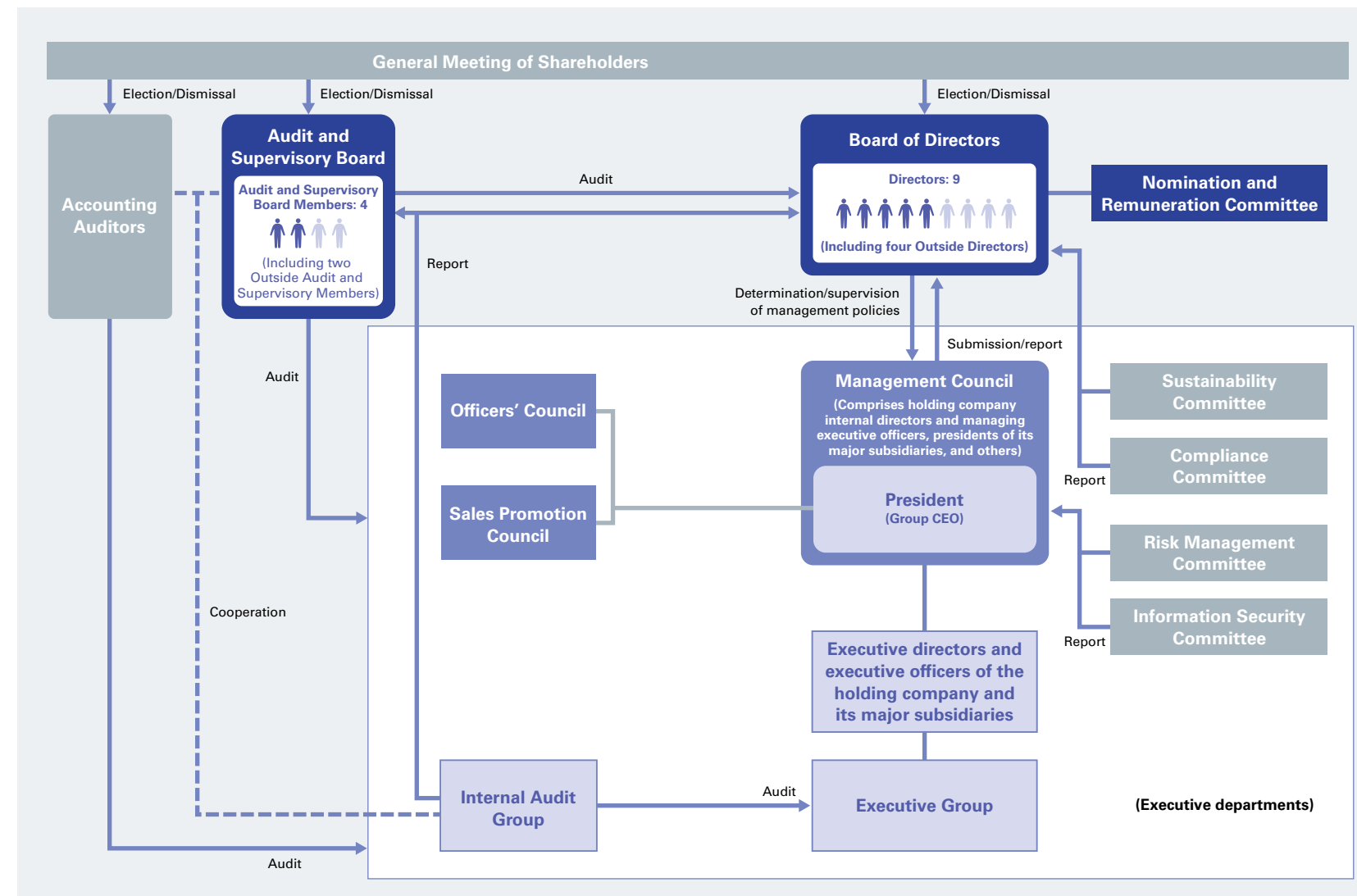
### Compliance Committee

(Chair: Hirobumi Koga, President)

No. of times held in '24/3: Four  
Committee member attendance rate: 100.0%

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

### Corporate Governance System (As of July 1, 2024)



### Nomination and Remuneration Committee

(Chair: Taizaburo Nakano, Outside Director)

No. of times held in '24/3: 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 of 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 '24/3: 27  
Council member attendance rate: 98.9%  
(MSC President Kubo was absent twice and MSCS President Sekitori was absent once)

With the aim of maximizing the corporate 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.

