

The cover features a large, stylized illustration of a globe. The globe is composed of various green and blue segments representing different parts of the world. On the globe, there are several icons: a city skyline with tall buildings, two wind turbines, a truck, a house, and a school building. In the center of the globe, there is a white circular area containing the text 'SUSTAINABILITY REPORT 2022'. Below this text, a cartoon character with black hair, a white shirt, and a red tie is smiling and has their arms outstretched.

SUSTAINABILITY REPORT 2022

Mitsuuroko Group has produced and will continue to produce sustainable and fulfilling lifestyles.

For 136 years since our business foundation and 96 years following our company establishment, we have worked to provide what our customers desire and help them achieve fulfilling lifestyles as “a Lifestyle Producer” that addresses various social issues through our businesses. Mitsuuroko Group will remain committed to helping each and every customer lead fulfilling lifestyles and realize a sustainable society as we firmly set our sights on resources and the environment for the sake of the Earth and advance ourselves as “a Lifestyle Producer.”

1 Carbon Neutrality by 2050

- Roll out next-generation energy systems
- Establish a cooperative framework for stakeholders in the supply chain

Human Capital Management

- Improve corporate value by maximizing the value of each employee

Safe and Stable Supply of Energy

- Ensure stable supply of energy
- Respond to natural disasters and energy supply crunch and strengthening of resilience

2 Coexistence and Prospering Together with the Local Communities

- Enhance points of contact with local communities
- Expand services in response to diversification
- Create added value to enrich daily life



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Editing Policy

This document was prepared while emphasizing the objective to express specific topics, thoughts, and initiatives related to Mitsuuroko Group's "Environment, Social, and Governance (ESG)," among other things. During its editing, we referred to the assessment items of major ESG rating providers, as well as the "Environmental Reporting Guidelines (2018)" by the Ministry of the Environment and the "GRI (Global Reporting Initiative) Standards," which are international reporting guidelines. Furthermore, the Company continues to enhance ESG-related information each year, focusing on what is deemed important.

Reporting scope	The scope covers 52 companies*, including Mitsuuroko Group Holdings Co., Ltd., major business companies, subsidiaries, and affiliates. Reporting scope is clarified for items that vary from this overall reporting scope. * 45 consolidated subsidiaries and 7 entities accounted for using equity method (as of December 31, 2022)
Reporting period	Reporting period is FY2021 (from April 2021 to March 2022). However, some information in and after April 2022 is also included.
Guidelines referenced	<ul style="list-style-type: none"> ● GRI Sustainability Reporting Standards ● GRI Standards Table ● "Environmental Reporting Guidelines (2018)" by the Ministry of the Environment ● Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
Report reliability	Some environmental information in this report has been assured by third party institutions to ensure objective reliability of information.
Information disclosure media structure	
Contact	Mitsuuroko Group Holdings Co., Ltd., 3-1-1 Kyobashi, Chuo-ku, Tokyo 104-0031, Japan Website (inquiries) https://www.mitsuuroko.com/contact/

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Mitsuuroko Group's Philosophy System



忍而和齊家上策
勤与儉創業良図

Patience and harmony serve as the key to a well-ordered family.
Hard work and frugality constitute a positive basis for business startup.

Everyone with a connection to Mitsuuroko is family, and the path for that family to prosper must be chosen even if it is difficult and challenging.

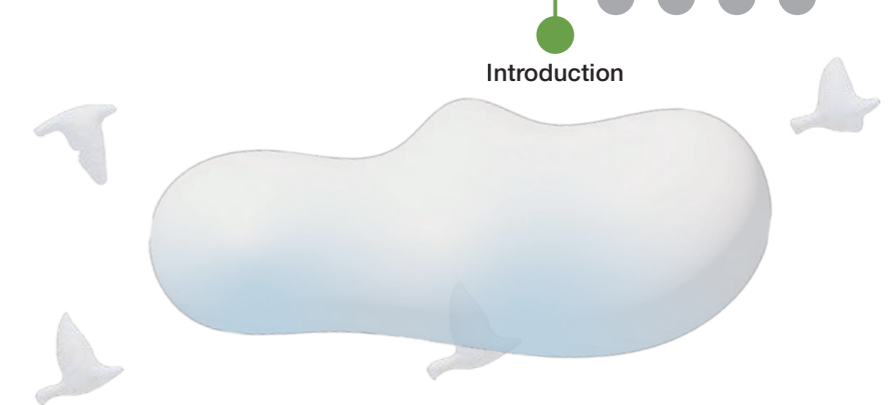
As a Lifestyle Producer, we consistently conduct our business with integrity and from the customer's perspective.

Every Day, Special!

- 1 Comply with laws, regulations, and other social norms, and conduct fair and sound corporate activities
- 2 Provide safe and high-quality products and services
- 3 Respect the personality and individuality of employees and create a comfortable and fulfilling work environment
- 4 Respect the position of stakeholders
- 5 Contribute to the preservation of the global environment and the creation of a prosperous and livable society



Continue creating new value with our diverse stakeholders and contribute to the creation of fulfilling lifestyles and a sustainable society



CEO Message

Message from the President



Representative Director,
President and Chief
Executive Officer
Kohei Tajima

As “a Lifestyle Producer,” we will start a substantial movement while embracing sustainability

Sustainability requires persistence

I often ask myself what defines the essence of sustainability. Last year alone we had a series of external environmental changes: the Ukrainian crisis, rising costs, surging energy prices, and exchange rate fluctuations. Mitsuuroko Group strives to incrementally take preemptive action while adapting to such changes in the external environment. In that regard, it is of utmost importance that we carry on regardless of any changes in the business environment, which I feel is what sustainability is all about. I also believe that persistence is crucial when it comes to coexisting with members of our local communities.

Substantial improvement in IT/digital literacy and environmental literacy

Internally we have adopted new work styles during the COVID-19 pandemic—streamlined meetings, started a new way of customer interaction, and replaced IT tools. It is unlikely that we will return to work arrangements of the past with new work styles becoming more firmly established as standard business practices. Throughout these past few years of living in the pandemic, even people in older generations have learned how to use personal computers and now bring tablet devices to sales locations. This has

resulted in significant improvements when it comes to IT and digital literacy. People in the workplace are also clearly improving their environmental literacy as is evident by conversations increasingly regarding questions of whether our practices are good for the environment and expressing enthusiasm in terms of being more economical. In seeking to maintain this momentum, we have decided to step up our investment toward such ends.

Feedback regarding the Sustainability Report

When it comes to external feedback on our Sustainability Report, institutional investors have given us high marks for having put more effort into communicating our sustainability management practices. However, what particularly surprised me was the response from individual investors. Housewives and seniors have expressed substantial interest in sustainability and seem to be reading the report carefully, as was evident by several of their questions as to why we have implemented such initiatives and asking whether we will adhere to such efforts going forward. I believe that such feedback indicates that many people are reading the report and accordingly we hope to further promote sustainability while actively disseminating such information. Although the word “sustainability” itself had not previously

been in common use within the company, we have always harbored a desire for such aims in terms of the importance we assign to sustainability. By reading the Sustainability Report and becoming aware of sustainability while embracing such aims as a shared language, our employees have come to realize that what they have long been vaguely thinking about and unconsciously practicing actually aligns with the notion of sustainability. Looking back, we have served as a company with substantial awareness of sustainability ever since Japan’s Showa era (1926–1989), when the notion of eliminating the three Ms of Muda (waste), Mura (inconsistency), and Muri (overburden) was written in our corporate notebooks. In those days, we were referred to as “kechi-uroko” (frugal Mitsuuroko) because Mitsuuroko was frugal to the extent that employees were prompted to use pencils until there was nothing left of them, and if two erasers had become small, were even encouraged to glue them together to make a single eraser. Nowadays, sustainability serves as a prerequisite on which our business strategies are based. Thus, I am extremely pleased that we have published our Sustainability Report. The Energy Solutions Business is the core business of the Group. Whereas there is a perception that energy imposes burdens on the environment, our employees voice a desire to convey to our customers in simple terms the notion that it is possible to minimize the environmental impact of energy by employing creative solutions. Our junior employees in

particular address issues from a long-term point of view rather than a short-term perspective. The Group has been serving society through its operations and placing value on long-term connections with its customers thus far. We are committed to accordingly promoting sustainability and will continue to do so with heightened awareness going forward.

Key concepts of sustainability for each of our businesses

In publishing this year’s Sustainability Report, we identified key concepts of sustainability by communicating directly with people in each of our businesses to find out what their thoughts are in that regard. The key concept of the Energy Solutions Business is carbon neutrality. This entails the aim of achieving a management approach based on Creating Shared Value (CSV) that strikes a balance between social value and our own profits by enhancing initiatives looking toward decarbonization and linking such initiatives to the growth strategy. In so doing, we will establish new sources of revenue in our new energy, decarbonization, and city gas businesses while ensuring that the remaining parties in our existing businesses continue to benefit. In the Power & Electricity Business, the key concept is new technologies and new services. Whereas the media has been covering developments in areas such as offsite

corporate power purchase agreements (PPA), storage batteries, electricity supply and demand adjustment, demand response, and electric vehicles (EVs), we will seek expansion in the new renewable energy aggregation business in part by extending sales from our environmentally friendly electricity options.

For the Foods Business, the key concept is ethical consumption and food loss reduction. We accordingly promote manufacturing and selling products that take environmental impact into account in part by using less excessive packaging, and initiatives looking toward reducing food loss through so-called “Save Bread” sales of imperfect products. Additionally, given the labor-intensive nature of many workplaces in this sector, we are striving to create stores that are economically efficient while also serving as comfortable working environments.

The Living & Wellness Business focuses on the key concept of health, sports and well-being. This involves developing more opportunities and environments that enable people to engage in sports, including our hosting of health bowling classes based on Learn-to-Bowl (LTB) programs. We will accordingly find ways for people to achieve the physical, mental and social states that are ultimately best for them by providing tangible and intangible solutions oriented to well-being through both facilities and programs.

The key concept of the Others segment is an environmentally adaptive enterprise and eliminating the three Ms of Muda (waste), Mura (inconsistency), and Muri (overburden). This involves providing optimal solutions while adapting to the social environment. We will accordingly seek to eliminate the three Ms to the extent possible, including streamlining delivery operations, shortening travel distances, and reducing environmental impact.

Continuing to take up challenges while employing a balanced approach to risk

Initiatives of the Group are occasionally too far ahead of their time. For instance, we have been researching hydrogen for about two decades, yet that field of study has only recently become a topic of discussion among the general public. Whereas we tend to operate 20 steps ahead of the curve, I feel that remaining half a step ahead would be the optimal approach. We have traditionally started with low investment and a small number of people, however, which helps to prevent major failures. Some of our initiatives do not come to fruition, but even a failure serves as a valuable experience. With this in mind, we will continue to take up challenges one after the other with a positive attitude going forward. The Energy Solutions Business, which is our main business, makes it possible for us to engage in such initiatives. I feel we are fortunate to be able to take up challenges with confidence in diverse fields as we are already in the midst of a period of stability rather than a reform phase, where we have gained a high level of trust from our customers and established solid foundations. In taking up challenges, we invariably consider the balance of risk in a manner that entails monitoring developments to determine whether or not our initiatives are capable of contributing to society, even though such objectives may not be stated explicitly. I feel that this approach has enabled us to adeptly strike a proper balance between our future-oriented initiatives and the practical business at hand. Mitsuuroko Group may be characterized as a company with a visible presence given the consistency of our people over the long term relative to the short-term nature of our business. This is akin to a long-established Japanese

confectionery shop whose product lineup gradually changes over time amid a situation where the shop features standard items available over many years while occasionally rolling out new items. Customers entering such shops are able to feel at ease amid the presence of familiar shopkeepers and staff. The success of such shops derives from the personal appeal of their people in addition to their traditional Japanese *noren* shop curtains and signage. Customers visit such establishments not only because of the merchandise but also for the people. Likewise, I stand committed to valuing the connections we have developed with our customers and local communities going forward.

Achieving carbon neutrality enlisting the involvement of our stakeholders

In seeking to achieve carbon neutrality, we plan to pursue a collaborative approach. Given that the Energy Solutions Business is interconnected from upstream to downstream, there are many objectives that cannot be accomplished by our company alone. With CO₂ emissions directly linked to climate change risks, cooperation from many of our stakeholders is essential when it comes to the prospect of reducing such emissions, given that approximately 99% of our value chain’s CO₂ emissions are classified as Scope 3 emissions. Although we have not yet taken this option, it may become necessary for us to heighten awareness among franchisees by distributing stickers showcasing our carbon neutrality initiatives. Another option could be displaying signage promoting the appeal of our recently launched carbon neutral LPG in hopes of enticing environmentally conscious customers to purchase that sort of gas product from us. Whereas it is common to encounter PR messages in the energy industry promoting a company’s eco-friendly products and detailing initiatives of specific companies, it is not often that I hear calls appealing for collective action toward a shared objective. Limitations on what is possible for us to achieve in terms of reducing CO₂ emissions become greater at points progressively further downstream in the value chain even with awareness of carbon neutrality. With that in mind, I assume many people would like to become involved in such efforts. I accordingly hope to enlist the involvement of as many people who have substantial awareness in that regard as possible, and think it would be intriguing to see Mitsuuroko Group distinguish itself by assertively and actively engaging in activities that raise awareness of each and every individual. We have been implementing in-house measures that entail leveraging the National Mitsuuroko Association’s dealer network of approximately 1,800 companies in providing concrete support toward achieving carbon neutrality through initiatives that include promoting high-efficiency gas equipment to National Mitsuuroko Association members, actively promoting liquefied petroleum gas (LPG) conversion, providing support for sales of new energy products, and supporting initiatives under the new business model. Meanwhile, under our external measures, we aim to curb fuel consumption and reduce CO₂ emissions by shortening travel distances through the promotion of solutions for improving delivery efficiency among our business partners. Going forward, we will create a sustainability promotion program in hopes of sparking a substantial sustainability movement in conjunction with the National Mitsuuroko Association and our numerous partners.

Establishing a hands-on learning program that enables participants to gain firsthand experience regarding sustainability

Whereas we have been implementing training thus far as part of our human resources development efforts, including profession-specific training, diversity training, compliance training, and human rights training, there is no substitute for firsthand experience. Therefore, I would like for us to establish a hands-on learning program that enables our employees to gain firsthand experience by sending them to countries and regions where they can be exposed to sustainability practices.

Replacing the majority of existing businesses with new businesses within three decades

The Group will mark the 100th anniversary of foundation and 140 years since its establishment in 2026. The next four years will be a period during which we reflect on the path we have taken thus far and furthermore articulate our sentiments both as to what we must proudly pass on to the next generation and as to what we would like to cherish going forward. We uphold the concept of “SOLA” (Simple, Organic, Live, Advanced) under our code of conduct that we value as a company, and accordingly aspire to serve as an enterprise that is relevant to the times while valuing these ideals. One decade from now, I envision a scenario where each of our businesses, particularly those in the energy sector, has been extended to the limit in terms of having reached the ultimate manifestation of our current trajectory. Our goal is to serve as a leader in the industry, whereby each of our businesses holds a major position within its respective industry. At the same time, we are bound to encounter new business opportunities to which we will assign fresh talent. Three decades from now, I expect that a majority of our existing businesses will have been replaced by new businesses. With that in mind, I advocate for “changing the company by 3% yearly,” thereby giving rise to a completely new company in 30 years. Such renewal of the company will likewise coincide with the notion that the products and services we deliver to our customers will also be new. We will accordingly strive to serve as a company that takes a visionary approach as a challenger, while remaining relevant and useful to our customers. A century from now, nobody knows what is in store when it comes to the global environment. Assuming that humanity is then thriving amidst that era’s new normal, we at Mitsuuroko Group hope to be playing an active role in continuing to serve as “a Lifestyle Producer.” It would indeed be fascinating if humanity were to have left the Earth by that time with Mitsuuroko operating colonies under a name such as “Mitsuuroko Planet.” Given that our currently youngest employees may still be alive in 100 years, I hope they will continue to watch and support Mitsuuroko Group a century from now. As such, Mitsuuroko Group will remain committed to helping each and every customer lead more fulfilling lifestyles as it engages in sustainability initiatives with its stakeholders.



