

VALUE REPORT 2023

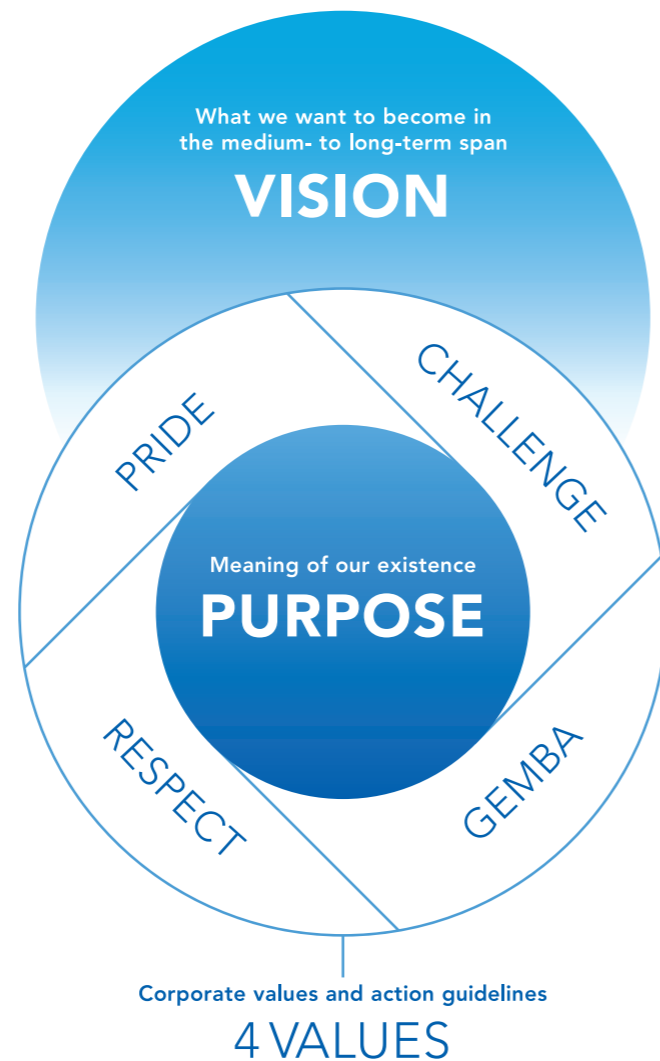
MITSUI-SOKO  
GROUP

# 01 INTRODUCTION

## Empower society, encourage progress

Forming the basis of people's day-to-day lives and the workings of economic activity is the constant movement of logistics. We believe that logistics is more than just storing and transporting goods; logistics represents a form of infrastructure that supports society and plays a role that leads to global evolution. Currently, a variety of problems are emerging in the world, and the question being asked is how people and the Earth can healthily coexist. As the world changes, logistics will be required to evolve, too. Responding to the needs of society, moving the world in a better direction, and realizing a spiritually enriching and sustainable society, we are active today with an eye toward the logistics of tomorrow.

Mitsui-Soko Group Philosophy



**VISION** What we want to become in the medium- to long-term span

**The co-creative logistics solutions partner.  
For every day, emergency, and always will be**

**PURPOSE** Meaning of our existence

**Empower society, encourage progress**

**4 VALUES** Corporate values and action guidelines

**PRIDE** ..... Responsibility and pride in empowering our society

**CHALLENGE** ..... Strive to create and execute sustainable proposals for both our customers and society

**GEMBA** ..... Our frontline: The base of potential, power, and progress

**RESPECT** ..... Embrace diverse ideas, co-create new value

## Upon Issuing Value Report 2023

Around the world, social issues such as global environmental problems and rising geopolitical risks are expected to become more serious and complex. We believe that it is essential for a company to respond to such social changes, and that we are required to work to help resolve social issues through our business.

Since its founding in 1909, the Mitsui-Soko Group has been empowering society and encouraging progress through the logistics industry. For us to continue to create value even in these uncertain times, we launched our Medium-term Management Plan 2022 from the fiscal year ended March 2023. Including initiatives from Medium-term Management Plan 2022 in this "Value Report 2023," we would like to illustrate how the Group will work toward medium- to long-term value creation, such as through its DX and human resource strategies.

The Group has created this Value Report, which is positioned as an important tool, with the aim of helping all stakeholders, including shareholders and investors, to gain a better understanding of the Group by integrating financial and non-financial information. In preparing this report, reference was made to the Integrated Reporting Framework

put forward by the IFRS Foundation, the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation advocated by the Ministry of Economy, Trade and Industry, and other relevant documents. At the same time, having consolidated the cross-organizational ideas from the Mitsui-Soko Group, each department cooperated and prepared the report in good faith. I have confirmed that the preparation process was properly conducted and that the coverage is fair.

In the years to come, the Mitsui-Soko Group will continue to utilize value reports as one of its engagement tools for promoting constructive dialogue with all stakeholders. At the same time, we will be striving for sustainable improvement in our corporate value.

September 2023

### Hirobumi Koga

Representative Director, President & Group CEO  
Chairman of the Board of Directors

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### ▶ Editorial Policy

This report is a disclosure document that incorporates management strategies for medium- and long-term growth, ESG information that forms the foundation of growth, and information on business performance and financial information for the fiscal year under review. This report is published for investors.

We also cover and post a variety of company information on our website. We hope that readers will deepen their understanding of the Company by looking at this report in conjunction with the website. In the years to come, we will work to edit the content of the report to meet the expectations of our readers.

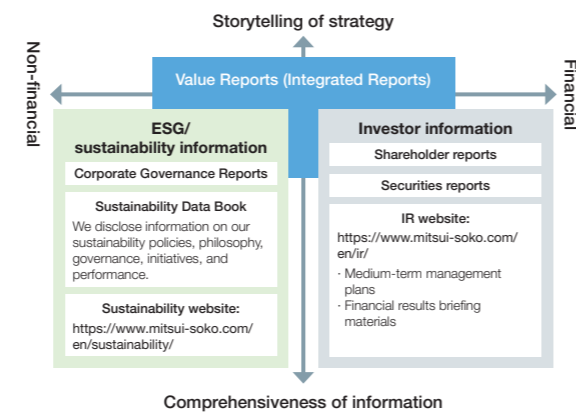
### ▶ Scope of Reporting

Applicable period:  
April 2022 to March 2023 (some information from April 2023 onward included)

Fiscal year notation:  
The company's fiscal year begins on April 1 and ends on March 31 of the following year. FY2023 is used to denote the year ended March 31, 2023.

Scope:  
Activities of Group companies centered on Mitsui-Soko Holdings Co., Ltd. (In cases where the main subject companies are different for each field of activity, the scope of coverage is described.)

### ▶ Compartmentalization of disclosure media



### ▶ Disclaimer Regarding Forward-Looking Statements

Those business plans, strategies, prospects, and management-related initiatives regarding the Company's future performance described in this report that are not historical facts are forward-looking statements and as such are assumptions and judgments based on currently available information. Readers should be aware that actual results may differ from these due to a variety of factors, such as the economic conditions surrounding the Company, demand and product prices, the development and sales of new products, and fluctuations in raw material prices and exchange rates.

At a Glance

# Logistics Services of the Mitsui-Soko Group that Develops Integrated Solutions Based on its High Level of Expertise

Major Business

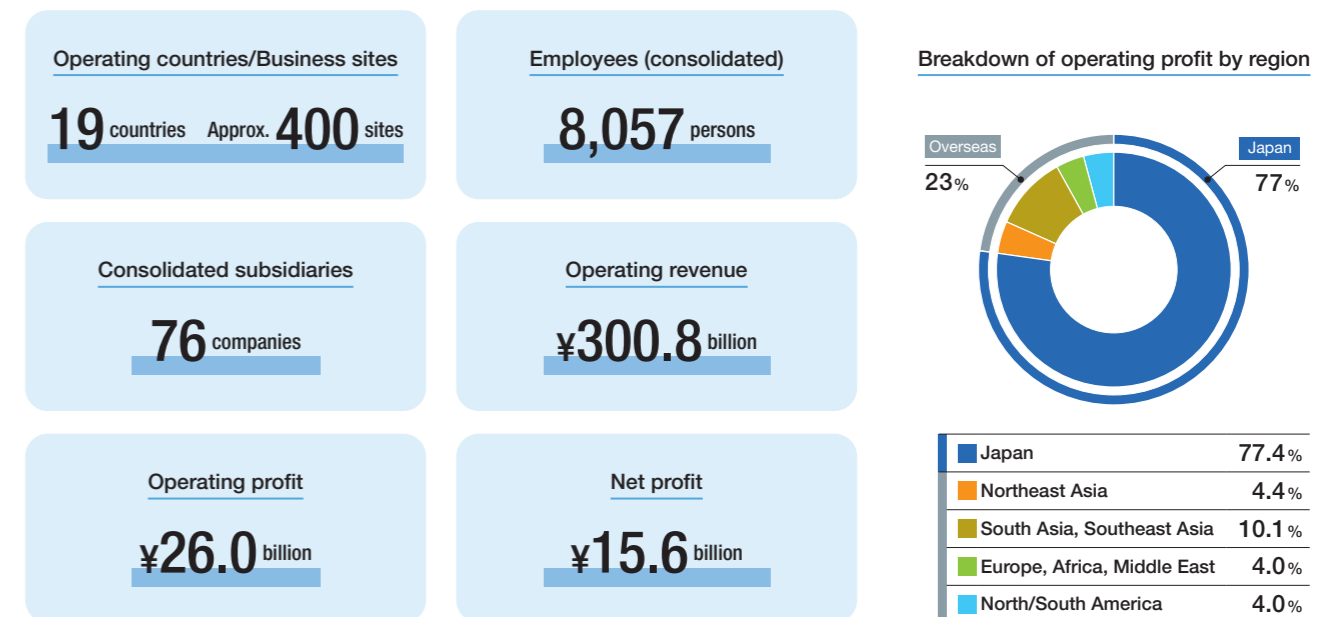
Holding Company (listed company)



Logistics Value Chain Offered by the Mitsui-Soko Group



Key Data of the Mitsui-Soko Group



# 02 CEO MESSAGE

## Message from the President and Group CEO

**Empower society, encourage progress.**

**For the very reason that these are times in which it is difficult to clearly anticipate what lies ahead, we will lead the future of logistics by bringing together knowledge from both inside and outside the Group.**

### **Awareness of the environment surrounding logistics and the direction in which the Mitsui-Soko Group is proceeding**

Including the COVID-19 pandemic, the increasing severity of natural disasters, and the Ukraine conflict, the global situation has been changing rapidly over the past few years. We live in an age of uncertainty, and predicting what the world will be like 10 or 20 years hence is beset with difficulties. However, regardless of the era in which we are living, one thing we can say is that logistics are here to stay. As long as things are not dispensed with, the act of delivering them will not be dispensed with either. In the meantime, the ways in which things are delivered will need to change with the times.

Triggered by the supply chain disruptions being brought about by a variety of environmental changes, at the present time many companies are recognizing the importance of stable supply chains and are drastically changing their attitude toward logistics. I think that the key word from now on will be "dispersal." Take into account, for example, the risks from geopolitics, infectious diseases, and natural disasters in advance, and disperse import/export partner countries, logistics bases, delivery routes, and other elements. If this becomes the norm for companies, the variations in terms of logistics will continue to increase. For our

Group, which possesses a comprehensive lineup of logistics service functions for land, sea, and air as well as logistics know-how that has been responsible for a wide range of value chains, from upstream to downstream, and can propose total packages, the advent of such an era represents an opportunity for further advancement. In fact, up to now, many customers viewed logistics as a cost and chose logistics companies based on price alone. In recent years, however, there has been an increasing tendency for logistics providers to be judged comprehensively based on various factors, such as BCP compliance, operational quality, and CO<sub>2</sub> emission reductions.

Even amid these uncertain changes in the environment, it is my belief that we will continue to demonstrate our ability to make proposals that offer more with no stop in physical distribution. I also believe that improving our customers' corporate value and leading to more abundant lifestyles for consumers in the future will embody our Group's PURPOSE: "Empower society, encourage progress." Taking advantage of these changing times, I would like us to demonstrate the Group's comprehensive strengths, which have been refined, while co-creating and collaborating with a variety of companies, expanding the fields in which we are active and raising our presence by means of an aggressive business stance.

*Hirobumi Koga*

President and Group CEO  
MITSUI-SOKO HOLDINGS Co., Ltd.

## Message from the President and Group CEO



Taking advantage of these changing times, we will demonstrate the Group's comprehensive strengths, which have been refined, while raising our presence through co-creation with a variety of companies.

### Progress of Medium-term Management Plan 2022 toward realization of "the co-creative logistics solutions partner. For every day, emergency, and always will be."

To seize the opportunity to make a leap forward and achieve further growth, the Group launched Medium-term Management Plan 2022 last year. This five-year plan was formulated to realize our medium- to long-term vision of becoming "the co-creative logistics solutions partner. For every day, emergency, and always will be." As I mentioned earlier, for us to keep society moving from now on and to connect that with our evolution will necessitate us not only having to store and transport goods but also to provide logistics services that optimize entire customer supply chains. By increasing our solution capabilities and remaining a presence that can solve customers' management issues while co-creating with all stakeholders, I would like us to achieve Medium-term Management Plan 2022 and for it to lead to the growth of our customers and the development of society.

In the Plan's first year, the fiscal year ended March 31, 2023, we were able to achieve record-high profits for the third consecutive year and managed to pull off results that were more robust than expected. Please see the following pages for specific details of the progress made so far, but I would like to pick up on a few points here.

➔ P.32-34 Message from the CFO  
P.35-36 Medium-term Management Plan 2022

### Development of Growth Areas to Expand Integrated Solution Services

In "enhancement of integrated solution services," one of our growth strategy initiatives, we are focusing on the mobility, healthcare, and B2B2C markets, which are expected to expand in the future, and in which our Group's strengths can be demonstrated as focus areas.

With regard to the mobility focus area, we entered into a strategic partnership with NRS CORPORATION, an expert in hazardous goods logistics, in October 2022. In accordance with the evolution of EVs and electronic control technology, in the case of mobility demand for components such as semiconductors and lithium-ion batteries is expected to increase further, but many of these items are classified as dangerous goods and require specialized handling know-how. On the one hand, having been handling hazardous materials in the upstream supply chain for many years, NRS has accumulated specialized logistics know-how. On the other hand, our Group has a broad customer base and provides logistics solutions that help optimize entire supply chains. By leveraging each other's strengths and combining the global networks of our two companies, we plan to expand the range of proposals we make to existing customers and implement joint proposals for their entire supply chains, including hazardous materials logistics.

In the healthcare field, we entered into a strategic partnership with P-J-D Network Co., Ltd., which operates a nationwide joint transportation and delivery network exclusively for pharmaceuticals, in July 2022. In the healthcare field, which requires strict quality control, the Group has provided highly functional healthcare logistics facilities and high-quality operations. By entering into this partnership, however, we will combine our respective storage and transportation know-how, promote the creation of a pharmaceutical logistics platform, and aim to expand profits.

In the B2B2C area, we have been handling high-value-added pet health supplements for many years from our base in eastern Japan. However, we recently established a new e-commerce logistics center in Takatsuki City, Osaka Prefecture, which will serve as our base in western Japan, to respond to the increase in handling volume as our customers shift their businesses to e-commerce. We are operating this facility by making use of the know-how we have cultivated at our stores and at an e-commerce logistics base for home electronics retailers, which has been in operation since the year before last.

From now on, we will leverage the Group's comprehensive strengths and help improve the corporate value of our Group and build optimal supply chains for our customers through co-creation both inside and outside the Company.

➔ P.39-44 Medium-term Management Plan 2022 Focus Areas

### Underpinning the Sustainability of Customers and Society: SustainaLink

The Mitsui-Soko Group is also heavily promoting sustainability-oriented businesses. As disasters become more severe, corporate sustainability has become an urgent issue. Our Group, however, has been providing its SustainaLink service, which supports the sustainability of customers' supply chains through logistics, since 2021. Among the various issues surrounding society, SustainaLink is a service that identifies the issues that need to be addressed from three risk perspectives—environmental, labor force, and disaster risks—and builds a stable supply chain for customers through the three steps of know, visualize, and improve.

In particular, we have received high praise for our response to environmental risks, and the number of projects is steadily increasing. A response to reducing environmental impact represents a major issue for all companies, an increasing number of which are now working not only to reduce their own CO<sub>2</sub> emissions but also to reduce Scope 3 emissions. Even within Scope 3, however, the tracking of CO<sub>2</sub> emissions in visual form is considered difficult in the case of logistics. This is because during the time a single item gets from point A to point B, multiple logistics companies have performed a variety of transportation tasks, including storage and land, sea, and air transportation. Our Group has a major advantage in that we have built systems and mechanisms that allow us to visualize CO<sub>2</sub> emissions not only in Japan but also in international logistics. On an increasing number of occasions we are receiving calls from companies with which we had previously not done business, saying, "We would definitely like to hear from you." In November 2022, we participated in the international trade platform demonstration experiment that was featured at the APEC Summit and, utilizing the MS CO<sub>2</sub> Analyzer function, one of the SustainaLink services, calculated the CO<sub>2</sub> emissions during maritime transportation between Japan and Thailand. The major contributory factors in our adoption for this demonstration experiment were that our Group has already put in place an international standards-based system for calculating CO<sub>2</sub> emissions, and the reliability of that system had been evaluated and recognized. The strength of our Group is that we are able to not only carry out visualization but also carry out actual operations to reduce CO<sub>2</sub> emissions. Based on the logistics data we receive from our customers, we conduct logistics diagnoses and analyses, which leads to operational improvements. We are proud that we are able to perform this service for the very reason that we are a comprehensive logistics company that possesses a comprehensive lineup of logistics service functions and can provide end-to-end integrated logistic solution services, from upstream to downstream. In the fiscal year ended March 31, 2023, we received high acclaim from many quarters, which included receiving the Grand Prize for the Excellent Business Entities Working on Modal Shift Awards 2022, sponsored by the Japan

Association for Logistics and Transport.

We will continue to develop SustainaLink, by which sustainable logistics networks are built, so that customers will choose the Group as their partner, and will lead to the further growth of our Group and the resolution of social issues.

➔ P.46-48 Medium-term Management Plan 2022 Expansion of Sustainability-oriented Business

### DX to Support the Deepening and ESG Promotion

Due to the increasing severity of natural disasters and the additional labor shortages that will be caused by the placing of limits on crew overtime (the 2024 problem), the stable delivery of goods is no longer something that we can take for granted. At our Group, we are promoting DX- and ESG-related initiatives to provide our customers and society with stable supply chains whatever the circumstances.

First, with regard to DX, we are proceeding with initiatives based on our DX strategy in collaboration with our customers. It has long been my belief that it would be difficult for companies to realize DX without logistics DX. In today's world, where the risk of supply chain disruption is increasing, it is extremely important to be able to visualize the entire process of a company's product distribution, including where inventory is currently located and how it is being transported. Furthermore, as there are concerns about a labor shortage in logistics, improving the efficiency of logistics operations is also an urgent issue. We are promoting "aggressive DX," which builds an SCM platform and connects it to new services for customers, and "defensive DX," which aims to optimize logistics, such as by the installation of robotics and the digitization of paperwork. When working on DX, it is important to first practice and accumulate know-how through repeated trial and error, since even if a company introduces excellent tools, DX will not be possible without the individual capabilities of the people to make use of them. Based on the idea that "it's not about the tools, it's more about the people," we are promoting initiatives by means of a process to establish competitive advantage by combining people's individual capabilities with technological capabilities.

➔ P.54-56 DX Strategy

Now that the era of dispersal has arrived, we will promote the building of sustainable logistics networks so that our customers will choose the Group as their partner.

## Message from the President and Group CEO

Next, with regard to ESG, we have identified materiality and are promoting management that incorporates sustainability into the core of our business strategy. A prerequisite for our Group itself to achieve sustainable growth is that society and the earth remain sustainable. Without social sustainability, economic growth cannot be achieved. The promotion of SustainaLink forms part of this effort, but we are also accelerating measures within our Group. In particular, we are strengthening our efforts to decarbonize and are moving forward with measures geared to the achievement of medium- to long-term reduction targets for CO<sub>2</sub> emissions (Scope 1 + 2).<sup>\*</sup> Up to and including last year, the scope of reduction targets was the legally compliant portion of Group companies, but the scope has now been expanded to all MITSUI-SOKO HOLDINGS and major Group companies. So far, we have been promoting environmental measures that have included those designed to save energy, such as switching to LEDs and installing solar panels. Following the expansion in terms of scope, however, we are formulating a medium- to long-term reduction roadmap that includes annual reductions so that the entire Group can act more effectively, and we are putting in place a system to steadily achieve our goals. We are also promoting society-related measures such as safety, which forms the core of our business activities, and efforts to respect human rights. Falling under the Board of Directors' purview, these activities are discussed at the meetings of, for example, the Sustainability Committee and the Management Council and are operated under appropriate governance.

<sup>\*</sup> 2031/3: 50% reduction compared to 2014/3  
2051/3: Carbon neutral

➔ [P.30 Materiality Promotion System,](#)  
[P.57-76 Foundation for Supporting Co-creation](#)

### Strengthening of human capital for medium- to long-term value creation

For me, steadily implementing Medium-term Management Plan 2022 and raising the Company's presence are goals that must be achieved. More than those, however, I believe that what we need to be doing as managers is creating a Mitsui-Soko Group with an eye toward the future, for the next 10, 20, and even 100 years. Among these, the most important thing is to create a company where employees can maximize their

value. Competitiveness in logistics boils down to people. Unlike manufacturers, who have product brands and technological assets, we rely on people's know-how and technology. The source of value creation for our Group is people. By working earnestly to strengthen our human capital and maximizing the capabilities of individuals and organizations by investing in human resources, we will achieve sustainable growth for our Group.

When it comes to strengthening human resources, the most important initiative is to spread the Group's philosophy, including our PURPOSE. In May 2022, our Group established a new Group Philosophy consisting of PURPOSE, VISION, and 4 VALUES.

➔ [P.1-2 Mitsui-Soko Group Philosophy](#)

It has been about a year since we established our Group Philosophy, and I believe that a certain level of common understanding has been gained through the sending out of messages and internal publicity. It cannot be said, however, that this has been enough in terms of instilling our philosophy, and I view this as a task for the future. The important thing is not just to spread the word, but to foster a culture in which everyone, from management to new employees, shares a sense of values and works from the same perspective with a sense of unity. For example, even if the phrase "Encouraging progress" is included in our PURPOSE, this can be put into practice throughout the Company, but providing visual evidence is difficult as it will form part and parcel of each and every person's work. It is for that very reason that I think it important to have employees recognize that their work is connected to the evolution of customers and society, and to have them feel rewarded and proud of their work. Once our Group Philosophy has been instilled and firmly established as part of our corporate culture, the human resources suited to that philosophy will be developed, leading to improvements in human capital. By unifying the values within an organization, you can expect higher engagement and performance. Spreading our Group Philosophy cannot be achieved overnight and will require effort over a long period of time, but I believe that this is a first-class initiative that supports the sustainable growth of the Group. Our policy is to focus our efforts on a raft of measures, such as philosophy briefings by management and in-house training.

In April 2023, based on our Group Philosophy and Medium-term Management Plan 2022, we also formulated a "profile of the human resources we seek" to serve as a basic policy for the recruitment and training of the human resources who will be responsible for the future of our Group. The profile of the human resources that our Group is looking for is people to "design the new story and lead everyone." The idea that we want to encapsulate is for each and every employee to design the story of their own futures, as well as the futures of customers, logistics, and society, to act independently in line with their stories, and to keep those around them constantly moving. The accumulation of these efforts will lead to the achievement of the vision, but put another

way, this is also an area in which we are currently lacking. Since our original business, the warehousing industry, is if anything seen as more of a "waiting business," for better or worse our Group has a deeply rooted culture of "stillness," but in terms of its negative aspects it is my belief that we must transform for the future. Hence, the search for people who "lead everyone." It is a message and an expression of determination intended for both internal and external consumption. Going forward, we will implement measures based on a human resources strategy centered on the profile of the human resources we are seeking.

➔ [P.51-53 Human Resources Strategy](#)

### Aiming to improve corporate value together with the market through active communication and dialogue

I would now like to mention some thoughts on improving capital efficiency. Positioning ROE as an important management indicator, in the fiscal year ended March 31, 2023, our Group maintained 18.1%, a high level compared with other companies in the same industry. Also, our PBR is trending at around 1x. What our Group will do to further improve PBR in the future is actively invest in growth, not only in business but also in human capital, while steadily implementing our growth strategy and returning the profits we have earned to our shareholders. I also feel that it will be necessary to actively communicate through IR and PR so that people are able to gain a better understanding of our Group's growth potential.

I believe that there are many people who still think of our Group as a traditional "warehousing company." In actual fact, although there are base revenues derived from warehousing and port transportation businesses centered on port areas, there are also flow revenues associated with inland distribution-type logistics center operations and air, sea, and land transportation obtained through SCM consulting and solution proposals. I believe that through the collective efforts of the Group over the past few years, we are beginning to build a balanced business portfolio as a comprehensive logistics company. While improving our earnings power and firmly communicating our Group's strengths and growth potential, I hope to raise expectations for the Company through dialogue with shareholders and investors.

### In response to broader society's expectations, becoming "an even better company" of which we can be justly proud

Ever since I became president, I have held on to the desire to make our Group an even better company. This is a strong determination that has not changed since the



As a form of social infrastructure, we will naturally keep logistics moving. By constantly refining logistics to match these ever-changing times, we will meet the expectations of our customers and society.

day I assumed the role of president in 2017.

When it comes to what makes a good company even better, there may well be many different answers. Depending on their position, the demands of each stakeholder will be different. What I am doing to make our company an even better company is to pursue and put into practice our PURPOSE: "Empower society, encourage progress."

As a form of social infrastructure, we will naturally keep logistics moving and constantly refine logistics to match the ever-changing times. By doing so, we will achieve sustainable growth for our Group and meet the expectations of all our shareholders and investors as well as of our customers and society. To achieve these goals, the active participation of everyone working for the Mitsui-Soko Group is essential. I want this to remain a company in which employees feel that their work is fun and rewarding, and that they are glad they joined this company. Our top priority is to be there for our employees at all times, so that everyone has an affection for the Company and work energetically with a healthy mind and body. Leading an organization that works together to achieve goals is what I keep in mind as my role.

Continuing to engage in dialogue with our stakeholders and building up these kinds of initiatives will lead to improvements in our corporate value over the medium- to long-term. We look forward to your continuing and unwavering support of the Mitsui-Soko Group.

Competitiveness in logistics boils down to people.  
We will work earnestly to strengthen our human capital and achieve sustainable growth for the Group.