### Sustainability Committee

(Chair: Hirobumi Koga, President)

No. of times held in '24/3: Two  
Committee member attendance rate: 96.2%  
(MSC Executive Managing Director Mr. Wakano was absent once)

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.

MSC: MITSUI-SOKO Co., Ltd.  
MSCS: MITSUI-SOKO Supply Chain Solutions, Inc.

## Corporate Governance

### Changes in Initiatives to Strengthen Corporate Governance

	2004–	2006–	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	9
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

Founded on our three growth strategies of “top-line growth by mobilizing the Group’s collective strength,” “reinforcement of operational competitiveness,” and “building management foundation to support the deepening,” we aim to achieve greater success and to drive the sustainable growth of the Group. To realize this goal, we have defined the following nine skill and experience items that are especially required to balance diversity and the appropriate organizational scale to maintain the appropriate balance of knowledge, experience, and capabilities. We select directors and Audit and Supervisory Board members who possess these skills and experience.

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	●		●			●	●		●
Takeshi Gohara	Executive Managing Director, Responsible for Compliance, Legal and General Affairs, Risk Management	●	●			●				●
Yuji Ito	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	●					●		●	
Yukio Ishida	Senior Standing Audit and Supervisory Board Member	●	●							
Hiroshi Kino	Standing Audit and Supervisory Board Member	●			●	●			●	
Motohide Ozawa	Outside Audit and Supervisory Board Member							●		
Hidetaka Miyake	Outside Audit and Supervisory Board Member									●

Note: The above list does not represent all the knowledge and experience possessed by the directors and Audit and 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 implementing the following initiatives:

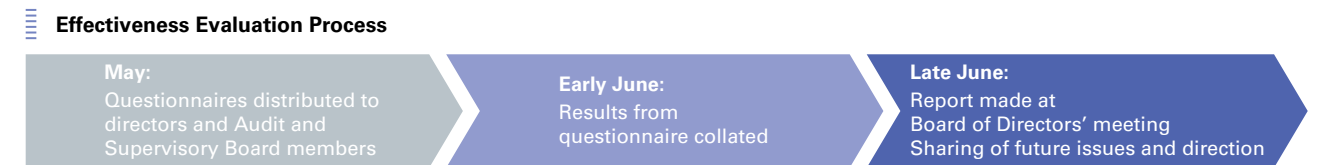
Ensuring sufficient discussion time	Providing information and support to outside directors
<ul style="list-style-type: none"> <li>Drawing up of plans with regard to annual schedule of and agenda items for Board of Directors’ meetings</li> <li>Advance explanation of matters to be discussed at Board of 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 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 May and October of 2023, we held tours of our business locations to promote an understanding of our businesses and front lines among our outside officers. The outside officers toured the sales logistics hubs of a home appliance manufacturer, a logistics center that handles healthcare products, the terminal at the Port of Tokyo, and trunk room office to gain a deeper understanding of our business.

### Evaluation of Board of Directors’ Effectiveness

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 the '23/3 Effectiveness Evaluation and Response Status

Issues	Response status
<ul style="list-style-type: none"> <li>Monitoring of the Board of Directors’ involvement in and management of the DX strategy</li> <li>Promotion of sustainability strategy</li> <li>Enhancement of communication with shareholders, investors, and other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Progress check of reports on the execution of duties</li> <li>Progress reports on DX investment projects</li> <li>Continuation of the Sustainability Committee meeting twice a year</li> <li>Discussions on the revision of materiality</li> <li>Implementation of dialogues with investors and feedback to Board of Directors</li> </ul>