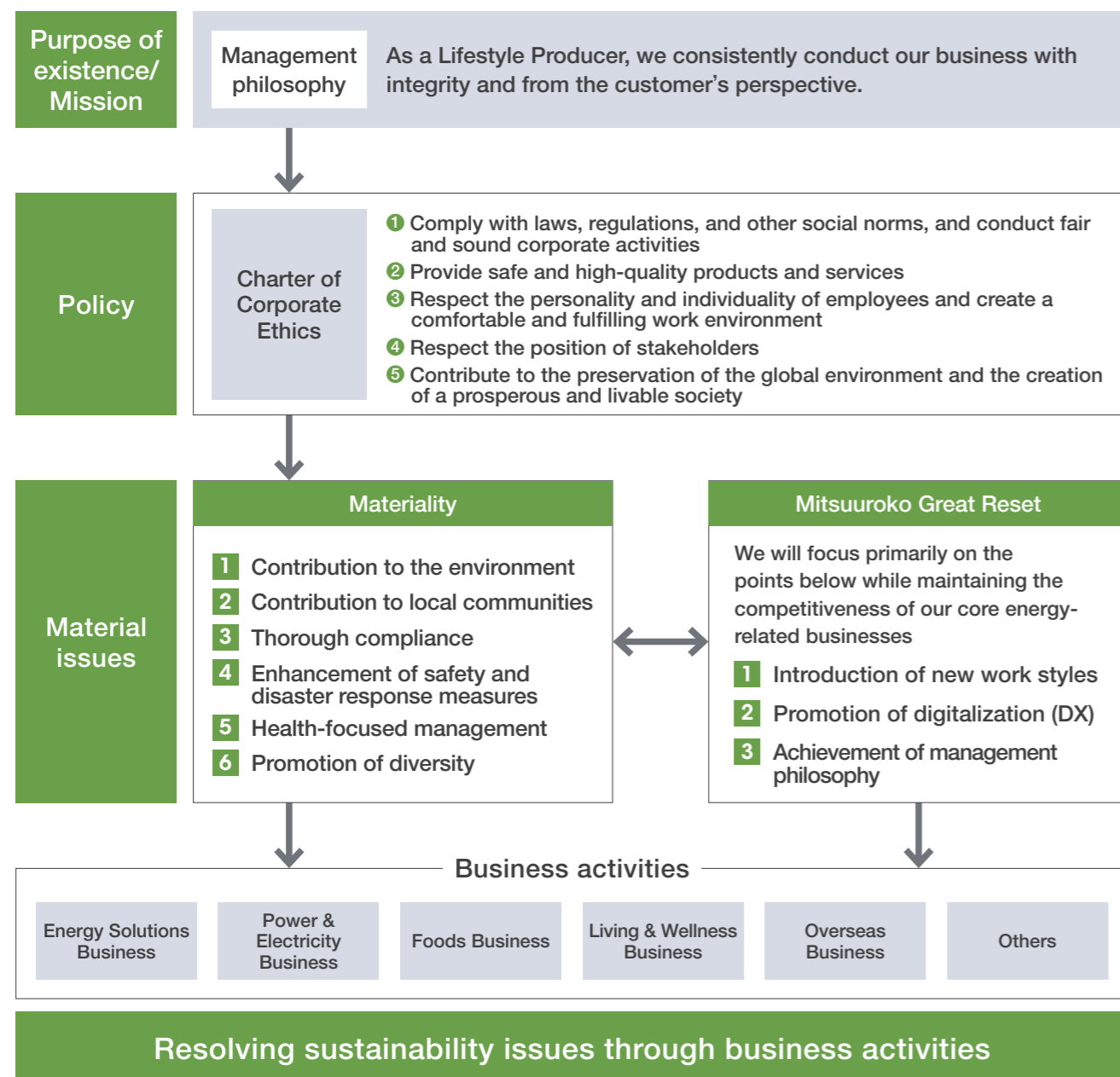
Sustainability Promotion System

Sustainability management promotion system

Within our Group management philosophy, we state that as a Lifestyle Producer, we consistently conduct our business with integrity and from the customer's perspective. Our aim is to enhance services related to everyday lifestyles centered on energy.

Beyond continually expanding new services from the consumers' perspective, we will continue to contribute to conservation of the global environment by utilizing natural energy and promoting the installation of energy-saving housing equipment.

We will also continually enhance our security initiatives so that we can provide safety and security as our top priority, especially for energy products, and will fulfill our corporate social responsibility based on compliance in our business activities.



Materiality

To continue creating new value with our diverse stakeholders as well as to contribute to fulfilling lifestyles and prosperity of society, the Group has identified six material issues (materiality) prioritized from among all social issues, taking into consideration the business of the Company in long-term vision.

Transition from Mitsuuroko Epoch Outlook to Mitsuuroko Great Reset

Up to now, Mitsuuroko Group has continued to take up challenges without fear of failure while sensing changes in society and our customers' needs and changing ourselves as we look ahead to the future. Our mission is to build on our efforts to fulfill lifestyles, bring joy to our customers, and bring smiles to people's faces in order to pave the way for the future, and we believe that this mission is achievable. We operate amidst persisting and unprecedented changes with respect to the social landscape and business environment. Under these circumstances, we are called on to become a truly environmentally adaptive enterprise to ensure that we continue to achieve sustainable business growth going forward. We are determined to reassess and revamp every aspect of our operations to achieve our vision of Mitsuuroko Group, which we established upon having made Mitsuuroko Great Reset the focus of our basic policy and action plan, under which we seek to persistently furnish people worldwide with value distinctive to Mitsuuroko Group while adhering to our management philosophy.

Keyword: "SOLA"

SOLA is an acronym for Simple, Organic, Live, and Advanced. While adding the new perspective to SOLA, we will work to improve the self-purification capabilities of our businesses, organizations, and thinking in the aim of revitalization and sustainable growth to transform Mitsuuroko Group into a stronger, more appealing company starting with these four concepts.



Sustainability promotion system



Internal sustainability training

Sustainability training (introduction to ESG) via e-learning is provided for full-time Group employees to acquire knowledge on ESG and foster literacy.

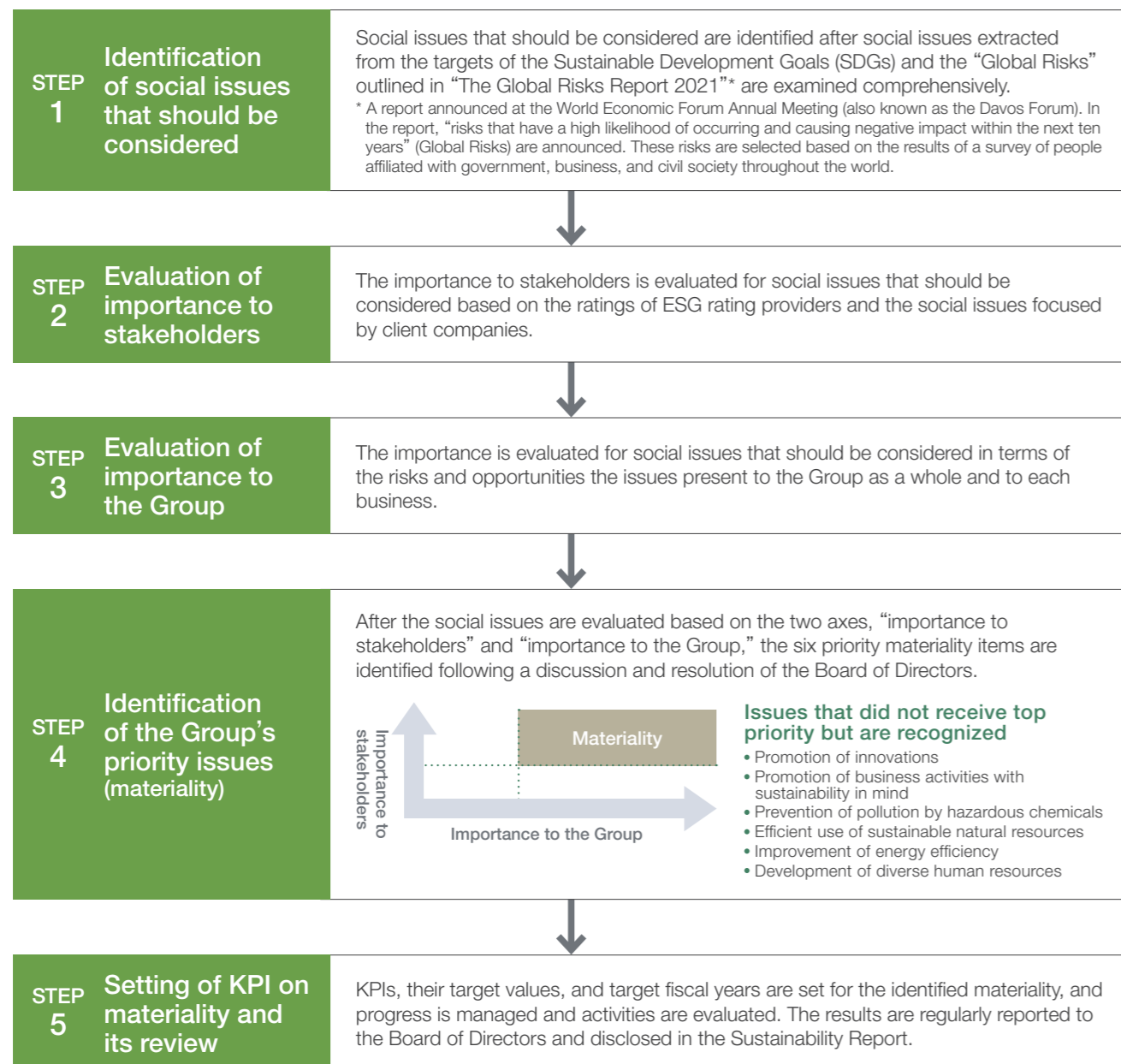
Identification and Review of Materiality

The Group considers “contributing to the creation of a sustainable society” to be one of its key management strategies.

Taking a long-term vision of the Group’s businesses from an ESG perspective, we have identified six important issues (materiality) based on our consideration of issues that management ought to give priority to among all social issues in existence.

By setting quantitative targets and target fiscal years for each materiality and aiming to achieve them, we will continue to create new value with our diverse stakeholders and contribute to the creation of a sustainable society.

Materiality identification and review process



Materiality of Mitsuuroko Group



1 Contribution to the environment

Mitsuuroko Group is aware that it receives various benefits from the Earth, including the resources necessary for its business activities, and that it is its responsibility to preserve the global environment in a better state. The purpose of Mitsuuroko Group’s existence is to build a better society through its daily corporate activities, and it places utmost importance on making proactive efforts to solve social issues. As measures to address climate change, which is a common challenge facing the world, Mitsuuroko Group is working to reduce the CO₂ emissions from its business activities and those from its customers’ use of products and services, as well as contribute to the improvement of energy efficiency, aiming to achieve carbon neutrality by FY2050.



3 Thorough compliance

In the management philosophy, Mitsuuroko Group has set forth that it consistently conducts our business with integrity and from the customer’s perspective, advocating the need for legal compliance in management and business operation. While thoroughly maintaining internal controls that have been effective and appropriate so far, we maintain our legal compliance system through means such as conducting various types of compliance training, producing original training videos on non-compliance cases, and ensuring employees carry compliance cards. Going forward, we will continue to strive for sincere management and business activities based on high ethical standards, always from the perspective of corporate social responsibility.



5 Health-focused management

Understanding that human resources are our greatest asset, Mitsuuroko Group considers the health management of employees, who are the source of its future growth as an important management issue. Based on the “Mitsuuroko Group Health Care Declaration,” it respects the fact that each individual faces a variety of life stages, and it supports its employees in enabling them to autonomously and proactively manage their health through a variety of initiatives and information dissemination. As a leading company in health-focused management, it will continue to provide support and engage in even more comprehensive initiatives through further promoting physical and mental health to prevent illnesses, and promoting work styles in line with the new normal, including those that address the COVID-19 pandemic.



2 Contribution to local communities

The business operation of Mitsuuroko Group has been supported by many stakeholders until now. Within these stakeholders, it must not forget the indispensable role of local communities. Mitsuuroko Group has traditionally built relationships of trust with local communities through not only its business relationships but also through connecting with them in other ways, such as by participating in community cleanup activities and events as well as charity activities and sports. Mitsuuroko Group aims to coexist and prosper together with these local communities through working as hard as possible on initiatives that it can and should do in serving them as a corporate citizen, no matter how small.



4 Enhancement of safety and disaster response measures

Safety is an indispensable element because of the nature of all businesses Mitsuuroko Group promotes. With its mainstay energy-related products directly linked to our lives as lifelines, Mitsuuroko Group’s mission is to contribute to society through the stable supply of energy as well as safe, secure, and prompt logistics services. In light of the experience and lessons of the Great East Japan Earthquake and the impact of frequent large-scale natural disasters occurring in recent years, such as typhoons, floods, and heat waves, it recognizes the necessity and importance of disaster prevention and is working to enhance disaster response measures, including disaster prevention measures and support systems, BCP, etc.



6 Promotion of diversity

Mitsuuroko Group has grown from its principle of evolving and changing with the times as an “environmentally adaptive enterprise” whose subsistence derives from requirements of respective eras. Going forward, rather than having to catch up and adapt to its surroundings, it must propose solutions and create new and beneficial conditions to achieve sustainable growth. It is therefore essential that Mitsuuroko Group fosters a corporate culture that embraces diversity as a strength, creating an environment that does not discriminate based on employment status, nationality, gender, age, or whether one is a new graduate or mid-career hire. Mitsuuroko Group aspires to shaping a new era by being “an enterprise that creates favorable cycle” and “persistently seeking change.”