# 03

## Value Creation through PURPOSE Management

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

## History That Led to PURPOSE Management

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

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

### Empower society

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

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

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



### Encourage progress

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

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

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

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

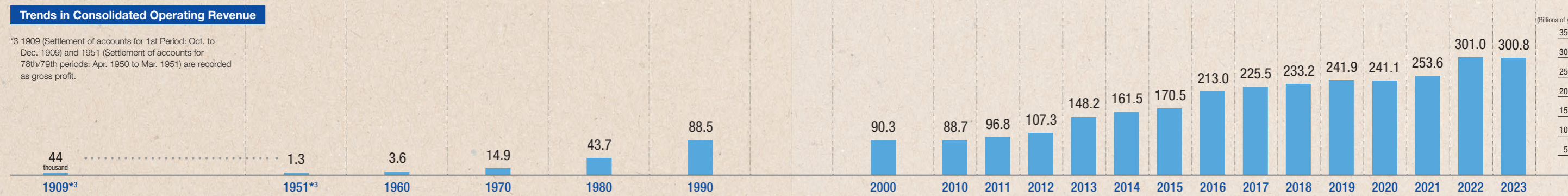
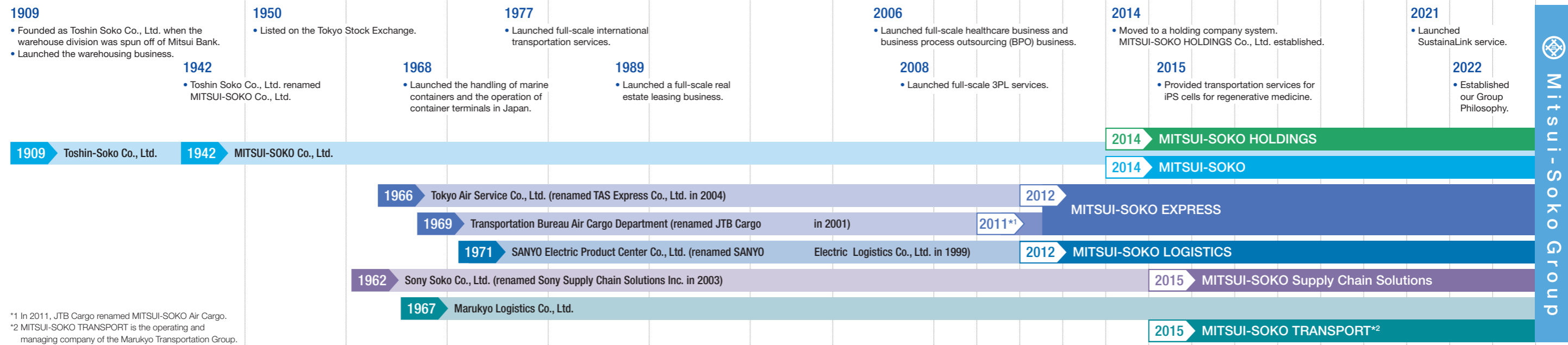
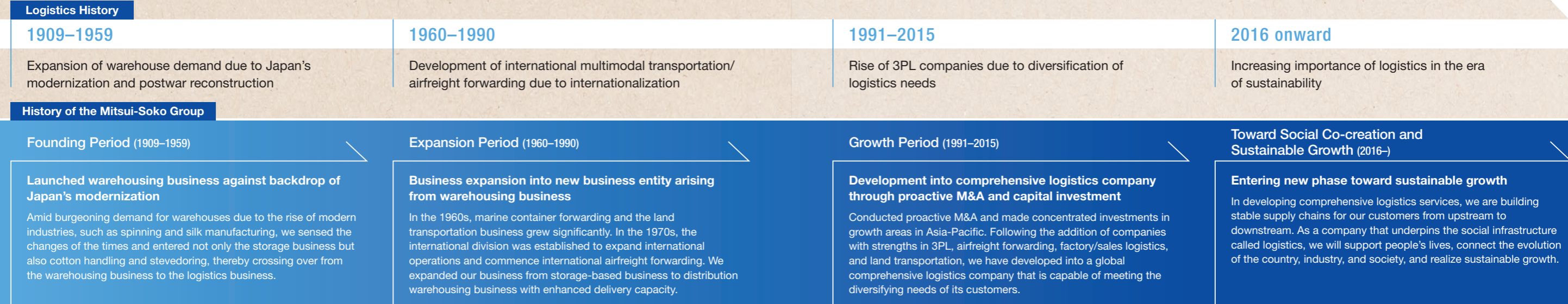
\*2 Joint name with Yokohama Trade Revival Association





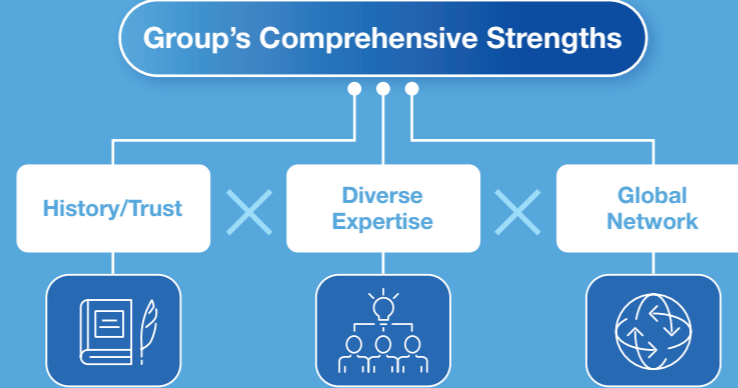
## History That Led to PURPOSE Management

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



## Strengths of the Mitsui-Soko Group

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



### Diverse Expertise

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

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

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

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

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

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



### History/Trust

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

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

Out of the top 100 companies in terms of sales,

Number of listed companies

**73** companies

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

Number of industrial classifications

**41** classifications

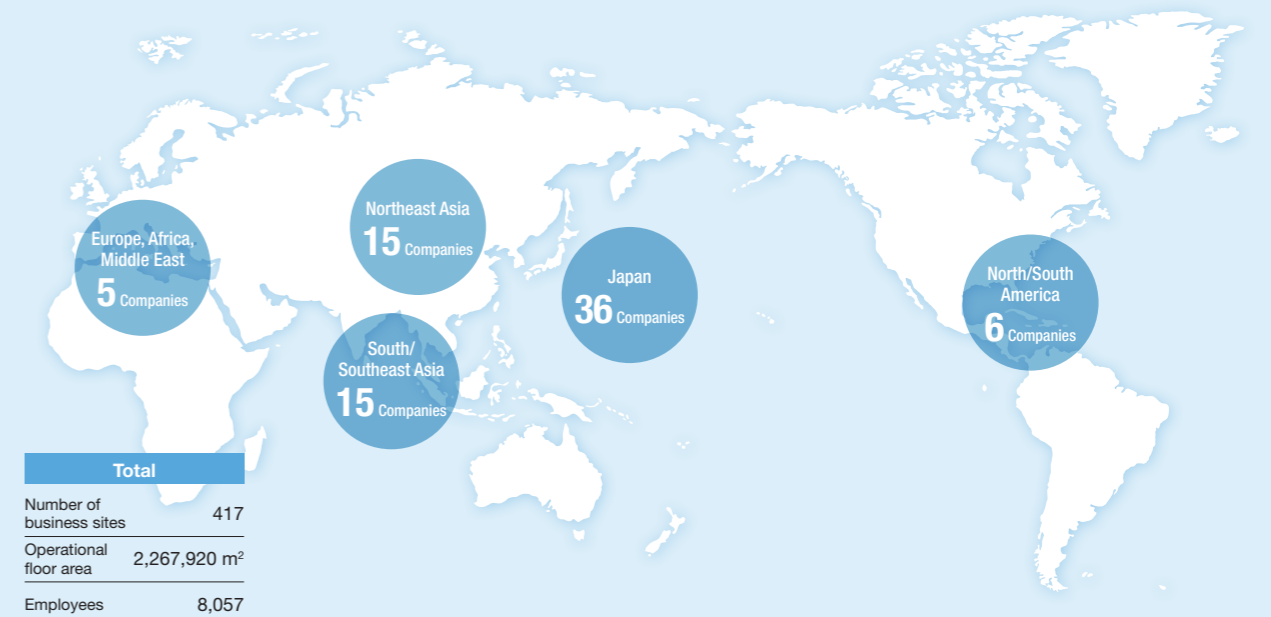
Note: Classified by our company with reference to the middle classification of the Japan Standard Industrial Classification



### Global Network

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

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

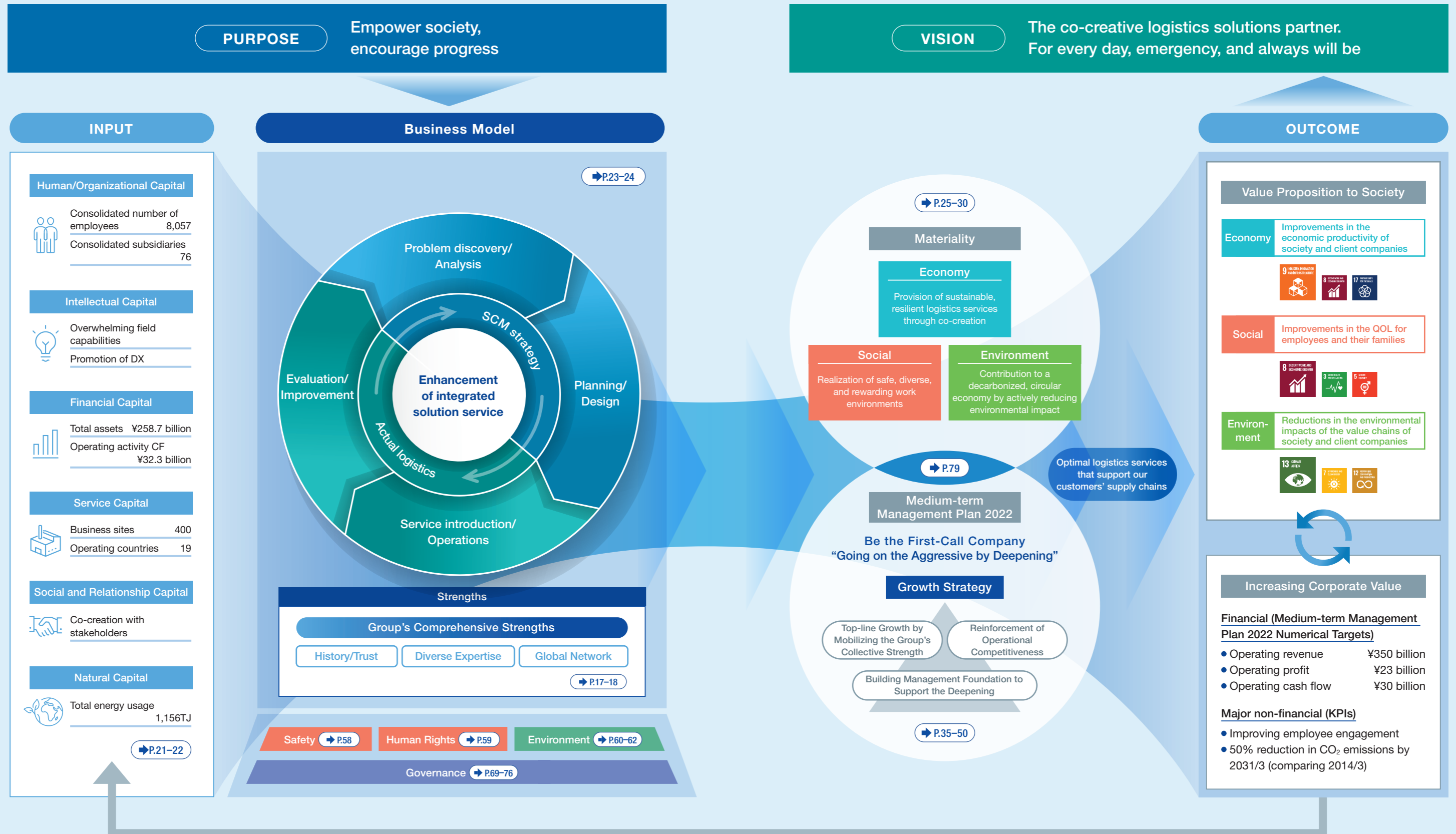


The figures are as of March 31, 2023.

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

### Value Creation Process

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



## Management Capital

Importance of management capital

Management capital indicators

Strategies to strengthen capital



### Human/Organizational Capital

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

➔ P.51-53

Consolidated number of employees

**8,057**

Number of group seminar participants

**1,644**

Consolidated subsidiaries

Domestic Overseas

**35 41**

Personnel with expertise

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

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



### Intellectual Capital

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

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

➔ P.54-56

Overwhelming field capabilities

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

Promotion of DX

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

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



### Financial Capital

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

➔ P.32-34, 99

Total assets

**¥258.7 billion**

Operating cash flow

**¥32.3 billion**

Operating profit

**¥26.0 billion**

Equity capital

**¥93.3 billion**

Medium-term Management Plan 2022 financial strategy execution

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



### Service Capital

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

➔ P.18

Number of business sites/  
Floor area under our control

Domestic

**281 sites**

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

Overseas

**136 sites**

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

Operating countries

**19**

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



### Social and Relationship Capital

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

➔ P.80



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



### Natural Capital

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

➔ P.60-62

Total energy usage

**1,156 TJ**

Renewable energy usage

**2,615 MWh**

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

## Business Model that Leverages Strengths

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

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

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

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

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

### Enhancement of integrated solution services

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

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

### Evaluation/Improvement

#### Enhancing logistics quality through continuous improvement activities

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

### Problem discovery/Analysis

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

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

### Planning/Design

#### Planning and design of logistics business processes

- **Solution design**

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

- **Base locations**

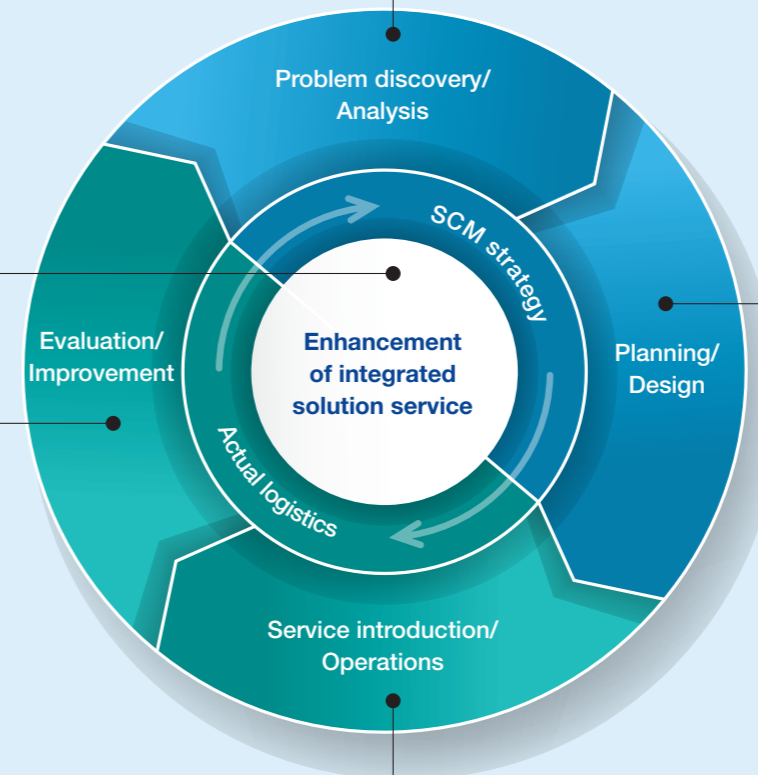
In addition to reducing distribution costs and improving lead times based on storage and transportation fees, we are proposing base locations that also take into account disaster risk and employment conditions.

- **Warehouse operations**

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

- **Construction of transportation networks**

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



### Service introduction/Operation

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

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



Materiality > Identification of Materiality

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

Identification of Materiality

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

Process for Identifying Materiality



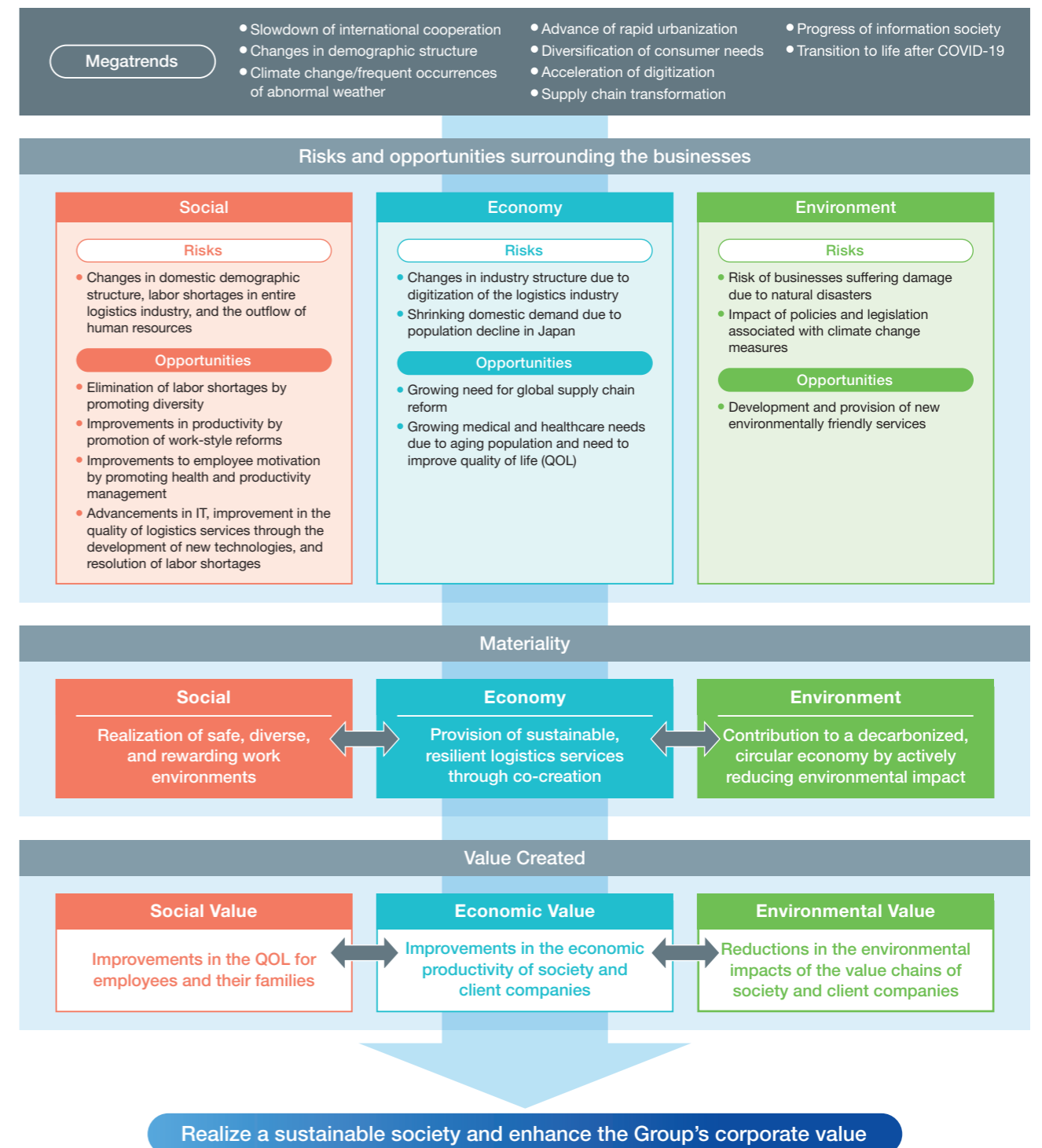
Materiality > Value Created by the Mitsui-Soko Group

Integrating Sustainability and Management

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

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

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



Materiality > Value Created by the Mitsui-Soko Group

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

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

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

**Economic KPIs**

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

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

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

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

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

**Business Impact**

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

**Social Impact**

**Contribution to SDGs**

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

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

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

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

**Social KPIs**

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

\* Achievement deadline is end of March 2026

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

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

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

**Business Impact**

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

**Social Impact**

**Contribution to SDGs**

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

Materiality > Value Created by the Mitsui-Soko Group

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

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

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

**Environmental KPIs**

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

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

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

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

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

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

Business Impact

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

Social Impact

Contribution to SDGs

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

Materiality > Materiality Promotion System

Promotion Initiatives toward Materiality Throughout the Group

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

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

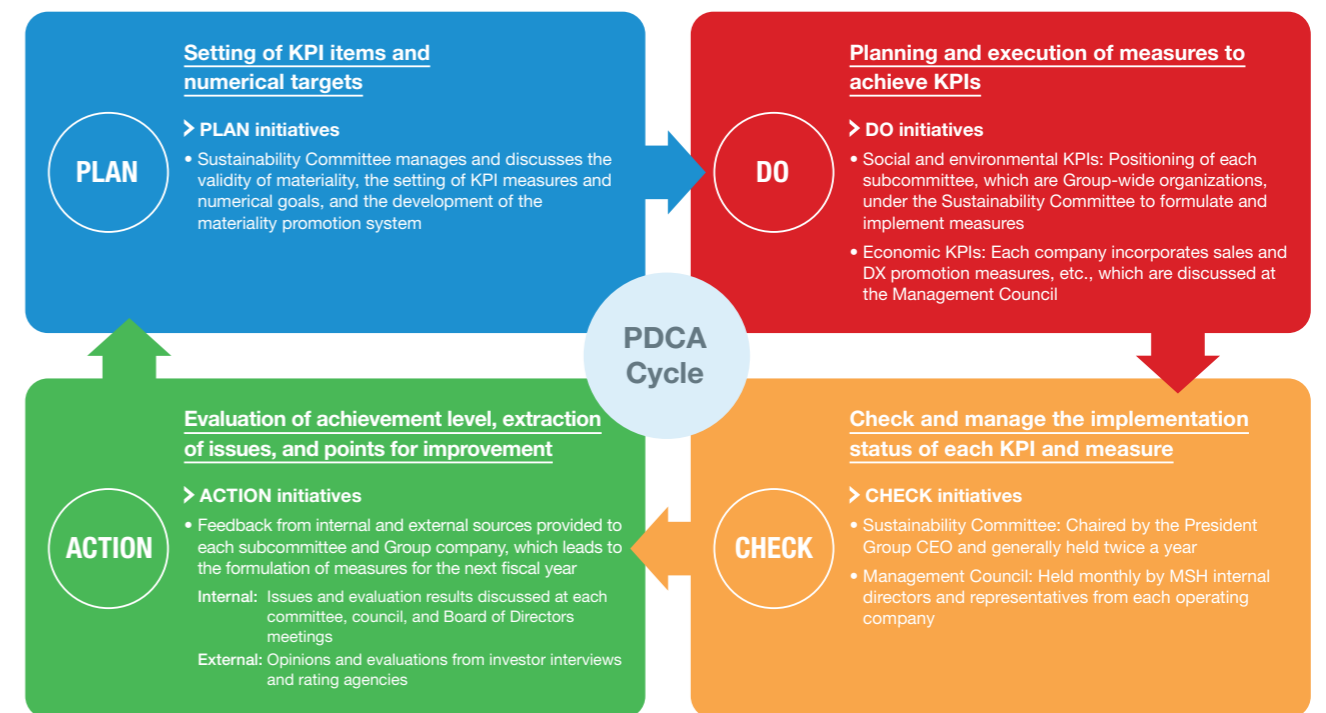
Going forward, we will work with a view to revise materiality from the perspective of further enhancing corporate value and improving human capital through the integration of sustainability promotion and management.

Materiality Promotion System

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

MSH: MITSUI-SOKO HOLDINGS

Materiality Promotion PDCA Cycle





## 04

## Strategy for Becoming Co-creative Logistics Solutions Partner

Through improvements in human capital and the utilization of digital technology, along with providing more efficient logistics services and creating new value, we will implement the three growth strategies adopted under Medium-Term Management Plan 2022—top-line growth by mobilizing the Group's comprehensive strengths; reinforcement of operational competitiveness; and building management foundation to support the deepening—while aiming to realize the Group's VISION of becoming “the co-creative logistics solutions partner.”

### Message from the CFO

#### Nobuo Nakayama

Representative Director and Senior Managing Director  
Chief Financial Officer

In these times of drastic change, we are promoting Medium-term Management Plan 2022, which started in April 2022, with the aim of achieving the next stage in our growth.

Aiming to be “The co-creative logistics solutions partner. For every day, emergency, and always will be,” we will integrate our management and financial strategies to achieve further improvement in corporate value and sustainable growth.

#### Medium-term Management Plan 2022

##### Looking Back on the First Fiscal Year (Ended March 31, 2023)

In the fiscal year ended March 31, 2023, the launch year of Medium-term Management Plan 2022, we were able to achieve operating profit of ¥26.0 billion, a record high for the third consecutive year, due to the strong performance in our logistics business. While the effects of the shift from sea shipments to air transportation, persistently high airfares, and other special factors decreased, we gained new customers and expanded the scope of contracts for existing customers by proactively proposing solutions, and our handling of forwarding operations and overseas logistics increased. In addition, profits from newly launched warehouses dedicated to healthcare logistics and distribution centers for home electronics retailers and e-commerce contributed to full-year results, and our actual profitability, excluding special demand, steadily grew.

Although we expect sales and revenue to decrease due to the resolution of the special factors, for the fiscal year ending March 31, 2024, we will steadily increase our actual value through top-line growth and operational efficiency in

aiming to achieve our numerical targets for the final year of the Medium-term Management Plan.

Having had a devastating impact on society and the economy, the chaos wrought by the COVID-19 pandemic is finally tapering off after more than three years. Looking back again on this period, I think it can be said that it was one in which all of our employees could realize for themselves the Group's PURPOSE—“Empower society, encourage progress”—on a daily basis. Logistics services, the transportation and delivery of goods, had previously been taken for granted, but along with the chaos wrought by the COVID-19 pandemic, this became no longer the norm. Under such circumstances, we strengthened our proposals of alternative transportation and logistics streamlining solutions for compatibility with our customers' BCPs and supported them in difficult situations in their global supply chains with a raft of countermeasures. As awareness grew that logistics represents an essential presence for society, I gained the feeling that, as an infrastructure provider, each and every employee developed even more of a sense of pride and self-awareness as well as a stronger sense of mission to support customers and society.

#### Financial Strategies under Medium-term Management Plan 2022

Under Medium-term Management Plan 2022, we adopted a financial strategy policy of balancing proactive investment and enhancing shareholder returns based on the financial base and profitability that we had established up to that time. Going forward, I will conduct management with a greater awareness of capital costs while recognizing the need to achieve a return on capital that exceeds the capital costs.

Positioning ROE as an important management indicator, I will strive to maintain a high level of capital efficiency, with an ROE target of more than 12% during the period of Medium-term Management Plan 2022. Based on profitability, efficiency, and financial leverage in our growth strategy, the numerical value of more than 12% is set at a level that exceeds the cost of capital.

Based on the growth strategy set out in the Plan, we will aim for top-line growth and strive to improve profitability by steadily implementing each of its measures, such as expanding our integrated solution services, growing our sustainability-compatible business, and digging deeper into our inter-industry

## Message from the CFO

operations. We will also work to improve productivity by streamlining operations by building overwhelming field capabilities. In terms of financial leverage, assuming financial discipline while maintaining a D/E ratio of 1.0x, we will work with the aim of expanding and growing our business while using appropriate leverage.

We anticipate a cumulative cash inflow of ¥150 billion over the five years, including operating cash flow of ¥130 billion and borrowings of ¥20 billion. Over the same period, we plan to invest a total of ¥130 billion, comprising ¥100 billion in strategic investments in growth areas such as DX, new capital investment, and M&A, and ¥30 billion to invest in existing assets, including logistics warehouse renovations. In addition, we will continue to strengthen shareholder returns, to which we plan to allocate ¥20 billion.

There is no growth strategy without financial discipline, and you cannot just spend money recklessly. However, it is also true that corporate value cannot be improved without growth investment, and thus we will actively consider implementing highly effective measures looking 10 or 20 years ahead and promote appropriate and flexible financial strategies.

It is my belief that results will be arrived at naturally by steadily

implementing each measure adopted under Medium-term Management Plan 2022. Five years is, however, a surprisingly short period of time, so I will be aware of the need to remain ahead of schedule, especially as far as investments are concerned. At the same time, I will also focus on increasing cash flow, which is the source of support for a variety of strategic investments.

### Progress Made with Strategic Investments

I would like to tell you about specific initiatives for the total investment of ¥130 billion that I mentioned earlier.

On DX, our focus for the ¥100 billion strategic investment, we plan to invest a total of ¥20 billion. With customers' SCM optimization in mind, we will utilize the cloud for our company's core systems, install robotics in warehouses, and promote the enhancement of and upgrades to Logistics Value Link (LVL) SCM digital platform infrastructure functions that present supply chain information in visual form.