#### Evaluation of Board of Directors’ Effectiveness for '24/3

Questionnaire topics	Issues identified	Issue response policy
<ul style="list-style-type: none"> <li>Composition, operation, and agenda of the Board of Directors</li> <li>Election and dismissal of directors</li> <li>DX, sustainability, and human capital</li> <li>IR and SR</li> <li>Monitoring system for medium-term management plans</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors’ composition ratio</li> <li>Improving the details of agenda items</li> <li>Discussion on management-level candidates</li> <li>Reviewing strategies and deepening discussions</li> <li>Sharing information on specific comments from analysts and on IR activities</li> </ul>	<ul style="list-style-type: none"> <li>Modifying officer composition to streamline the management system</li> <li>Further reviews of the delegation of authority</li> <li>Deepen discussion on strengthening the development of the future management</li> <li>Monitor progress on materiality and KPIs</li> <li>Hold dialogues with investors and provide ongoing feedback at Board of Directors’ meetings</li> </ul>



## Corporate Governance

### Officer Remuneration

#### Officer Remuneration Basic Policy

The Company's officer remuneration is set at levels that allow us to secure excellent human resources capable of realizing the Group Philosophy. The officer remuneration system has been designed based on the premise of ensuring transparency, fairness, and rationality from the standpoint of accountability to our stakeholders, including our shareholders.

#### 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, which is chaired by an outside director and comprises other outside directors and the President and Group CEO. The Board of Directors entrusts the Nomination and Remuneration Committee with those decisions.

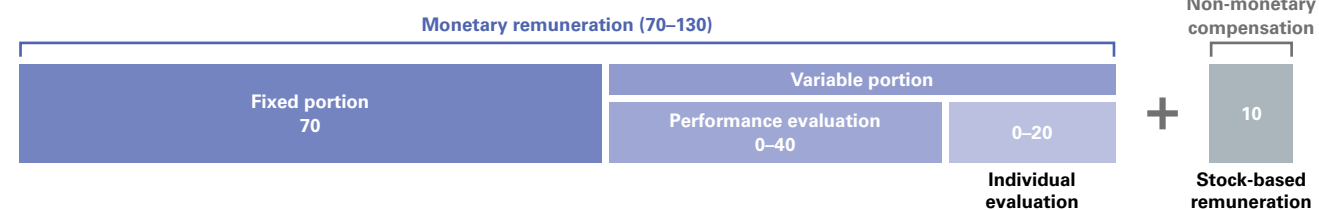
#### Composition of Officer Remuneration

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.

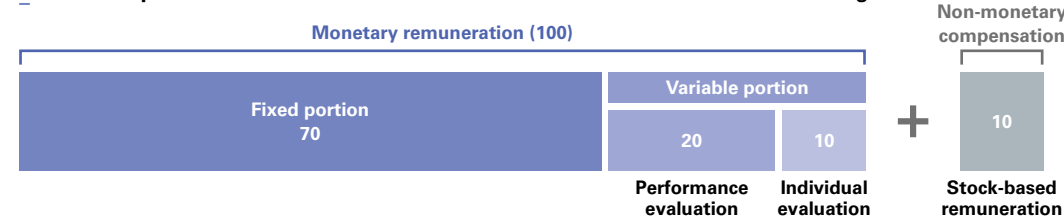
#### Officer Remuneration

<b>Monetary remuneration</b>	The base amount of a position is determined in accordance with the officer's position.
<b>Fixed portion</b>	70% of the base amount of a position is paid as monetary remuneration that is not linked to performance indicators.
<b>Variable portion</b>	Performance-linked evaluations are provided to motivate an increase of corporate value through the improvement of business performance, and monetary remuneration is paid that varies according to individual performance-linked evaluation. 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. In terms of the payment amount, the system is designed so that the performance evaluation payment ranges from 0% to 40% of the base amount for a position and individual evaluation is 0% to 20% of the base amount for a position.
<b>Non-monetary remuneration</b>	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



#### An Example Where Performance and Individual Evaluations Are the Standard Figures



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

Officer category	Total amount (Millions of yen)	Total amount by remuneration type, etc. (Millions of yen)			No. of officers paid (Persons)
		Fixed portion	Variable portion	Stock-based remuneration	
Directors (excluding outside directors)	356	212	114	29	6
Audit and Supervisory Board members (excluding outside Audit and Supervisory Board members)	64	64	—	—	2
Outside officers	55	55	—	—	7

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

### Succession Plan

From the standpoint of increasing the effectiveness of management, the Nomination and Remuneration Committee holds discussions on personnel who are candidates for president and director as part of the process of identifying the most suitable personnel from a broad internal and external candidate pool based both on our management philosophy and management plan. Particularly for those being promoted internally, we conduct performance reviews including both the employee's job skills and their performance evaluation. We have them accumulate the broadest experience possible, and by assigning them the management or leadership of important tasks related to Group operations as an executive officer, we provide candidates management-related opportunities. We also develop capabilities by providing officer training and holding discussions on case studies.