Materiality & KPI

Group-wide KPIs, targets, and progress against materiality

Materiality	Mitsuroko Group indicators			FY2021 Performance	FY2022 Performance (up to the end of February)
	KPI	Quantitative targets	Target fiscal year		
1 Contribution to the environment	1 Reduction of Scope 3 (customer)* ³ CO ₂ emissions Contribution to improved energy efficiency	Customers' CO ₂ emissions reduction rate		+3.6%* ⁶	— * Aggregated in FY2023
	2 Reduction of Scopes 1 and 2 (the Company)* ^{1,2} CO ₂ emissions Contribution to improved energy efficiency	The Company's CO ₂ emissions reduction rate	Carbon neutral* ⁴	+31.7%* ⁶	— * Aggregated in FY2023
2 Contribution to local communities	Increase the number of locations with the Christel Vie Ensemble Foundation donation boxes	Increase from 11 locations (the number of locations in 2021)	Each year	Decrease of 2 locations (total of 9 locations) * Due to closing of stores	Decrease of 1 location (total of 8 locations) * Due to closing of a store
	Contribution to local communities and society (community cleanups, etc.)	—		Cancelled * Due to prioritizing prevention of the spread of COVID-19	Cancelled * Due to prioritizing prevention of the spread of COVID-19
3 Thorough compliance	Number of IT compliance training sessions	Once a year (for all employees)		1	1
	Number of harassment training sessions	Once a year (for all employees)	Each year	1	1
	Number of training sessions related to human rights	Once a year (for all employees)		—	1
4 Enhancement of safety and disaster response measures	Number of drills conducted in relation to confirmation of safety	Twice a year (for all employees)	Each year	2	2
	Rate of receiving regular medical examinations	Continue to provide 100% (Ratio to all employees)	Each year	100%	88.3% (as of January 31, 2023)
5 Health-focused management	Rate of receiving thorough examinations	90% (Ratio to all employees)		74.4%	82.2% (as of January 31, 2023)
	Rate of maintaining proper weight	80% (Ratio to all employees)		62.9%	62.6% (as of January 31, 2023)
	Rate of undergoing stress checks	100% (Ratio to all employees)	FY2023	100%	100% (as of January 31, 2023)
	Rate of smoking	18% (Ratio to all employees)		32.8%	32.0% (as of January 31, 2023)
	Rate of regular exercise	40% (Ratio to all employees)		24.8%	27.2% (as of January 31, 2023)
6 Promotion of diversity* ⁵	Rate of parental leave taken	Continue to provide 100% of female employees 20% of male employees	Each year, FY2023	100% of female employees 11% of male employees	— * Aggregated in FY2023
	Ratio of female employees	33%	FY2026	26.6%	27.4%
	Ratio of female managers	11%		6.9%	6.9%
	Number of diversity training conducted	Once a year for all employees		—	1
	Number of career seminars conducted	Once a year for female employees in their late 20s	FY2022	—	2 * Seminars are held in November for young male and female employees (26-28 years old) and for young female employees (29-33 years old) in December.
	Number of maternity leave and parental leave training conducted	Once a year for managers		—	1

* The "—" symbol indicates a qualitative target.

*1 Scope 1: Direct emissions caused by the business operator itself

*2 Scope 2: Indirect emissions caused by the use of electricity, and heat and steam supplied by other companies

*3 Scope 3: Indirect emissions other than Scopes 1 and 2 (upstream and downstream of supply chain)

*4 Carbon neutral: Virtually zero emissions, calculated by subtracting the amount absorbed by plants, etc. from CO₂ emissions

*5 For training related to "Promotion of diversity," we plan to change the theme of training on a yearly basis.

*6 Changes from FY2020 in CO₂ emissions (See pages 27-28 for information on the calculation standard of CO₂ emissions)

Stakeholder Engagement

Basic approach

Guided by Mitsuuroko Group Charter of Corporate Ethics, the Company conducts fair and sound corporate activities and seeks to contribute to the preservation of the global environment and the creation of a fulfilling and livable society while respecting the positions of various stakeholders and maintaining positive relations with them.

The Company constantly promotes reforms of its corporate governance practices to enable swift decision making, strengthen management supervision, and ensure transparency in our corporate activities. It also works to improve value for all stakeholders connected to Mitsuuroko Group through striving to reform the management structure and enhancing internal control systems.

Promotion system

The Company has established Finance & Control and a team within it that is in charge of IR. The Director who serves as the Head of Finance & Control becomes the Director in charge of IR and is responsible for IR. To ensure that many stakeholders understand the unique way in which the Group creates value, the Company proactively discloses information to shareholders through publications such as the Business Report (Integrated Report), Mitsuuroko Report (Shareholder Correspondence), and Sustainability Report, which contain not only financial information but also

information on our business strategies and non-financial information. In addition, members of the IR team engage in dialogue with shareholders, holding individual meetings with them whenever possible if requested to do so. Opinions and concerns raised by shareholders in the dialogue are then reported through the Head of Finance & Control to senior management and the Board of Directors. The Company also thoroughly ensures that no insider information is leaked when engaging in dialogue with shareholders.

Dialogue with shareholders and investors

Timely and appropriate disclosure of information

To ensure sound and highly transparent management and gain the understanding and trust of shareholders and investors, the Company places importance on proactively disclosing information in a manner that is “timely, fair, and consistent.”

Via the Company’s website and the Timely Disclosure Network (TDnet) of the Tokyo Stock Exchange, etc., the Company works proactively to make timely disclosures that include financial information and other information related to the Group. The Company also publicly discloses the “Management Policy and Strategy of Mitsuuroko Group” and “The Financial Strategy of

Mitsuuroko Group” in the Business Report (Integrated Report), which is published every year. Mitsuuroko Group focuses efforts on publishing various reports, which represent important IR communication tools. In FY2022, it issued the Business Report (Integrated Report), which is published once per year, the Mitsuuroko Report (Shareholder Correspondence) which is published twice per year, and the Sustainability Report, which is published once per year. These publications, including past editions, can be accessed via the IR Library page on the Company’s website.

Initiatives for overseas investors

Since we are promoting the expansion of our global business, we expect the proportion of overseas investors in our Company will increase. Therefore, in the 113th Ordinary General Meeting of Shareholders held in

June 2022, we introduced the electronic voting system platform. In addition, the Company is working to ensure our convocation notices and IR pages on the website are also available in English.

Communication with employees

Building good labor relations

The Company and unions build sound and positive relations based on mutual understanding and trust. The Company openly exchanges opinions on various management issues and labor conditions through regular labor-management consultations. The Company also provides an environment where staff who are non-union members, such as contract employees, part-time employees, or temporary staff can work with confidence, and it has entered into minimum wage agreements. Further, the Company respects the rights of workers at its overseas facilities, taking into consideration the legal and regulatory systems of the respective areas.

Communication between the President and employees

The President visits each of the Company’s departments and the workplaces of subsidiaries, exchanging opinions and ideas with onsite leaders. Along with posting the message from the President on the intranet, the Company also works to increase understanding throughout the Group through means such as publishing articles that explain the vision in the Business Report.

Communication methods and means

Stakeholders	Main response	Examples of communication methods, means, and activities
Customers	Development and provision of safe and secure products and services	<ul style="list-style-type: none"> Quality maintenance and improvement activities run primarily by the quality assurance department of each operating company Protection of personal information through stringent information security management Provision of value to remain close to our customers’ lives through the Group business websites Daily business activities Provision of opportunities for participating in exhibitions and seminars Suggestions of environmentally friendly products and services GPS-based monitoring service, “Mitsu-mail Imakoko”
	Creation of opportunities for customers to provide feedback on products and services	
	Co-creation and innovation in creating value for society	
Shareholders/ Investors	Disclosure of information on financial condition, explanation of status of business activities and plans of the Group	<ul style="list-style-type: none"> General Meeting of Shareholders Business Report (Integrated Report), Mitsuuroko Report (Shareholder Correspondence), and Sustainability Report Disclosure of IR information on the corporate site Responding to surveys by ESG rating providers
	Support for active participation of diverse human resources	
Employees	Sharing of various information within the Group	<ul style="list-style-type: none"> Formulation of inclusion & diversity promotion policy Introduction of work-from-home system, support of telecommuting Enhancement of various types of training and career support Communication of the message from the President Communication and sharing of information via the intranet and groupware Publication of web company newsletters Various surveys of employees Opinion exchange through labor-management consultations Development of safety promotion system Stress checks Healthcare support, establishment of contact point for counselling Compliance hotline
	Labor-management partnerships	
	Provision of occupational health and safety information, mental health measures	
Business partners	Establishment of relationships of trust and maintenance of sound and positive relations	<ul style="list-style-type: none"> Declaration of Partnership Building
Government authorities and local governments	Disaster prevention initiatives	<ul style="list-style-type: none"> Participation in regional disaster prevention and fire fighting activities Acceptance of practical training from various organizations and schools Cooperation in surveys, including government statistical surveys
	Provision of information to solve social issues and promote administrative policy	
Society and local communities	Understanding opinions and requests	<ul style="list-style-type: none"> Establishment of inquiries and addressing concerns Activities to protect and nurture the forests around the water collection sites Support of basketball and swimming team activities, and professional affiliated athletes Participation in activities, exchange, and events with local communities Cleanup activities Fund-raising activities for the Christel Vie Ensemble Foundation (Christel Foundation)
	Protection activities of regional environments	
	Contribution to society through sports	
	Local community exchange	

Communication with industry associations

Association	Main position served by officers of the Company, etc.
KEIDANREN (Japan Business Federation)	Member of the Policy Board
Tokyo Employers’ Association	Executive Director
Japan L.P. Gas Sales Association	Vice Chairman
Liquefied Petroleum Gas Center	Trustee
The Mineral Water Association of Japan	Auditor

Environment

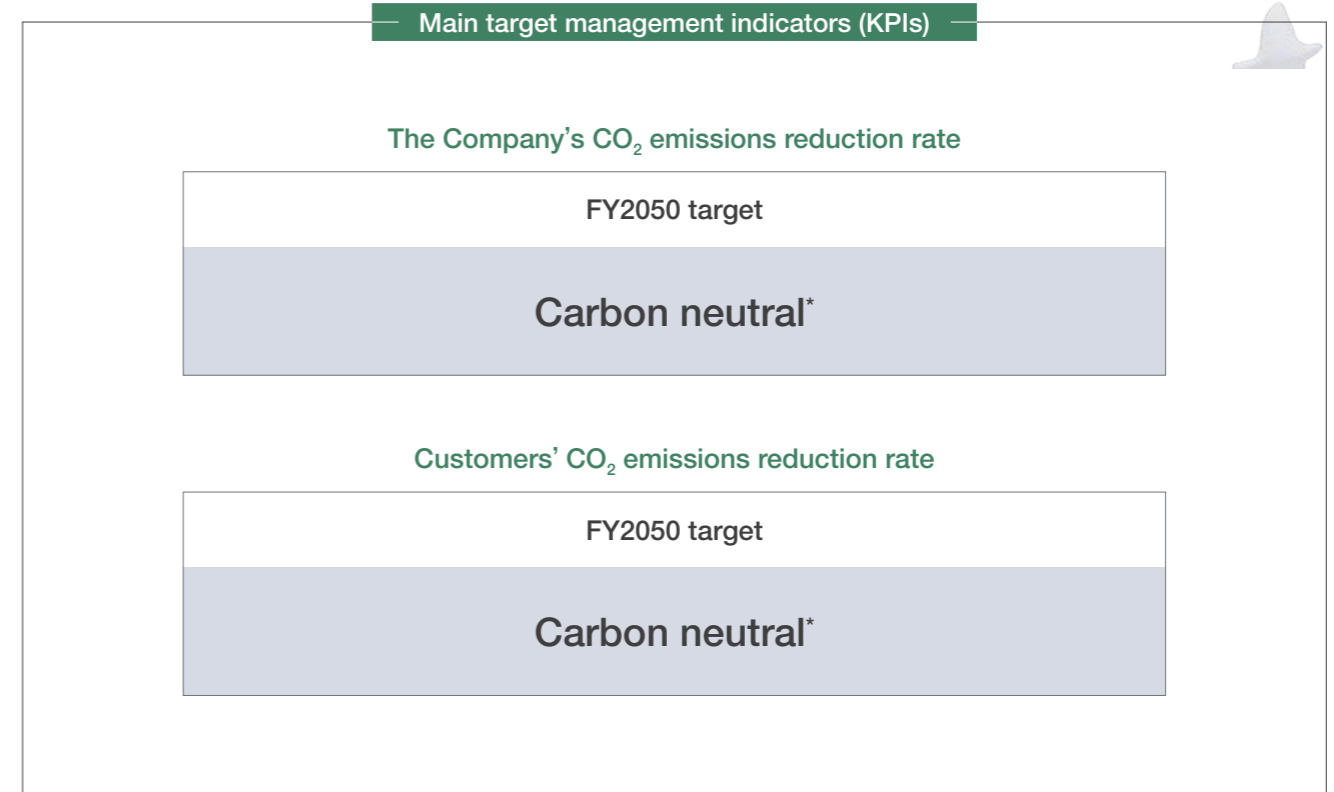
At Mitsuuroko Group, we are developing a variety of businesses to realize a low-carbon society. By expanding our mainstay Energy Solutions Business and the Power & Electricity Business, which could become our next pillar, we will contribute to the realization of a low-carbon society.

We believe that this is the role we can play as a corporate citizen.

Mitsuuroko Group will continue to help each and every customer lead more fulfilling lifestyles while maintaining close stewardship of natural resources and the environment, for the sake of the children who will lead the next generation and the Earth.

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* Carbon neutral: Virtually zero emissions, calculated by subtracting the amount absorbed by plants, etc. from CO₂ emissions





Environmental management

Basic approach

As a corporate group that is responsible for the supply of energy, Mitsuuroko Group works to appropriately identify the impact that its business activities have on climate change and natural capital.

Furthermore, along with “environmental preservation” as set forth in the Charter of Corporate Ethics, the Group is engaging in initiatives together to realize a sustainable society.

Charter of Corporate Ethics (extract)

Contribute to the preservation of the global environment and the creation of a prosperous and livable society

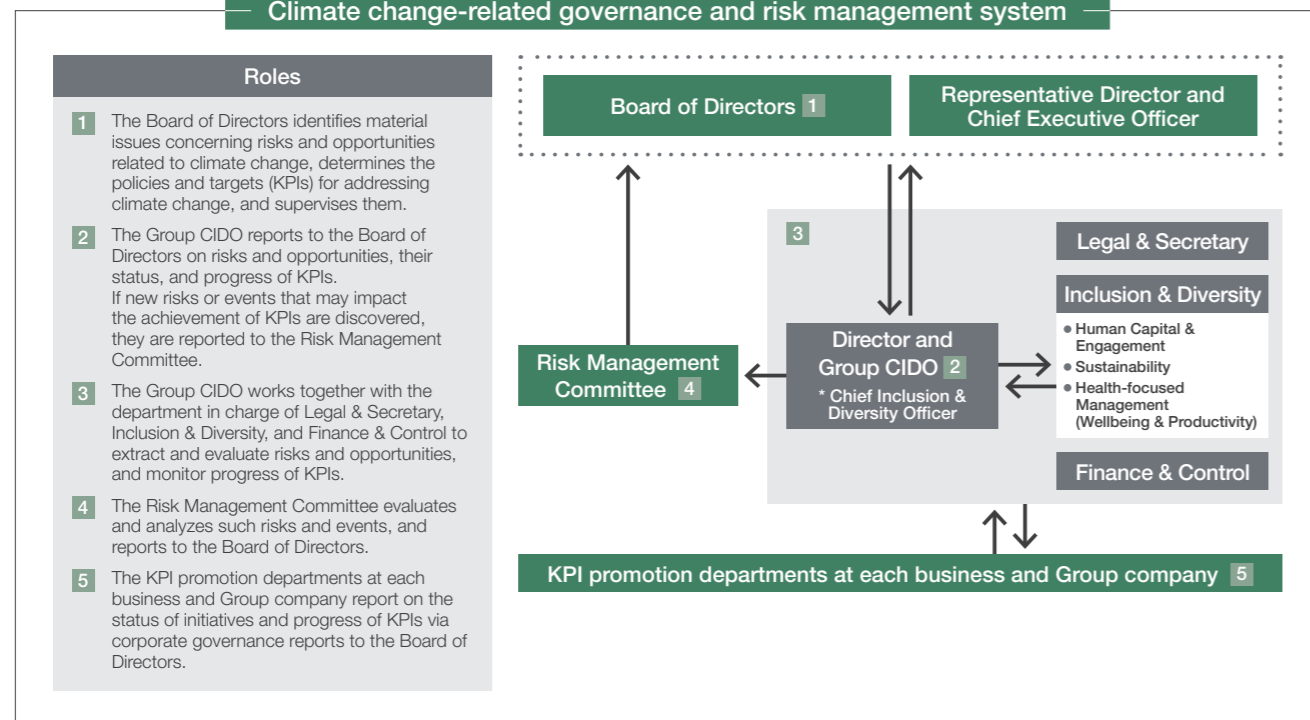
Mitsuuroko Group will be aware that it receives various benefits from the Earth, including the resources necessary for its business activities, and that it is the Group’s responsibility to preserve the global environment in a better state.