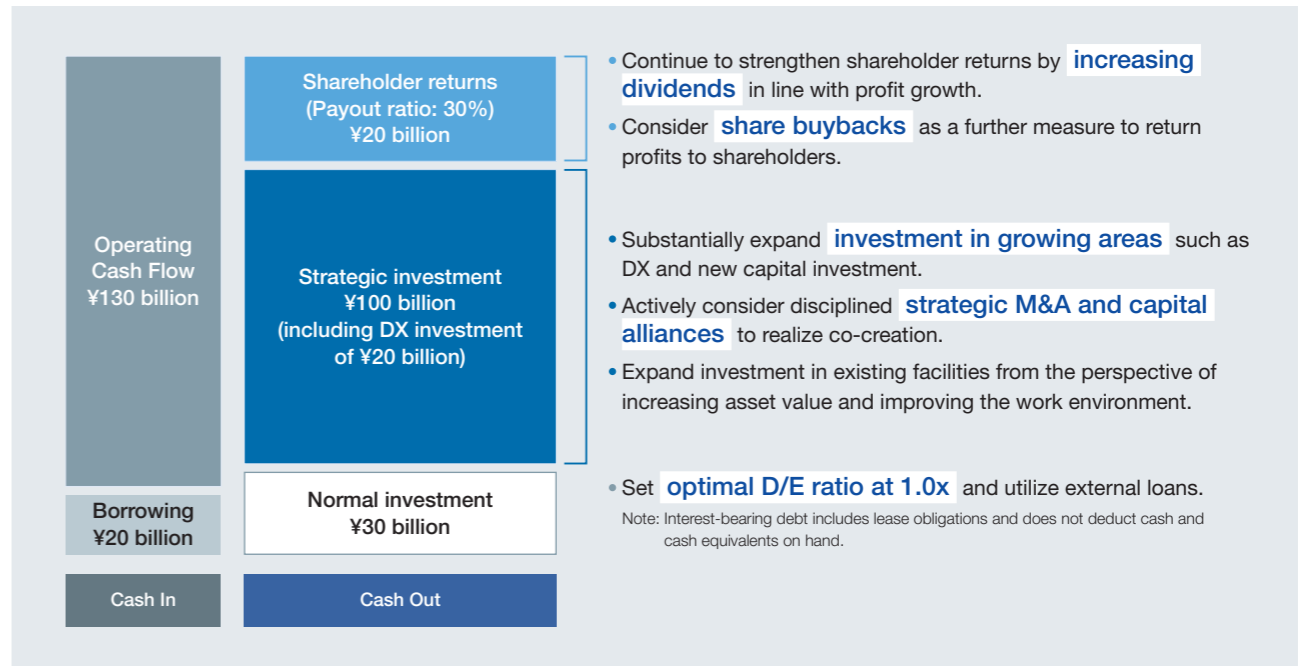
We are also proceeding with the establishment of new logistics bases as growth investment in our focus areas. In June 2023, we began operations at a large base (Asakura City, Fukuoka

Prefecture) with the aim of further expanding our semiconductor business, and at an e-commerce logistics base in the B2B2C area (Takatsuki City, Osaka Prefecture). Since both are financed through operating leases, there will be no temporary cash out, but in effect they are equivalent to investments totaling ¥6.3 billion in lease payments. We are deciding whether to build a new facility ourselves or lease one long term from an external developer, taking into account a variety of factors, including location, profitability, and the speed at which our customers' businesses are expanding.

As one option for the future, to respond to market changes, we are considering capital alliances and M&A with partners that have strengths in more specialized fields, such as logistics and DX-related fields. By sharing the technology and know-how of companies with strengths in specific fields and businesses it will be possible to shorten the time to market entry and increase profits that cannot be achieved by our Group alone, and we would carry out investments from a long-term perspective, not just during the period of a medium-term management plan.

From a medium- to long-term perspective, our policy is to increase investment in human capital. Keeping in

### Image of Funding and Allocation (5-year cumulative total)



mind that human resources are the source of value creation for our Group, and that our current efforts will directly lead to the strengthening of our Group's future profitability, we will work to strengthen our human capital in line with the established profile of the human resources we seek: "Design the new story and lead everyone." Employees with diverse personalities respect each other, promote co-creation in an environment that supports challenges, and work positively and happily toward realizing goals. I would like to promote the cultivation of such an organizational culture, which will lead to future financial results.

### Concerning Shareholder Returns

The return of profits accumulated as a result of our growth strategies to our shareholders being deemed our basic dividend policy, we have set a policy of implementing flexible dividends linked to performance, with an annual dividend payout ratio of 30% as our standard. With regard to shareholder returns, we will continue to monitor cash flow trends while considering a wide range of options, including stock buybacks, by comprehensively deciding on the following three perspectives: 1. The progress and schedule of investments based on the medium-term management plan's growth strategy; 2. Financial soundness; and

3. The level of return expected by shareholders. Total shareholder return (TSR)\* was 257% as of the end of the fiscal year ended March 31, 2023, maintaining a higher level than the average value of 154% for the warehousing and harbor transportation sector. I will continue to strive to increase shareholder value while devising ways to simultaneously execute our growth strategy and maintain financial soundness.

\* Calculated using TSR for the most recent five years

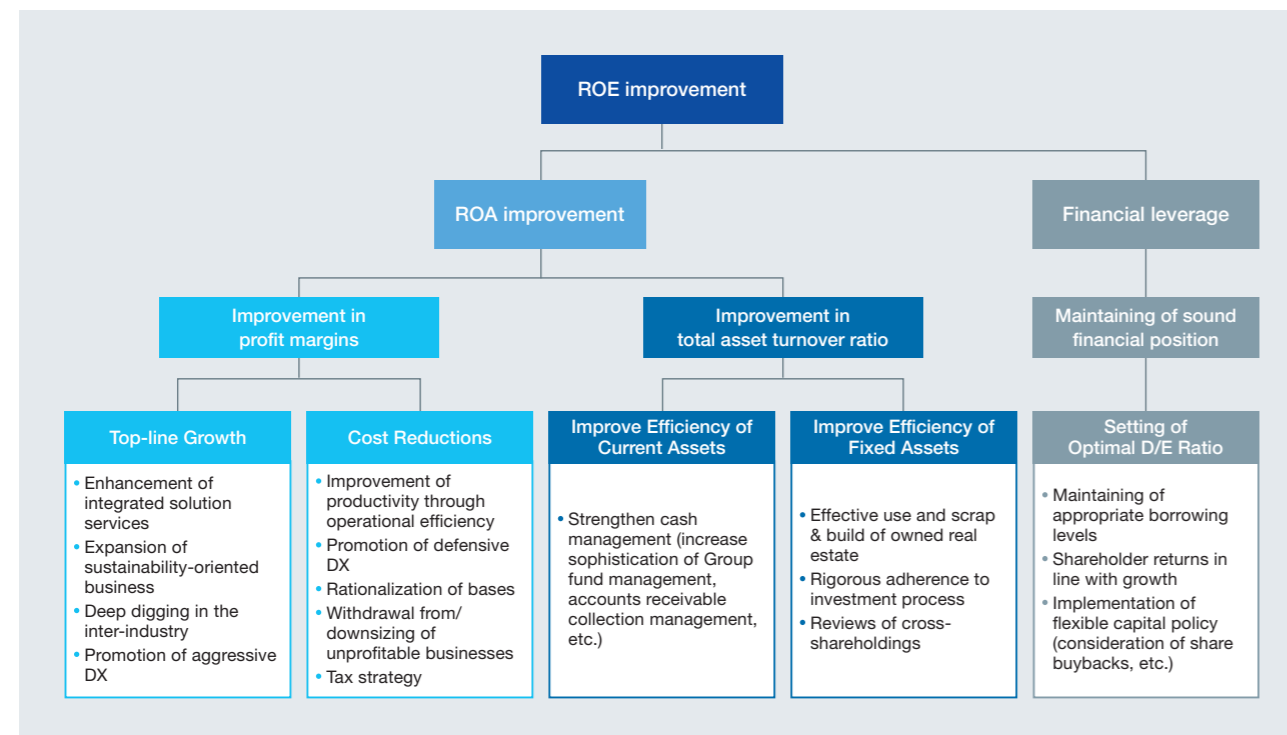
### Dialogue and Co-creation Toward Further Improvements in Corporate Value

To improve corporate value over the medium to long term, I believe that it is necessary for investors to evaluate our growth potential in addition to achieving a return on capital that exceeds the cost of capital. We are therefore discussing our price-book value ratio (PBR) at Board of Directors' meetings and considering measures designed to obtain appropriate external evaluations. In the fiscal year ended March 31, 2023, we introduced a stock compensation system with the aim of managing our business from a shareholder perspective, and worked to strengthen our IR and SR activities, including updating our website and continuing to hold interviews with investors. In addition, beginning with the

fiscal year ending March 31, 2024, we are disclosing operating revenue and operating profit for each segment of the logistics business. We disclose the earnings structure of the logistics business to help investors better understand the Group's strengths and growth potential. As of September 2023, our PBR is hovering around 1x, and we will aim to further improve PBR and conduct management with an awareness of stock price levels.

I believe that "dialogue and co-creation" will be an important theme in our future financial strategies. Through active dialogue with investors, we will communicate our Group's growth strategy and shareholder return policy to increase their understanding, expand disclosure based on their opinions, and provide feedback to management, which will be utilized in strategies. It is my belief that such a cycle will increase engagement on both sides and lead to a sustainable increase in corporate value. This applies not only to investors but also to all stakeholders, including employees. To maximize corporate and shareholder value through "dialogue and co-creation." In the years to come, I will continue to do my utmost to meet the expectations of all our stakeholders, including domestic and international investors.

### Major Initiatives in Improving ROE



Medium-term Management Plan 2022

# Transitional Changes in Logistics

## The growing importance of supply chain management

In an era of increasing complexity, customer supply chains are evolving day by day, and the importance of SCM optimization is increasing. Due to shifting business models, as exemplified by the shift to EVs in the automotive industry, and to the diversification of supply sources brought about by the rise of the e-commerce market, the structure of industry is changing, and the structure of supply chains is also undergoing major change. Including responses to natural disasters of ever increasing severity and geopolitical risks, reducing environmental impact, and labor shortages, social issues are becoming more serious, and new ways of thinking, such as collaboration with competitors, are also being demanded. To respond to these changes, the Mitsui-Soko Group is promoting its Medium-term Management Plan 2022 and will improve the corporate value of its customers and of the Group as well as help to realize a sustainable society by providing logistics services that optimize entire supply chains.



Medium-term Management Plan 2022 > Previous Iterations and Medium-term Management Plan 2022

Medium-term Management Plan 2013–2015  
MOVE2013/MOVE2015

Medium-term Management Plan 2017  
From Reversal to Sustainable Growth

Medium-term Management Plan 2022  
Be the First-Call Company  
“Going on the Aggressive by Deepening”

Medium-term Management Plan 2013–2015  
MOVE2013/MOVE2015  
2014/3 to 2017/3

<b>External Environment</b>	Externalization of logistics underway		
<b>Important Strategies</b>	<ul style="list-style-type: none"> <li>Optimization of asset portfolio</li> <li>Creation of group synergy and enhancement of productivity</li> <li>Concentrated investment in growth areas in the Asia-Pacific region</li> </ul>		
<b>Targets and Results</b>		Status	Results
	Operating revenue	X	¥225.5 billion
	Operating profit	X	¥5.8 billion
	Operating cash flow	X	¥12.5 billion
	Balance of interest-bearing debt	X	¥168.9 billion
<b>Measures</b>	<p><b>[Expansion of business through M&amp;A]</b></p> <ul style="list-style-type: none"> <li>Mitsui-Soko Supply Chain Solutions, which possesses strengths in manufacturer logistics, joined the Group</li> <li>Marukyo Logistics joined the Group for the purpose of reinforcing our transportation function</li> </ul> <p><b>[Expansion of business through capital investment]</b></p> <ul style="list-style-type: none"> <li>Established new warehouses in Bangkok and Jakarta to strengthen the Asian region</li> <li>Established dedicated facility for healthcare, a growing field, in Kazo, Kanto region</li> </ul> <p>To break away from a dependence on the real estate business, we actively conducted M&amp;A and made capital investments in growth fields to expand our business. While functions as a comprehensive logistics company were established, interest-bearing debt increased as a result of those investments. In addition, profit level was sluggish, brought about by a slowdown in consumer activity and a lack of Group-wide measures. Following a review of the business plan, we posted goodwill impairment loss in the fiscal year ended March 31, 2017.</p>		
<b>Challenges</b>	<ul style="list-style-type: none"> <li>Promoting PMI</li> <li>Review of project-specific income and expense management and business portfolio</li> <li>Early return to stable dividend</li> </ul>		

Medium-term Management Plan 2017  
From Reversal to Sustainable Growth  
2018/3 to 2022/3

<b>External Environment</b>	Increase in logistics costs Supply chain rebuilding due to the COVID-19 pandemic		
<b>Important Strategies</b>	<p><b>[Reversal Period] 2018/3 to 2020/3</b></p> <ul style="list-style-type: none"> <li>Reinforcement of the fundamental earnings power of our businesses</li> <li>Rebuilding of our financial base</li> <li>Strengthening of Group management</li> </ul> <p><b>[Sustainable Growth Period] 2021/3 to 2022/3</b></p> <ul style="list-style-type: none"> <li>Construction of overwhelming field capabilities</li> <li>Establishment of integrated solution service</li> <li>Promotion of ESG management</li> <li>Reform of corporate culture</li> </ul>		
<b>Targets and Results</b>		Status	Results
	Operating profit	✓	¥25.9 billion
	Balance of interest-bearing debt*	✓	¥94.0 billion
	Net D/E ratio	✓	0.9 times
	ROE	✓	20.4%
<b>Measures</b>	<p><b>[Reversal Period]</b></p> <ul style="list-style-type: none"> <li>Implement “Challenge 20,” which is to review costs with no exception and cut the Group’s overall costs</li> <li>Curtail investments that are not necessary or urgent, and quickly return to stable dividend payments</li> <li>Establishment of a new sales department with lateral group functions within the holding company</li> </ul> <p><b>[Sustainable Growth Period]</b></p> <ul style="list-style-type: none"> <li>Establishment of Operation Management Division to drive initiatives across businesses/regions</li> <li>Strengthening sales of integrated solutions</li> <li>Establish a new department to drive ESG issues, and identify materiality</li> <li>HR system reforms/Changes in awareness/Improving employee engagement</li> </ul> <p>In the first half, the Reversal Period, operating profit increased due to group-wide cost reduction efforts and the optimization of collection fees. In the second half, the Sustainable Growth Period, we built a system that can ensure steady earnings by improving our field capabilities and strengthening sales of our end-to-end integrated solution service. Aiming to be a company that can create value over the medium to long term, we achieved all numerical targets even in a harsh business environment as a result of having promoted ESG management and corporate culture reforms.</p>		
<b>Challenges</b>	<ul style="list-style-type: none"> <li>Continued profit growth</li> <li>Improvement of market capitalization</li> <li>Response to rapid environmental changes</li> <li>Acceleration of ESG management</li> <li>Construction of overwhelming field capabilities</li> </ul>		

In order to realize our VISION, “The co-creative logistics solutions partner. For every day, emergency, and always will be,” we are progressing with Medium-term Management Plan 2022. Under the slogan, Be the First-Call Company “Going on the Aggressive by Deepening,” we will regard “top-line growth by mobilizing the Group’s collective strength,” “reinforcement of operational competitiveness,” and “building management foundation to support the deepening” as the three pillars of our growth strategy, while going on the aggressive with proactive investment.

2023/3 to 2027/3

**VISION** The co-creative logistics solutions partner. For every day, emergency, and always will be

### Growth Strategy

**1 Top-line Growth by Mobilizing the Group’s Collective Strength**

- (1) Enhancement of integrated solution service
- (2) Expansion of sustainability-oriented business
- (3) Deep digging in the inter-industry

**2 Reinforcement of Operational Competitiveness**

- (1) Company-wide penetration of standardization
- (2) Improvement of operational quality
- (3) Lower cost of operations

**3 Building Management Foundation to Support the Deepening**

<p><b>1. DX</b></p> <ul style="list-style-type: none"> <li>Transformation of business model</li> <li>Reform of corporate culture</li> </ul>	<p><b>2. Co-creation</b></p> <ul style="list-style-type: none"> <li>Creation of mechanism for innovation</li> <li>Active partnerships and M&amp;A with various platformers</li> </ul>	<p><b>3. Business assets</b></p> <ul style="list-style-type: none"> <li>Development of new office buildings and logistics facilities</li> <li>Enhancement of the asset value of existing facilities</li> <li>Improvement of work environment</li> </ul>	<p><b>4. ESG</b></p> <ul style="list-style-type: none"> <li>Reinforcement of efforts to realize a decarbonized society</li> <li>Expansion of investment in human capital</li> <li>Enhancement of governance</li> </ul>
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**Human Resources**

Numerical Targets			Financial Strategies			
Operating Revenue	Operating Profit	Operating CF	Investments	Payout Ratio	D/E Ratio	ROE
¥350 billion	¥23 billion	¥30 billion	¥130 billion	30%	1.0 times	Over 12%
(6% growth/year)	(6% growth/year)	(7% growth/year)				

Progress of Medium-term Management Plan 2022

	2022/3 Results Previous medium-term management plan	2023/3 Results Medium-term Management Plan 2022: Year 1	2024/3 Forecast Medium-term Management Plan 2022: Year 2	2027/3 Targets Medium-term Management Plan 2022: Year 5
<b>Numerical Targets</b>	Operating revenue	¥301.0 billion	¥300.8 billion	¥350.0 billion
	Operating profit	¥25.9 billion	¥26.0 billion	¥23.0 billion
	Actual value	¥17.0 billion	¥21.4 billion	¥23.0 billion
<b>Financial Strategies</b>	Operating CF	¥23.1 billion	¥32.3 billion	¥30.0 billion
	Investments*	—	¥5.7 billion	¥130.0 billion
	Payout Ratio	22.1%	30.1%	30.0%
	D/E Ratio	1.25 times	0.99 times	1.00 times
	ROE	20.4%	18.1%	12.0%

\*Cumulative amounts shown for investments

In the fiscal year ended March 31, 2023, the logistics business performed well, and operating profit reached a record high for the third consecutive year. In the fiscal year ending March 31, 2024, we are expecting a decline in both revenue and profit due to the resolution of special factors but will advance the measures set forth in our growth strategy and steadily build up our actual value by means of active investment. The strategic investments recorded in the balance sheet are listed, but these do not include investments relating to human capital, DX/capital investments procured through operating leases, etc., which are recorded as expenses under profit and loss.

Medium-term Management Plan 2022 > **1** Top-line Growth by Mobilizing the Group's Collective Strength

**1** Top-line Growth by Mobilizing the Group's Collective Strength

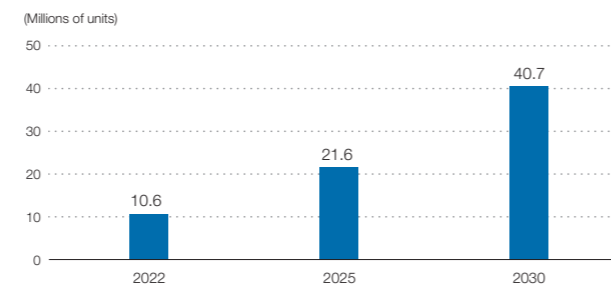


**1. Enhancement of integrated solution service**  
**Mobility**

**Market Trends/Background**

As many passenger cars and trucks run on petroleum-based fuel, they are said to be linked to global warming and the depletion of natural resources. Due to these circumstances, CO<sub>2</sub> emission regulations for automobiles have become more stringent in countries around the world, and EVs that do not emit CO<sub>2</sub> when being driven are attracting attention. Due to the expansion of the EV market against this backdrop, the number of EV-specific parts and equipment, such as LiBs and semiconductors, is expected to increase. Amid the growing uncertainties in global affairs, the procurement of raw materials and components necessitates the provision of logistics services that enable their stable supply at any time.

**Trend Forecast for Global EV Unit Sales (2022–2030)**  
(See Notes 1, 2)

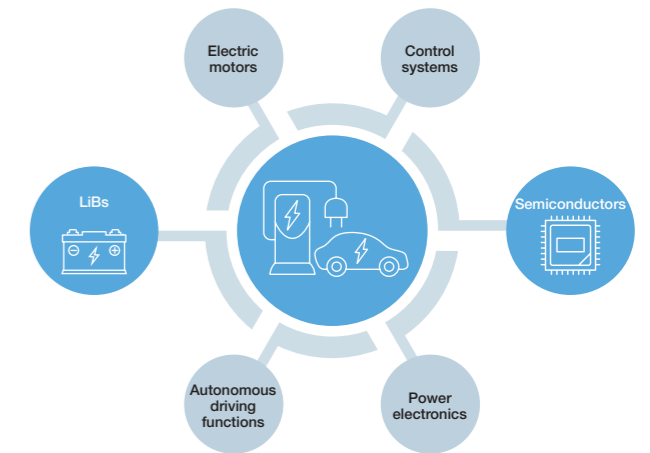


Notes: 1. Estimates based on announced policy scenarios (scenarios that incorporate current plans of each country's government)  
2. Passenger cars and small commercial vehicles (excluding large vehicles, motorcycles, tricycles, etc.)  
Compiled by the Company based on IEA 2023; Global EV Outlook, <https://www.iea.org/reports/global-evoutlook-2023/prospects-for-electric-vehicle-deployment>, CC BY 4.0

**Approach**

Due to its Toyota and Sony lineage, the Mitsui-Soko Group specializes in logistics relating to automobiles and electrical appliances. In contrast, in addition to LiBs, some semiconductors are classified as dangerous goods, and their storage and transportation requires strict compliance with laws and regulations and specialist knowledge.

Our Group is strengthening its responsiveness in entire mobility-related supply chains by collaborating with partners who have excellent expertise in this field and by obtaining certifications and approvals from domestic and international regulatory authorities. Following the trend of attracting semiconductor manufacturing bases to Japan, we are also working to cater to demand by establishing new logistics networks such as by building new warehouses.



**Examples of specific initiatives**

**Building an international air transportation scheme that anticipates EV market expansion**

With the goal of building a transportation scheme for EV core components, international forwarding demand for which is expected to grow in the years to come, we are working in collaboration with our customers and related government ministries and agencies.

Leveraging our Group's automotive industry transportation know-how will lead to the making of proposals for international air transportation that will be in compliance with air transport laws and regulations.

As the direction of technological progress in the automotive market remains fluid, and the laws and regulations covering the switch to EVs are still undeveloped in a number of countries around the world, we will monitor market trends, accumulate logistics know-how, and expand and upgrade our automotive-related logistics operations in the years ahead.

**Agreement to form strategic partnership with NRS CORPORATION**

Our Group agreed to enter into a strategic partnership with NRS CORPORATION, an expert in hazardous materials logistics, in the field of chemical raw materials.

By combining NRS' hazardous materials logistics expertise in the upstream supply chain in the field of chemical raw materials with what the Mitsui-Soko Group has to offer—our broad customer base, including those in the mobility and semiconductor fields, logistics know-how from a manufacturer's perspective that provides a bird's-eye view of the supply chain in the non-hazardous materials field—and the global networks of both companies, we will in particular provide excellent solutions to a range of issues in the areas of procurement and production.



**Base newly established in the Kyushu region to expand and upgrade semiconductor business operations**

Although the semiconductor market is predicted to expand in the years to come due to the acceleration of digitalization, including the shift to electric vehicles, securing a stable supply has become an urgent issue due to the emergence of geopolitical risks.

Against this backdrop, there are intensifying moves to attract semiconductor manufacturing bases to Japan as a growing national strategy, and the inroads that semiconductor-related companies are making in Kyushu are continuing unabated. As an increase in semiconductor-related logistics demand can be expected, our Group has newly established a large-scale warehouse in Fukuoka, which has been in operation since June 2023. Going forward, we will establish a semiconductor distribution network and aim to further expand the semiconductor field, which represents a growing market.



Medium-term Management Plan 2022 > **1** Top-line Growth by Mobilizing the Group's Collective Strength



**1. Enhancement of integrated solution service**  
**Healthcare**

**Market Trends/Background**

In the ethical pharmaceuticals market, the common means of treatment methods are categorized into product fields that include small molecule pharmaceutical products, medium- and high-molecular pharmaceutical products as well as gene therapy and regenerative medicine. There is a certain market scale for small molecule and medium- to high-molecular pharmaceutical products, but whereas the scale of the market for gene therapy and regenerative medicine products is currently small, high growth rates are expected in the years to come. Pharmaceutical logistics requires a high level of expertise, as temperature control and operational quality control standards differ depending on each field.

	Logistics needs	Market scale forecast*
<b>Gene therapy/regenerative medicine products</b>	Developing new services to meet customer needs	¥0.6 trillion → ¥7.2 trillion
<b>Medium- and high-molecular pharmaceutical products</b>	Services that provide bird's-eye view of supply chains and that ensure a high level of quality	¥26.0 trillion → ¥39.8 trillion
<b>Small molecule pharmaceutical products</b>	Storage and transportation services that maintain operational quality in terms of volume zones	¥48.0 trillion → ¥55.0 trillion

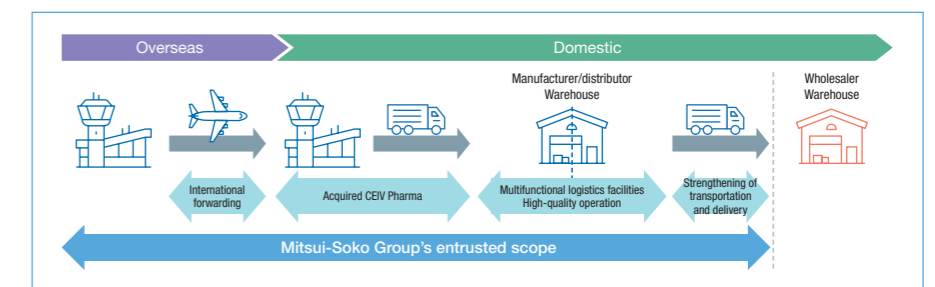
○ 2020 forecast value ● 2030 forecast value

\* Created by the Company based on Arthur D. Little Japan Co., Ltd. "Survey Report on Issues for Industrialization Related to Pharmaceuticals, Regenerative Medicine, Cell Therapy, and Gene Therapy and Efforts Necessary to Solve Issues for fiscal year ended March, 2021," project commissioned by Health and Medical Strategy Office, Cabinet Secretariat (2021)

**Approach**

Having established a system in accordance with GMP\*1 and obtained business licenses (pharmaceutical manufacturing license, medical device manufacturing license, etc.) in-house under the Pharmaceutical and Medical Devices Act, the Mitsui-Soko Group is able to provide high-value-added logistics services that can handle everything in the logistics of pharmaceuticals, medical devices, investigational new drugs, etc., from manufacturing to sales. Equipped for the "high-quality operations" required for the handling of pharmaceuticals and medical devices under the supervision of large numbers of managing pharmacists, and with GDP-\*2 and BCP-compatible "highly functional facilities," we provide logistics services that meet the various needs of our customers. We will leverage these kinds of Group strengths to further expand our healthcare logistics business.

We have also established logistics systems for the storage and transportation of products such as cells and regenerative medicine, the market for which is expected to expand in the years to come, and are working to incorporate cutting-edge medical fields.



\*1 Good manufacturing practice: standards for the manufacture and quality control of pharmaceuticals, etc.  
\*2 Good distribution practice: appropriate distribution standards for pharmaceuticals

**Examples of specific initiatives**

**Mitsui-Soko Group's Pharmaceutical Logistics**

In pharmaceutical logistics, stable and sustainable logistics are of the utmost importance due to the characteristics of the products. Having strengthened our supply chain network by, for example, launching international forwarding operations and expanding partnerships in domestic transportation, the Group is working to incorporate the entire logistics of pharmaceuticals by building a high-quality end-to-end logistics system.

**Quality Improvement through Acquisition of CEIV Pharma\***

Aiming to further improve the quality of international air forwarding in pharmaceuticals and strengthen our quality control system in line with global standards, we acquired the CEIV Pharma pharmaceutical air transport quality certification from the International Air Transport Association (IATA) at Kansai International Airport and Narita International Airport.

**Strengthening of Transportation and Delivery Networks in Domestic Logistics**

The Group has formed an agreement with P-J-D Network Co., Ltd. for a strategic partnership covering the distribution of ethical pharmaceuticals. We will strengthen domestic pharmaceutical logistics by utilizing P-J-D Network's GDP-compliant management system—covering temperature controls during transportation and its distribution routes—and its nationwide joint transportation and delivery network dedicated to pharmaceuticals.