### Audit and Supervisory Board Members and Audit and Supervisory Board

To prevent business-related risks from occurring and to promptly identify and resolve problems points, the Audit and Supervisory Board members, accounting auditors, and Internal Audit Division have a system in place to coordinate closely and to provide regular auditing from each perspective.

As an organization that is independent from the Board of Directors, the Audit and Supervisory Board formulates the Group's auditing policy and auditing plan based on our Articles of Incorporation and audits both the individual directors and the execution of duties by the Executive Group. To do so, the Audit and Supervisory Board members regularly attend important meetings starting with Board of Directors' meetings, conduct hearings and field audits, and express opinions on the state of operations at Group companies. Job duties are divided among two Standing Audit and Supervisory Board members and two Non-Standing Audit and Supervisory Board members.

#### Audit and Supervisory Board Member Message



Senior Standing Audit and  
Supervisory Board Member

**Yukio Ishida**

I believe that the role of Audit and Supervisory Board members is to ensure the sound and sustainable growth of the Company and to help establish a high-quality governance structure that is trusted by society through the independent position granted to them by the shareholders. As a Standing Audit and Supervisory Board member, by attending important meetings such as meetings of the Management Council and Compliance Committee and by reading important documents, I will be focused on auditing the execution of duties by directors.

The most unique characteristic of the Company's Audit and Supervisory Board is the establishment and steadfast implementation of our policy, "for the selection of accounting auditors, every seven years following their appointment, we will ensure that new candidates for accounting auditor are recruited from a large pool and that current accounting auditors are reviewed." I believe that there are still very few companies that perform this kind of review at set periods, and that our Audit and Supervisory Board initiatives are leading the way in Japan.

One key auditing theme in the previous fiscal year was the question, "are systems in place and being properly operated to contribute to strengthening human capital?" We also challenged ourselves with new initiatives including questionnaires and interviews with the non-management employees, working to hear as many real opinions as possible from the members of our Group.

To continue to improve the Group's corporate value, I would like to properly fulfill my role as an Audit and Supervisory Board member.

### 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. Specifically, we have established the consolidated subsidiaries managed by each of our major subsidiaries, partially transferred authority based on the scale of investment and the nature of the project, and separated projects for which our subsidiaries have authority and those for which the Company has authority.

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

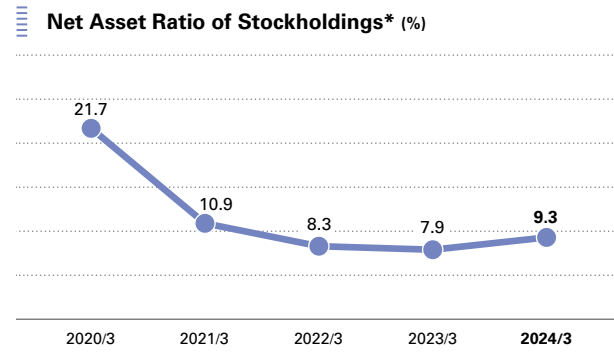
## Corporate Governance

### 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.

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 promote efforts to reduce holdings as appropriate. We also report regularly to the Board of Directors every year.

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.