Environmental management promotion system

The Company recognizes climate change as important management issues for the preservation of the global environment, and the Board of Directors determines policies for addressing climate change and oversees their status. Specifically, the Director and Group CIDO reports periodically (at least once a year) to the Board of Directors on the Group’s risks and opportunities related to climate change as well as their status. Based on these reports, the Board of Directors determines policies

and targets (KPIs) for addressing climate change. Additionally, during the Board of Directors’ regular monthly meetings, the Director and Group CIDO provide updates on the progress of initiatives aimed at addressing climate change policies and meeting Key Performance Indicators (KPIs). These updates are included as a vital component of the corporate governance report, and the Board of Directors oversees them accordingly.

Climate change-related governance and risk management system



Environmental risk management

Response to climate change and natural disasters

Climate change initiatives

The Group is developing a variety of businesses to realize a low-carbon society. LPG is a form of distributed energy that is environmentally friendly and is portable. We are also promoting the spread of energy products, such as solar power generation systems, lithium-ion batteries, and residential-use fuel cells,

that are helpful for people’s lifestyles today and for the global environment of the next generation. Furthermore, through the creation of renewable energy, we are working to contribute to the improvement of the global environment through reducing CO₂ emissions and improve energy self-sufficiency.

Response to natural disasters

While LPG is a form of distributed energy that is easy to install and restore even when natural disasters linked to climate change occur, such as torrential downpours and storm surges, it is possible for filling stations to be damaged and for its transportation to be delayed or slowed. In preparation for emergencies, we have implemented disaster prevention measures at facilities such as filling stations and have also formulated a business continuity plan (BCP). The LPG supply network is rationally designed to ensure a steady supply of LPG to every corner of the country in times of peace and even in times of disaster.

In addition, while we continue to upgrade our

operations and make them efficient at Mitsuuroko Administration Center (Saitama-shi, Saitama), a shared services division that consolidates the operations of the Group companies, which the Nagano Office of Mitsuuroko Administration Center opened in order to avoid the risk of interruption in our operations when struck by disaster, etc. due to centralization, and to establish a system to ensure the continuation of operations in the event of an emergency. We have established a system that allows us to shift to pre-determined operations in an emergency by activating the BCP program if it becomes impossible to carry out operations in Saitama-shi.

Water risk initiatives

Basic approach

We consider water risk to be an important management issue and are taking actions such as water stress/risk studies, and water hazards and water management.

Implementation of water stress/risk studies

Using the WRI Aqueduct, an international indicator, we comprehensively analyzed and evaluated current and future risks (water demand, water source security, water damage, etc.). As a result, we confirmed that there is no significant water stress or risk in the Group’s main facilities as of now.

Water consumption, water discharge volume, and water quality control

In order to use water resources sustainably, we monitor water consumption and strive to save water, and also implement appropriate wastewater management. In FY2021, there were no violations of standards and regulations pertaining to water discharge.

Situation of water resources utilization

In FY2021, Group-wide use of domestic freshwater resources (water supply and wells) totaled 6,454 thousand m³, and the amount discharged to underground and rivers (excluding sewage) was 647 thousand m³.

Initiatives to reduce water usage

1 Preserving water resources through the use of business cards made primarily from limestone

From the viewpoint of conserving forests and water resources, the Group has adopted the use of business cards made with “LIMEX,” a material derived primarily from limestone. Limestone exists in abundance throughout the world and is a mineral resource which Japan is completely self-sufficient in and can obtain at a low cost. By adopting limestone as the main material for our business cards, we are contributing to the preservation of forests and water resources, which are essential for the production of paper. This initiative saves 10 liters of water per card box of business cards (100 cards). When converted to the number of business cards used by the Group, this equates to 23,230 liters of water preserved in a year.

2 Water-saving initiatives

In the wellness business, we are working to reduce bathing water used at “Yokohama Tennen Onsen SPA EAS” through the use of a recovery tank (water supply and natural spring water) timer control and water-saving devices installed in all shower heads. We are also reducing other water used at the facility through measures such as the introduction of water-saving toilets, and employees are also making efforts to save water.

We are also promoting the introduction of water-saving showers and toilets in rental apartments owned by our real estate business.



Environmental risk management

Management of chemicals and contaminants

Since our operations have little relevance to emissions of air pollutants such as VOCs, NOx, and SOx, we do not perform measurements for these. Waste, including hazardous waste, is properly disposed of through specialized waste disposal companies in accordance with laws, regulations, and other rules. In FY2021, there

were no penalties or fines related to environmental laws and regulations (Air Pollution Control Act, Water Pollution Prevention Act, Soil Contamination Countermeasures Act, Waste Management and Public Cleansing Act, etc.) due to outflows or excess emissions of environmental pollutants.

Response to soil contamination

In the event that pollution is detected at LPG filling stations and gasoline service stations, while we report such incidents to the relevant government agencies and actively disclosing information to the public, such as through explanations to residents within the vicinity or

press releases, we work to control soil contamination. In accordance with the state of the pollution, we employ measures such as excavation, removal, and paving to prevent contamination from spreading or entering ground water.



Climate change initiatives

Basic approach

In terms of climate change initiatives, as an entity responsible for stable supply in regions, Mitsuuroko Group aims to harness its comprehensive power embedded in these regions to maintain and improve supply infrastructure to ensure supply is also available during emergencies, while implementing various initiatives that align with the diversification of customer needs and desire for choices.

All of Mitsuuroko Group is engaging in climate change initiatives to achieve a sustainable society through reducing CO₂ emissions, promoting renewable energy, and reducing fuel consumption. For customers who are focused on reducing CO₂, we offer environmentally friendly electricity plans that stipulate the use of renewable energy. In addition, we utilize monitoring information of remote automatic meter readings, and provide a delivery operation streamlining solution that proposes the optimal delivery plans.

TCFD

Mitsuuroko Group's climate change initiatives

Mitsuuroko Group considers the TCFD recommendations an effective framework for disclosing information and engaging in dialogue with stakeholders in regard to climate change issues. We announce our endorsement of the TCFD recommendations, and in accordance with the recommendations, we disclose information on the impact of climate change on the Group's business activities and the measures we are taking in response. The Company also participates in the TCFD Consortium*, which discusses initiatives for information disclosure on climate change response in accordance with the TCFD recommendations.



* The TCFD consortium:
A consortium established in May 2019 and led by the private sector to discuss effective disclosure of information by companies in response to climate change and measures to link the disclosed information to appropriate investment decisions by financial institutions and other parties. The Ministry of Economy, Trade and Industry, the Financial Services Agency, and the Ministry of the Environment participate as observers.

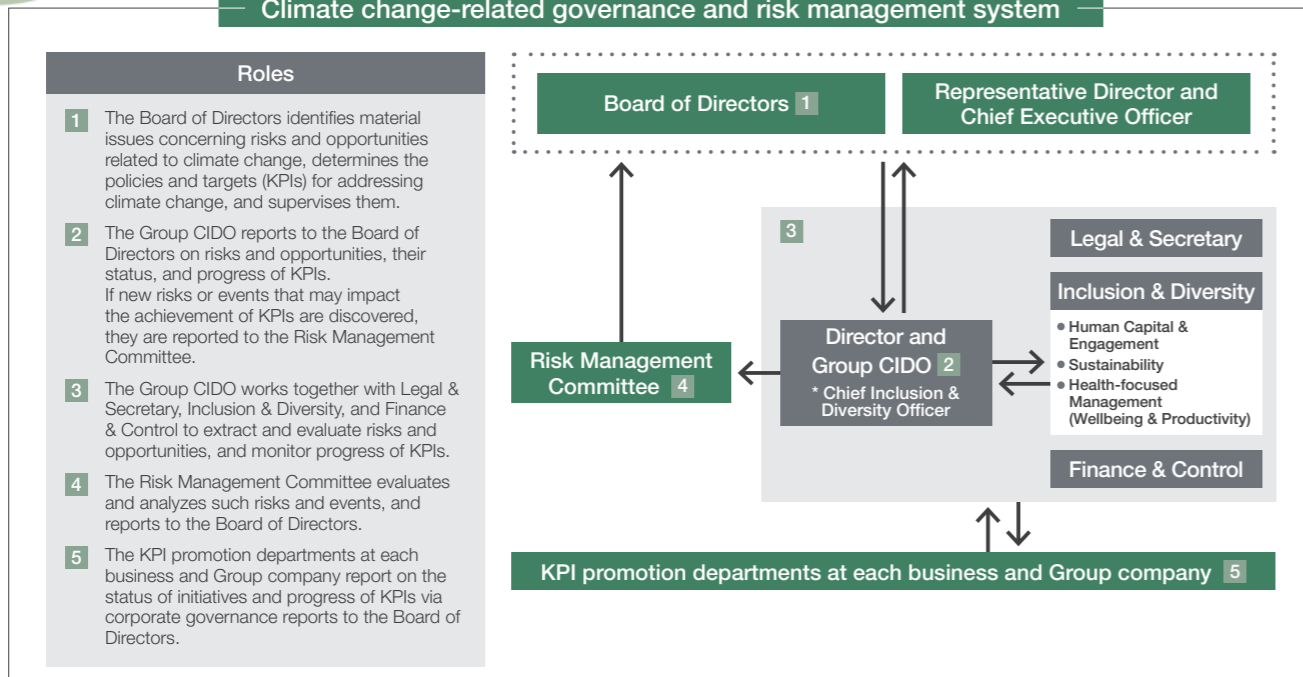
Governance and risk management

The Company recognizes climate change as an important management issue, and the Board of Directors determines policies for addressing climate change and oversees their status. Specifically, the Director and Group CIDO works together with Inclusion & Diversity, Finance & Control, and Legal & Secretary to analyze materiality, extract and evaluate climate change-related risks and opportunities, and identify material issues concerning such risks. In addition, the Director and Group CIDO reports periodically (at least once a year) to the Board of Directors on the Group's risks and opportunities related to climate change as well as their status. Based on these reports, the Board of Directors determines policies and targets (KPIs) for addressing climate change. For KPIs determined, each department in charge of KPI promotion reports on the progress in a corporate governance report that is submitted monthly to Finance & Control, and Inclusion & Diversity and Finance &

Control monitor the progress. At regular monthly meetings of the Board of Directors, the Director and Group CIDO reports on the status of initiatives based on the policies and targets (KPIs) progress as one of the items in a corporate governance report, and the Board of Directors supervises accordingly. If new risks or events that may impact the achievement of KPIs are discovered, each department reports on them to the Director and Group CIDO. The Director and Group CIDO then reports to the Risk Management Committee, which is chaired by the Representative Director. The Risk Management Committee evaluates and analyzes such risks and events, reporting them to the Board of Directors. Based on these reports, the Board of Directors identifies new material issues, then determines policies and targets (KPIs), and supervises them accordingly.

Climate change initiatives

Climate change-related governance and risk management system



Strategy

The Group assumes climate change to have a significant impact on its Energy Solutions Business and Power & Electricity Business. For these businesses, we have begun analyzing the below 2°C scenario, which is associated with high transition risks, and the 4°C scenario, which is associated with high physical risks. With 2050 as the target year, we are examining the risks and opportunities that may arise under these scenarios as well as response measures.

The below 2°C scenario assumes that the climate will

Indicators and targets

The Group's GHG emissions in FY2021 were approximately 5.99 million t-CO₂eq. 99.4% of the emissions were Scope 3, of which 48.8% was attributed to customer gas, electricity, and product usage and 40.3%

not change significantly compared to its current state due to the tightening of environmental restrictions. The 4°C scenario assumes that decarbonization and carbon reduction efforts fail to advance, leading to an increase in physical risks such as those due to natural disasters. Going forward, we will evaluate the impacts under each scenario and also carry out scenario analysis for other businesses, taking the results into account in the formulation of our management plans.

was attributed to related procurement operations. The Group's Scope 1 and Scope 2 emissions were attributed to vehicle operation (gas delivery vehicles and company cars) and gas and electricity usage within the Company.

Breakdown by Scope

		Greenhouse gas (GHG) emissions	Percentage	CO ₂ emissions reduction target
Scope 1	Gas delivery vehicles and company cars	★ 17,049 t-CO ₂	0.3%	Carbon neutrality by 2050
Scope 2	The Company's electricity usage	★ 16,972 t-CO ₂	0.3%	
Scope 3	Energy procurement and customer usage	★ 5,958,716 t-CO ₂ eq	99.4%	

★ marked indicators are independently assured by KPMG AZSA Sustainability Co., Ltd. For Scope 3 emissions, the Company's category 1 (★596,251 t-CO₂eq), category 3 (★2,415,898 t-CO₂eq), category 4 (★19,676 t-CO₂eq), and category 11 (★2,926,890 t-CO₂) emissions have each been assured as well as the total of these four categories. (See pages 27-28 for information on the calculation standard)

To reduce the Company's direct CO₂ emissions (Scope 1 and Scope 2), the Group is automating remotely obtained data meter readings for LPG and working to streamline delivery operations (reduction of truck operating time and travel distance), eliminate complicated deliveries, and promote eco-driving activities. We are also changing to electric vehicles (EVs) for company cars and increasing the amount of renewable energy and

environmentally friendly energy sources we handle. In addition, to contribute to the reduction of CO₂ emissions in our supply chain (Scope 3), we are expanding our meter readings service and delivery operation streamlining services powered by SmartOWL[®], transitioning to high-efficiency equipment (ECO FEEL, fuel conversion systems, ECO-JOZU, ECO ONE), and promoting the Mitsuuroko Green Plan.

FY2021 initiatives to reduce CO₂ emissions

In the Energy Solutions Business, we have promoted the expansion of our meter readings service and delivery operation streamlining service powered by SmartOWL[®], and transitioning to high-efficiency equipment for our existing customers. We are also improving fuel efficiency during deliveries by eliminating complicated deliveries, and shortening travel distances and reducing fuel consumption through eco-driving activities. In the Power & Electricity Business, we are expanding the provision of the Mitsuuroko Green Plan. In the Foods Business, we are promoting the sale of label-less PET bottles and the elimination of plastic (use of paper straws and wooden muddlers). In the Living & Wellness Business, we worked to expand renewable energy electricity contracts in common areas of owned properties and switched to energy-saving

equipment and water-saving facilities. We also sold edible container products at the EAS café. (Sales currently suspended) In FY2022, in addition to continuing and expanding the above initiatives, Living & Wellness Business acquired real estate assessor qualifications of CASBEE (Comprehensive Assessment System for Built Environment Efficiency), which is a method for evaluating and rating the environmental performance of buildings. We also changed straws, cups, and cutlery to paper, reduced food mileage*, and promoted production for recycling preform (PET bottle material).