\* CEIV Pharma  
The abbreviation for the Center of Excellence for Independent Validators in Pharmaceutical Logistics. A quality certification program for pharmaceutical air transport developed by the IATA. A common global standard for pharmaceutical air transportation, CEIV Pharma comprehensively covers GDP (Good Distribution Practice: quality control in the distribution process of pharmaceuticals) in countries around the world.

**Advanced medical field logistics initiatives for regenerative medicine products**

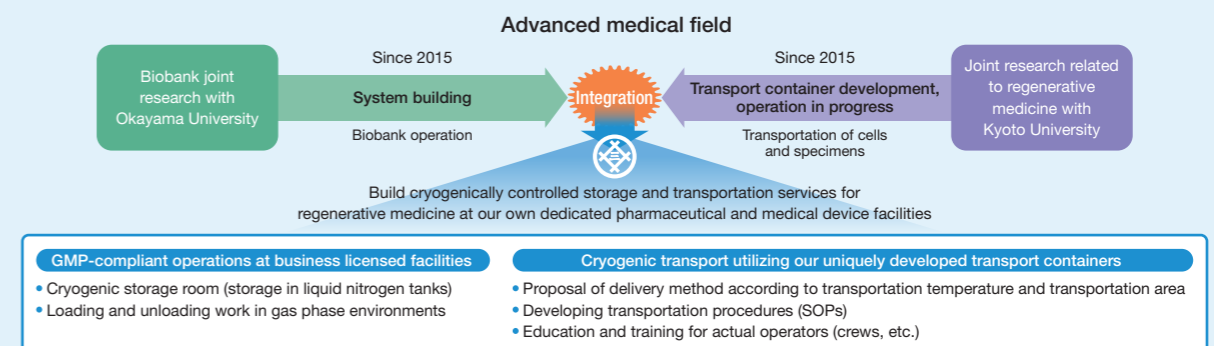
Regenerative medicine products must be handled in various temperature ranges, including extremely low temperatures (minus 150°C and lower), and require a high level of expertise in storage and transportation.

Since 2015, our Group has been promoting industry-academia collaboration with Kyoto University and Okayama University, conducting research on biobanks and developing specialized transport containers. Subsequently, in 2021, we began providing a "high-quality, cryogenically controlled one-package service for storage and transportation that complies with GCTP\*." Having secured a dedicated space in a highly functional facility owned by our Group and equipped that space with cryogenic storage equipment, this facility has also obtained a "regenerative medicine

product manufacturing license," which is necessary to handle regenerative medicine products manufactured at overseas factories and imported. Carrying out cryogenic transportation using our own independently developed transport containers, we also offer international forwarding services in partnership with air transport companies.

In the years to come, while working to expand this service, we will also consider developing fields where we can utilize our know-how in product logistics, such as cold chain and regenerative medicine.

\* Short for Good Gene, Cellular, and Tissue-based Products Manufacturing Practice: Standards for manufacturing control and quality control of regenerative medicine products.

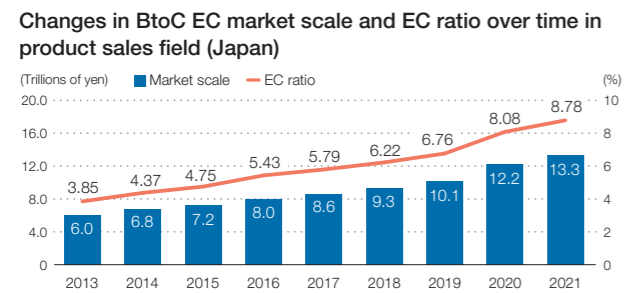


Medium-term Management Plan 2022 > 1 Top-line Growth by Mobilizing the Group's Collective Strength

**Focus Area**  
**1. Enhancement of integrated solution service**  
**B2B2C**

**Market Trends/Background**

The sales methods of manufacturers and retailers are changing due to the progress made with digitalization and changes in consumer preferences. Companies are strengthening sales strategies aimed at capturing synergies between store and e-commerce (EC) sales, and logistics optimization is important for these strategies. The issue of a shortage of drivers brought about by an increase in small-lot deliveries due to the spread of EC and a domestic labor shortage is also becoming more serious, and thus building a stable logistics network is becoming an issue. In the B2B2C field, it is necessary to provide logistics services from the perspectives of both capturing opportunities and reducing risks.



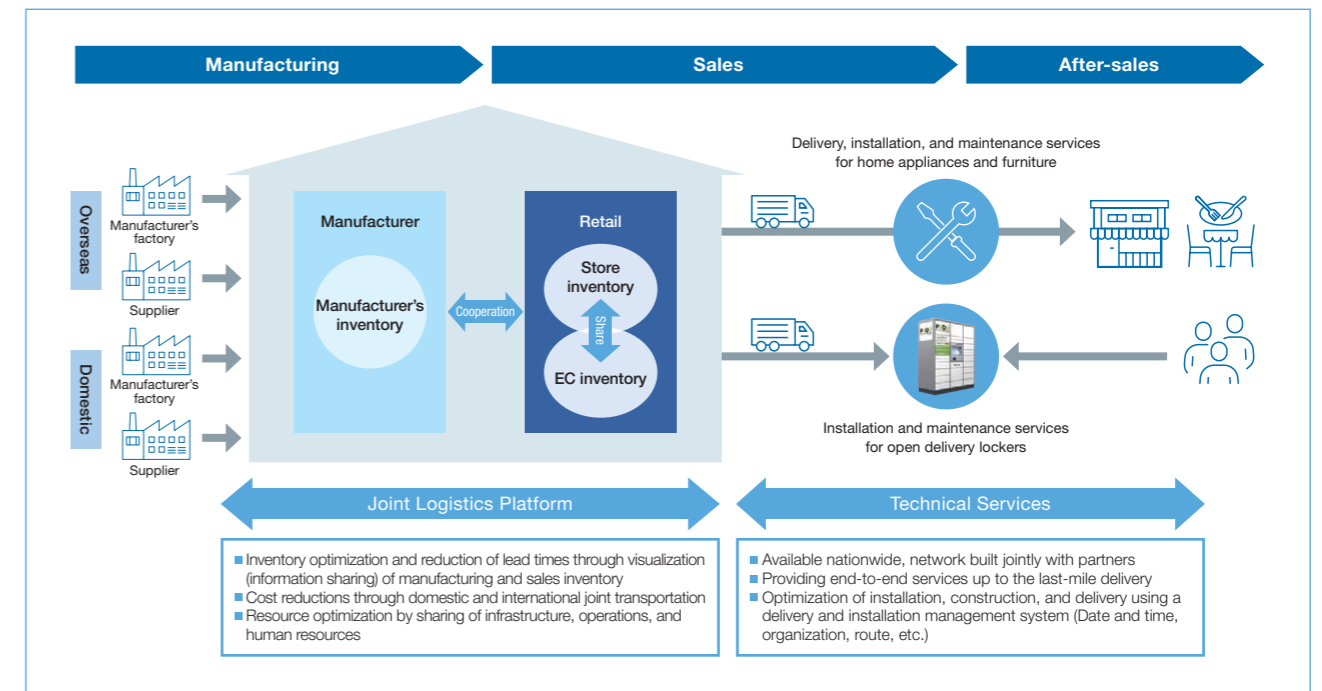
Compiled based on Market Research Report on Electronic Commerce for Fiscal 2021, Digital Economy Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry

**Approach**

Centered on our logistics design capabilities, which have been proposed to a wide variety of customers, and our experience in operating home appliance distribution centers, the Mitsui-Soko Group has been providing optimal logistics solutions that connect manufacturers, retailers, and consumers.

Providing a joint logistics platform that shares inventory from multiple manufacturers and mass retailers at the same distribution center reduces the risk of opportunity loss for customers, leads to lower logistics costs due to reduced transportation, and lessens the risk of damage to cargo. In response to the increase in EC sales in recent years, we have been strengthening the operation of EC logistics bases and working to optimize the logistics operations of stores and EC by installing material handling equipment and building a support system that responds to logistics trends. To serve as a link between retailers and consumers, we are providing technical services that include the delivery, installation, and maintenance of home appliances and furniture nationwide, based on the network we have built with partners at more than 150 bases.

Utilizing their know-how, we are working to deepen our home appliance logistics business while aiming to expand our handling of furniture and daily necessities that is highly compatible with home appliances.



**Examples of specific initiatives**

**Further optimization of supply chains by responding to EC logistics**

**Operating OMO\*-compatible logistics centers**

The home appliance retail industry is strengthening strategies aimed at creating synergies by linking stores and EC sales channels, and building the optimal logistics systems essential for these operations.

Having started the Logistics Center Opening Project in collaboration with home appliance retailers, the Mitsui-Soko Group is operating an OMO-compatible logistics center in Ibaraki City, Osaka Prefecture, that covers all stores in the Kansai area and EC sales nationwide. At this logistics center, we have introduced logistics business processes that utilize cutting-edge material handling equipment and AI, providing highly efficient logistics services that support our customers' OMO businesses. From now on, we will advance initiatives that anticipate the utilization of new technologies. For example, we will utilize blockchain technology to go paperless and expand the scope of automation not only inside but also outside warehouses as well as for transportation.



\* Short for Online Merges with Offline. Sales promotion measures by integrating online and offline channels with the aim of improving customer experiences

**Establishment of new center to expand and upgrade EC business in western Japan**

The pet food market in Japan is increasing year by year due to the growing trend for a pet to become part of a family and pet owners becoming more aware about pet health, and thus steady growth is expected in the years to come.

Our Group has been handling the logistics of high-value-added pet health supplements for many years. Adding to our existing East Japan base, in Osaka we recently opened our new West Japan base, covering an area of approximately 6.7 acres (2.7 hectares), to respond to the increase in transaction volume due to the expansion of customers' EC sales. In response to the small-lot nature of EC logistics, and in anticipation of the need for improved efficiency and service quality through labor savings and the equalizing of operations, at this base, which has been in operation since June 2023, we have installed material handling equipment. From now on, we will conduct operational tests and worker training and, in addition to working toward stable operations, will consider further automation and efficiency improvements to improve shipping capacity and shorten lead times in the years to come.

**Deployment of technical services through co-creation with partners**

Utilizing our know-how in the delivery, installation, and maintenance of home appliances, we are developing and deploying new logistics services through co-creation with partners.

We entered into a domestic distributor agreement with the FRANKÉ Group, which has a worldwide sales track record in coffee machines. In addition to regular technical services, such as machine installation and maintenance, we also conduct commercial distribution business, such as sales, menu design, and a call center. The machines are now equipped with IoT functions, which are useful for preventive maintenance of equipment and replenishment services for materials, including the coffee beans. In addition to the home appliance field, where after-sales service for products equipped with IoT functions is increasing, in anticipation of expansion we will be providing high-value-added services to, for example, the medical care, nursing care, and education fields.

In addition, in cooperation with Packcity Japan Co., Ltd., we are also providing installation and maintenance services for PUDO Station open delivery lockers. The concept being that anyone can use them at any time, these lockers have been installed at train stations, convenience stores, and other locations across Japan, thereby contributing to improved customer convenience and reducing CO<sub>2</sub> emissions by decreasing the number of redeliveries by home delivery drivers.

Medium-term Management Plan 2022 > **1** Top-line Growth by Mobilizing the Group's Collective Strength

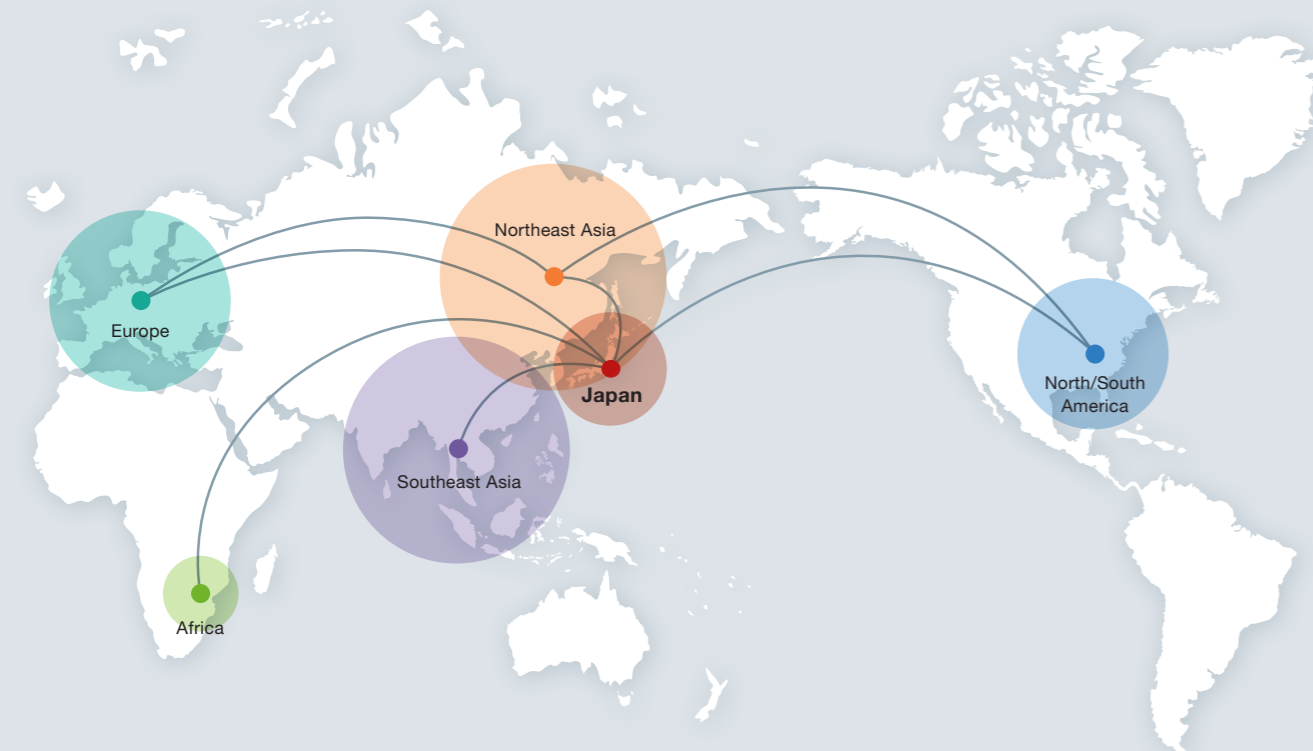


**1. Enhancement of integrated solution service**  
**Japan, China, and Southeast Asia**

Providing logistics services primarily to Japanese companies, the Mitsui-Soko Group has built a global network that supports its customers' global strategies.

Interest in logistics has grown in recent years due to the supply chain disruptions caused by the COVID-19 pandemic. The need to review supply chains is also expected to rise due to geopolitical risks and the increasing severity of natural disasters. Having networks in place around the world, our Group has built a logistics network that can flexibly respond to changes in and optimizations of supply chains.

In addition to Japan, as focus regions in the years to come we will work to expand our business with China and Southeast Asia, where many Japanese-affiliated companies have entered the market and our Group has a number of bases. By leveraging our global network and collaborating with Group companies, we will bring about a deeper understanding of SCM logistics, which will optimize entire supply chains in conjunction with production planning and sales planning.



Southeast Asia	Japan	China
<p style="text-align: center;"><b>Promotion measures</b></p> <ul style="list-style-type: none"> <li>• Further expansion of transactions in specialty areas (raw materials and products such as food and chemicals)</li> <li>• Expand handling of electronic components, automotive parts, etc.</li> <li>• Promoting proposals for one-stop logistics (storage, land, sea, and air transportation) through collaboration with Group companies</li> <li>• Development of cross-border truck transportation services within Asia</li> <li>• Office integration and functional reorganization</li> <li>• Promote initiatives to reduce environmental impact, such as installing solar power generation equipment at logistics bases</li> </ul>	<p style="text-align: center;"><b>Promotion measures</b></p> <ul style="list-style-type: none"> <li>• Deepening of focus areas of mobility, healthcare, and B2B2C logistics</li> <li>• Promotion of SustainaLink service</li> <li>• Promote DX by building logistics platforms and installing robotics, etc.</li> <li>• Promote initiatives to reduce environmental impact, such as installing solar power generation equipment at logistics bases</li> <li>• Response to driver shortages, including the 2024 problem of limits on crew overtime</li> </ul>	<p style="text-align: center;"><b>Promotion measures</b></p> <ul style="list-style-type: none"> <li>• Further expansion of transactions in specialty areas (raw materials and products such as food and chemicals)</li> <li>• Promoting proposals for one-stop logistics (storage, land, sea, and air transportation) through collaboration with Group companies</li> <li>• Promotion of buyers' consolidation*</li> <li>• Promoting rail transport services between Europe and China</li> <li>• Considering rationalization of bases</li> <li>• Strengthening collaboration with local partner companies</li> </ul> <p><small>* Buyers' consolidation: A process by which retailers and other parties consolidate products purchased from multiple production bases into one location, consolidate them into containers, and transport them to their destinations.</small></p>



**2. Expansion of sustainability-oriented business**

**Background/Approach**

In recent years, sustainability-related issues have become more diverse, subject to laws and regulations, as well as globalized, requiring companies to take comprehensive measures. In logistics, due to frequent and severe natural disasters as well as the disruption to distribution networks brought about by COVID-19, the building of stable supply chains has become beset with difficulties.

The Group offers SustainaLink as a new service that supports the sustainability of logistics. As a comprehensive logistics company that can deploy one-stop logistics services from upstream to downstream, we will realize stable supply chains for our customers not only by consulting with them, such as on logistics diagnostics and analysis, but also by proposing specific improvement measures that extend to executing actual operations. We will also aim to expand our handling of sustainability products, which are expected to increase in demand in the future. By continuing to expand services arising from social issues in the years to come, we will create new value while contributing to a sustainable society.

**Expansion of SustainaLink Service**

SustainaLink identifies risks surrounding logistics in social issues from the three perspectives of the environment, labor force, and disaster. The service supports customers in achieving stable supply chains by establishing measures to deal with these risks by following the three steps of "Know," "Visualize," and "Improve." Going forward, we will work to further deepen the SustainaLink service to achieve the sustainability of our customers' logistics and expand our Group's business.

**Risks Surrounding Logistics**

Growing social trend toward carbon neutrality	Labor risk	Increasing severity and frequency of natural disasters and spread of infectious diseases
<ul style="list-style-type: none"> <li>• Increasing importance of climate change-related disclosure and response measures</li> <li>• Significant cost increase due to carbon tax introduction</li> <li>• CO<sub>2</sub> emission reduction requests in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Growing labor shortages in the logistics industry</li> <li>• Compliance with new laws and regulations</li> <li>• Soaring logistics labor costs</li> </ul>	<ul style="list-style-type: none"> <li>• Losses due to distribution network outages</li> <li>• Loss of sales opportunities due to pauses in production</li> <li>• Increasing reputation risk</li> </ul>

**SustainaLink Service**

Environmental Risk	Labor Force Risk	Disaster Risk
<p style="text-align: center;"><b>CO<sub>2</sub> emitted and waste generated by logistics</b></p> <p><b>STEP 1 [Know]</b> Know the current system and future trends of CO<sub>2</sub> and waste</p> <p><b>STEP 2 [Visualize]</b> Visualize CO<sub>2</sub> and waste emissions</p> <p><b>STEP 3 [Improve]</b> Reduce and offset CO<sub>2</sub> and waste emissions</p>	<p style="text-align: center;"><b>Shortages of logistics personnel</b></p> <p><b>STEP 1 [Know]</b> Know the status and future trends of the logistics labor force</p> <p><b>STEP 2 [Visualize]</b> Visualize work, transportation, and office personnel and work hours</p> <p><b>STEP 3 [Improve]</b> Streamline and automate work, transportation, and office tasks to reduce number of personnel</p>	<p style="text-align: center;"><b>Concerns that logistics operations may stop in the event of a disaster</b></p> <p><b>STEP 1 [Know]</b> Know the logistics risks due to disasters, etc.</p> <p><b>STEP 2 [Visualize]</b> Assume and visualize logistics risks such as disasters</p> <p><b>STEP 3 [Improve]</b> Build a disaster-resilient logistics system</p>



Medium-term Management Plan 2022 > 1 Top-line Growth by Mobilizing the Group's Collective Strength



2. Expansion of sustainability-oriented business

Examples of specific initiatives

Logistics CO<sub>2</sub> Visualization Services: MS CO<sub>2</sub> Navigator and MS CO<sub>2</sub> Analyzer

We have developed and provide two types of visualization services for the calculation of CO<sub>2</sub> emitted from customers' logistics activities (Scope 3 categories 4 and 9): MS CO<sub>2</sub> Navigator, which enables simple calculations, and MS CO<sub>2</sub> Analyzer, which enables more detailed calculations. Having been evaluated as advanced technologies that contribute to reducing environmental impact, in 2023 these two CO<sub>2</sub> visualization systems received the Advanced Technology Award at the 24th Logistics Environment Awards, organized by the Japan Association for Logistics and Transport.

Also compatible with both domestic and international forwarding, MS CO<sub>2</sub> Analyzer can calculate in batches the CO<sub>2</sub> emissions from multiple/multimodal transportation modes for logistics data in the global supply chain. We are also conducting the supply of solutions for reducing CO<sub>2</sub> emissions by combining calculation results and logistics data. Utilizing this function, we participated in the international trade platform demonstration test that was performed at the APEC Summit in November 2022, at which we calculated CO<sub>2</sub> emissions during marine forwarding between Japan and Thailand. This service has been provided to dozens of customers so far, and the amount of analyzed data had reached approximately 4 million pieces of transportation data points as of the end of August 2023. In the case of CO<sub>2</sub> emissions calculation services that utilize the MS CO<sub>2</sub> Analyzer, the methods and procedures were appropriately designed based on guidelines that are widely recognized both in Japan and internationally, such as the Joint Guidelines\*1 and the GLEC Framework\*2, and underwent validity evaluations by a third-party evaluation organization\*3 based on ISO 14064-3\*4 in April 2022. At the end of September 2023, we also complied with ISO 14083:2023\*5, which had been issued in March of the same year, and obtained a validity evaluation from a third-party evaluation organization that covered this standard.

\*1 Joint Guidelines on the Method for Calculating CO<sub>2</sub> Emissions by the Logistics Sector (Ver. 3.1) (Ministry of Economy, Trade and Industry/Ministry of Land, Infrastructure, Transport and Tourism, 2016)  
 \*2 Global Logistics Emissions Council (GLEC) Framework for Logistics Emissions Accounting and Reporting Version 2.0 (Smart Freight Centre, 2019)  
 \*3 DNV Business Assurance Japan K.K.  
 \*4 ISO 14064-3: Specification with guidance that defines rules for validating and verifying GHG calculations stipulated by the International Organization for Standardization (ISO)  
 \*5 ISO 14083:2023: Standard for quantification of GHG emissions arising from transport chain operations area stipulated by the ISO

**MS CO<sub>2</sub> Navigator (Simple calculation website)**

- Simple CO<sub>2</sub> calculations
- Easily calculates CO<sub>2</sub> emissions per transport record by inputting departure/arrival points, transport weight, etc.
- Easily gives emission comparisons of multiple transportation modes in visual form

When you want to consider detailed route point settings and loading rates, etc.

**MS CO<sub>2</sub> Analyzer (Batch calculation/analysis service)**

- Bulk calculation and analysis of logistics CO<sub>2</sub>
- Compatible with domestic/international forwarding
- Calculate batch CO<sub>2</sub> emissions of multiple/multimodal transport modes based on customers' past logistics data
- Compatible with GLEC Framework (Ver 2.0). Disclosure in accordance with international standards (CDP/SBT) possible
- Proposes simulation and decarbonized logistics based on analysis results

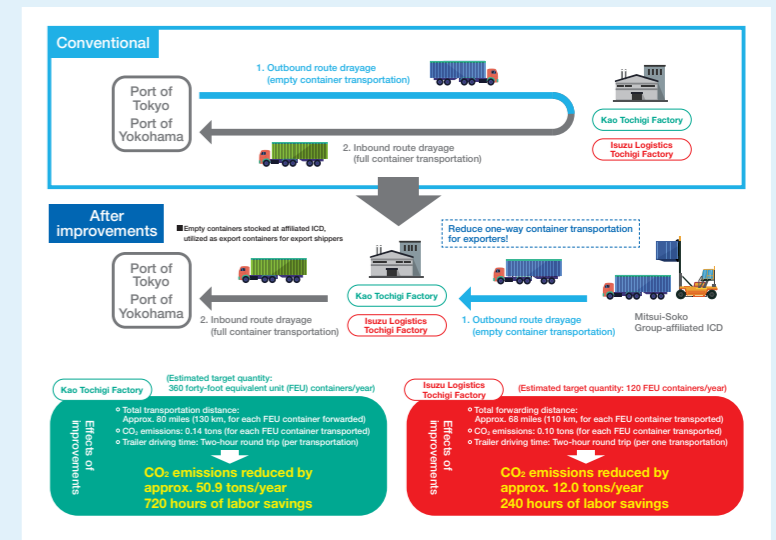
Promoting container round-use initiatives

With regard to maritime container forwarding, it is necessary to return the containers to the port after transporting import/export cargo, which poses issues such as the decrease in transportation efficiency and an increase in CO<sub>2</sub> emissions when transporting surplus empty containers. Our Group is promoting container round-use initiatives that utilize ICD\*, contributing to more efficient forwarding and reduced environmental impact.

\* ICD: Short for Inland Container Depot: Container cargo collection point located at the connection/collection/delivery points of inland transportation routes

Solution example

Customers	Kao Corporation, Isuzu Logistics Co., Ltd.
Task assignments	<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> generated in international logistics</li> <li>Supply of stable drayage services</li> <li>Reduction of truck driver workloads</li> </ul>
Solution method	Container round-use utilizing affiliated ICD
Remarks	Received Special Award at 24th Logistics Environment Awards in 2023

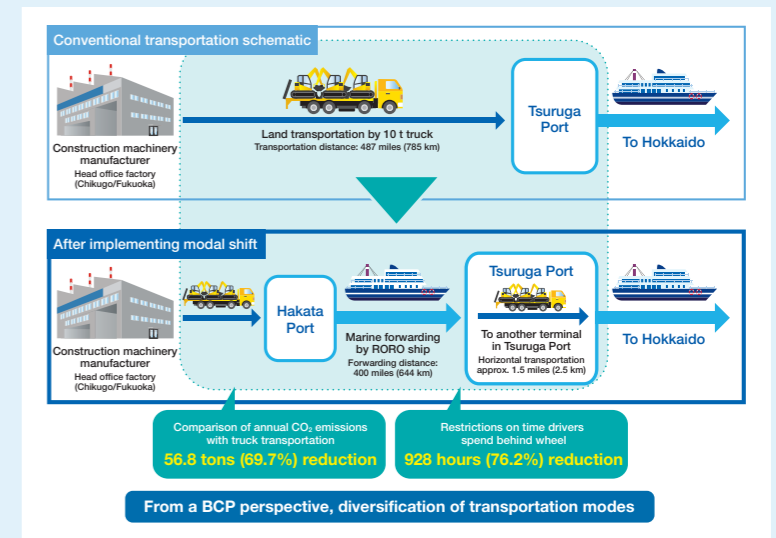


Modal shift by switching from truck transportation to marine forwarding

In addition to the environmental impact caused by CO<sub>2</sub> emissions, truck transportation in Japan faces social issues such as a driver labor shortage. Our Group is collaborating with customers and promoting a modal shift to switch between modes of transportation.