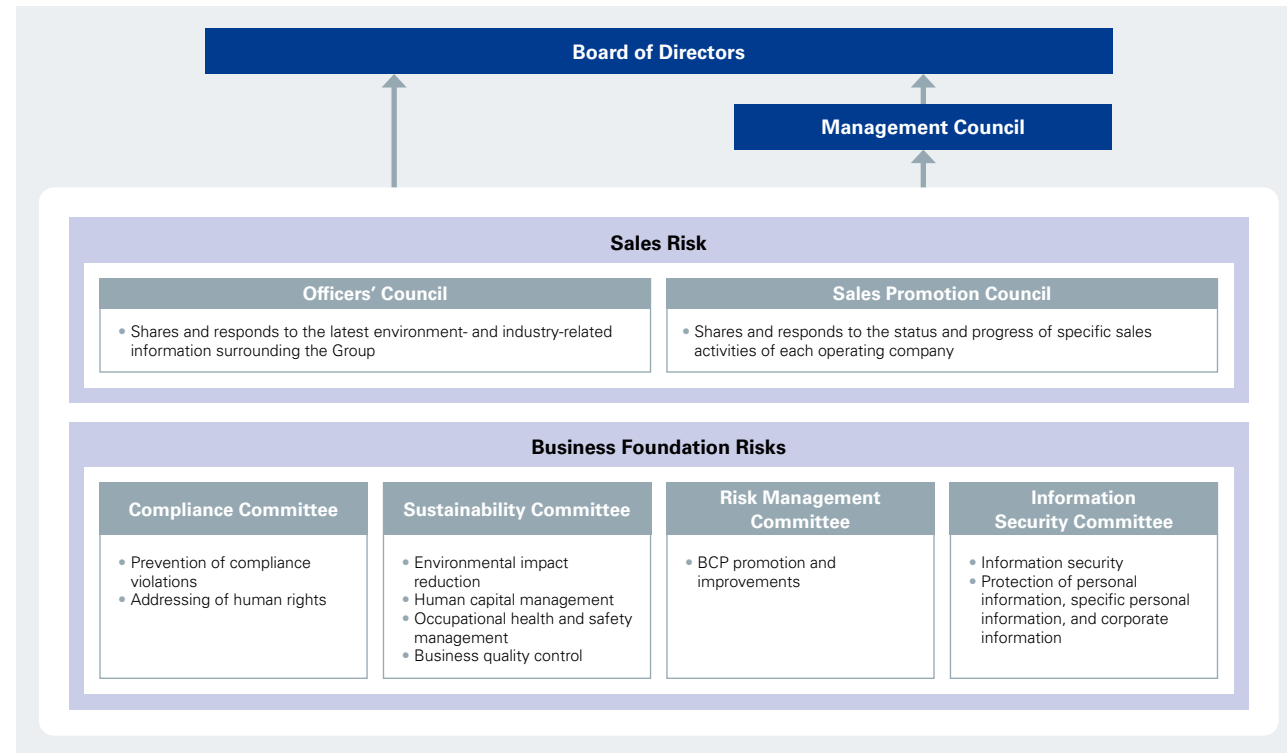


\*Ratio of consolidated net assets accounted for by market value of stockholdings held

### 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. The Risk Management Committee also 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 Risk Management Department of MITSUI-SOKO HOLDINGS is responsible for promoting Group-wide risk assessments and responses. Furthermore, each Group committee grasps the situation of each risk and reports them to the Management Council or the Board of Directors.

#### Risk Management Framework



### Business and Other Risks

The Group develops logistics business mainly in Japan, North America, Europe, Northeast Asia, and Southeast Asia, as well as a real estate business in Japan. Core matters that may have a significant influence on investors' investment decisions are shown below.