* This thinking focuses on the impact on the global environment of CO₂ emitted from the transportation of food. The Company is involved in an initiative to offer products purchased from local stores in Yokohama-shi or vegetables hydroponically grown in the stores.

Climate-related risks and opportunities, and their response measures

Scenario	Category	Classifications of factors	Opportunity/Risk	Risks and opportunities	Direction of response and measures
Below 2°C	Transition risk	Administrative policies and laws	Risk	Tightening of fossil fuel regulations and operating cost increases due to carbon taxes (Estimated cost increase: approx. ¥900 million/year*1) (Carbon tax (for developed countries including Japan) is projected to rise to US\$120/t-CO ₂ by 2030 and US\$200/t-CO ₂ by 2050*2)	<ul style="list-style-type: none"> Carbon neutrality by 2050 Participate in TSE's carbon credit market demonstration project Automate remotely obtained data meter readings for LPG Reduce truck operating time and travel distance by streamlining delivery operations Promote eco-driving activities Change to EVs for all company cars by around 2030 Increase amount of renewable energy and environmentally friendly energy sources handled
			Opportunities	Increase sales in the Power & Electricity Business due to increased demand for renewable energy (Renewable energy is expected to comprise 58% of Japan's energy mix by 2050*2)	<ul style="list-style-type: none"> Spread natural energy and promote the installation of energy-saving housing equipment Sell natural energy not dependent on traditional fossil fuels and other new energy equipment such as storage batteries, and provide services such as the "Mitsuuroko Green Plan"
	Market and technology	Risk	Decrease in sales for LPG and petroleum products (Petroleum demand in Japan is expected to fall by 78% by 2050 compared to 2021*2)	<ul style="list-style-type: none"> Establish own plants that utilize the newest developments in renewable energy production technologies and increase amount of renewable energy sources handled Utilize PPA model*3 and increase solar power generation Focus on popularizing EVs and promote the development of 100% renewable energy EV charging infrastructure Expand the installation of storage batteries and strengthen ability to adjust electricity supply and demand Focus on transitioning from FIT system*4 and launch renewable energy aggregation business 	
		Opportunities	Reduction of future in-house power generation costs if the Company establishes plants that take advantage of developments in renewable energy production technologies (Solar power generation costs are expected to drop by 50% by 2050 compared to 2021*2)	<ul style="list-style-type: none"> Actively work to meet the changing expectations of investors and the market Proactively engage in ESG-related initiatives and enhance relevant information disclosures Focus on sales of new energy equipment, including high-efficiency water heaters, distributed demand appliance ENE-FARM, solar power and storage batteries, to contribute to reducing customers' CO₂ emissions 	
4°C	Physical risk	Acute	Risk	Decrease in sales and increase in recovery costs due to damage to plants and facilities, the supply chain, and power companies as a result of heavy rain and floods	<ul style="list-style-type: none"> Produce disaster manuals and conduct security training, safety confirmation drills, and evacuation drills Implement disaster response measures at LPG filling stations (disaster prevention nets, lashing belts, etc.) and consumers' homes (double chains, tension-type high-pressure hoses, etc.) Develop a complementary system for LPG delivery that can be used by Japan Enagic Co., Ltd. and among facilities Develop a robust business continuity plan (BCP) system through the enhancement of disaster manuals Open the Nagano Office of Mitsuuroko Administration Center

*1 The cost increase for business operations due to the impact of carbon tax is calculated as below:
2050 Carbon tax of US\$200/t-CO₂ is based on the International Energy Agency's publication, "World Energy Outlook 2022": Group's CO₂ emissions (t) in 2021 × US\$200/t-CO₂ × exchange rate (¥/\$)
*2 Each estimation is based on the calculations in "World Energy Outlook 2022."
*3 PPA model: A business model in which business operators install, manage, and maintain solar power systems on the roofs of consumers' offices free of charge. Consumers then purchase the electricity that is generated. PPA stands for Power Purchase Agreement
*4 FIT: A system where power companies purchase electricity from renewable energy sources at a fixed price for a fixed period of time. FIT stands for Feed in Tariff
FIP: A system where power generation business operators that produce electricity from renewable energy sources and sell it in wholesale markets or through over-the-counter trading are granted a premium equivalent to the difference in the standard price (FIP price) and the market price. FIP stands for Feed in Premium



Response to climate change

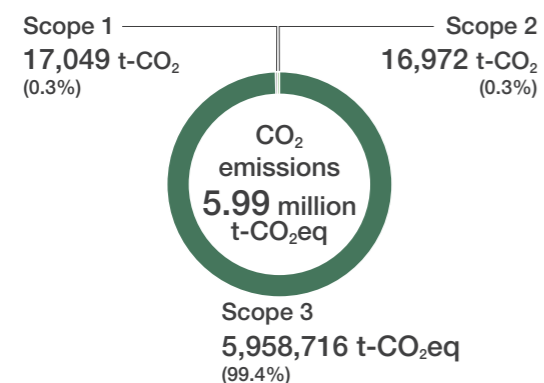
CO₂ emissions reduction target

FY2021 Greenhouse gas (GHG) emissions

Scope 1
(direct emissions)
★ **17,049 t-CO₂**

Scope 2
(indirect emissions from the use of energy)
★ **16,972 t-CO₂**

Scope 3
(indirect emissions in the value chain)
★ **5,958,716 t-CO₂eq**



Greenhouse gas (GHG) emissions

Scope 1 ★	17,049 t-CO ₂	
Scope 2 ★	16,972 t-CO ₂	
Scope 3 ★	5,958,716 t-CO ₂ eq	
Category 1 ★	596,251 t-CO ₂ eq	Purchased goods and services
Category 3 ★	2,415,898 t-CO ₂ eq	Fuel and energy-related activities not included in Scopes 1 and 2
Category 4 ★	19,676 t-CO ₂ eq	Transportation and delivery (upstream)
Category 11 ★	2,926,890 t-CO ₂	Use of sold goods

Specific actions

Action plan	Aim
<p>Improve delivery efficiency with SmartOWL[®] Reduce Scope 1 emissions</p>	<p>Efficiency of delivery operations increases through enabling container replacement to take place at the optimal time by analyzing LPG meter data collected daily through LPWA with unique know-how. We achieved an approximately 30% reduction in delivery operation time and an approximately 20% reduction in travel distance in a demonstration test*.</p> <p>* A comparison and analysis of the conventional delivery method, in which the next delivery date is determined based on a prediction of the amount of gas remaining based on regular monthly meter readings, and a new delivery method based on actual results, in which the amount of gas remaining in the LPG container is monitored daily using the LPWA and the next replacement date is determined.</p>
<p>Promote EV for company cars Reduce Scope 1 emissions</p>	<p>We will switch to fuel-efficient vehicles and promote eco-driving, aiming to change about 700 company cars to EVs by 2030.</p>
<p>Promote reducing CO₂ from the use of electricity Reduce Scope 2 emissions Reduce Scope 3 emissions (category 3)</p>	<p>We will use the power sources we procure and non-fossil fuel certificates to promote the reduction of our own power consumption and our customers' CO₂ emissions. [Mitsuuroko Green Plan]</p> <p>Renewable Energy Ratio Plan Energy sources from renewable energy + Non-fossil fuel certificate (designated renewable energy) CO₂ Emission Reduction Plan All energy sources (no designation) + Non-fossil fuel certificate</p>
<p>Eliminate mineral water bottle labels Reduce Scope 3 emissions (category 1)</p>	<p>We began selling label-less products in April 2021. Our 550 mL bottles are sold exclusively in boxes and without labels on the bottles themselves, thereby reducing the amount of plastic waste. This also eliminates the hassle of removing labels when sorting trash and contributes to reducing the environmental impact.</p>
<p>Promote sales for high-efficiency water heaters Reduce Scope 3 emissions (category 11)</p>	<p>We aim to contribute to the reduction of CO₂ emissions and the prevention of global warming through the promotion of high-efficiency gas equipment. We are promoting sales of energy efficient products with high added value. These include latent heat recovery-type high efficiency water heaters for domestic use called "ECO-JOZU," which reduces CO₂ emissions by approximately 16% compared to conventional heaters, as well as "ECO ONE," a hybrid hot water and heating system that combines a heat pump water heater with "ECO-JOZU," achieving an approximately 40% reduction in CO₂ emissions.</p>
<p>Reduce CO₂ from LPG delivery Reduce Scope 3 emissions (category 4)</p>	<p>Japan Enagic Co., Ltd., which is one of our LPG delivery subcontractors, has participated in the Tokyo Trucking Association's Green-Eco Project. In the "Tokyo Freight Forwarding Evaluation System" conducted by the Tokyo Metropolitan Government, it was awarded "one star (☆)" for its efforts to reduce CO₂ emissions in FY2021. The Group is supporting initiatives to reduce CO₂ emissions from LPG delivery by promoting SmartOWL[®] delivery operation streamlining solution to LPG delivery businesses throughout all of Japan.</p>

Carbon neutrality by 2050

★ marked indicators are independently assured by KPMG AZSA Sustainability Co., Ltd. The basis for the calculations is as follows:
The scope of calculation covers Mitsuuroko Group Holdings Co., Ltd. and its consolidated subsidiaries. We have added Shizuoka Mitsuuroko Foods Co., Ltd. since November 2021. General Storage Company Pte. Ltd., an overseas subsidiary acquired in December 2021, is excluded from the boundary of this report as it is difficult to compile sustainability information. Scope 1 and 2 emissions include only CO₂ emissions, while Scope 3 emissions include emissions from GHG other than CO₂.
Scope 1: CO₂ emission factor of fuel and the unit calorific value are based on the coefficients specified in the Act on Promotion of Global Warming Countermeasures.
Scope 2: CO₂ emission factor of electricity based on the adjusted emission factors by electric utility business operator.
Scope 3: Each emissions intensity is referenced from the Act on Promotion of Global Warming Countermeasures; the Ministry of the Environment's "Database on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain"; and the Inventory Database for Environmental Analysis version 2 (IDEAv2) for calculating supply chain greenhouse gas emissions, published by the Sustainable Management Promotion Organization.
Category 1: Calculated by multiplying the amount (physical quantity) of petroleum-derived fuel and city gas procured for sales by the emission intensity for each fuel type specified in IDEAv2.

Category 3: GHG emissions derived from the extraction, production, and transportation of fossil fuels used in the production of electricity for sales purposes and the production of energy purchased for private use. Emissions from "electricity for sales purposes" are calculated by multiplying the amount of electricity sold by the basic emission factor of Mitsuuroko Group conducting retail electricity business and the emission intensity database figure. Emissions from "private electricity consumption" are calculated by multiplying the amount of electricity used for private consumption by the emission intensity database figure. Emissions from "private fuel consumption" are calculated by multiplying the amount of fuel used for private consumption by the fuel emission intensities specified in IDEAv2 for each fuel type.
Category 4: Upstream transportation emissions are calculated by multiplying the transportation volume (t-km), which is the product of the cargo weight and the distance transported, by the IDEAv2 emission intensity for each transportation type. For shipping and transportation, fuel consumption is multiplied by the emission intensity from the Ministry of the Environment database.
Category 11: Calculated by multiplying the sold volume (physical quantity) of petroleum-derived fuel and city gas by their respective fuel-specific calorific values and CO₂ emission factors.



Response to climate change

Controlling customer CO₂ emissions

Promotion of high-efficiency gas equipment

We seek to contribute to the reduction of CO₂ emissions and the prevention of global warming through the promotion of high-efficiency gas equipment, proposing and selling efficient products with high added value. Aiming to meet our customers' diverse needs and preferences, these products include latent heat recovery-type high efficiency water heaters for domestic use called "ECO-JOZU," which reduce CO₂ emissions by approximately 16% compared to conventional heaters, as well as "ECO ONE," a hybrid hot water and heating system that combines a heat pump water heater with "ECO-JOZU," achieving an approximately 40% reduction in CO₂ emissions.

ECO ONE



Hybrid hot water and heating system "ECO ONE"

Promotion of residential-use fuel cell "ENE-FARM"

For the promotion of the new energy solutions business, we are working to improve energy efficiency through a local power production and consumption approach centered on the best mix of energy. We are currently focusing on the fact that the main forms of power supply have low energy efficiency in terms of transmission loss and waste heat loss, promoting the rollout of "ENE-FARM," a distributed power generation system installed in each consumption area. "ENE-FARM" is an LPG-based system, and we are mainly concentrating on popularizing it among new general households by partnering with home construction companies. Through these efforts, we will continue to promote the spread of distributed energy systems.



Residential-use fuel cell "ENE-FARM"

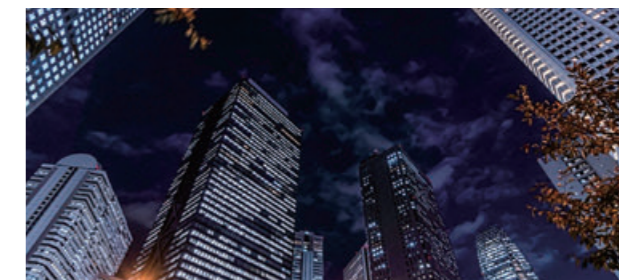
Expanding sales of solar power generation systems

Solar power is a carbon-free source of energy that does not emit greenhouse gases. Consumers do not need to pay consumption charges and can reduce the amount of electricity they purchase from power companies by using the power generated for their own household. Unused energy can then be sold to power companies. It is also highly economic, as once installed, power can continue to be generated as long as there is sunlight. Since Japan often faces natural disasters such as earthquakes, typhoons, and severe rainstorms, solar represents an effective source of emergency power in the event of power outages. We will also promote the spread of energy creation/storage system through the installation of storage batteries together with solar power generation systems.



Expanding the energy solutions business

We save energy at a wide range of facilities including plants, commercial facilities, and hospitals through the selection and maintenance of cogeneration systems and the proposal of energy-saving equipment. We also work to realize comprehensive energy management centered on electricity, thermal, measurement, control, power storage, and power generation. In addition to reducing running costs with our energy solutions, we are expanding business that helps the global environment. Committed to the achievement of a sustainable society, we provide solutions for the future.



Development of renewable energy sources

Renewable energy is an important form of domestic energy that does not emit greenhouse gases and can be produced within Japan. It harnesses the natural environment and is also a vital power source for the development and maintenance of society. In addition to the power plants we already possess, we are also developing renewable energy sources such as solar, wind, and biomass.



Provision of the Mitsuuroko Green Plan

Since the "Paris Agreement" was adopted in December 2015, the awareness of consumers and investors toward climate change has increased rapidly, and corporate efforts toward reducing greenhouse gas emissions are being viewed as important. By providing

the "Mitsuuroko Green Plan" to customers who are working to reduce their CO₂ emissions, we will contribute to a low-carbon society and meet the needs of our customers.

What is the Mitsuuroko Green Plan...

The Mitsuuroko Green Plan uses renewable energy supplied by Mitsuuroko Green Energy Co., Ltd., as well as non-fossil fuel certificates. It offers CO₂ emission factors tailored for customers' needs in two main options.