Solution example

Customers	Construction machinery manufacturer
Task assignments	<ul style="list-style-type: none"> <li>Continuation of stable transportation services for long-distance transportation from the Fukuoka factory to Hokkaido, etc.</li> <li>Increase in CO<sub>2</sub> emissions from truck transportation</li> <li>Limited number of truck types and drivers suitable for construction machinery transportation</li> </ul>
Solution method	<ul style="list-style-type: none"> <li>Switching from truck transportation to roll-on/roll-off (RORO) ships</li> <li>Adjustment of transportation scheme for construction machinery, cargo with special characteristics in terms of weight and shape</li> <li>Carrying out of lashing (securing) of cargo according to type of construction machinery</li> </ul>
Remarks	Received the Grand Prize for the Excellent Business Entities Working on Modal Shift Awards 2022



Medium-term Management Plan 2022 >

- 1 Top-line Growth by Mobilizing the Group's Collective Strength
- 2 Reinforcement of Operational Competitiveness



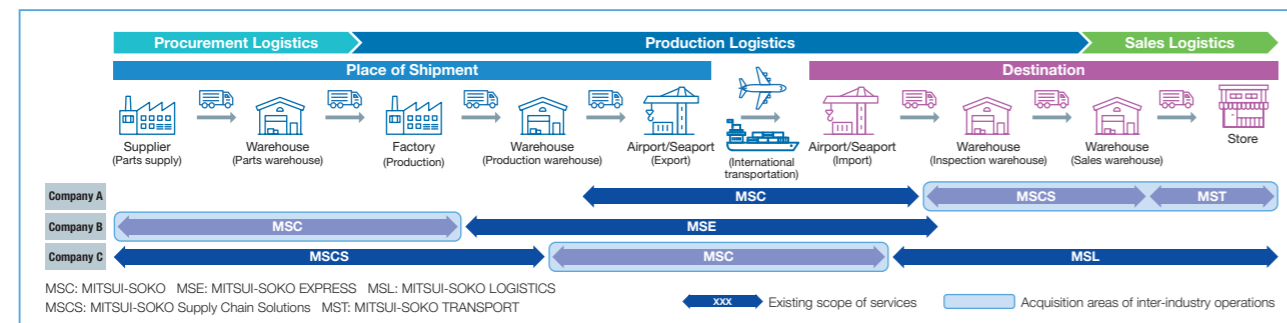
(3) Deep digging in the inter-industry

Through M&A and other business expansion, the Group possesses a wide and excellent customer base and a full range of logistics functions. Each Group company offers different advantages in terms of its logistics functions and customer industry. Going forward, we will aim to improve the profit of our base operations by utilizing the Group's comprehensive strengths to capture the inter-industry areas where we have been unable to provide business services.

> Results for the Fiscal Year Ended March 31, 2023 and Future Initiatives

In the fiscal year ended March 31, 2023, we attracted orders for storage, international transportation, and import/export operations from customers in healthcare and materials companies, and these led to top-line growth. While striving to attract untapped business by making proposals that leverage the Group's collective strengths, we will continue to expand our base operations in the years to come.

Acquisition of Inter-industry Operations (Illustration)



2 Reinforcement of Operational Competitiveness

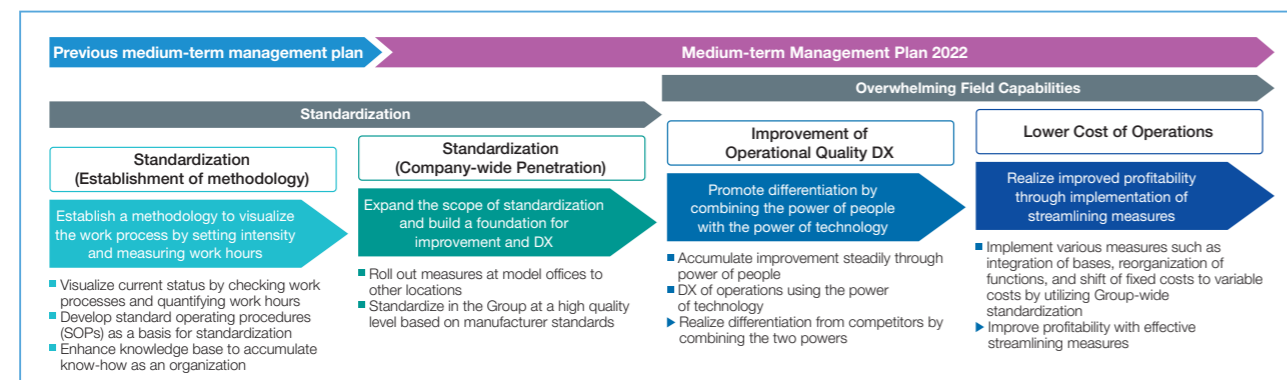
By deepening our efforts toward thorough standardization, we will realize our overwhelming field capabilities that combine the power of people with the power of technology. We also aim to secure a competitive advantage by improving the quality of our operations, and furthermore, to improve profitability by lowering the cost of operations.

> Results for the Fiscal Year Ended March 31, 2023 and Future Initiatives

In the fiscal year ended March 31, 2023, having promoted the firm establishment of standardized operations for paperwork and cargo handling operations at warehouse locations and import/export operations, we deployed them throughout the Company.

We also continued to promote "4S" activities, which form the basis for improving operational quality, and accident reduction activities. Going forward, in addition to deploying the standardization of high quality according to manufacturer standards throughout the Company on an ongoing basis, we will promote initiatives designed to improve productivity by systematizing work plans and standard methods of on-site work established through model office activities. Through the abovementioned initiatives, we will also build a foundation for the DX phase, realize low-cost operations through functional reorganization and human resource mobility, and set in stone the Group's competitive advantage.

Steps to Be Taken



Medium-term Management Plan 2022 >

- 3 Building Management Foundation to Support the Deepening

3 Building Management Foundation to Support the Deepening

To underpin top-line growth by mobilizing the Group's collective strength and the reinforcement of operational competitiveness, we will work on building management foundations to support the deepening from the four aspects of DX, co-creation, business assets, and ESG. Furthermore, we will position human resources as the foundation of management and promote system reforms and personnel exchanges.

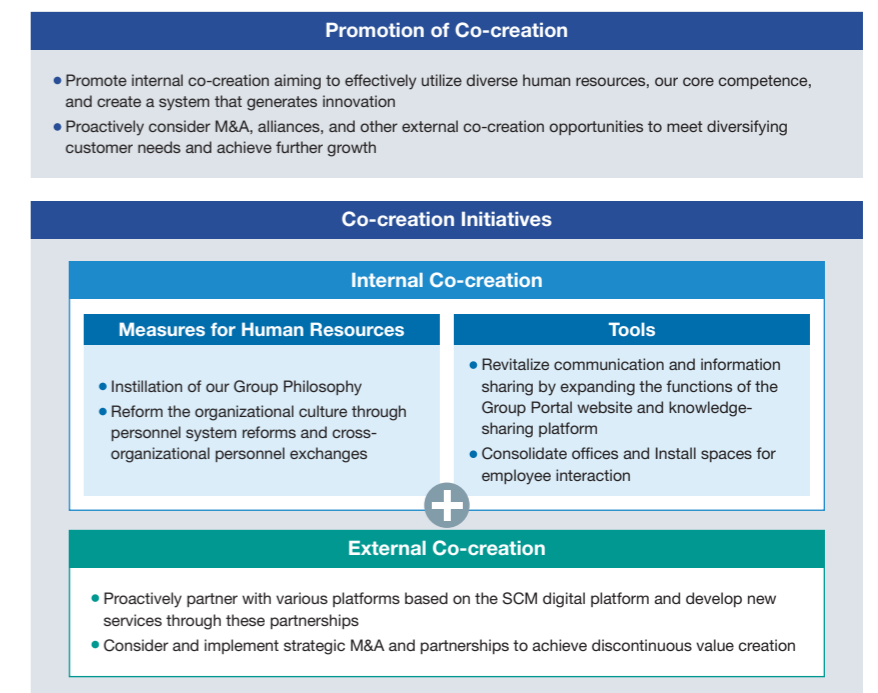
1. DX

➔ P.54-56

Based on the recognition that customers' DX cannot be achieved without logistics DX, we will create new value through a variety of measures that are in line with the Mitsui-Soko Group DX Strategy. Utilizing digital technologies and providing new logistics solutions by building the Logistics Value Link (LVL) SCM digital platform, which connects the supply chain from upstream to downstream, we will contribute to the optimization of logistics for customers and society. We will also achieve improvements in the Group's productivity through the installation of hardware, such as robotics and IoT.

2. Co-creation

To promote innovation and continue to originate new value, we will not only promote internal co-creation within the Group but also promote co-creation with external companies, including those in other industries. In addition to improving the quality of internal co-creation and creating an organization where diverse human resources can play active roles by expanding personnel exchanges and communication measures, we will actively promote co-creation with external parties in anticipation of further strengthening our focus areas, such as DX promotion and healthcare.



3. Business assets

➔ P.84

The implementation of a wide range of corporate real estate measures, including investment in new logistics facilities utilizing IoT and robotics, scrap and build of existing assets, and investment in maintenance and renewal, will lead to the effective utilization and value enhancement of assets held.

4. ESG

➔ P.58-76

Having established the Sustainability Committee, we are promoting company-wide ESG-related activities. In relation to the environment, we will contribute to the realization of a decarbonized society by promoting information disclosure in line with the TCFD recommendations and working on measures to achieve medium- to long-term targets for reducing CO<sub>2</sub> emissions. In terms of social aspects, we will implement measures to improve employee engagement, which will contribute to the strengthening of human capital, as well as business and human rights responses in an effort to realize a safe and satisfying work environment for everyone.

## Human Resources Strategy

Strengthening “human capital,” the most important management base that forms the link between management strategies and human resources strategies

Hiroshi Kino

Executive Managing Director,  
Responsible for Personnel and HR



People are what support and run companies, and it is people who create the future for companies. To draw out human resource value to the maximum extent, we will actively invest resources in strengthening human capital while implementing management practices that will lead to improvements in corporate value over the medium to long term.

### Mitsui-Soko Group's Human Capital Management

The power within each and every employee is the source of corporate growth and of improvement of corporate value, and without the active participation of all our employees we will not be able to realize our PURPOSE, our VISION, or achieve the targets of Medium-term Management Plan 2022. Currently being rolled out, Medium-term Management Plan 2022 is underpinned by the three pillars of our growth strategy, and in “building management foundation to support the deepening” it can be said that human resources form the basis of that pillar. Based on this thinking, the Mitsui-Soko Group will engage in human capital management to draw out the power within people to the maximum extent.

The Mitsui-Soko Group is bringing together human resources to be proud of and who are well formed with qualities that include sincerity, humility, and a spirit of cooperation. We also possess a deeply rooted culture of customer orientation, and the trust we gain by sincerely dealing with our customers forms the bedrock of our business development. I would like to aim for the creation of an environment—the kind in which each and every

employee recognizes their own strengths, works energetically with a sense of pride and responsibility, and is able to grow personally as the Company grows—and for the fostering of a corporate culture.

### Profile of the human resources we seek encapsulated in “Design the new story and lead everyone”

In April 2023, we newly formulated a “profile of the human resources we seek” as a basic policy for the recruitment and training of the human resources who will be responsible for the Mitsui-Soko Group from now on. In recent years, as the business environment has changed rapidly, our Group's business strategy has also changed. It was inevitable that the profile of the human resources we seek would change accordingly. Last year, we formulated our Group Philosophy and the Medium-term Management Plan 2022, and thus I had thought that we should redefine our “profile of the human resources we seek” at that time.

The type of human resources we are seeking is encapsulated in “Design the new story and lead everyone.” “Design the new story” means the future of our customers, the future of our Group, and

even as far as the future of the world in which we live. Even in uncertain times when the future is unclear, they will interact with our customers as logistics specialists, identify issues, and deduce optimal solutions. Not only will they possess the intellectual curiosity to incorporate new technologies and ways of thinking, but they will also have a high level of specialized knowledge and deep thinking ability, and will be able to envisage the future of our customers' businesses. The Group is putting thought into its desire to continue to have that kind of presence.

“People who keep moving” not only means the obvious of those who are capable of operating independently but also those who get others involved and keep things moving. Moving their colleagues while they are moving logistics. This is an expression of our determination in aiming to become a human resources group that exceeds our customers' expectations and even moves them emotionally.

### The three pillars of our human resources strategy: Recruitment, development, and retention

The three key themes adopted under our

medium-term human resources strategy are: Recruitment, the active recruitment of human resources that match the profile; development, strengthening the development of active human resources; and retention, creating environments in which it is comfortable and satisfying to work.

With regard to recruitment, we would like to clarify the human resource requirements required by our Group and hire people who empathize with our corporate values, direction, and with our future ideal. And not forgetting that at the same time that we are selecting people, job seekers are also in the position to select companies. Therefore, I am also careful to be respectful in job interviews. In addition to recruitment activities, I think that recruitment branding that will make people want to join a company and a company's ability to inform are needed more than ever before.

In terms of development, we will define the human resources who can play active roles in our major operating companies and develop those who will be able to play active roles in a wide variety of fields through each training program. Implementing systematic personnel

rotations across the Group, broadening the range of experience, skills, and knowledge as well as bringing about improvements in individual abilities will lead to the strengthening of organizational capabilities and of the Group's capabilities.

Concerning retention, we will create environments in which all employees will be highly motivated and able to contribute to the organization by making the most of their individual strengths. For example, by fostering a culture that is accepting of diverse human resources, promoting flexible work styles that are not restricted by time or place, and operating a fair evaluation system commensurate with results, we aim to create environments that are comfortable and satisfying for everyone. At the same time, we will emphasize the health of our employees and their families and actively promote health and productivity management. At the present time, we are aiming to gain recognition as a Certified Health and Productivity Management Outstanding Organization. Employees are the Company's most important assets, and it is necessary to put in place environments in which everyone, including employees' families, can continue to work in good

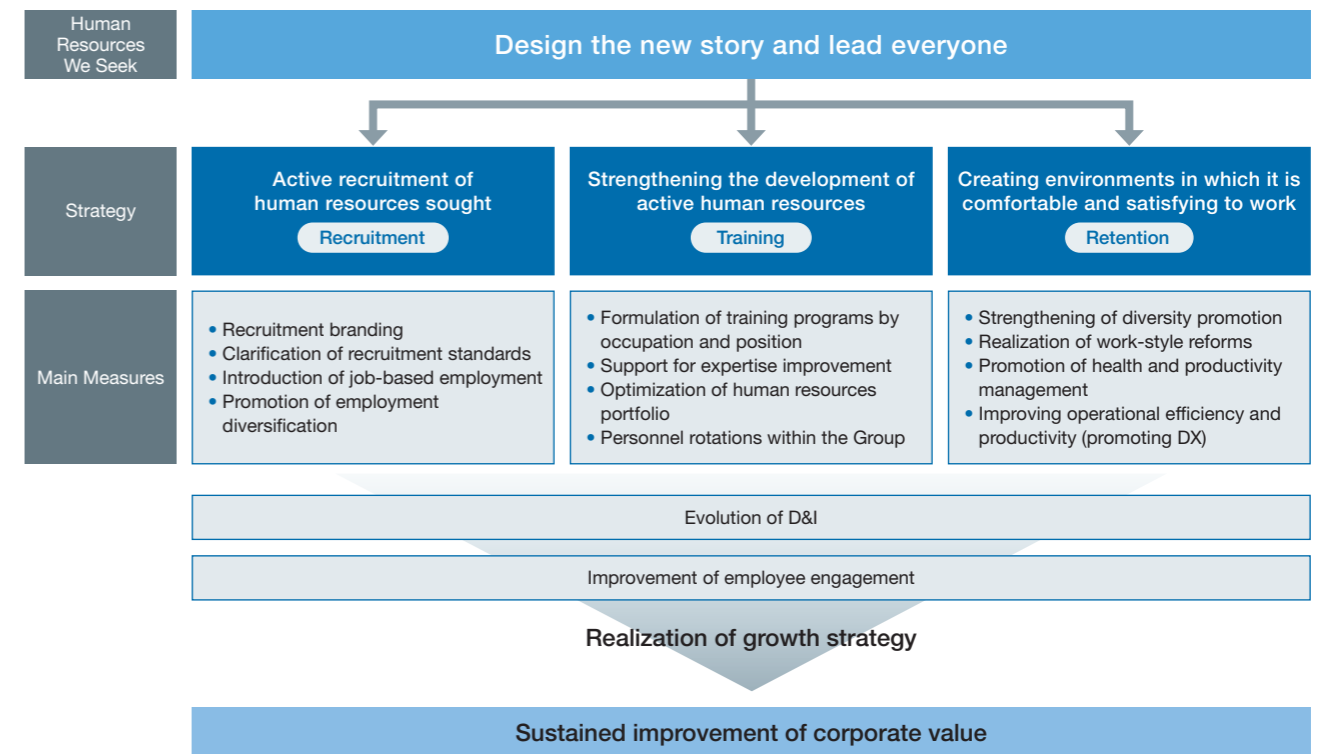
health for a long time. I want their lives to be that much richer for having carried on working with a healthy mind and body while feeling rewarded.

### Promoting Diversity & Inclusion: Converting the power of diverse human resources into Group strength

Today, in what is being referred to as the era of diversity, it is becoming increasingly important to embrace diverse human resources and to include them regardless of their attributes or values. Based on the Mitsui-Soko Group Diversity & Inclusion Policy, which was established in June 2021, we respect diversity and promote the development of environments and mechanisms that allow diverse human resources to play active roles.

As the Group has evolved into a comprehensive logistics company, we have been joined by companies that possess their own networks, such as Toyota and Sony. By actively promoting exchanges between personnel who embraced different cultures we revitalized the organization, which has been leading to the creation of innovation and Group

### Overview of Human Resources Strategy



## Human Resources Strategy

synergies. Not only differing in terms of gender, generation, and nationality, employees with different corporate cultures coming together and fulfilling their respective roles and responsibilities with one mindset will represent a highly potent force able to support the sustainable growth of a company. For that reason, we will invest even more aggressively in reforming our corporate culture, building an organization that makes the most of individual strengths, and supporting the growth of individuals.

### Deepening the company-employee relationship, working to improve engagement

Improving employee engagement is not something that can be achieved overnight but is important to build up on a day-by-day basis. This necessitates the management team and managers themselves interacting with employees sincerely, building relationships of trust, conveying gratitude and expectations to employees, fairly evaluating results, working hard, and clarifying the directions in which they should go. Specifically, we are planning to take immediate measures to improve the "culture of taking on challenges" and "recognition of achievements," which were issues highlighted in the most recent employee engagement survey results. Management from managerial positions is essential in

addressing these issues. We will promote initiatives geared toward the organization's key people, such as support training aimed at changing the mindset of managers and fostering leadership, dialogue with management, and the clarification of responsibilities. It is also essential to strengthen the relationships between superiors and subordinates, so in addition to the 360-degree evaluations that have been implemented up to now, we have introduced one-on-one meetings to encourage dialogue between superiors and subordinates. In addition to deepening mutual understanding, by conducting interviews with one subordinate on an ongoing basis, supervisors actively support the growth of those working under them. For people to grow, it is necessary for them to have a cycle of thinking for themselves through various experiences, gaining awareness by looking back, and putting what they have learned into practice. It is my belief that one-on-one meetings, in which a supervisor supports reflection and introspection, function effectively.

### For each and every employee to put in their best performance

I recognize that my role as the director in charge of personnel and HR is to formulate and execute personnel measures in line with our corporate philosophy and business strategy. In

addition, I believe that it is an important mission for me to create an environment and foster a culture in which each and every employee can continue to work with responsibility and pride while maintaining or increasing motivation.

When I was a student, I was a keen baseball player. Ours was not a particularly strong team, and there were variations in the skill levels of its members, but because there was one person with strong leadership skills in my year, everyone rallied around him and a very good team was put together. As a result of each of us working hard with an awareness of our role, we were also finally able to win the league title. From this experience, I am of the firm belief that putting in your best performance necessitates recognizing your own role within the team (organization) and moving toward the same goal. As the person whose function it is to connect management and the workplace front lines and who demonstrates leadership so that the Group can carry out such organizational activities, while communicating with more people from inside and outside the Company than ever before, I will do my best to create environments in which diverse human resources are given opportunities to show their brilliance.

### Profile of Human Resources We Seek



## DX Strategy



Focusing on driving DX initiatives to support business transformation and optimization, all aimed at creating new value

Yuji Ito

Director, Senior Executive Officer  
Responsible for Information Systems  
(Digital Strategy Division & Information Systems Division)

DX is more than just digitization; it involves initiatives that lead to a competitive advantage through business transformation. We aim to achieve DX by digitizing and visualizing information in the supply chain to create new value.

### An essential DX Strategy for Mitsui-Soko Group's PURPOSE: "Empower Society, Encourage Progress"

The Mitsui-Soko Group formulated a DX strategy in 2021 and, as part of Medium-term Management Plan 2022, we established the new Digital Strategy Division in April 2022 to drive DX efforts.

The advancement of digitization has led to a shift from hardware to software, significantly expanding the possibilities within businesses. However, in some industries, the existence of the sector is being questioned. Nevertheless, no matter how far digitization progresses, physical objects will never disappear, and the logistics industry, which is responsible for delivering goods, is unlikely to vanish. On the other hand, in the logistics industry, social issues such as climate change and the 2024 problem are growing increasingly serious. The construction of efficient and resilient supply chains is being emphasized, and the approaches used in the past are no longer sufficient to achieve these objectives. Now that change is being demanded in the logistics industry, for our Group DX initiatives represent an important management strategy pillar for creating high competitiveness and creating new value for customers and

society. I believe that these efforts will lead to our PURPOSE of "Empower society, encourage progress."

When promoting DX, it is important to consider that DX is not the "end" but rather the "means." The "end" is the embodiment of our PURPOSE, the realization of our VISION, and by leveraging DX as a "means" to achieve these, we aim to transform the existing business model and strive toward creating greater value.

We are implementing various initiatives across the organization in line with the publicly disclosed the Mitsui-Soko Group DX Strategy. I believe there are three key pillars for our Group to pursue as follows.

The first is the promotion of "aggressive DX (External DX)" to achieve business transformation. As a comprehensive logistics company, our Group develops new services and solves customers' logistics issues through DX.

We intend to provide services that contribute to optimizing our customers' supply chains by aggregating transaction data for the entire supply chain management (SCM) onto our SCM digital platform called LVL (Logistics Value Link) and utilizing the aggregated data. This will include centralized management of our customers' trade documents and visualization of inventory across multiple

locations.

Second is the promotion of "Defensive DX (Internal DX)" that realizes business optimization. We will enhance our competitiveness by integrating the expertise accumulated over our Group's history of more than 110 years with the latest digital technologies, thereby achieving optimization in the operations of our existing businesses. We will advance our efforts to embrace smart logistics by utilizing cutting-edge technologies such as robotics, AI, and robotic process automation (RPA) to automate on-site and administrative tasks, digitize the movement of documents and cargo, and optimize logistics operations.

By installing the latest digital technology, we will work to further improve the quality of operations and support the establishment of an overwhelming field capabilities.

The third pillar is the "Cultivation of DX talent" to realize these strategies. Business transformation through DX will not progress unless each department and individual in the field takes initiative and actively engages in it as their own responsibility. Regarding this matter, as mentioned later, it is essential to advance efforts not only in cultivating DX specialists with expertise but also in enhancing the DX literacy of all employees.

## DX Strategy

### DX Strategy Progress

Regarding the “aggressive DX,” we are in the process of developing LVL and have already begun offering it to select customers. Currently, we are collaborating with a select group of customers to improve trade efficiency in both exports and imports. We have initiated a pilot operation project and have received positive evaluations. By providing a platform that leverages our Group’s information-gathering capabilities and incorporates full-fledged logistics functions within the supply chain, we make a significant contribution to our customers’ business optimization and cost reduction efforts. Additionally, from our perspective, there are further benefits as we can collect customer information, enabling us to offer even more significant logistics support and deepen our inter-industry engagement with our customers. Furthermore, we are currently undertaking the development of a general-purpose platform, in anticipation of expanding our

range of offerings in the future. (Fig. 2 Aggressive DX [Business Transformation by Developing Services for Customers]) We have also invested in TradeWaltz, a trade platform company, and are presently focused on developing linkage functions within the export–import trade sector. It is rare to be able to complete platform construction in-house, and by engaging in meaningful collaborative partnerships with various companies, we are expanding the potential for creating new value within our DX strategy. On the other hand, for “defensive DX” initiatives such as promoting robotics for efficiency, labor reduction, and enhancing information integration with customers, we are actively involved in collaborative projects with multiple customers, with a primary focus on establishing large-scale distribution centers. At the same time, we are simultaneously working on smaller and medium-sized implementation projects that utilize AGV, autonomous mobile robots (AMR) image recognition, AI, etc. It may seem more efficient to fully

automate warehouses and logistics centers. However, given the variations in customers’ industries and cargo characteristics, automating the entire operation through automation and mechanization does not necessarily guarantee increased efficiency. We recognize that it is also important to consider standardization that takes into account the differentiation between automation and human-operated tasks based on customer characteristics and cargo scale, etc. We are promoting on-site optimization while also focusing on qualitative effects (such as quality, safety, public relations, employment, working conditions, social impact, future prospects, competitive advantage, etc.) in addition to quantitative effects. (Fig. 3 Defensive DX Business optimization that leverages the latest digital technologies) Concerning these DX-related investments, we are also expecting to invest ¥20 billion over the five years of Medium-term Management Plan 2022.

### Focusing on Securing and Training DX Talent

DX is often highlighted for its technological aspects, but the key to its success lies in “people.” As DX advances, it becomes increasingly evident that the role of individuals making final decisions is crucial. Therefore, securing DX talent is an urgent priority. We will continue to strengthen our mid-career and new graduate hires, and expand our workforce as quickly as possible. The type of DX talent we are looking for in our Group should have the following attributes: proficiency in digital technology and a deep understanding of the operations of our business units. They should possess the ability to lead DX initiatives through strategic planning, problem analysis and resolution, and schedule management. Additionally, they must also possess project management skills that bridge IT with the business operation. We are focusing on securing

and training DX talent, leveraging our recently introduced IT specialist system. As mentioned earlier, in order to drive DX initiatives, it is important for all employees to understand the essence of DX and improve their digital literacy. To achieve this, we have been implementing initiatives such as improving the digital skills of all employees through the establishment of training environments, digitizing our operations, and RPA citizen development. This can be seen as a step toward digital democratization. We are advancing a transformation of our corporate culture and mindset through the enhancement of DX literacy, from top management to the bottom of the organization. This effort aims to cultivate a culture where challenges are embraced without fear of failure, thereby accelerating the pace of DX advancement and striving for continuous business value creation.

### Taking On Challenges without Fear of Failure

Logistics contributes to optimize our customers’ businesses and to create a society where people can live comfortably. However, in today’s era of volatility, uncertainty, complexity, and ambiguity (VUCA), ensuring the uninterrupted flow of daily logistics, continuously generating value, and improving competitive advantage is never an easy task. To achieve these goals, the realization of DX is essential. DX is not something that can be achieved overnight; it is an ongoing process that requires continuous trial and error, approached with a sense of urgency in business operations. Therefore, it is also necessary to encourage a willingness to challenge various possibilities without fearing failure. We recognize that there are several obstacles that must be overcome to make DX successful. However, we are determined to find breakthroughs and achieve positive outcomes.