Risk	Risk overview	Response/Initiatives	Responsible organization
Changes in economic environment	<b>Logistics business</b> <ul style="list-style-type: none"> <li>Fluctuations in cargo movement due to national economic trends and the destabilization of social conditions</li> <li>Reduced inventory due to economic downturns and shrinking demand, reduced regional and international transportation</li> <li>Reduced collection fees in markets with intense price competition</li> </ul> <b>Real estate business</b> <ul style="list-style-type: none"> <li>Impact of the supply-and-demand balance and market trends in the Tokyo region rental office market</li> </ul>	<b>Logistics business</b> <ul style="list-style-type: none"> <li>Building diverse customer portfolios unbiased toward specific industries and regions</li> <li>Providing peripheral services and creating added-value services that are not limited to storage and transportation logistics operations</li> <li>Monitoring market trends including cargo volume</li> </ul> <b>Real estate business</b> <ul style="list-style-type: none"> <li>Strengthening the revenue base by converting buildings to multi-tenant buildings</li> <li>Continuously implementing value-enhancement work</li> <li>Monitoring market trends including rental costs</li> </ul>	Management Council, Officers' Council, Sales Promotion Council
Changes in public regulations	<ul style="list-style-type: none"> <li>Increasing costs of responding to changes in national-level legal regulations including business and investment permits, storage, operations, transportation, commerce, anti-monopoly, taxation, foreign exchange management, climate change, the environment, and safety management regulations</li> </ul>	<ul style="list-style-type: none"> <li>Collecting information through regular communication with outside experts</li> <li>Building relationships of trust with customers and collecting the appropriate fees</li> <li>Aggressively hiring personnel with specialized knowledge for full-time positions</li> </ul>	Management Council, Officers' Council, Sales Promotion Council
Changes in industry structure	<ul style="list-style-type: none"> <li>More serious shortages of human resources driven by Japan's shrinking working population</li> <li>Market participation into different industries from lower barriers to entry driven by progressing digitization and equipment industrialization</li> </ul>	<ul style="list-style-type: none"> <li>To build "overwhelming field capabilities," improving the quality of our service processes through visualization and standardization and improving their efficiency by raising standards</li> <li>Labor and personnel saving using next-generation technologies such as IoT, AI, and robotics</li> <li>Proposing solutions aimed at resolving issues in customers' supply chain by strengthening Group coordination</li> </ul>	Management Council, Officers' Council, Sales Promotion Council, Sustainability Committee
Increasing importance of ESG	<ul style="list-style-type: none"> <li>Delayed response and insufficient disclosure regarding respect for human rights, including both the Company and our supply chain</li> <li>Delayed response and insufficient disclosure regarding the response to climate change</li> <li>Reputational damage and removal from investment consideration due to the above delays and insufficient disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Understanding global trends and advancing policies through the establishment of the Sustainability Committee and the ESG Team</li> <li>Quick response to our disclosure framework</li> </ul>	Sustainability Committee, Compliance Committee
Occurrence of disasters and damage to social infrastructure	<ul style="list-style-type: none"> <li>Halting operations due to the occurrence of disasters including earthquakes and floods</li> <li>Information system shutdowns caused by malfunctions such as power outages and dead communication lines</li> </ul>	<ul style="list-style-type: none"> <li>To minimize damage perform regular inspections and maintenance, create and update disaster response manuals, and provide disaster training</li> </ul>	Risk Management Committee
Potential risks from international activities and overseas expansion	<b>In areas where we have overseas sales hubs</b> <ul style="list-style-type: none"> <li>Unpredictable changes in laws and regulations</li> <li>Political and economic factors that are disadvantageous to our business activities</li> <li>Impact from insufficient social infrastructure</li> <li>Changes in the tax system</li> <li>Social disorder caused by war, terrorism, infectious disease, and other factors</li> </ul>	<ul style="list-style-type: none"> <li>Cooperating with trusted local partner companies</li> <li>Regular information collection on economic conditions and laws and regulations by local staff</li> <li>Creating and sharing information about emergency response manuals and building a communication and reporting system between our local subsidiaries and Japan</li> </ul>	Management Council, Officers' Council, Sales Promotion Council
Risks related to systems	<ul style="list-style-type: none"> <li>Information system shutdowns caused by cyberattacks</li> </ul>	<ul style="list-style-type: none"> <li>Established the Information Systems Division at our holding company as a dedicated organization responsible for system operations and management throughout the entire Group to prevent system malfunctions from occurring</li> <li>We are building a comprehensive, multifaceted system operations framework to promptly recover our systems and to minimize the impact of malfunctions when they do occur</li> </ul>	Information Security Committee
Risks related to information leaks	<ul style="list-style-type: none"> <li>Claims for compensation for damage, the incurrence of fines and penalties, and reputational damage caused by the improper external leaking of information</li> </ul>	<ul style="list-style-type: none"> <li>Established the Information Security Committee to implement Company-wide policies to prevent information leaks and unauthorized access by external networks</li> <li>Conducting regular, Group-wide inspections of all systems and implementing policies to prevent information leaks</li> </ul>	Information Security Committee

For other items that are closely related to our financial statements such as fluctuations in exchange rates and interest rates and changes in the market value of retirement benefit obligations and owned assets, please refer to our securities reports.