* It not only reduces electricity charges, but also enables customers to reduce their CO₂ emission factors.
* The plan is available Japan-wide excluding Okinawa and some remote islands.

Benefits of the Mitsuuroko Green Plan

- Lead improvement of corporate image.
- Customers can report lower emissions in the System for Greenhouse Gas Emissions Calculation, Reporting, and Disclosure based on the Act on Promotion of Global Warming Countermeasures (Global Warming Countermeasures Act).
- Customers can report lower emissions in a CDP report, which is noticed by corporate investors.
- Customers using our extra-high-voltage power service or high-voltage power service can view the balance between costs, emission factors, and renewable energy introduction ratio, and select a plan. Customers using our low voltage power service can choose between the 100% renewable energy plan and the 0.00 emission factor plan.

1 Renewable Energy Ratio Plan

Energy sources from renewable energy + Non-fossil fuel certificate



2 CO₂ Emission Reduction Plan

All energy sources + Non-fossil fuel certificate





Response to climate change

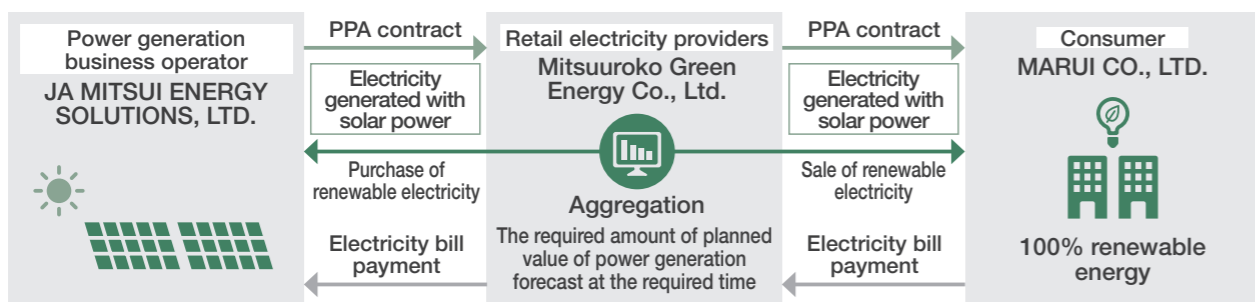
Key examples

Provision of electricity through off-site corporate PPA

In April 2021, Mitsuuroko Green Energy Co., Ltd. provided the "Mitsuuroko Green Plan," which adheres to the "RE100¹," global initiative on renewable energy, to the facilities of "RE100" member MARUI GROUP CO., LTD. As a new initiative, in December 2022, it was decided that Mitsuuroko Green Energy Co., Ltd., MARUI CO., LTD., and JA MITSUI ENERGY SOLUTIONS, LTD. will jointly work to establish an off-site corporate PPA². In this business, Mitsuuroko Green Energy Co., Ltd.

supplies electricity derived from renewable energy sources generated at five solar power plants newly developed by JA MITSUI ENERGY SOLUTIONS, LTD. in the service area of Tokyo Electric Power Company, together with RE100-compliant electricity, to two facilities of MARUI CO., LTD. in Tokyo. The business has been selected for the "Subsidy for Promotion of Customer-led Introduction of Solar Power Generation (FY2022 budget)," a publicly offered program by the Ministry of Economy, Trade and Industry.

¹ "RE100" is a global initiative aimed at preventing global warming. It is led by The Climate Group (international NGO working to reduce greenhouse gas emissions) in partnership with the CDP (international NGO promoting disclosures on environmental problems). Member companies pledge and publicly announce that they will use 100% renewable energy for the electricity used in their business activities by 2050 at the latest.
² Corporate PPA is a method in which consumers procure renewable energy power from a power generation business operator for a long period of time and at a fixed price.



Provision of the Mitsuuroko Green Plan to construction companies

Mitsuuroko Green Energy Co., Ltd. has partnered with a construction company and started to provide new construction sites with the Mitsuuroko Green Plan, a CO₂ emission reduction plan that contributes to the measures against global warming.

Many construction companies are also working on sustainability initiatives, and in response to requests for electricity to be used at new construction sites, we decided to introduce the Mitsuuroko Green Plan supplied by Mitsuuroko Green Energy Co., Ltd.

Initiatives of operating companies

Participation in TSE's carbon credit market demonstration project

Since December 2022, Mitsuuroko Vessel Co., Ltd. has participated in the carbon credit market demonstration project, which the Tokyo Stock Exchange has been conducting on a trial basis as a project commissioned by the Ministry of Economy, Trade and Industry.

^{*} TSE's carbon credit market demonstration project
 In order to achieve the goal of carbon neutrality by 2050, the government has presented the "GX (Green Transformation) League Basic Concept," a voluntary framework for setting ambitious CO₂ emissions reduction targets based on national guidelines, trading credits to achieve the targets, and having the government confirm the results. As part of this framework, the government has proposed the establishment of a carbon credit market as a platform for voluntary emissions trading, as well as a mechanism for setting voluntary emissions reduction targets and emissions trading to achieve these targets. This project is to demonstrate the establishment of a market where carbon credits are widely traded in a form where the price is publicly announced.



Improving delivery efficiency with SmartOWL[®]

In the LPG business, we are contributing to the realization of a low-carbon society by eliminating waste and by reviewing the existing workflow. SmartOWL[®] service is a solution that increases the efficiency of LPG operations through the collection and analysis of LPG meter information and the application of know-how gained in demonstration tests. The operational know-how and series of business models that link information collected by LPWA to delivery efficiency improvement have been patented, and we are expanding the service to enable more LPG companies to use it.



● Reducing environmental impact by improving delivery efficiency

In order to use LPG, it is essential to deliver LPG containers to the consumers' homes by truck, and by streamlining this delivery operation, the distance traveled by trucks can be shortened, thereby reducing CO₂ emissions.

● Effectiveness has been proven through experiments

Mitsuuroko Creative Solutions Co., Ltd. conducted an experiment from October 2018 to the end of September 2019 and demonstrated the effects of improving delivery

efficiency by utilizing data automatically acquired through LPWA connection.

Through digital transformation (DX), we have developed a proprietary system that incorporates four patented technologies and know-how that reduced the delivery operation time by 30% in the demonstration tests, and the service has been available as "SmartOWL[®] delivery operation streamlining solution" to LPG companies since October 2021.

● Reduction in the number of meter readings through automated meter reading and reduction effects of CO₂ emissions

CO ₂ emissions reduction effects of Mitsuuroko Group (Scope 1)	
Number of automatic meter readings from April 2019, when the service began, to December 2022:	1,171,539 times
Amount of CO ₂ emissions reduced	Approximately 104,501 kg

Customers' CO₂ emissions reduction effects

Number of automatic meter readings from April 2019, when the service began, to December 2022:	1,351,706 times
Amount of CO ₂ emissions reduced	Approximately 120,572 kg

● Distance traveled per meter reading (actual results from randomly selected MV retailers): ----- 500 m
 ● CO₂ emissions per liter of gasoline: ----- 2.32 kg-CO₂/L
 ● Fuel efficiency of meter reading vehicles: ----- 13 km/L
 From the above, CO₂ emissions per meter reading is 0.0892 kg
 Amount of CO₂ emissions reduced = 0.0892 kg × Number of meter readings

Effects of improving delivery efficiency

We achieved an approximately 30% reduction in delivery operation time and an approximately 20% reduction in travel distance in a demonstration test of delivery efficiency improvement using LPWA connection*.

Shorter travel distance = lower CO₂ emissions



* A comparison and analysis of the conventional delivery method, in which the next delivery date is determined based on a prediction of the amount of gas remaining based on regular monthly meter readings, and a new delivery method based on actual results, in which the amount of gas remaining in the LPG container is monitored daily using the LPWA and the next replacement date is determined.

Service overview



This service, which shortens delivery operation time, contributes to CO₂ emissions reduction by reducing truck operating time and travel distance, and serves as a complement to labor shortages. In doing so, it will help solve social issues and promote ESG, and is proposed as a strength of the Group, which continues to provide "more fulfilling lifestyles" through energy supply.

LPG companies using the service will be able to enjoy the benefits of increased efficiency without having to make major changes to their delivery operations environment.



Response to climate change

Wind power generation business

In wind power generation, a turbine is turned by the force of wind, and this rotational motion is then transferred to a generator to create electricity. It is a comparatively efficient method of power generation where 40% of wind's energy can be converted to electricity. With its long coast lines, Japan has many locations suitable for harnessing stable wind power (average wind speed of 6 m/second or more), making it a promising country for wind turbines. We are also considering the installation of offshore wind turbines.



			Total output
March 2007	Azuchi-Oshima Wind Power Station	Oshima-mura, Hirado-shi, Nagasaki	32,000 kW
January 2008	Kamisu Wind Power Station	Yanagawa, Kamisu-shi, Ibaraki	10,000 kW

Mega solar business

Although mega solar plants adopt the same mechanism as residential solar power systems, they are not installed on the roofs of houses. They are installed in large areas of vacant land and have large-scale generation capacity making them suitable for industrial use. Expectations are high for both the Suigo-Itako Solar Power Plant in Ibaraki (power output of approximately 14,500 kW) and the Futtsu Solar Power Plant in Chiba (power output of approximately 40,000 kW), which are participating in the business, as next-generation energy sources.



			Total output
February 2014	Suigo-Itako Solar Power Plant	Maekawa, Itako-shi, Ibaraki	14,500 kW
July 2014	Futtsu Solar Power Plant	Shimokenzaku, Kato, Futtsu-shi, Chiba	40,000 kW

Solar power plants with output under two megawatts

The Group is working to expand the use of solar power generation systems and fuel cells to promote the spread of renewable energy. We also have solar power plants that are of a smaller scale than the mega solar plants described above (less than 2 megawatts). We currently operate these plants in 19 locations, and the total output in FY2021 was 7,152 thousand kWh.



Biomass power generation business

Biomass is an organic resource (excluding fossil fuel) produced by organisms from the inorganic compounds of water and CO₂ using solar energy. It is a sustainable and renewable energy source that only requires life and solar energy. Within biomass, it is the category of "woody biomass," which comes from wood such as thinned wood and construction wood waste. Since CO₂ generated by burning woody biomass is absorbed from the atmosphere by trees in the process of photosynthesis that drives their growth, there is virtually no increase in atmospheric CO₂. This is called "carbon neutral."



			Total output
January 2006	Mitsuuroko Iwakuni Power Plant	Iwakuni-shi, Yamaguchi	Japan's first wood chip combustion 10,000 kW power plant

We provide electricity produced at the Mitsuuroko Iwakuni Power Plant to the customers of our power and electricity sales business.

Commencement of construction preparation for grid energy storage stations that will contribute to spreading renewable energy as the main form of power and the stability of power grid

Mitsuuroko Green Energy Co., Ltd. has begun preparations for the construction of the Kitahiroshima No.1 and No.2 Storage Stations in Kitahiroshima-shi, Hokkaido. The use of renewable energy power generation facilities for the realization of carbon neutrality by 2050 is expanding. However, there are difficulties in power generation prediction and control due to the fact that facilities such as those for solar and wind power are affected by the seasons and the climate. To solve these challenges, it is essential to secure "adjustment power" to suppress unstable power generation. At these power storage stations, the storage batteries can be used as "adjustment power," and the charge

or discharge control of the storage batteries can then be used to compensate for the shortfall in the power generation plan of the renewable energy power source, thereby contributing to the stabilization of the power grid*1. In addition, these storage stations can also be used in the control of distributed energy resources and other such applications. Mitsuuroko Green Energy Co., Ltd. seeks to create a stable and efficient balance of supply and demand for electricity. As an aggregator*2, it will contribute to the further adoption of renewable energy and the stabilization of power systems by entering new markets, such as the supply-demand adjustment market and the capacity market.



Megapack, a large-scale industrial use storage battery manufactured by TESLA Inc. Source: TESLA (<https://www.tesla.com/megapack>)

			Output
Completion date to be confirmed*3	Kitahiroshima No.1 and No.2 Storage Stations	Kitahiroshima-shi, Hokkaido	3,085.6 kW

*1 Power grid
A system that integrates power generation, substation, power transmission, and distribution to supply power to consumers' power receiving equipment.

*2 Aggregator
A business operator that effectively manages energy by bundling the electricity demand of consumers and the electricity of distributed power sources (storage batteries and private power generation equipment).

*3 The delivery date has been delayed due to the situation in Ukraine, and the completion date has not yet been confirmed.

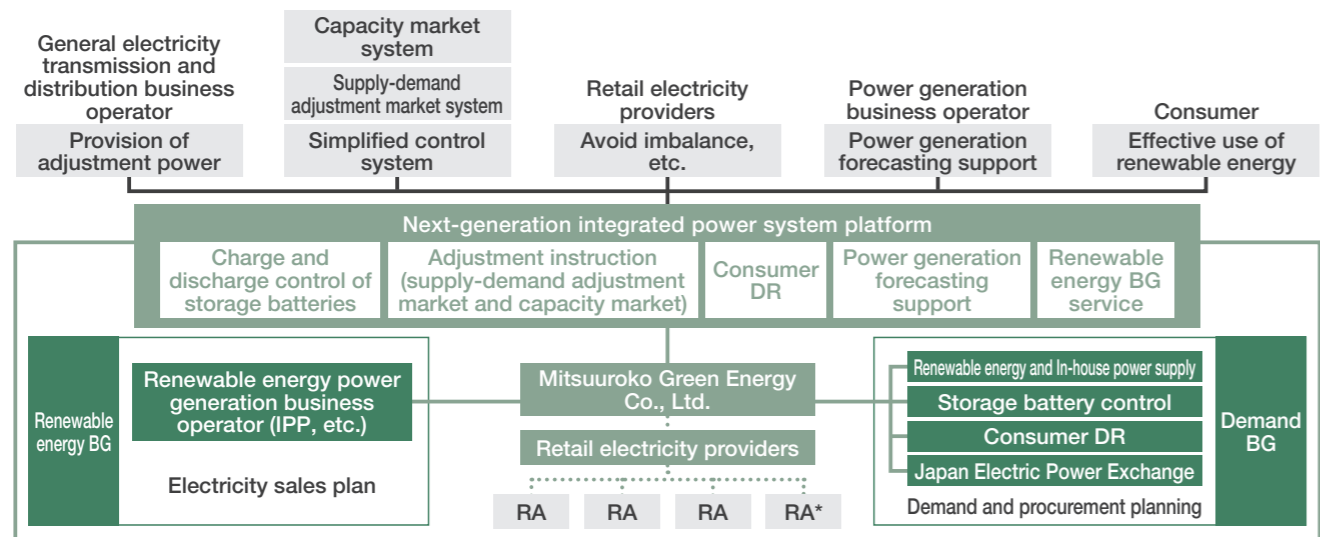


Response to climate change

Initiative for participating in renewable energy aggregation business

To participate in renewable energy aggregation business, Mitsuuroko Green Energy Co., Ltd., has entered into and started operation of a business tie-up with Nippon Koei Co., Ltd. to develop and demonstrate Integrated Power Control Central (IPoCC), a next-generation integrated power system that utilizes distributed energy resources such as storage batteries. Based on the business tie-ups, we aim to build "IPoCC" and provide power generation forecasting and renewable energy supply-demand adjustment services for renewable energy power generation facilities, such as those for solar and wind power, which fluctuate substantially. Its development will enable a smoother

response to the supply-demand adjustment market which is phased in from FY2021, and the capacity market, which will start in FY2024. Mitsuuroko Green Energy Co., Ltd. and Nippon Koei Co., Ltd. have labelled IPoCC as "epoch-making." The two companies aim to establish it as next-generation standard in power control systems, and in addition to developing and testing it, they are focusing on external sales and the expansion of aggregation energy business. Through these efforts, they will contribute to the popularization of renewable energy and the realization of a decarbonized society.