Fig. 1 Complete Picture of DX Strategy

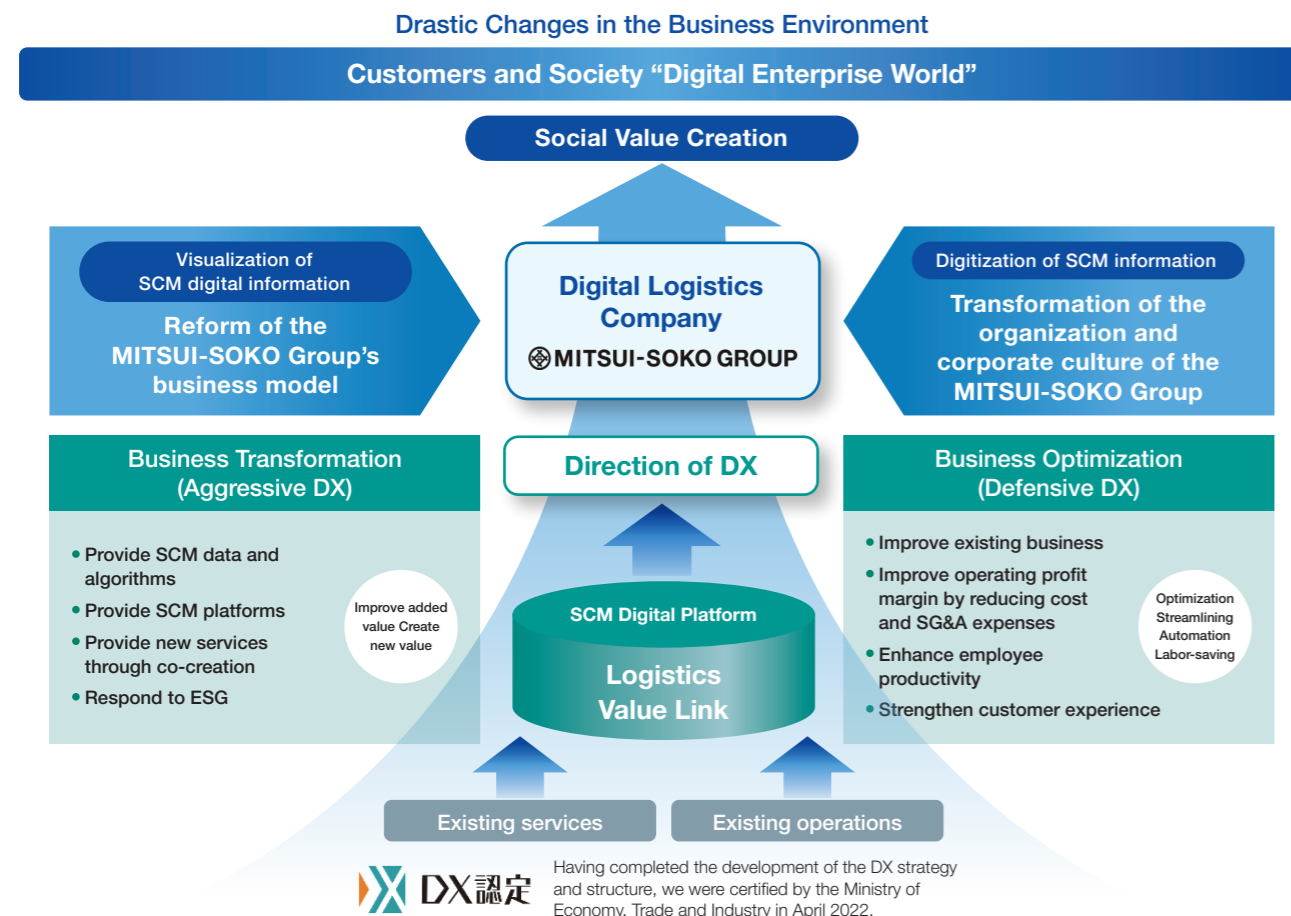


Fig. 2 Aggressive DX (Business Transformation by Developing Services for Customers)

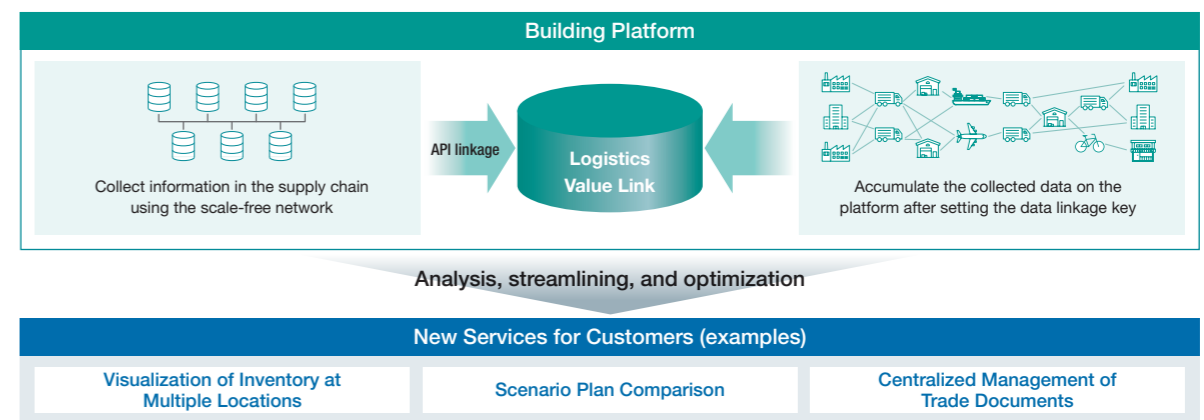
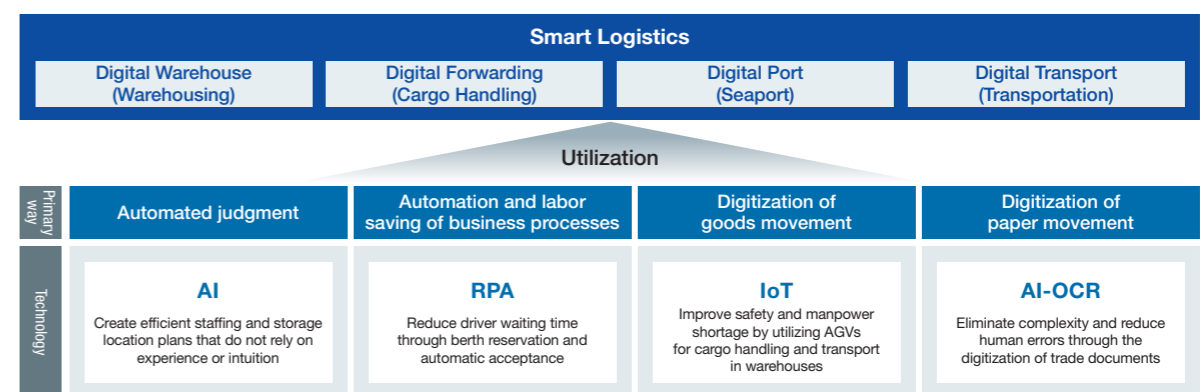


Fig. 3 Defensive DX (Business optimization that leverages the latest digital technologies)





# 05

## Foundation for Supporting Co-creation

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

## ESG Initiatives

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



### Safety

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

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

### Basic Policy

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

### Promotion Framework

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

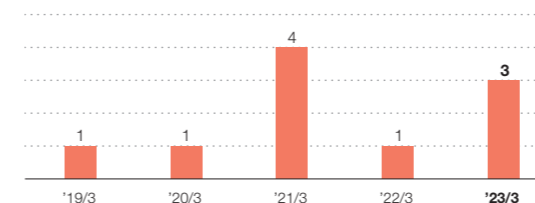
### Safety Promotion Initiatives

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

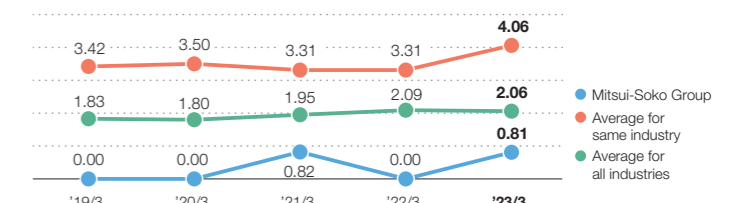
In warehouse operations, we have established common Group standards for occupational accidents. Each business promotes activities to prevent accidents and to improve situations when a near-miss or accident occurs. Activities of each business are shared by the Safety Subcommittee, and examples of good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

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

Number of occupational accidents



Occupational accident frequency rate (%)




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

ESG Initiatives

**Human Rights**

For details on our initiatives, please refer to "Sustainability Data Book 2023," p.16 (Human Rights).  
[https://www.mitsui-soko.com/en/ir/library/sustainability\\_report/](https://www.mitsui-soko.com/en/ir/library/sustainability_report/)



**Basic Policy**

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

**Promotion Framework**

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

**Identification of Key Human Rights Issues**

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



**Conducting Human Rights Due Diligence**

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

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




**Remediation and Grievance mechanism**

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

**Environment**

For details on our initiatives, please refer to "Sustainability Data Book 2023," p.9 (Environment Management).  
[https://www.mitsui-soko.com/en/ir/library/sustainability\\_report/](https://www.mitsui-soko.com/en/ir/library/sustainability_report/)



**Basic Policy**

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

**Promotion Framework**

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

**Response to Climate Change**

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

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

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

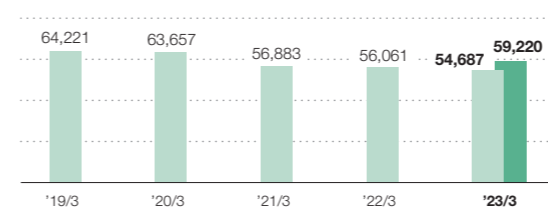
The Group is working to reduce CO<sub>2</sub> emissions (Scope 3) in its supply chain. Through the "MS CO<sub>2</sub> Analyzer," a menu item of our logistics service SustainaLink that helps resolve social issues for customers, we visualize CO<sub>2</sub> emissions in our customers' logistics and can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

**Reduction of Waste Emissions**

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

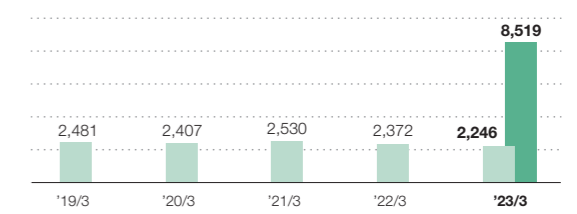
We are promoting paperless offices as well as improving operational efficiency by shifting to electronic payments and encouraging meetings that use digital devices to replace paper documents. In addition to using recycled materials, such as biomass-based polyethylene film (bio-polyethylene) and recycled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

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



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

Waste emissions (t)



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

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

ESG Initiatives

Disclosure Based on the TCFD Recommendations

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



Governance

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

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

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

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

Risk Management

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

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

Metrics and Targets

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

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

Strategy

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

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

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

2) Evaluation of the scenario analysis results

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

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

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

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

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

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

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

Legend

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



## Outside Director Roundtable Discussion



Outside Director

Takashi Tsukioka

Outside Director

Takashi Hirai

Outside Director

Maoko Kikuchi

Outside Director

Taizaburo Nakano

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

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

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

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

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

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

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

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

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

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

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

## Outside Director Roundtable Discussion



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

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

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

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

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

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

### Sustainability in the Mitsui-Soko Group

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

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

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

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

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

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

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

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

### Future-oriented initiatives

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

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



## Outside Director Roundtable Discussion

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

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

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

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

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



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

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

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

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

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

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

### Toward further improvement of corporate value

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

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

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



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

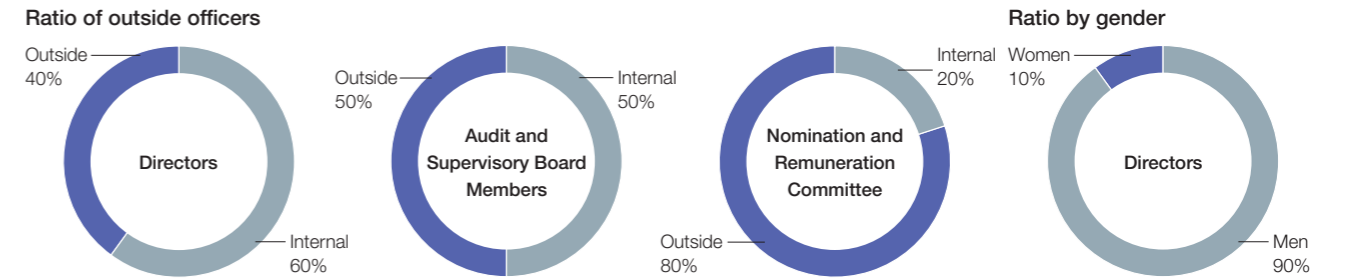
**Nakano:** A new philosophy has been created and a new medium-term management plan has been launched. While leveraging the brand power and history of the traditional Mitsui-Soko Group as its foundation, amid major changes in its business environment the Group is currently in the process of engaging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

Corporate Governance

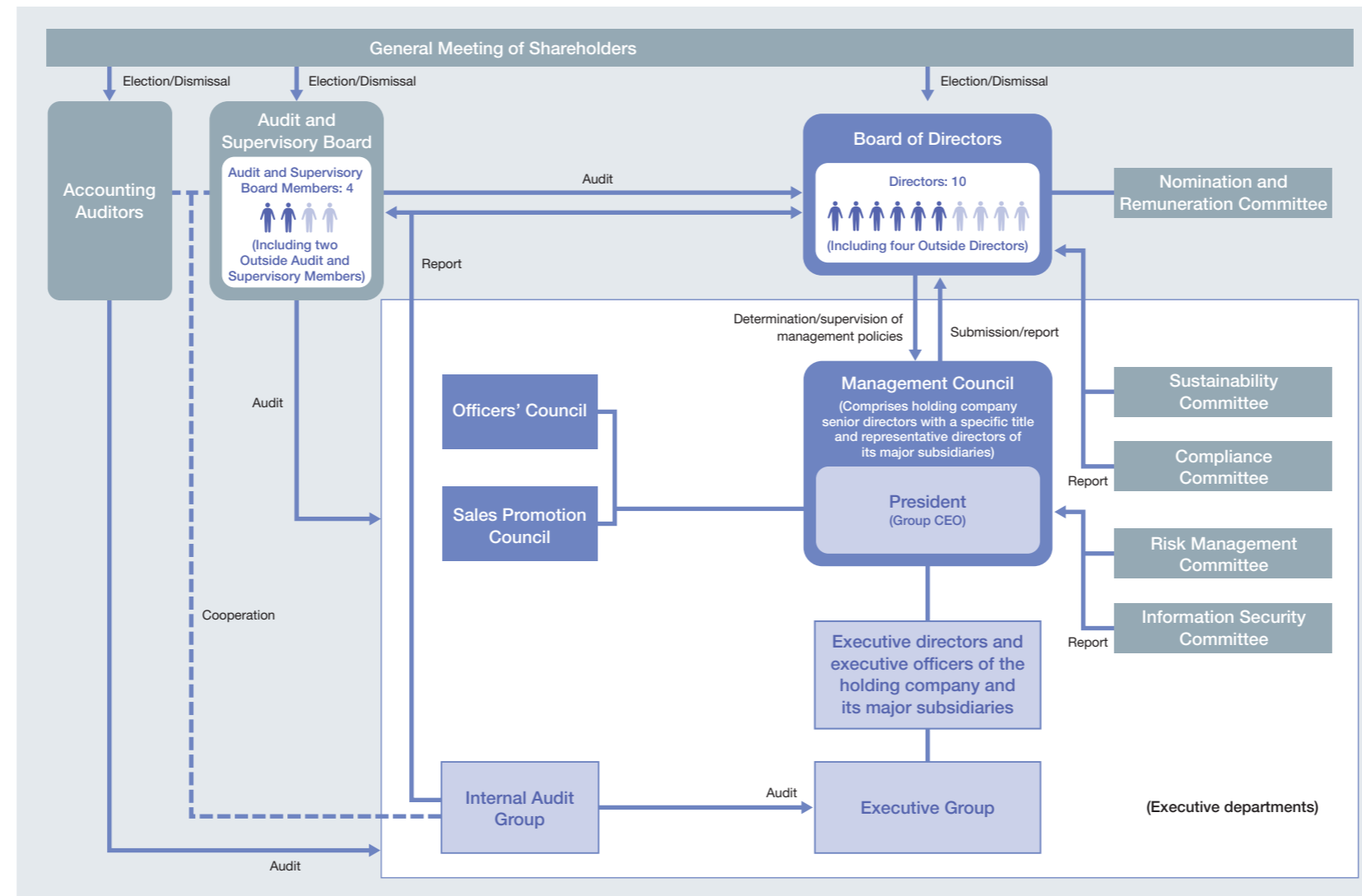
# Building a Governance Structure Aimed at Improving Corporate Value

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

## Composition of Directors and Audit and Supervisory Board Members



Corporate Governance System (as of July 1, 2023)



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

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

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

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

### Audit and Supervisory Board

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

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

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

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

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

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

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

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

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

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

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

MSC: MITSUI-SOKO Co., Ltd.

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

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

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

## Corporate Governance

### Changes in Initiatives to Strengthen Corporate Governance

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

### Skills Matrix

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

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

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

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

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

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

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

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

### Effectiveness of the Board of Directors

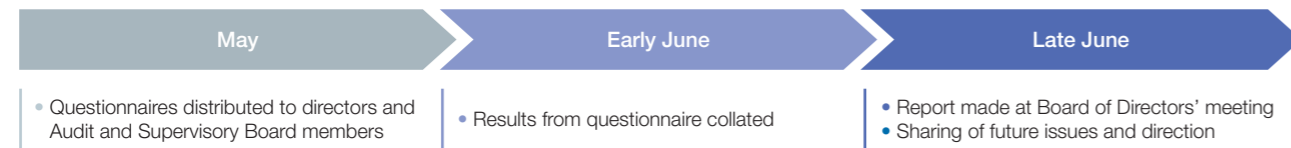
To work on the enhancement of the Board of Directors' functions and thereby improve corporate value over the medium- to long-term, we evaluate the effectiveness of the Board of Directors by means of questionnaires between directors and Audit and Supervisory Board members, and discuss the results at Board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

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

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

## Corporate Governance

### Method for Evaluating Effectiveness

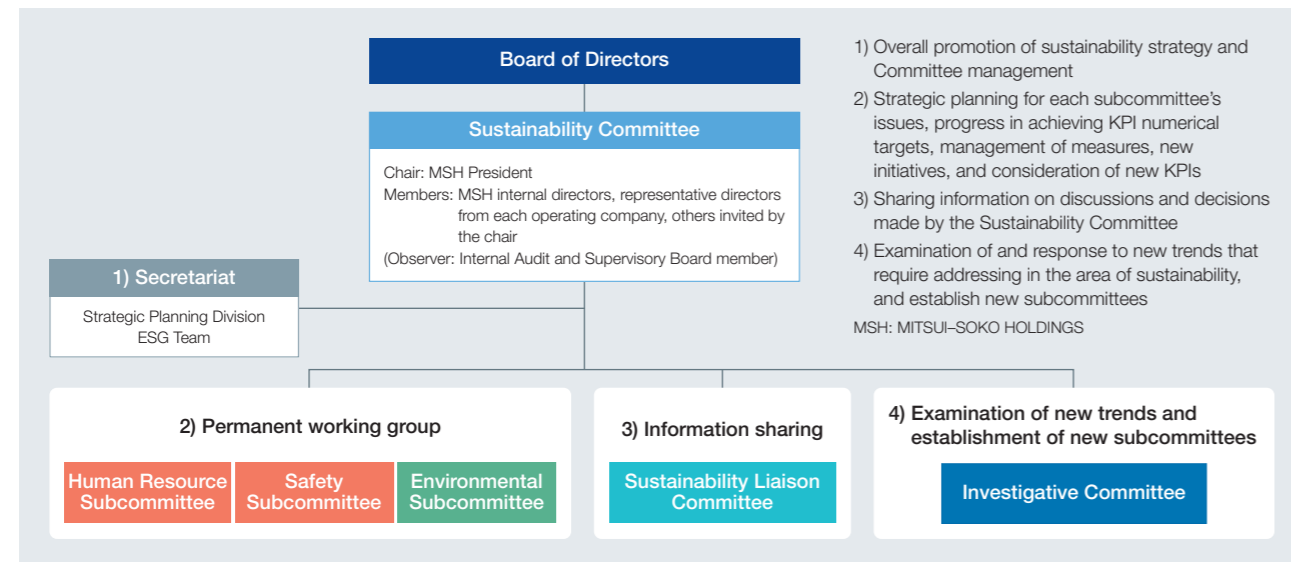


### Evaluation of Board of Directors' Effectiveness for the fiscal year ended March 31, 2023

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

### Sustainability Promotion Framework

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



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

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

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

#### Officer Remuneration Decision Process

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

#### Composition of Officer Remuneration

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

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

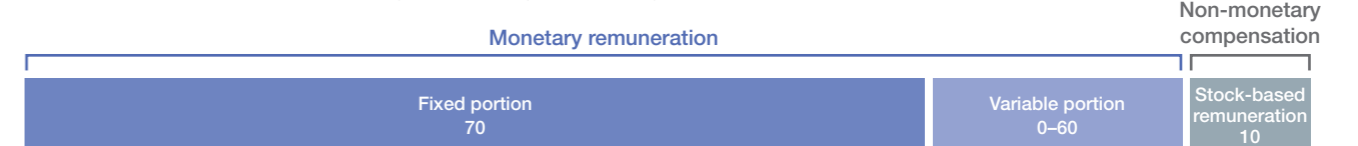
Officer category	Amount of remuneration, etc. (millions of yen)	Total amount by remuneration type, etc. (millions of yen)			No. of officers paid
		Fixed portion	Variable portion	Stock-based remuneration	
Directors (excluding outside directors)	356	210	123	21	8
Hirobumi Koga	(101)	(63)	(31)	(6)	—
Audit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

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

#### Officer Remuneration

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

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



## Corporate Governance

### Group Governance

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

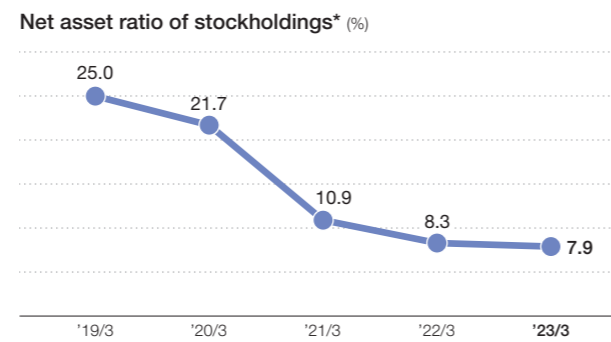
In addition to discussing and resolving matters to be submitted to the Board of Directors, the Management Council meets twice a month discusses and reports on important matters relating to the management of each company, including business plans, large-scale investment projects, and the internal controls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

### Stockholdings

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

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

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



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

### Compliance

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

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

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

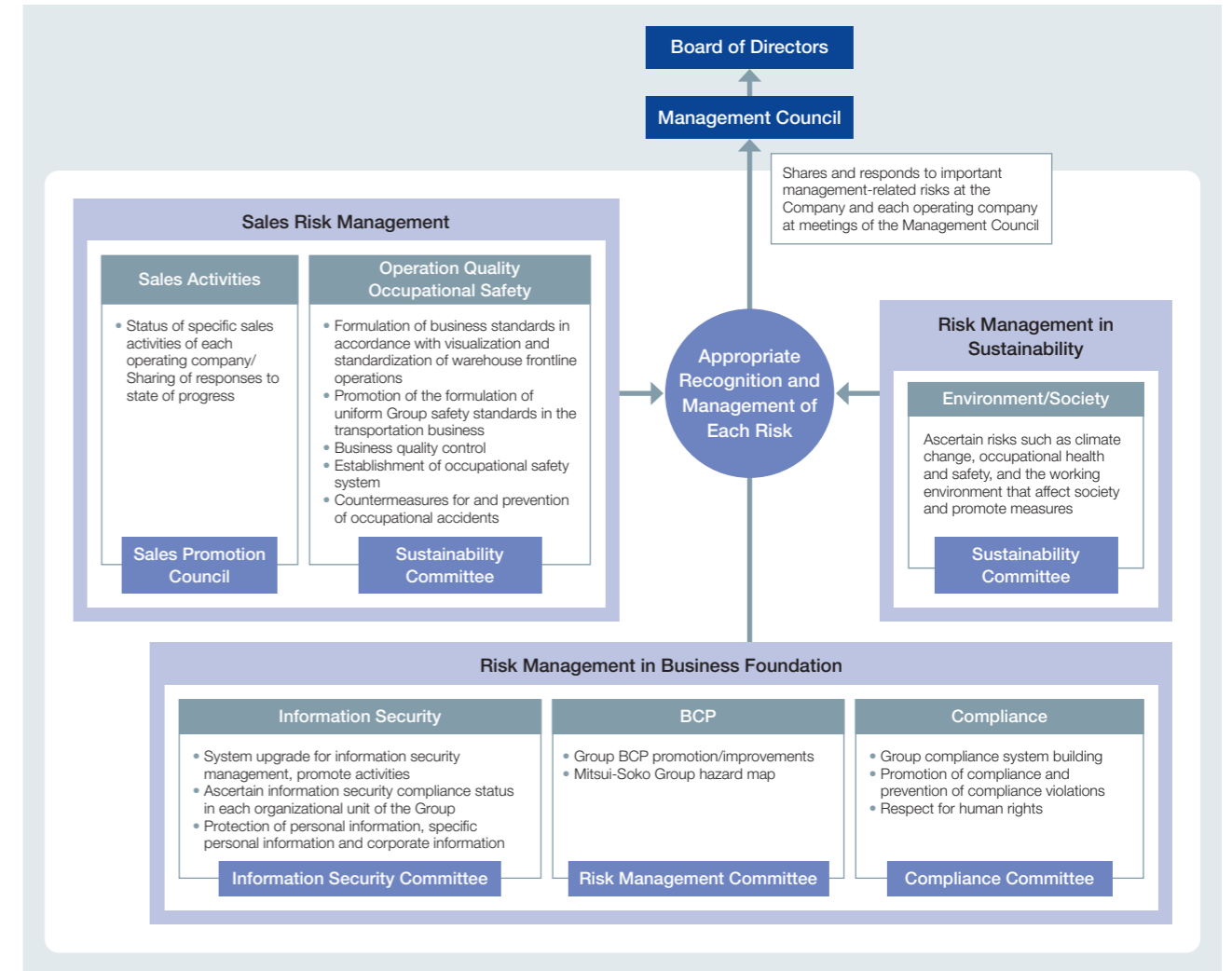
### Risk Management

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

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

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

### Risk Management Framework



### Business and Other Risks

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

#### Business and Other Risks Listings

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

## Directors and Audit and Supervisory Board Members

As of July 1, 2023

### Directors

**Hirobumi Koga**


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



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

**Hiroshi Kino**


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



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

**Yuji Itoi**

Director, Senior Executive Officer  
Responsible for Information Systems



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

**Nobuo Nakayama**

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



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

**Takeshi Gohara**

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



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

**Tomoaki Kiriya**

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



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

### Outside Directors

**Taizaburo Nakano**

Outside Director



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

**Takashi Hirai**

Outside Director



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

**Maoko Kikuchi**

Outside Director



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

**Takashi Tsukioka**

Outside Director




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

### Audit and Supervisory Board Members

**Yukio Ishida**


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



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

**Norio Miyashita**

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



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

### Outside Audit and Supervisory Board Members

**Motohide Ozawa**

Outside Audit and  
Supervisory Board Member



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

**Hidetaka Miyake**

Outside Audit and  
Supervisory Board Member






Apr. 2000 Joined Public Prosecutors Office of Ministry of Justice as a Public Prosecutor  
June 2004 Registered as an attorney at law Joined Ashurst LLP, Tokyo Office\*  
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)

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

\*Currently Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyō

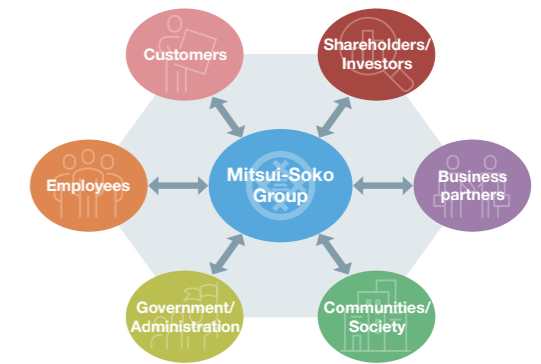


### Relationship between Materiality and Medium-term Management Plan 2022

		Materiality									
		Economy			Social			Environment			
		Provision of sustainable, resilient logistics services through co-creation 			Realization of safe, diverse, and rewarding work environments 			Contribution to a decarbonized, circular economy by actively reducing environmental impact 			
		Development and provision of sustainable logistics services	Supporting optimization of supply chain management that underpins customers' businesses	Building of partnerships for sustainable logistics	Creation of safe and rewarding work environments	Promotion of health and productivity management	Promotion of diversity	Response to climate change	Utilization of renewable energy	Reuse and reduction of resources	
Medium-term Management Plan 2022 Growth Strategies	Top-line Growth by Mobilizing the Group's Collective Strength	01 Enhancement of integrated solution service	●	●							
		02 Expansion of sustainability-oriented business	●	●	●	●			●	●	●
		03 Deep digging in the inter-industrial business		●							
	Reinforcement of Operational Competitiveness	01 Company-wide penetration of standardization	●	●		●					
		02 Improvement of operational quality	●	●		●					
		03 Lower cost of operations	●	●		●					
	Building Management Foundation to Support the Deepening	01 DX	●	●	●	●		●	●		
		02 Co-creation			●			●	●		
		03 Business assets	●			●			●	●	
		04 ESG	●			●	●	●	●	●	●

### Stakeholder Engagement

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



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



# 06

## 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

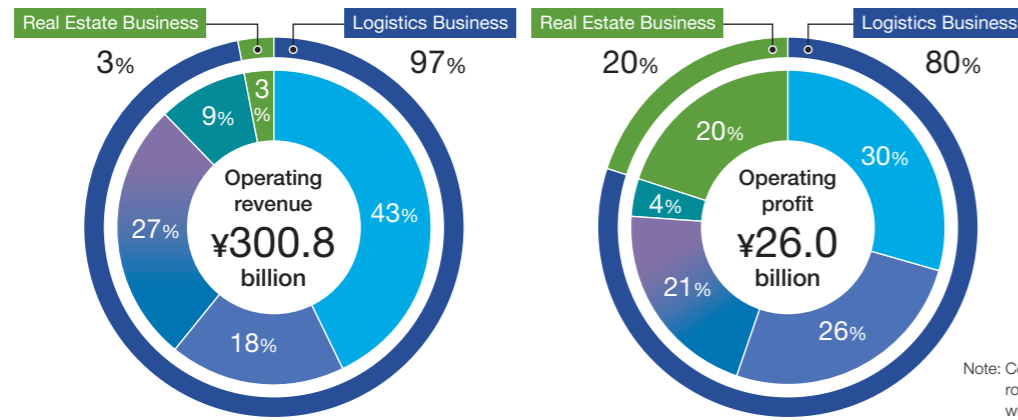
Our real estate business operates and manages office buildings, including the MITSUI-SOKO Hakozaki Building, MSC Center Building, and MSC Onarimon Building, as well as rental condominiums. For assets that are no longer suitable for logistics use due to changes in the surrounding environment, we are taking 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

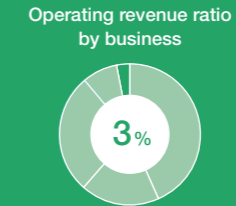
Real Estate Business	Logistics/Port Transportation	Airfreight Forwarding	3PL/LLP	Land Transportation
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For more details on business areas, please visit: <https://www.mitsui-soko.com/en/>



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.