### Compliance

We have established the Compliance Committee, which convenes every quarter, to strengthen our compliance systems, including legal compliance. In addition, we place importance on compliance-related training and implement a compliance awareness survey every year to raise awareness at each Group company. 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. For internal reporting, to prevent or quickly detect major violations, such as legal noncompliance, malpractice, or harassment, we have established rules for its handling, and 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 whistleblowers and also allows reports to be dealt with in English and Chinese, preventing the potential for risks such as scandals.



## Corporate Governance

### Stakeholder Engagement

The Mitsui-Soko Group, for over 110 years since its founding, has conducted business 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.

Stakeholder	Overview of relationship	Stakeholder expectations/interests	Means of communication
Shareholders/ Investors	Recognizing that shareholders and investors, as financial capital providers, are important partners who support the Group's sustainable growth, conduct appropriate dialogues with them.	<ul style="list-style-type: none"> <li>• Sustainable improvement of corporate value</li> <li>• Increasing share price</li> <li>• Timely and appropriate information disclosure</li> <li>• Appropriate market evaluation</li> <li>• Favorable communication</li> </ul>	<ul style="list-style-type: none"> <li>• General Meeting of Shareholders</li> <li>• Financial results briefings</li> <li>• Dissemination of information to investors and shareholders (Value reports, sustainability data book, shareholder reports, annual securities reports, etc.)</li> <li>• Small meetings, individual IR/SR interviews</li> <li>• Shareholder surveys</li> </ul>
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.	<ul style="list-style-type: none"> <li>• QCD and sustainability</li> <li>• Offering sustainable and resilient logistics infrastructure</li> <li>• Logistics foundation that supports customer evolution</li> <li>• Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Daily sales and service activities, information on website (in Japanese and English)</li> <li>• Online and phone consultation services</li> <li>• Series of logistics articles</li> <li>• Business introduction videos on official YouTube channel</li> <li>• Provision of corporate activity information using digital signage displays</li> <li>• Participation in large-scale exhibitions and implementation of online seminars</li> </ul>
Employees	Respect each employee's human rights and promote communication and measures that provide job satisfaction and growth opportunities.	<ul style="list-style-type: none"> <li>• Respecting human rights</li> <li>• System and evaluation that allow employees to feel rewarded in their work</li> <li>• Safe and healthy work environments</li> <li>• Provision of growth opportunities</li> <li>• Diversity and inclusion</li> <li>• Work-life management</li> </ul>	<ul style="list-style-type: none"> <li>• Employee engagement surveys</li> <li>• Establishment of human rights policy and implementation of due diligence</li> <li>• Enhancement of training programs</li> <li>• Creation of comfortable working environments</li> <li>• Awards and contests</li> <li>• Fair assessment system</li> <li>• Promotion of occupational health and safety and "KENKO Investment for Health"</li> <li>• Stress checks</li> <li>• Dissemination of information on the Company intranet, community activities, and in-house newsletters</li> <li>• Compliance Hotline (multilingual support)</li> <li>• Exchange of views with labor unions</li> </ul>
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 coexistence and co-prosperity.	<ul style="list-style-type: none"> <li>• Fair business transactions</li> <li>• Mutual growth</li> <li>• Cooperation during disasters</li> </ul>	<ul style="list-style-type: none"> <li>• Formulation and disclosure of basic policy on sustainable and responsible procurement</li> <li>• Fair, open, and transparent transactions</li> <li>• Cooperation in the event of a disaster</li> <li>• Quality improvement initiatives</li> <li>• Response to phone and e-mail inquiries</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Fair corporate activities</li> <li>• Collaboration and support for the execution of policies and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Legal and regulatory compliance</li> <li>• Dialogue and collaboration with business and industry groups (Ministry of Land, Infrastructure, Transport and Tourism, The Japan Warehousing Association Inc., etc.)</li> </ul>
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 coexist in harmony.	<ul style="list-style-type: none"> <li>• Coexistence and co-prosperity with communities</li> <li>• Creation of job opportunities</li> <li>• Reduction of environmental impact</li> <li>• Traffic/road safety</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of community initiatives</li> <li>• Donation activities (medical, artistic, research fields, etc.)</li> <li>• Lectures at universities</li> <li>• Contribution to communities and society through volunteer activities</li> <li>• Response to surveys and questionnaires</li> <li>• Information dissemination through website, etc.</li> </ul>