* Resource aggregator: Business operator that enters into direct service contracts with consumers and controls resources.

Received a five-star rating from the Energy Conservation Communication Ranking System

Mitsuuroko Green Energy Co., Ltd. received the highest rating of five stars as a retail electricity provider in the 2022 evaluation results of the "Energy Conservation Communication Ranking System" conducted by the Ministry of Economy, Trade and Industry and the Agency for Natural Resources and Energy. The purpose of this system is to evaluate and publicize the level of information and services provided by each provider for general consumers regarding energy efficiency and conservation and the status of their efforts, so that general consumers can use the evaluation results as reference information when selecting an electricity or gas company, and to encourage further energy efficiency and conservation

efforts based on the information provided for it. Mitsuuroko Green Energy is actively working to provide useful information on energy efficiency and conservation to customers, share information on environmental issues and initiatives related to decarbonization through webinars and social media, and expand the use of demand response services to encourage power-saving.



Improvement and expansion of demand response service functions for the next-generation integrated power system IPoCC

Since July 2021, Mitsuuroko Green Energy Co., Ltd. has been providing Demand Response (DR) services to its customers using our extra-high-voltage power service or high-voltage power service. However, the supply-demand situation for electricity has remained difficult due to recent sharp rises in fuel prices, the shutdown of thermal power plants, and the heat waves in the summer. In light of this, in August 2022, we enhanced the DR service functions of our next-generation integrated power system, IPoCC, and began new operations in response to requests for power-saving from the government and general electricity transmission and distribution business operators.

<Added functions>

- Early delivery of DR implementation result reports
- Long-term DR activation

In addition, we have expanded the provision of DR services to customers using our low-voltage power service since November 2022. By utilizing this service together with our customers, we will contribute to alleviating the supply crunch of electricity and economical energy use through power-saving, peak-shifting, and energy efficiency and conservation initiatives, and help to expand the introduction of renewable energy for a decarbonized society.

* Demand response is a system that allows consumers to change their electricity consumption patterns in response to electricity pricing or incentive payments in order to curb the use of electricity during times of high wholesale market prices or low grid reliability, in order to balance the supply and demand of electricity by decreasing or increasing the consumption of electricity. As renewable energy sources become more prevalent, there is a need for an adjustment mechanism that handles power generation being affected by weather conditions, and DR is an effective means to address this issue.

Moss cultivation business initiatives

We have begun a new moss cultivation business as an initiative to utilize our idle land. In November 2022, the field was expanded to 2,500 m² and 18 long sheets (1 m × 50 m) were installed in addition to the conventional cultivation of seed moss. It is expected to be used for weed control and greening in highway service areas, inside plant facilities, and railroad operator track areas.



Other climate change initiatives

1 Activities to protect and nurture the forests around water collection sites

Working together with local communities, we are engaging in activities to protect and nurture the forests around the water sources used by Mitsuuroko Beverage Co., Ltd., a Group company that produces natural water products (mineral water production and sales business). We support activities advocated by Yamanashi Prefecture for the protection and nurture of national forests that are deteriorating. Partnering with Narusawa Village 1st District, we have entered into an agreement for participating in volunteer activities to maintain the Narusawa Village 1st District's own forest. Mitsuuroko Beverage Co., Ltd. is actively engaging in these efforts as part of activities to recharge water sources that provide the water essential for producing its products.



* From FY2020 to FY2022, this activity was not conducted due to the spread of COVID-19.



Response to climate change

2 Baking bread using domestic wheat

Sweet Style Co., Ltd.'s bakery, "Azabujuban Mont-Thabor," focuses on selling frozen bread that uses domestically produced wheat. Using domestically produced wheat as the raw material shortens the transportation distance and does not use chemicals such as fungicide for importing. It also uses raw materials milled with a stone mill and offer customers products baked at the stores. These products are made with meticulous attention to the environment, health, and superb taste (aroma), and are winning the support of many customers as a new value.



3 Installation of solar panels on the roofs of the company's facilities

General Storage Company Pte. Ltd. (GSC), the Company's overseas subsidiary, has set forth "a green and caring tomorrow with self-storage" as its ESG vision. GSC's self-storage brand, Lock+Store, has signed an 18-year purchase agreement with Union Solar Pte Ltd, a solar power generation business operator, to realize this mission. The solar panels installed on the roof of the Chai Chee facility (completed in January 2023), which is a trunk room operated by the Company, will have a maximum output of approximately 487.3 kWp, which is expected to reduce the use of fossil fuel-based energy by approximately 30% when used on-site at the facility.



4 Use of vacant space for vegetable gardens

Lock+Store has partnered with SG Gardens, a local horticultural company, to utilize vacant space at the Chai Chee facility for vegetable gardens. The harvest from the vegetable garden will be donated to charities that support low-income families or sold to restaurants.



Edible hibiscus



Edible marigold

Promotion of resource cycle

Basic approach

Mitsuuroko Group promotes the 3Rs (Reduce, Reuse, Recycle) throughout the Group. We are strengthening our commitment to resource recycling in our various business activities.

● 3R promotion initiatives

1 "Save Bread" to reduce food waste

Azabujuban Mont-Thabor believes that, "as lovers of bread and the Earth, we cannot waste the bread we have made with our own hands so easily." This is why any bread that was previously discarded daily due to being out of standard (minor aesthetic imperfections or browning) despite having no quality issue, or any bread that did not sell, are now called "Save Bread" and sold at a reasonable price.

This initiative will help reduce food waste and environmental impact, as well as provide an opportunity to try Azabujuban Mont-Thabor's bread at a discount.



2 Launched vending machine for frozen out-of-standard breads

In April 2022, Mont-Thabor Kugenuma Kaigan Store (Fujisawa-shi, Kanagawa) introduced its first frozen bread vending machine, with the aim of providing the delightful experience of enjoying homemade bread, readily available as a convenient and eco-friendly snack. Frozen bread and frozen dough made of 100% domestically produced wheat are readily available for purchase 24 hours a day. We will also contribute to the reduction of food waste and environmental impact by offering out-of-standard bread.



3 "Sustainable Real Estate Management" initiatives to reduce furniture waste

MITSUUROKO Co., Ltd. is working with Social Interior Inc., a furniture subscription service and off-price

market provider, on sustainable real estate management that reduces furniture waste.

Initiatives

1 Procurement of furniture for designing space in real estate business through subscription

By not owning the furniture needed for income-producing properties, and by utilizing the subscriptions service offered by Social Interior Inc. to promote the collection and secondary use of furniture when it is no longer wanted in the future, we aim to make effective use of resources.



2 Reducing the hassle of owning furniture needed by property users, collecting unwanted furniture, and reusing it

We will progressively make the Subslife furniture subscription service of Social Interior Inc. available to tenants and users of rental apartments, office buildings, and commercial facilities operated by MITSUUROKO Co., Ltd. at discounted prices. This reduces the users' initial setup fees, the hassle of ownership, and the hassle of arranging for disposal when no longer wanted. At the end of the period, Social Interior Inc. will collect the furniture and promote its secondary use in its off-price market, Subslife Off Price.





Promotion of resource cycle

4 Bowling pin reuse contest and reuse education in elementary schools

In May 2022, as part of the Rain-Bowling Project^{*1}, a sustainable activity using discarded bowling pins, Mitsuroko Sports Co., Ltd. held the Bowling Pin Reuse Contest^{*2} in cooperation with the Kanagawa Shimbun. After careful screening of 161 applications, 19 winners were awarded prizes.

The grand prize winner, Yamoto Elementary School in Yokohama-shi, held a Rain-Bowling class (an original bowling game that allows students to learn how to reuse discarded pins while having fun playing) as part of their 4th grade class on SDGs. (Held in November 2022)

We will continue to promote the project with the aim of contributing to the local communities and the environment.

^{*1} A project to provide children in Yokohama-shi with opportunities to experience the SDGs through play using discarded bowling pins

^{*2} A project to invite application for reuse ideas on new ways to reuse bowling pins, of which approximately 500 are discarded by Hamabowl each year. A contest aiming for the realization of a sustainable society



Rain-Bowling Project image characters
Pinfany & Pinbow

6 Flower installation: Smile Flower Bath installation

SPA EAS: Yokohama Tennen Onsen supports the Smile Flower Project, an initiative to save flowers that would otherwise be discarded as out-of-standard products or wasted due to the shrinking market caused by the pandemic. At the entrance, flower baths (*hanachozu*) are created and displayed according to the season, welcoming guests in a festive manner.

In addition, events aimed at raising awareness of the project included a popularity contest for flower art and a stamp collecting game, creating a cycle that links the smiles of employees, flower farmers, and customers through the flower decoration initiative.

We will continue to strive to recycle resources and enhance the value of facilities with ideas that capture current trends.



7 Promotion of recycling of used paper and clothes

Lock+Store supports the activities of SG Recycle Pte Ltd*, a company involved in the recycling business, and is the first self-storage provider in Asia to install two of SG Recycle's robotic waste collection machines (one for used paper and one for used clothes) at its Chai Chee facility.

* SG Recycle Pte Ltd has installed more than 100 robotic waste collection machines throughout Singapore. Users can obtain point return services in exchange for used paper and used clothes.



Supply chain

Green and eco-friendly projects initiatives

Japan Enagic Co., Ltd., in which our Group company Logitri Holdings Co., Ltd. holds a 20% share, has participated in the Tokyo Trucking Association's Green-Eco Project*. Through the elimination of complicated deliveries, and promotion of continuous eco-driving activities, Japan Enagic Co., Ltd. has reduced the travel distance by 4.6%, reduced fuel consumption by 8.9%, improved fuel efficiency by 4.71%, and reduced CO₂ emissions by 288 tons (CO₂ absorption equivalent to 20,600 cedar trees) in FY2021 compared to the previous year.

In addition, in the "Tokyo Freight Forwarding Evaluation System" conducted by the Tokyo Metropolitan Government, it was awarded "one star (☆)" for its efforts to reduce CO₂ emissions in FY2021. We are aiming to achieve "environmental CSR (management improvement from the environment)" with

a focus on social contribution and social responsibility by raising the environmental awareness of each and every employee, including management, supervisors, and drivers.



* A project launched by the Tokyo Trucking Association that incorporates unique CO₂ reduction initiatives in order to contribute to the prevention of global warming. The project aims to build a database from the fuel consumption data collected for each vehicle and engage in initiatives such as the promotion and support of continuous eco-driving activity, the reduction of CO₂ emissions, the reduction of costs through the improvement of fuel efficiency, and accident prevention.

Effects of Japan Enagic Co., Ltd.'s activities
<http://www.tta-gep.jp/search/?p=5333>

Bowling Pin Reuse Contest

The Bowling Pin Reuse Contest, a cooperative project with Kanagawa Shimbun, was held in May 2022. After careful screening of 161 applications, 19 winners were awarded prizes.



Grand prize (1 winner)



"Bowling Alley in the Forest"
by Ms. Ikeda, Yamoto Elementary School, Yokohama-shi

Excellent prize (5 winners)



"Unique pots of bowling pins"
by Ms. Kosai
* Four other applicants received the award.

5 EAS café promoting elimination of plastic and local production for local consumption toward becoming a sustainable cafe

In FY2022, we eliminated all conventional plastic cups and replaced them with paper cups and paper straws*. In addition, in purchasing ingredients, vegetables are procured from local stores in Yokohama-shi, and only the necessary amount is harvested through hydroponic cultivation using the plant cellar within the EAS café, thereby reducing food mileage and food waste. We will continue to operate our facilities with an awareness of our contribution to the environment and the local community.

* In order to maintain service quality and ease of drinking, we have introduced stainless steel tumblers instead of paper cups for some alcoholic beverages in response to customer feedback.



Social

Since the founding, Mitsuuroko Group has operated business based on the concept that human resources were the source of our growth and our greatest asset.

To ensure stable and reliable services, we do everything we can and should, no matter how small, to co-exist with local communities and realize a safe and secure society. We hope to contribute to a bright future, beautiful planet, and an affluent society.

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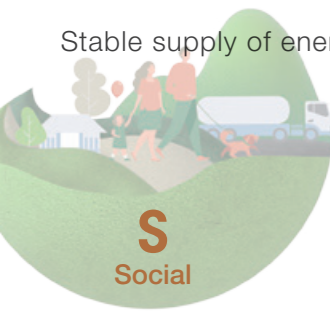
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Main target management indicators (KPIs)

Increase the number of locations with the Christel Vie Ensemble Foundation donation boxes Yearly target Increase from 11 locations (the number of locations in 2021)	Contribution to local communities and society (community cleanups, etc.) Yearly target — <small>* The “—” symbol indicates a qualitative target.</small>	Number of drills conducted in relation to confirmation of safety Yearly target Twice a year (for all employees)
Rate of receiving regular medical examinations Yearly target Continue to provide 100%	Rate of receiving thorough examinations FY2023 Target 90%	Rate of maintaining proper weight FY2023 Target 80%
Rate of undergoing stress checks FY2023 Target 100%	Rate of smoking FY2023 Target 18%	Rate of regular exercise FY2023 Target 40%
Rate of parental leave taken Yearly target Female employees: Continue to provide the yearly target of 100% Male employees: FY2023 target 20%	Ratio of female employees FY2026 Target 33%	Ratio of female managers FY2026 Target 11%
Number of diversity training conducted FY2022 Target Once a year for all employees	Number of career seminars conducted FY2022 Target Once a year for female employees in their late 20s	Number of maternity leave and parental leave training conducted FY2022 Target Once a year for managers





Stable supply of energy/electricity

Basic approach

The Group is striving to build an energy supply chain that is sustainable under any changes in conditions irrespective of normal times or emergencies and provide our safe and secure services that are closely related to regions.

Stable procurement of LPG and petroleum products

75% of LPG is imported from overseas. The Group has entered a yearly procurement agreement with import companies. The Group stably procures LPG that meets Japanese Industrial Standards and simultaneously stores approximately 90 days worth of gas at the import company and government, and approximately 60 days worth of gas at the warehouse in order to respond to geopolitical risks.

Also, the Group has entered agreements with multiple import companies regarding petroleum products. The Group secures petroleum products of quality, proactively imports heating oil that fulfills standards of certifying associations in Japan and overseas, and maintains a structure that prevents obstacles in fuel supply. In addition, the Group stores fuel at our own bases.

Stable supply of LPG and petroleum products

Within our logistics infrastructure, we transport LPG from the port hub of the import company to our filling stations under an exclusive contract with a transportation company and deliver from our filling stations to our customers. We are striving to provide stable supply of petroleum products to our customers by entering into charter agreements with petroleum transportation companies.



Stable supply of electricity

In accordance with major changes to the energy environment, including electricity and gas systems renovations, the Group believes that the stable and secure supply of electricity is even more important.