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.

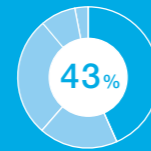
# MITSUI-SOKO

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)

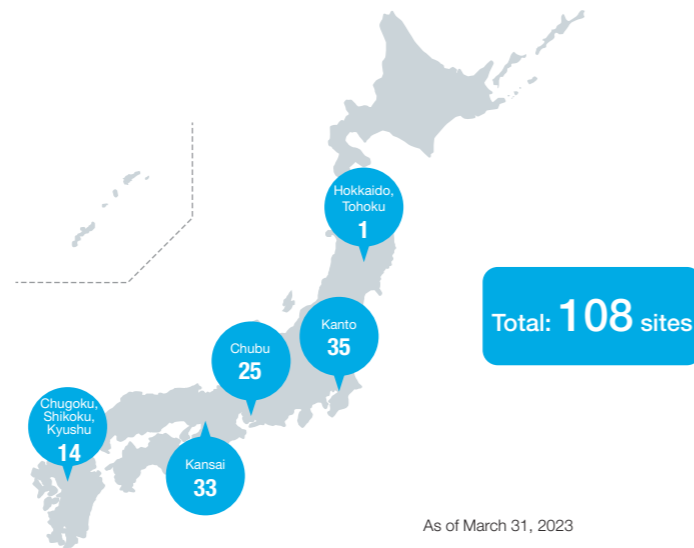
- Strengthening of revenue base in port warehousing
- Increase in the pace of growth in inland warehousing

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		
<b>Basic Strategy 1</b>	<b>Basic Strategy 2</b>	<b>Basic Strategy 3</b>	
<p><b>Securing of stable revenues by leveraging warehouse assets</b></p> <p>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.</p>	<p><b>Creation of growth opportunities by developing highly functional services that start from warehouses</b></p> <p>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.</p>	<p><b>Realization of overwhelming field capabilities</b></p> <p>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.</p>	

### 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

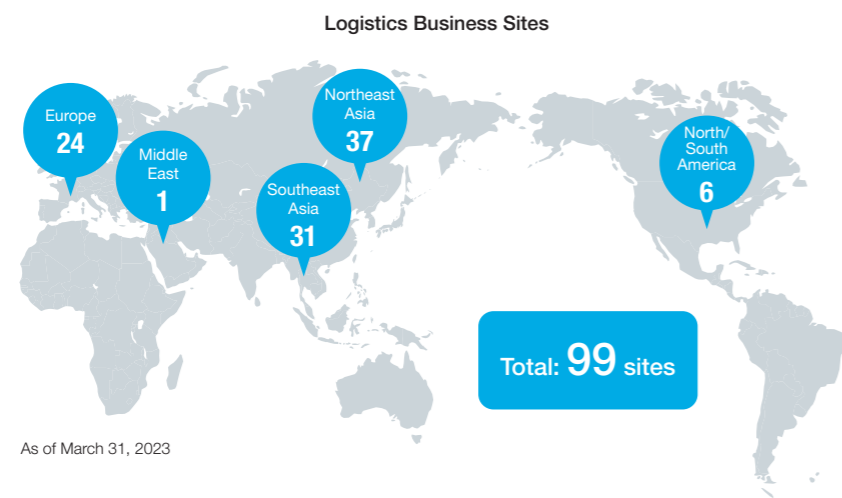
### Challenges (Internal Environment)

- 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/>



- > 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



#### 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)

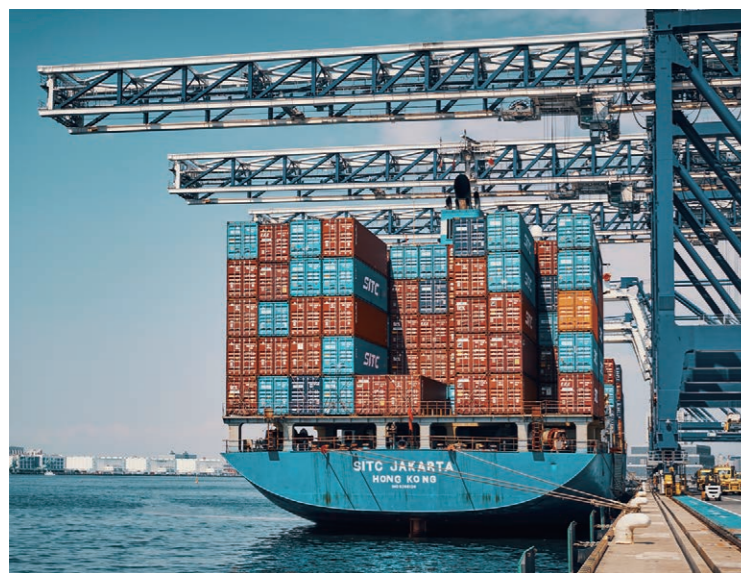
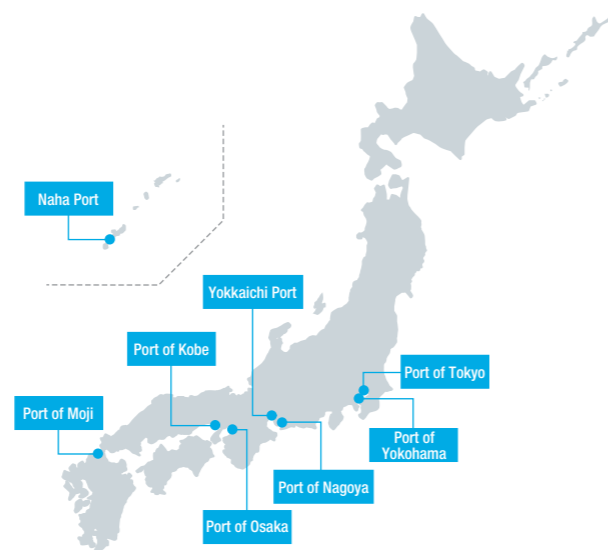
- Strengthening of facility and equipment management
- Streamlining of container terminal operation methods
- Business area expansion

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.

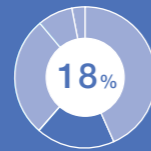
In the Okinawa business, we will work on building a transportation scheme system that unites the public and private sectors by making the most of the Group's network and strengthening cooperation between government and local companies.

# 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

### Environmental Awareness

#### 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

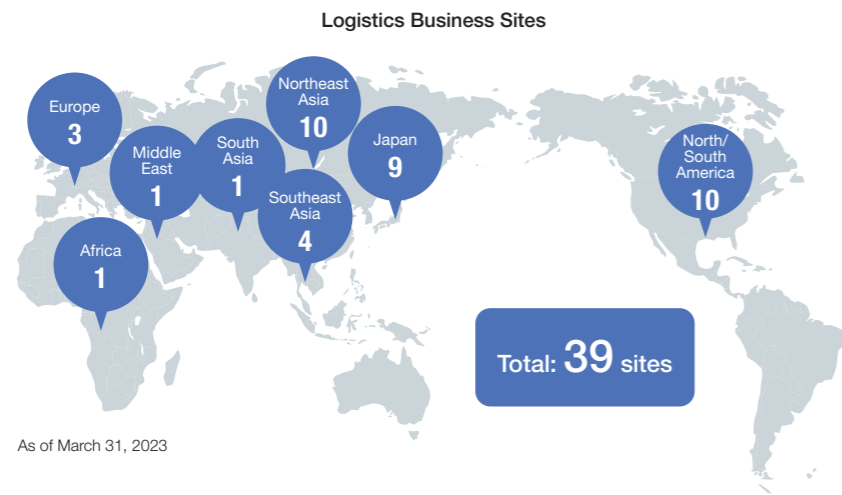
#### Challenges (Internal Environment)

- 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.



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.

### Medium-term Management Plan 2022 Initiatives

Goal	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.

### 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.

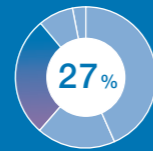
# MITSUI-SOKO LOGISTICS

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)



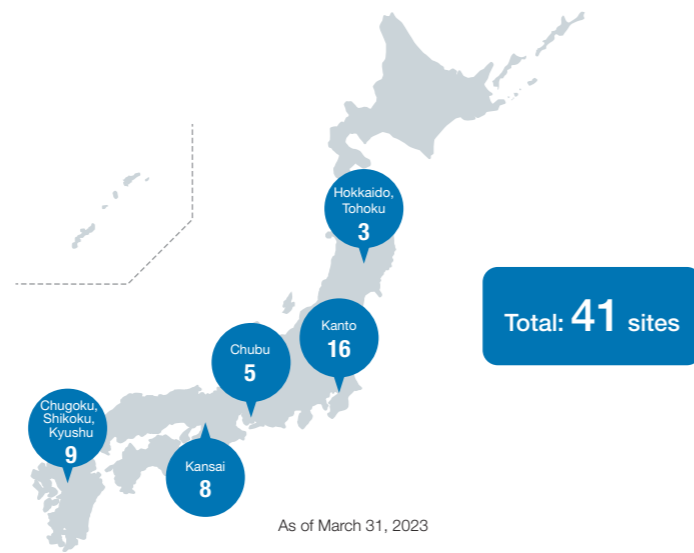
- Opportunities and Risks (External Environment)**
- Market changes in home appliance industry
  - Changes in business customs and logistics characteristics due to e-commerce expansion
- Challenges (Internal Environment)**
- High degree of dependence on home appliance logistics
  - Further strengthening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

<p><b>Basic Strategy 1</b></p> <p><b>Deepen and stabilize the home appliance logistics business</b></p> <p>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.</p>	<p><b>Basic Strategy 2</b></p> <p><b>Pursue new business development and solutions businesses</b></p> <p>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.</p>	<p><b>Basic Strategy 3</b></p> <p><b>Promotion of mechanization, systemization, and DX</b></p> <p>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.</p> <p><small>*1 Automated Guided Vehicle: Unmanned transport vehicles/robots.</small></p>	<p><b>Basic Strategy 4</b></p> <p><b>Initiatives for sustainability and development of comfortable working environments</b></p> <p>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.</p>
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**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.

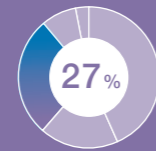


# MITSUI-SOKO Supply Chain Solutions

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

- Opportunities and Risks (External Environment)**
- 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.

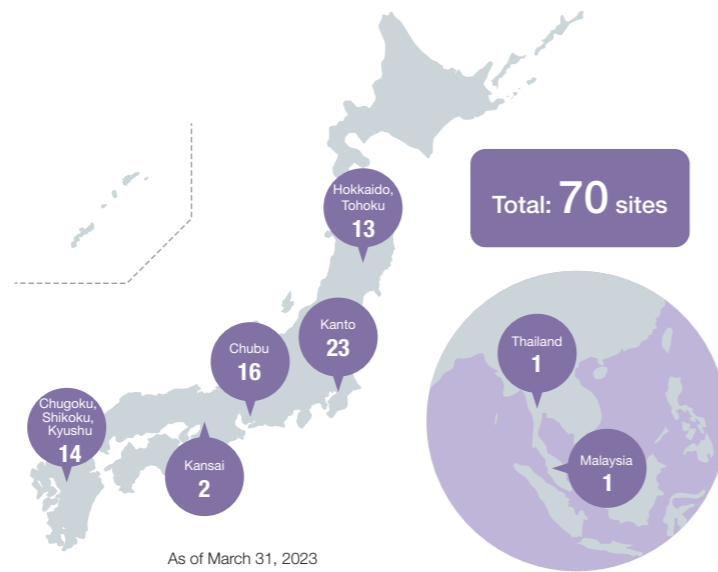


**Takayuki Sekitori**  
President  
MITSUI-SOKO Supply Chain Solutions, Inc.

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

Basic Strategy 1	Basic Strategy 2	Basic Strategy 3
<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.

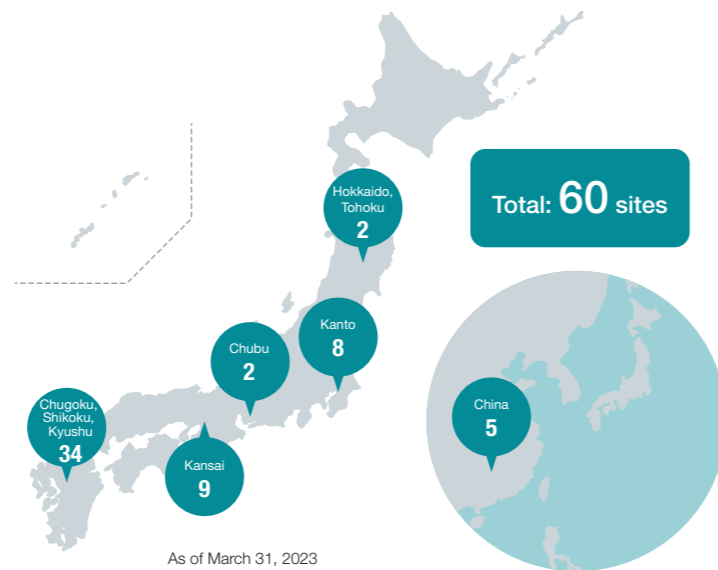
The transportation industry is facing a difficult business environment due to a shortage of truck drivers and an aging labor force, as well as expected increases in costs due to the recent surge in fuel prices. We believe that joint delivery is a service that contributes to social demands for sustainability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

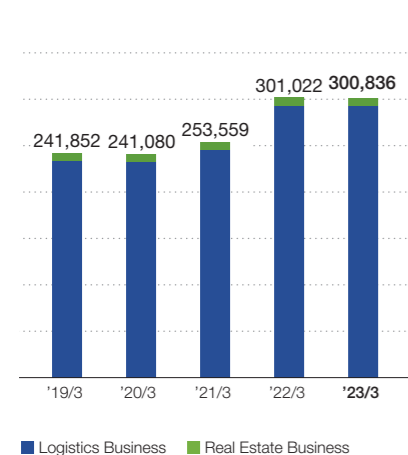
We will also consider introducing a warehouse management efficiency tool for the purpose of improving operational quality. In consideration of transportation safety, we aim to strengthen the safety organization management system, including the use of a remote roll call system, to enhance the effectiveness 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.

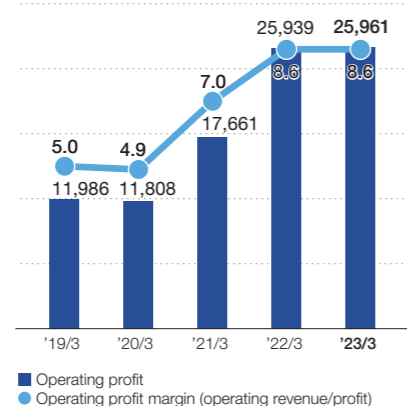
Financial/Non-Financial Data Highlights

Financial Data

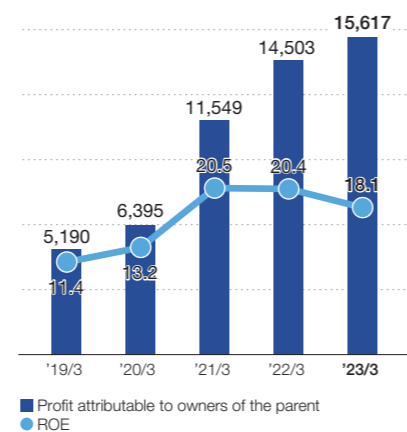
Operating revenue (millions of yen)



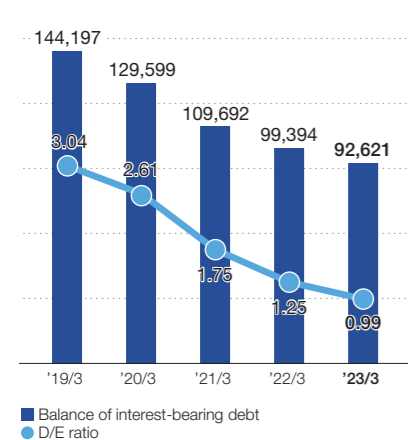
Operating profit (millions of yen)/  
Operating profit margin  
(operating revenue/profit) (%)



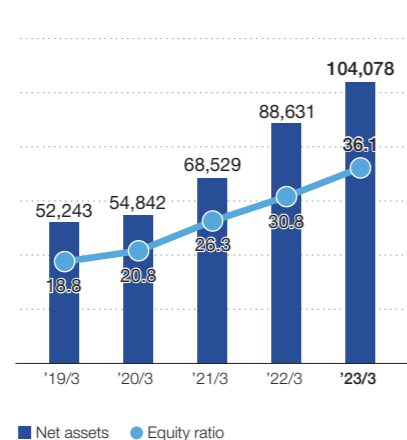
Profit attributable to owners of parent (millions of yen)/ROE (%)



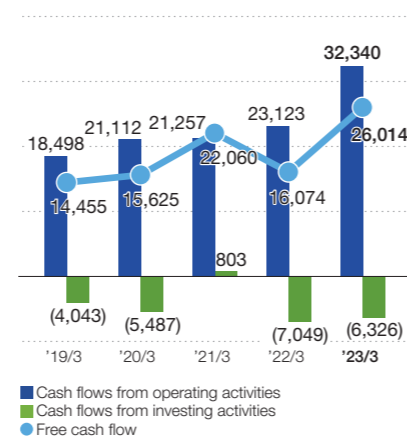
Balance of interest-bearing debt (millions of yen)/  
D/E Ratio (times)



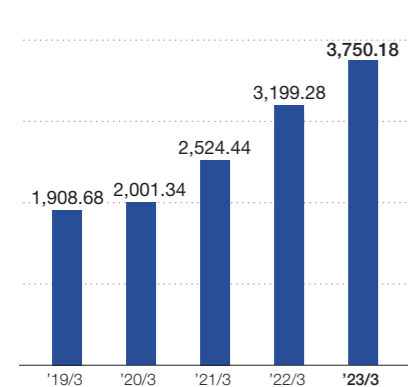
Net assets (millions of yen)/  
Equity ratio (%)



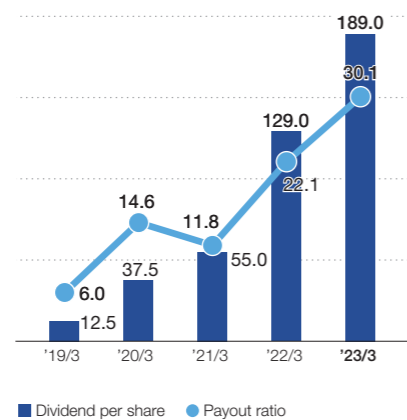
Cash flows from operating activities (millions of yen)/  
Cash flows from investing activities (millions of yen)/  
Free cash flow (millions of yen)



Net assets per share (yen)



Dividend per share (yen)/  
Payout ratio (%)

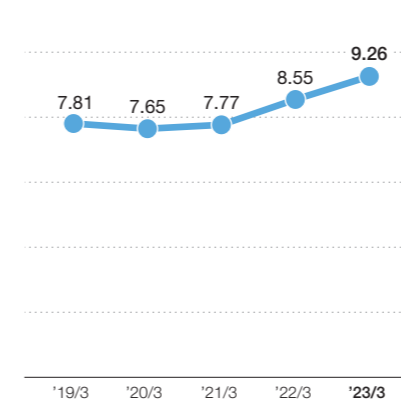


Non-Financial Data

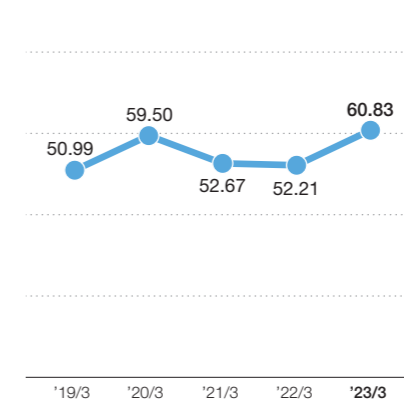
MSH: MITSUI-SOKO HOLDINGS, MSC: MITSUI-SOKO, MSE: MITSUI-SOKO EXPRESS, MSL: MITSUI-SOKO LOGISTICS, MSCS: MITSUI-SOKO Supply Chain Solutions, MST: MITSUI-SOKO TRANSPORT

Social Data

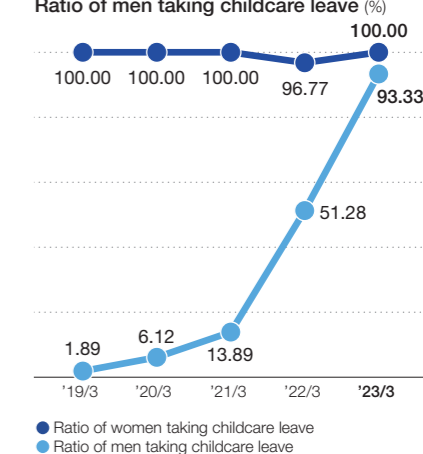
Ratio of female managers (%)



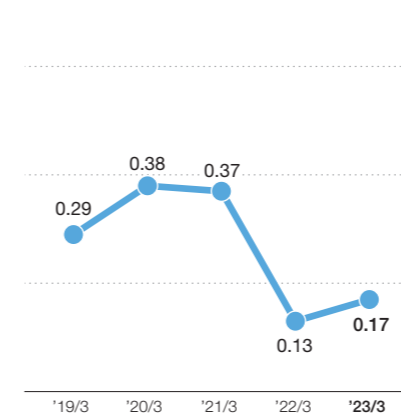
Ratio of paid leave taken (%)



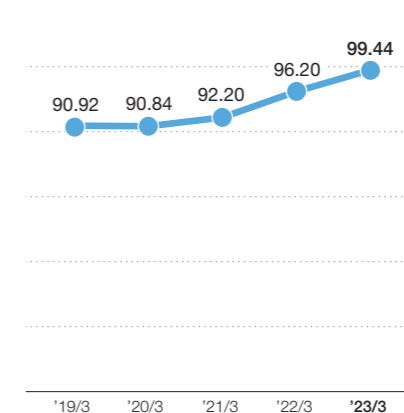
Ratio of women taking childcare leave (%)/  
Ratio of men taking childcare leave (%)



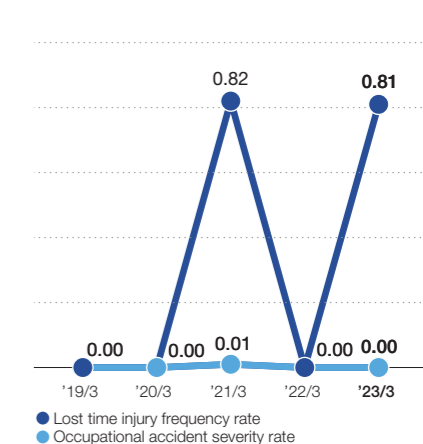
Absentee rate (%)



Health checkup take-up rate (%)



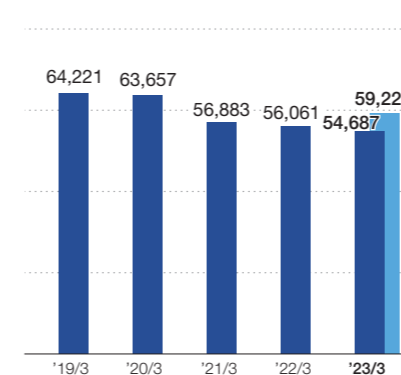
Lost time injury frequency rate/  
Occupational accident severity rate



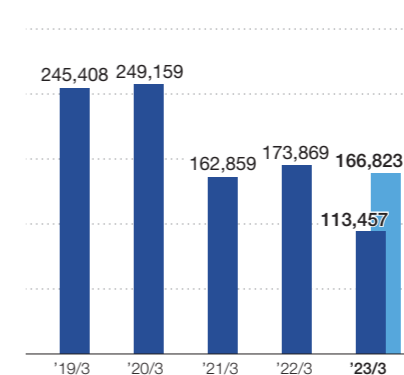
The scope of the main social data is MSH, MSC, MSE, MSL, MSCS, and MST.

Environmental Data

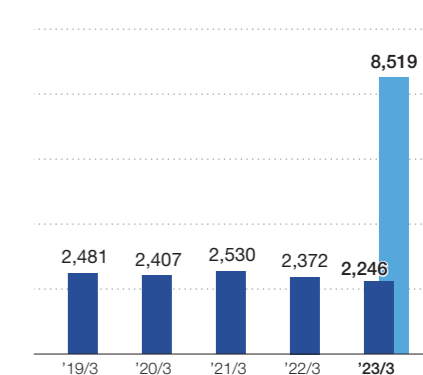
CO<sub>2</sub> emissions (Scope 1 + 2) (t-CO<sub>2</sub>)



Water usage (m<sup>3</sup>)



Waste emission (t)



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

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

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

## Five-Year Consolidated Financial Data

MITSUI-SOKO HOLDINGS Co., Ltd. and its Consolidated Subsidiaries  
Years ended March 31

(Millions of yen)

	2019/03	2020/03	2021/03	2022/03	2023/03
<b>Operating Results (for the year)</b>					
Operating revenue	241,852	241,080	253,559	301,022	<b>300,836</b>
Logistics business	233,404	231,982	244,645	292,213	<b>292,022</b>
Real estate business	9,170	9,833	9,621	9,574	<b>9,629</b>
Intersegment transaction eliminations	(721)	(736)	(706)	(765)	<b>(815)</b>
Operating cost	211,513	211,058	218,094	256,743	<b>256,142</b>
Operating gross profit	30,339	30,022	35,465	44,278	<b>44,694</b>
Selling, general and administrative expenses	18,352	18,213	17,804	18,338	<b>18,732</b>
Operating profit	11,986	11,808	17,661	25,939	<b>25,961</b>
Profit before income taxes	9,848	10,973	19,040	25,553	<b>27,029</b>
Profit attributable to owners of parent	5,190	6,395	11,549	14,503	<b>15,617</b>
ROE (%)	11.4	13.2	20.5	20.4	<b>18.1</b>
<b>Financial Position (at year-end)</b>					
Net assets	52,243	54,842	68,529	88,631	<b>104,078</b>
Total assets	252,078	239,309	238,371	258,297	<b>258,679</b>
Balance of interest-bearing debt	144,197	129,599	109,692	99,394	<b>92,621</b>
D/E ratio (times)	3.04	2.61	1.75	1.25	<b>0.99</b>
Equity ratio (%)	18.8	20.8	26.3	30.8	<b>36.1</b>
<b>Cash Flows</b>					
Cash flows from operating activities	18,498	21,112	21,257	23,123	<b>32,340</b>
Cash flows from investing activities	(4,043)	(5,487)	803	(7,049)	<b>(6,326)</b>
Free cash flow	14,455	15,625	22,060	16,074	<b>26,014</b>
Cash flows from financing activities	(16,618)	(16,746)	(21,683)	(17,218)	<b>(16,053)</b>
<b>Per Share Information</b>					
Net income (yen)	208.99	257.50	465.01	583.98	<b>628.08</b>
Net assets (yen)	1,908.68	2,001.34	2,524.44	3,199.28	<b>3,750.18</b>
Dividend (yen)	12.5	37.5	55.0	129.0	<b>189.0</b>
Payout ratio (%)	6.0	14.6	11.8	22.1	<b>30.1</b>
<b>Stock Price-Related Information</b>					
Price/earnings ratio (times)	8.7	5.4	4.7	4.3	<b>6.2</b>
Total shareholders return (%)	108.5	85.7	134.5	162.4	<b>257.3</b>
[Comparative index] (%)	[104.5]	[86.6]	[115.6]	[127.7]	<b>[153.5]</b>

Notes:

- Operating revenue does not include consumption tax.
- Effective from the first quarter of the fiscal year ended March 31, 2022, the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued on March 31, 2020). The consolidated financial data for the fiscal year ended March 31, 2022 and thereafter are indicators after retroactive application of the said accounting standard.
- Interest-bearing debt figures include lease liabilities.
- On October 1, 2018, the Company conducted a reverse stock split at a ratio of five shares to one share of common stock. Net income per share, net assets per share, and dividend per share were calculated on the assumption that the share consolidation was conducted at the beginning of the fiscal year ended March 31, 2019.
- The comparative indicators for Total shareholders return are the Tokyo Stock Price Index (TOPIX) transportation and warehousing industry-related sector indices (including dividends).

## Five-Year Non-Financial Data

### Main Social Data

	2019/03	2020/03	2021/03	2022/03	2023/03
Number of employees (Number of temporary workers included) (persons)	1,825	1,823	1,893	1,842	<b>1,875</b>
Total of new graduate hires (persons)	43	62	50	49	<b>52</b>
Ratio of female managers (%)	7.81	7.65	7.77	8.55	<b>9.26</b>
Employment rate for persons with disabilities (%)	1.72	1.96	2.19	1.83	<b>2.43</b>
Ratio of employee overtime work (%)	17.41	16.99	16.35	18.31	<b>17.36</b>
Ratio of paid leave taken (%)	50.99	59.50	52.67	52.21	<b>60.83</b>
Ratio of employees taking childcare leave (Men) (%)	1.89	6.12	13.89	51.28	<b>93.33</b>
Ratio of employees taking childcare leave (Women) (%)	100.0	100.0	100.0	96.77	<b>100.00</b>
Ratio of employees returning to work after taking childcare leave (%)	92.86	96.67	100.0	97.56	<b>100.00</b>
Absentee rate (%)	0.29	0.38	0.37	0.13	<b>0.17</b>
Health checkup take-up rate (%)	90.92	90.84	92.20	96.20	<b>99.44</b>
Number of occupational accidents	1	1	4	1	<b>3</b>
Lost time injury frequency rate	0.00	0.00	0.82	0.00	<b>0.81</b>
Occupational accident severity rate	0.00	0.00	0.01	0.00	<b>0.00</b>

Note: The scope of the main data of the working environment is MSH, MSC, MSE, MSL, MSCS, and MST.

### Main Environmental Data

	2019/03	2020/03	2021/03	2022/03	2023/03
Total energy usage (GJ)	1,186,487	1,180,755	1,093,309	1,079,887	<b>1,156,005</b>
- Electricity (1,000 kWh)	73,742	73,881	69,317	69,513	<b>77,228</b>
In-house renewable energy usage	—	—	—	416	<b>2,615</b>
- Gasoline (kl)	244	175	151	124	<b>171</b>
- Heavy oil (kl)	2	2	12	3	<b>2</b>
- Kerosene (kl)	0	0	0	0	<b>0</b>
- Light oil (kl)	10,167	10,161	9,472	9,229	<b>9,315</b>
- Petroleum gas (kl)	82	94	68	52	<b>33</b>
- City gas (1,000 m <sup>3</sup> )	442	418	333	341	<b>343</b>
- Hot water (GJ)	1,916	1,829	1,710	3,898	<b>1,734</b>
- Cold water (GJ)	52,074	47,826	32,946	29,072	<b>30,768</b>
CO <sub>2</sub> emissions (Scope 1 + 2) (t-CO <sub>2</sub> )	64,221	63,657	56,883	56,061	<b>59,220</b>
CO <sub>2</sub> emissions (Scope 1)	28,070	27,930	25,857	25,048	<b>25,321</b>
CO <sub>2</sub> emissions (Scope 2)	36,151	35,727	31,026	31,013	<b>33,899</b>
CO <sub>2</sub> emissions (Scope 3) (t-CO <sub>2</sub> )	—	—	—	1,184,705	<b>1,291,580</b>
Water usage (m <sup>3</sup> )	245,408	249,159	162,859	173,869	<b>166,823</b>
Water discharge (m <sup>3</sup> )	—	—	—	—	<b>145,553</b>
Waste emissions (t)	2,481	2,407	2,530	2,372	<b>8,519</b>
Recycled (in-house)	—	—	—	—	<b>4,788</b>
Non-recycled (in-house)	—	—	—	—	<b>3,731</b>

Notes:

- From the fiscal year ended March 31, 2023, the scope of coverage for each data set has been expanded to include MSH, MSC, MSE, MSL, MSCS, MST, Marukyo Logistics Co., Ltd. (Osaka), and Marukyo Logistics Co., Ltd. (Ehime).
- The scope of coverage for figures up to the fiscal year ended March 31, 2022 is as follows:  
Total energy usage and CO<sub>2</sub> emissions: Companies that submit periodic reports under the Energy Conservation Law; Water usage: MSH and MSC; Waste emissions: MSC bases that have obtained green management certification

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

## Consolidated Financial Statements

MITSUI-SOKO HOLDINGS Co., Ltd. and its Consolidated Subsidiaries  
Years ended March 31

### Consolidated Balance Sheet

(Millions of yen)

	2021/03	2022/03	2023/03
<b>Assets</b>			
<b>Current assets</b>	63,407	77,354	76,515
Cash and deposits	23,225	23,109	34,480
Notes and operating accounts receivable—trade, and contract assets	32,402	41,155	32,291
Inventories	843	2,045	1,999
Other	6,991	11,112	7,796
Allowance for doubtful accounts	(55)	(67)	(52)
<b>Non-current assets</b>	174,964	180,942	182,163
Property, plant and equipment	136,258	139,493	138,730
Intangible assets	8,289	8,700	10,521
Investments and other assets	30,415	32,748	32,911
<b>Total assets</b>	238,371	258,297	258,679
<b>Liabilities</b>			
<b>Current liabilities</b>	63,715	65,441	54,227
Notes and operating accounts payable—trade	18,367	22,604	16,893
Short-term loans payable	6,440	2,049	706
Current portion of long-term loans payable	12,168	9,630	8,461
Lease liabilities	779	1,223	1,703
Income taxes payable	5,427	4,631	2,696
Provision for bonuses	3,467	3,863	3,884
Other	17,063	21,440	19,881
<b>Non-current liabilities</b>	106,126	104,224	100,373
Bonds payable	25,000	25,000	25,000
Long-term loans payable	64,270	57,317	50,900
Lease liabilities	1,033	4,174	5,848
Deferred tax liabilities	4,434	4,780	5,668
Net defined benefit liability	6,630	6,562	6,467
Other	4,757	6,388	6,488
<b>Total liabilities</b>	169,842	169,666	154,601
<b>Net assets</b>			
<b>Shareholders' equity</b>	56,444	69,298	80,900
Capital stock	11,100	11,100	11,156
Capital surplus	5,548	5,548	5,603
Retained earnings	39,898	52,752	64,244
Treasury shares	(103)	(103)	(103)
<b>Accumulated other comprehensive income</b>	6,253	10,159	12,385
Valuation difference on available-for-sale securities	3,852	3,568	4,295
Deferred gains or losses on hedges	0	2	(0)
Foreign currency translation adjustment	1,036	4,665	6,560
Remeasurements of defined benefit plans	1,364	1,924	1,528
<b>Non-controlling interests</b>	5,831	9,172	10,792
<b>Total net assets</b>	68,529	88,631	104,078
<b>Total liabilities and net assets</b>	238,371	258,297	258,679

### Consolidated Statement of Income

(Millions of yen)

	2021/03	2022/03	2023/03
<b>Operating revenue</b>	253,559	301,022	300,836
Warehousing fee income	35,500	35,037	38,005
Stevedoring income	31,090	31,603	33,510
Port terminal fee income	15,720	17,019	17,736
Transportation income	123,359	164,367	156,156
Real estate income	8,914	8,808	8,813
Other	38,974	44,185	46,614
Operating cost	218,094	256,743	256,142
<b>Operating gross profit</b>	35,465	44,278	44,694
Selling, general and administrative expenses	17,804	18,338	18,732
<b>Operating profit</b>	17,661	25,939	25,961
Non-operating income	1,599	1,316	2,007
Non-operating expenses	2,019	1,702	1,436
<b>Ordinary profit</b>	17,240	25,553	26,533
Extraordinary income	5,683	—	496
Extraordinary losses	3,883	—	—
<b>Profit before income taxes</b>	19,040	25,553	27,029
Income taxes	6,530	7,437	8,310
<b>Profit</b>	12,510	18,115	18,719
<b>Profit attributable to non-controlling interests</b>	961	3,611	3,102
<b>Profit attributable to owners of parent</b>	11,549	14,503	15,617

### Consolidated Statement of Comprehensive Income

(Millions of yen)

	2021/03	2022/03	2023/03
<b>Profit</b>	12,510	18,115	18,719
<b>Other comprehensive income</b>	3,125	4,351	2,602
Valuation difference on available-for-sale securities	(1,352)	(284)	727
Deferred gains or losses on hedges	0	2	(2)
Foreign currency translation adjustment	2,875	3,454	2,178
Remeasurements of defined benefit plans, net of tax	1,183	564	(369)
Share of other comprehensive income of entities accounted for using equity method	418	614	68
<b>Comprehensive income</b>	15,635	22,467	21,321
Owners of parent	14,221	18,410	17,842
Non-controlling interests	1,413	4,057	3,479

## Consolidated Financial Statements

MITSUI-SOKO HOLDINGS Co., Ltd. and its Consolidated Subsidiaries  
Years ended March 31

### Consolidated Statement of Changes in Net Assets

	(Millions of yen)							
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Accumulated other comprehensive income	Non-controlling interests	Total net assets
2021/03								
Balance at beginning of current period	11,100	5,536	29,591	(103)	46,125	3,580	5,136	54,842
Changes of items during period								
Dividends of surplus	—	—	(1,241)	—	(1,241)	—	—	(1,241)
Profit attributable to owners of parent	—	—	11,549	—	11,549	—	—	11,549
Purchase of treasury shares	—	—	—	(0)	(0)	—	—	(0)
Change in treasury shares of parent arising from translations with non-controlling shareholders	—	11	—	—	11	—	—	11
Net changes of items other than shareholders' equity	—	—	—	—	—	2,672	694	3,367
Total changes of items during period	—	11	10,307	(0)	10,319	2,672	694	13,686
Balance at end of current period	11,100	5,548	39,898	(103)	56,444	6,253	5,831	68,529
2022/03								
Balance at beginning of current period	11,100	5,548	39,898	(103)	56,444	6,253	5,831	68,529
Cumulative effects of changes in accounting policies	—	—	(35)	—	(35)	—	—	(35)
Restated balance of changes in accounting policies	11,100	5,548	39,863	(103)	56,408	6,253	5,831	68,493
Changes of items during period								
Dividends of surplus	—	—	(1,614)	—	(1,614)	—	—	(1,614)
Profit attributable to owners of parent	—	—	14,503	—	14,503	—	—	14,503
Purchase of treasury shares	—	—	—	(0)	(0)	—	—	(0)
Change in treasury shares of parent arising from translations with non-controlling shareholders	—	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	3,906	3,341	7,247
Total changes of items during period	—	—	12,889	(0)	12,889	3,906	3,341	20,137
Balance at end of current period	11,100	5,548	52,752	(103)	69,298	10,159	9,172	88,631
2023/03								
Balance at beginning of current period	11,100	5,548	52,752	(103)	69,298	10,159	9,172	88,631
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	—
Restated balance of changes in accounting policies	11,100	5,548	52,752	(103)	69,298	10,159	9,172	88,631
Changes of items during period								
Issuance of new shares	55	55	—	—	110	—	—	110
Dividends of surplus	—	—	(4,125)	—	(4,125)	—	—	(4,125)
Profit attributable to owners of parent	—	—	15,617	—	15,617	—	—	15,617
Purchase of treasury shares	—	—	—	(0)	(0)	—	—	(0)
Change in treasury shares of parent arising from translations with non-controlling shareholders	—	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	2,225	1,619	3,845
Total changes of items during period	55	55	11,491	(0)	11,602	2,225	1,619	15,447
Balance at end of current period	11,156	5,603	64,244	(103)	80,900	12,385	10,792	104,078

### Consolidated Statement of Cash Flows

(Millions of yen)

	2021/03	2022/03	2023/03
<b>Cash flows from operating activities</b>			
Profit before income taxes	19,040	25,553	27,029
Depreciation	8,783	8,721	9,498
Amortization of goodwill	1,053	720	302
Impairment loss	3,407	—	—
Gain on return of assets from retirement benefits trust	—	—	(496)
Increase (decrease) in allowance for doubtful accounts	(251)	43	(31)
Increase (decrease) in provision for bonuses	454	363	2
Increase (decrease) in net defined benefit liability	102	(90)	(120)
Interest and dividend income	(562)	(433)	(642)
Interest expenses	969	859	871
Share of (profit) loss of entities accounted for using equity method	(148)	(271)	(366)
Loss (gain) on sales of property, plant and equipment	24	(20)	(119)
Loss on retirement of non-current assets	136	135	80
Loss (gain) on sales of investment securities	(5,487)	(32)	—
Loss (gain) on sales of shares of subsidiaries and associates	471	—	—
Decrease (increase) in notes and operating accounts receivable—trade	(4,500)	(7,835)	9,854
Increase (decrease) in notes and operating accounts payable—trade	2,568	3,743	(6,156)
Other, net	777	2,742	325
Subtotal	26,840	34,198	40,030
Interest and dividend income received	679	621	914
Interest expenses paid	(1,002)	(854)	(871)
Income taxes paid	(5,260)	(10,842)	(7,733)
Net cash provided by (used in) operating activities	21,257	23,123	32,340
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(6,791)	(5,411)	(2,508)
Proceeds from sales of property, plant and equipment	176	72	181
Purchase of intangible assets	(1,206)	(1,850)	(3,237)
Proceeds from sales of intangible assets	3	3	2
Purchase of investment securities	(123)	(122)	(22)
Proceeds from sales of investment securities	7,388	47	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	1,094	—	—
Proceeds from sales of shares of subsidiaries and associates	117	—	—
Payments of loans receivable	(12)	(26)	(13)
Collection of loans receivable	157	21	41
Payments into time deposits	(186)	(1)	(771)
Proceeds from withdrawal of time deposits	184	217	1
Net cash provided by (used in) investing activities	803	(7,049)	(6,326)
<b>Cash flows from financing activities</b>			
Increase in short-term loans payable	45,500	116,023	85,857
Decrease in short-term loans payable	(41,316)	(120,500)	(87,422)
Proceeds from long-term loans payable	3,357	3,501	1,997
Repayments of long-term loans payable	(16,509)	(13,095)	(9,708)
Redemption of bonds	(10,000)	—	—
Cash dividends paid	(1,241)	(1,614)	(4,125)
Dividends paid to non-controlling shareholders	—	—	(2,111)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(200)	—	—
Other, net	(1,271)	(1,532)	(541)
Net cash provided by (used in) financing activities	(21,683)	(17,218)	(16,053)
<b>Effect of exchange rate change on cash and cash equivalents</b>	960	1,249	634
<b>Net increase (decrease) in cash and cash equivalents</b>	1,338	104	10,594
<b>Cash and cash equivalents at beginning of period</b>	21,380	22,718	22,822
<b>Cash and cash equivalents at end of period</b>	22,718	22,822	33,417

Note: Due to the increased financial significance of "Dividends paid to non-controlling shareholders" included in "Other" under "Cash flows from financing activities" up to and including the fiscal year ended March 31, 2022, these are being stated separately from the fiscal year ended March 31, 2023.

## Group Network

As of March 31, 2023

MITSUI-SOKO Co., Ltd. ....Tokyo	Domestic and Overseas Logistics/Port Transportation
Mitsui-Soko Kyushu Co., Ltd. ....Fukuoka	Noble Business International Ltd. ....Hong Kong
Mitsui-Soko Business Partners Co., Ltd. ....Tokyo	Mitex (Tianjin) Co., Ltd. ....China
IM Express Co., Ltd. ....Tokyo	Nantong Sinavico International Logistics Co., Ltd. ....China
Sanso K.K. ....Tokyo	Mitsui-Soko (Taiwan) Co., Ltd. ....Taiwan
Toko Maruraku Transportation Co., Ltd. ....Kanagawa	Mitsui-Soko (Korea) Co., Ltd. ....Korea
Sanso Kouun Co., Ltd. ....Aichi	Mitsui-Soko (Singapore) Pte. Ltd. ....Singapore
Sanko Trucking Co., Ltd. ....Aichi	Mitsui-Soko Vietnam Co., Ltd. ....Vietnam
Sanei K.K. ....Mie	Mitsui-Soko (Thailand) Co., Ltd. ....Thailand
Mitsunori Corporation ....Fukui	Mitsui-Soko (Chiangmai) Co., Ltd. ....Thailand
Mitsui Warehouse Terminal Service Co., Ltd. ....Osaka	Mits Logistics (Thailand) Co., Ltd. ....Thailand
Sanyu Service Co., Ltd. ....Osaka	Mits Transport (Thailand) Co., Ltd. ....Thailand
Kobe Sunso Koun Co., Ltd. ....Hyogo	MS North Star Logistics Co., Ltd. ....Thailand
Sun Transport Co., Ltd. ....Hyogo	Mitsui-Soko (Malaysia) Sdn. Bhd. ....Malaysia
MK Services Co., Ltd. ....Hyogo	Mitsui-Soko Agencies (Malaysia) Sdn. Bhd. ....Malaysia
Seiyu Koun Co., Ltd. ....Fukuoka	Integrated Mits Sdn. Bhd. ....Malaysia
Hakata Sanso-Butsuryu Co., Ltd. ....Fukuoka	PT Mitsui-Soko Indonesia ....Indonesia
Naha International Container Terminal, Inc. ....Okinawa	Mitsui-Soko (U.S.A.) Inc. ....U.S.A.
Mitsui-Soko (China) Investment Co., Ltd. ....China	Mitsui-Soko (Americas) Inc. ....U.S.A.
Mitsui-Soko International Pte. Ltd. ....Singapore	Mitsui-Soko Mexico S.A. de C.V. ....Mexico
Mitex Logistics (Shanghai) Co., Ltd. ....China	PST CLC Mitsui-Soko, a.s. ....Czech Republic
MSC Trading (Shanghai) Co., Ltd. ....China	PST Hungary Kft. ....Hungary
Shanghai MITS Commerce & Trade Co., Ltd. ....China	Shanghai Jinjiang Mitsui-Soko International Logistics Co., Ltd.* ....China
Mitex Shenzhen Logistics Co., Ltd. ....China	Nantong Sinavico International Logistics Co., Ltd.* ....China
Mitex International (Hong Kong) Ltd. ....Hong Kong	AW Rostamani Logistics LLC* ....U.A.E
Mitex Multimodal Express Ltd. ....Hong Kong	

MITSUI-SOKO EXPRESS Co., Ltd. ....Tokyo	Airfreight Forwarding
MSE CHINA (GUANGZHOU) CO., LTD. ....China	MSE EUROPE TASIMACILIK, ORGANIZASYON, LOJISTIK LIMITED SIRKETI ....Turkey
MSE EXPRESS AMERICA, INC. ....U.S.A.	MS EXPRESS SOUTH AFRICA (PTY) LTD. ....South Africa
MSE EXPRESS MEXICO, S.A. DE C.V. ....Mexico	MSE CHINA (BEIJING) CO., LTD.* ....China
MSE do Brasil Logistica Ltda. ....Brazil	PT. PUNINAR MSE INDONESIA* ....Indonesia
MSE EXPRESS (THAILAND) CO., LTD. ....Thailand	MSE FORWARDERS INDIA PVT. LTD.* ....India
N.V. MSE EUROPE S.A. ....Belgium	

MITSUI-SOKO LOGISTICS Co., Ltd. ....Tokyo	3PL/LLP (Distribution/Sales logistics)
Hokkaimitsui-Soko Logistics Co., Ltd. ....Hokkaido	Co-next Inc. ....Tokyo
MS Logitech Service Co., Ltd. ....Osaka	

MITSUI-SOKO Supply Chain Solutions, Inc. ....Tokyo	3PL/LLP (Procurement/Production logistics)
Logistics Operation Service Co., Ltd. ....Tokyo	MS Supply Chain Solutions (Malaysia) Sdn. Bhd. ....Malaysia
MS Supply Chain Solutions (Thailand) Ltd. ....Thailand	

MITSUI-SOKO TRANSPORT Co., Ltd. ....Osaka	Land Transportation
Marukyo Logistics Co., Ltd. (Osaka) ....Osaka	Marukyo Shokusan Co., Ltd. ....Osaka
Marukyo Logistics Co., Ltd. (Ehime) ....Ehime	Kiwa General Service Co., Ltd. ....Wakayama
AMT Co., Ltd. ....Ehime	Shanghai Marukyo Transportation Co., Ltd. ....China
Marukyo Logistics Co., Ltd. (Kyushu) ....Fukuoka	Zhangjiagang Bonded Area
Marukyo Group Cooperative ....Osaka	Marukyo Transportation & Trade Co., Ltd. ....China
Swallow Logistics Co., Ltd. ....Wakayama	

MITSUI-SOKO HOLDINGS Co., Ltd. ....Tokyo	Holding Company, Real Estate Business
MITSUI-SOKO BIZPORT Co., Ltd. ....Tokyo	

\*Companies accounted for using equity method

## Company Information/Investor Information

As of March 31, 2023

### Company Information

■ Company name	MITSUI-SOKO HOLDINGS Co., Ltd.
■ Date of establishment	October 11, 1909
■ Head office	3-20-1, Nishi-Shimbashi, Minato-ku, Tokyo 105-0003, Japan
■ Paid-in capital	¥11,156,000,000
■ Accounting period	From April 1 every year to March 31 the following year
■ Accounting auditors	KPMG AZSA LLC
■ Main business areas	Logistics business, real estate business
■ Companies for consolidated financial statements	Consolidated subsidiaries: 76 Companies accounted for using equity method: 6
■ Number of employees	8,057 (non-consolidated 887)
■ Websites	Corporate website <a href="https://www.mitsui-soko.com/en">https://www.mitsui-soko.com/en</a> Investor Relations <a href="https://www.mitsui-soko.com/en/ir/">https://www.mitsui-soko.com/en/ir/</a>

### Stock Information

■ Common stock authorized	80,000,000 shares	■ Stock exchange listing	Tokyo Stock Exchange
■ Common stock issued	24,921,802 shares	■ Securities code	9302
■ Number of shareholders	13,937	■ Shareholder register agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
■ Number of shares	100 shares per trading unit		

### Major shareholders

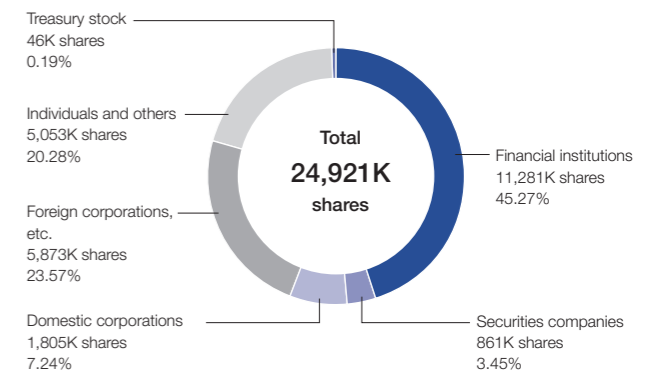
Name	Number of shares held (in thousands)	Percentage of total shares held
The Master Trust Bank of Japan, Ltd. (Trust accounts)	2,742	11.02
Custody Bank of Japan, Ltd. (Trust accounts)	2,546	10.23
TAIJU LIFE INSURANCE Co., Ltd.	1,569	6.30
Mitsui Sumitomo Insurance Co., Ltd.	1,401	5.63
Sumitomo Mitsui Banking Corporation	696	2.80
Mitsui-Soko Group Employee Shareholders	519	2.08
Takenaka Corporation	496	1.99
Sumitomo Mitsui Trust Bank, Ltd.	437	1.75
JPMorgan Securities Japan Co., Ltd.	337	1.35
STATE STREET BANK AND TRUST COMPANY 505223	318	1.28

Note: The number of shares held has been rounded down to the nearest thousand. The percentage of total shares held is calculated by rounding to the second decimal place and subtracting treasury stock (46,808 shares).

### ESG-Related External Evaluations

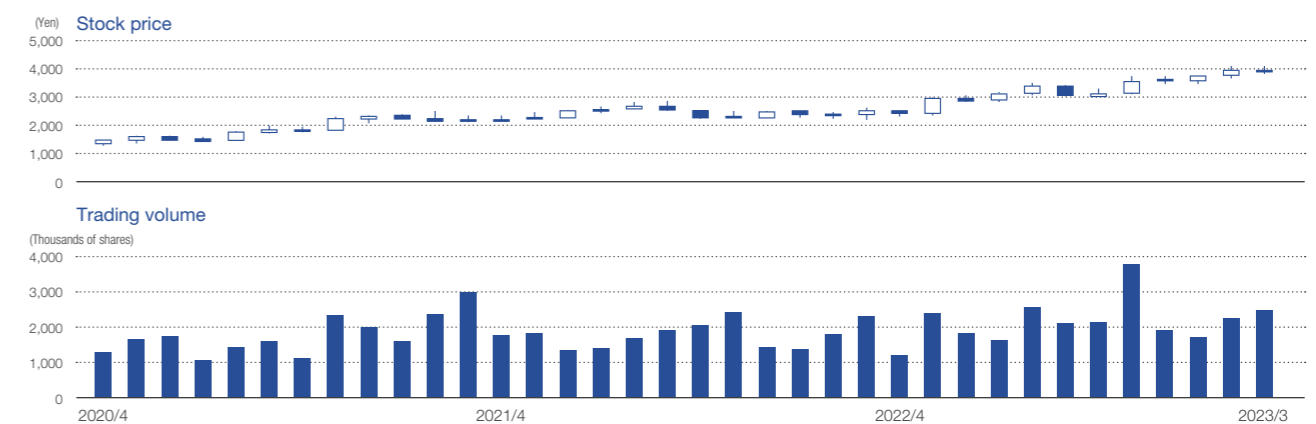


### Breakdown of shareholders



Note: The number of shares has been rounded down to the nearest thousand, while the ratio of the number of shares is rounded to the second decimal place.

### Stock Price and Trading Volume





# MITSUI-SOKO HOLDINGS

3-20-1 Nishi-Shimbashi, Minato-ku, Tokyo, 105-0003, Japan

URL: <https://www.mitsui-soko.com/en/>