In order to ensure the stable procurement of electricity, we are constructing an optimized electricity portfolio that combines in-house power supply and the mutual purchasing, etc. from independent power plants. We have developed a scheme to continue providing electricity in a stable fashion through both long-term electricity agreements and short-term electricity agreements based on mutual cooperation with independent power plants. At the same time, we will utilize multiple systems, such as swaps, futures, and the BL market to improve the stability of electricity supply. In addition to renewable energy, we have also considered transactions in the LNG power, coal power, and Japan electricity wholesale markets as we aim for the best mix of energy.

Cooperation with related business operators

We strive to execute regular information exchange and strengthen relationships with power generation business operators and power companies. We have also implemented a system to simplify procedures of construction companies in order to ensure construction proceeds smoothly in the case of the customer changes their electricity facilities.

Upon procuring wood biomass that will become fuel in biomass power generation, we have established a system of long-term stable procurement with management by a skilled forestry-related business operator that is also a supplier.

At the same time, we are strengthening relationships with partners who sell electricity and are making proposals for sales menus such as the green menu (carbon-free menu).

the most important task is confirmation. Confirmation and reconfirmation by pointing is done covering all aspects from the vehicle surroundings to sources of heat and obstacles around where the cylinders are installed, truck elevators, the transportation route, smells around the cylinders, and detailed parts.

Under the slogan of "Taking up the challenge to achieve zero accidents in all areas with the highest priority on safety and security," the entire Logitri Group is working hard to achieve no accidents and traffic violations, and to ensure safe driving and reliable delivery operations every day.

Transportation security management

The Group has established logistics companies in Tohoku, Kanto, Chubu, and Kansai regions. The holding company Logitri Holdings Co., Ltd. owns each of them as the Logitri Group, which realizes stable supply of energy through safe, secure, and prompt logistics services.

We also hold a delivery skills contest to spread awareness of security, ensure the implementation of reliable inspection services as an accredited security organization, and to further improve the quality of delivery operations. The contest comprises acts actually involved in transportation. Everything from vehicle driving, customer interaction, careful stock taking, speedy and careful delivery and installation of compressed gas cylinders is subject to judging. Within these processes,

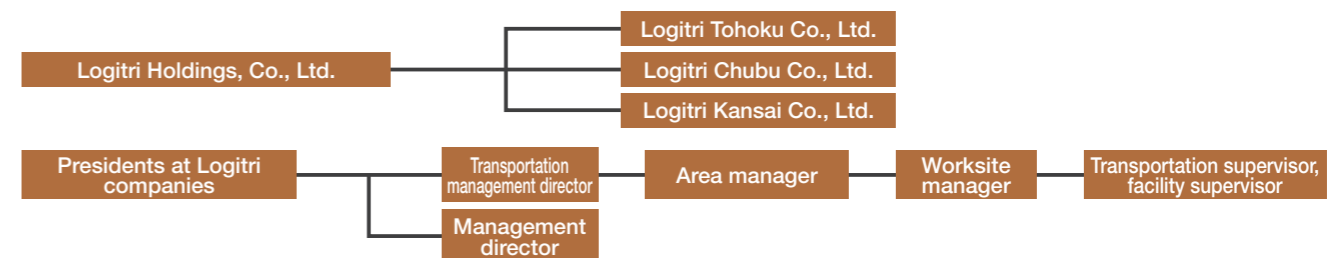
Transportation safety management safety basic policy

Slogan		Targets / achievement status		
<p>Taking on the challenge to achieve zero accidents in all areas with the highest priority on safety and security</p>		1	Contribute to society by taking up the challenge of eliminating accidents and disasters	
		2	Safety is prioritized in all operations	
		3	No trust without safety	
Safety measures		Targets / achievement status		
Important safety measures	Details of implemented measures	Targets for this year	Achievement status	
1	Maintain safety at existing facilities Implement risk assessment	1	Reduce vehicle accidents Zero severe accidents Reduce other vehicle accidents by 50% or less compared to previous year	Establish safe driving through introduction of drive recorders
2	Spread awareness of transportation safety management 1) Secure certified personnel according to law (Transportation supervisors, construction supervisors, C-grade chemical managers, health and safety promoters, workplace accident prevention supervisors) 2) Educate on transportation safety management system 3) Implement internal audits 4) Hold open safety conferences	2	Thorough implementation of transportation safety management system Educate employees to spread awareness to all employees	Spread awareness through internal audits and training
3	Promote workplace voluntary activities 1) Implement safety measure meetings (training on accident examples) 2) Implement near miss activities (implement as risk detection training) 3) Implement operation of 5S (sort, set in order, shine, standardize, sustain)	3	Acquire and renew G Mark (excellent safety workplace)	Acquired transportation business accreditation at all 38 worksites Tohoku region: 10, Chubu region: 5, Kansai region: 2
4	Secure safe operations 1) Effectively utilize drive recorders 2) Implement accompanying guidance 3) Educate drivers 4) Implement delivery skills contest with nationwide worksite participation	4	Implement traffic safety measures meetings 1) Research actual accidents and prevent recurrence 2) Report details of meetings to headquarters	Conduct analysis and report to headquarters at safety measures meetings
5	Uniformization of container exchange work 1) Implement accompanying guidance 2) Educate drivers	5	Implement near miss activities 1) Utilize driver reports and drive recorder videos 2) Utilize in accident prediction training	Promote near miss activities
6	Implement health checkups Implement regular diagnoses and follow-up checkups	6	Share information Prepare internal postings (organizational charts, annual targets, posters)	Spread awareness by posting annual targets, etc.
7	Implement aptitude diagnoses Implement general, initial, age, and specified diagnoses for all drivers (implement again in 2 years)	7	Implement risk management 1) Improve internal and external facilities (Risk assessment) 2) Develop and spread awareness of crisis management measures and prevention measures	Extract issue areas and implement countermeasures
8	Publish and share information 1) Update home pages 2) Utilize internal postings	8	Implement IT inspection system	Implement at some worksites
9	Implement emergency response training 1) Develop manual 2) Implement training			
10	No accidents and traffic violations awards 1) Acquire driver record certification (3 years) 2) Award at safety meetings			
11	Initiatives for environmental contribution business Participate in Tokyo Trucking Association's "Green and eco-friendly projects" and introduce awards system			

Organizational system to secure transportation safety

Logitri Holdings Co., Ltd. views transportation safety management as an important mission, acknowledges it as an important area where top management should be

directly involved, and has established a management structure in order to issue prompt and clear directives.





Safety assurance and quality control for customers

Basic approach

● Energy

Mitsuo-roko Group takes efforts to secure safety under a basic policy that there are “no sales without security.” To prepare for emergency situations, such as gas leaks, the Company has built a 24 hours a day, 365 days a year emergency dispatch system and has established a strong security system to prepare against all situations to ensure customer safety. As laws and regulations are revised over time, we will constantly transmit and support the newest information on how to strengthen safety systems, heighten awareness of disaster prevention, and advance voluntary safety measures.

● Electricity

In each power plant, we are continuing efforts to achieve no accidents and disasters at all sites by implementing and confirming site patrols by safety promoters, crisis detection actions, pointing / calling, compliance of laws and regulations, voluntary safety / security audits, and 5S activities.

● Foods

Mitsuo-roko Group performs product design from customer perspectives and sufficiently confirms the safety of the products and manufacturing process to deliver safe, secure, and delicious products to customers. In each Group plant, we take efforts for ongoing improvement of issues extracted and regular internal audits based on proprietary food security audit standards in addition to our daily quality control.

● Real estate

In addition to development and leasing of residential homes, office buildings, and commercial facilities, Mitsuo-roko Group offers proposals to expand the range of people’s lifestyles and aim for harmony between regions through business. We pay close attention to not only the quality of buildings, but also the quality of services provided to customers as we take ongoing efforts to improve customer satisfaction.

● Wellness

We pursue Customer Delight and have established the 4S (Safety, Smile, Special, and Surprise) as important indicators in the Wellness Business.

- Safety: Safety is prioritized in all things.
- Smile: Facilities where customers and staff naturally smile.
- Special: Giving hospitality to special people.
- Surprise: Small joys one after another can move the hearts of customers and employees alike and create sharing of touching moments.

Structure for safety assurance and quality control

● Energy

The Group positions security as its most important mission as an energy solutions business operator, acknowledges it as an important area where top management should be directly involved, and has established a management structure. In order to ensure safety, we have given direct authority of the security management department to the President of Mitsuo-roko Vessel Co., Ltd., who will issue prompt and clear directives. We are efficiently managing 36 filling stations and 70 stores and have centralized response to customer inquiries and messages at specialized call centers.

● Electricity

Regarding supply and demand of electricity, we have constructed a system that enables cooperation with power transmission companies to boost the security of electricity supply. In the power generation business, we have staff working by shifts at plants 24/7 as well as remote monitoring from headquarters. By this, we have constructed a system capable of constant monitoring of power plants as we take efforts to secure the safety of our power generation business.

● Foods

The company formed hazard controls (HACCP) teams at each plant in the bottled water business division, completed products were removed by lot, given voluntary inspection for micro-organisms, and shipped if they passed the examination. We are striving for quality maintenance and management, such as implementing regular inspections of water sources and products by external public institutions. In inspections, inspectors with proper training, knowledge, and skills use specialized equipment for chemical analysis, micro-organism analysis, and foreign substance analysis. The company rigorously selects “ingredients that have a clear distribution path” and implements “safe and secure management of owned kitchens” in the operation of restaurants, in-facility stores, cafeterias, DELICATERIA, voluntary chain stores, a hamburger restaurant chain, fresh bakeries and cafés, and more, all run under the Foods Business. In product development, use external “eyes” to perform “food product examination that pursue safety” and make daily improvement to aim for these HACCP management quality standards.

● Real estate

The Company has constructed a structure based on quality control standards in the planning and operation of businesses to deliver “safety and security” to customers. In terms of planning, the Company prepares an annual plan of laws and regulation inspections and a yearly repair plan and conducts regular checks to ensure these plans are properly implemented. At the same time, in terms of operations, the company not only performs regular equipment inspection and corrective work, does patrol inspections, reports, installs security cameras, and implements regular cleaning through a management company, it also introduces, updates, and eliminates specialized and shared equipment, such as LED lighting, as necessary. We have formed a system to confirm the status of damage during natural disasters such as earthquakes or flooding through a management company. The Company is striving to prevent damage by implementing water gates and water sealing plates on properties with a relatively high risk of flooding.

● Wellness

The Company has constructed a structure that can respond to various situations in order to ensure the safety of customers. During morning meetings, employees learn to use AED and CPR to prepare for emergencies. In addition to training of hot springs facilities, Company employees and tenant store employees gather twice a year and confirm the evacuation path during emergencies. At Yokohama Tennen Onsen SPA EAS, the Company changes the hot springs water each day, performs bi-annual water quality examinations, and uses mild materials to create an environment where customers feel comfortable to use the facilities with confidence. Also, the Company has implemented “Onsen IoT” that can display the status of crowding on mobile devices or internal displays by counting in real-time the number of users in each location through a stereo camera installed in key areas in the facility (a hot-stone spa, break areas, co-working spaces, etc.). Because customers can check on the status of crowding in the facility using the specialized app, it is possible to use facilities while avoiding crowds. This is very helpful in preventing the spread of COVID-19.

Initiatives for safety assurance / quality control

	Development of strict internal standards (Mitsuo-roko Standards) that go beyond laws and regulations	Based on the frequency of legal inspections (at least once every four years) established in the Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas, Mitsuo-roko Group performs advanced management two months before. We strive to ensure safety and not exceed legal deadlines in case of emergency in accordance with customer circumstances.
Energy	Thorough expiry management for provided equipment	Mitsuo-roko Group performs manufacturer guarantee expiry management on all provided equipment, including adjusters, high / low pressure hoses, alarm devices, etc., in addition to expiry management for gas meters as established in laws. Through this, the Company aims to eliminate equipment malfunction due to deterioration over time.
	Measures to eliminate carbon monoxide poisoning accidents	When using gas equipment that has deteriorated over time and does not have a safety device (incomplete combustion prevention device), there is a risk of carbon monoxide poisoning due to incomplete combustion of the LPG. The Group strives to eliminate carbon monoxide poisoning accidents by regularly spreading awareness of safety and promoting exchange of related equipment for customers who use gas equipment that does not have a safety device. Also, the Group is taking efforts for safety management by promoting installation of operational ventilation alarm devices for commercial kitchens, etc.
Foods	Acquisition of a food safety management standard	In the bottled water business division, we have acquired JFS-B certification, a food safety management standard, in our Yamanakako Plant, Narusawa Plant, and Gifu Yoro Plant. The Ihara Factory and Okitsu Factory of Shizuoka Mitsuo-roko Foods Co., Ltd. which are new additions to the Group, have acquired FSSC (international standard on food safety management system), and both plants manufacture and sell products with the focus on providing safe products to our customers. * JFS certification is a food safety management standard from Japan that is aligned to international standards and centers on the three axes of food safety management system (FSM), hazard controls (HACCP), and good manufacturing practice. It was developed by the Japan Food Safety Management Association (JFSM), which was established under the guidance of the Ministry of Agriculture, Forestry and Fisheries. * The FSSC standard stands for Food Safety System Certification and is a system standard for food safety developed by the Foundation FSSC22000. The standard is approved as one of the food safety certification schemes by the Global Food Safety Initiative (GFSI), a non-profit organization led by the food retail industry.
	Selection of business partners and initiatives	In the selection of business partners, the Group makes decisions through proper and fair procedures, based on the JFS-B certification related to food safety, in order to meet stakeholder expectations and contribute to society in terms of the procurement of raw materials, in addition to quality, cost, deadlines. Carl's Jr. Japan Inc., which operates a hamburger restaurant chain, uses 100% Australian beef in its beef patties as it focuses on high quality materials that are safe and secure. Australia is the top beef exporting nation in the world. It has been proactive in initiatives toward safety of beef products, quality control, and traceability. Beef is produced under the strictest management structure in the world, from ranches to consumers. By selecting only the best suppliers from Australia, it can provide safe and high-quality beef. The Company will continue to develop a relationship of trust so that we can gain the understanding and cooperation of business partners.
Real estate	Measures for customer satisfaction	In order to provide properties with added value that will satisfy many customers, the Group is proactively introducing features to both new and existing properties, such as Wi-Fi connectivity, car sharing services in the rental apartment grounds, a call center that can respond to tenant requests 24 hours a day, measures to prevent illegal entry of suspicious persons through elevators that only stop on certain floors and have a hands-free system, introduction of energy-saving products, such as air conditioning equipment that limits energy output, and water-saving toilets. The common area has also been renovated and turned into a lounge with a library and theater room for residents' use. In our commercial facilities, we aim to be more closely connected to the community through sponsorship and participation in local events and publication in local magazines. The Group collects the opinions of tenants and customers by proactively establishing information sharing and communication opportunities with tenants, such as monthly store manager meetings where the representatives of in-facility stores gather. Through this, the Group is taking efforts to create facilities that are easy to use. We introduce various measures to reflect the voices of customers into business activities and are striving to improve customer satisfaction as we proceed with quality improvements from a customer point of view.
Wellness	COVID-19 measures	At SPA EAS and Hamabowl, we disinfected the facilities and applied anti-bacterial / anti-viral glass coating in January 2021. This glass coating has cleared the SIAA standards (safety of antibacterial processed products) and is highly safe. We also increased the pace of facility sterilization to once every 60 minutes and maximized ventilation. Also, in SPA EAS, we introduced IoT for customers to remain safe and avoid crowded areas by visualizing the crowding in each area.



Disaster prevention measures

Basic approach

Mitsuroko Group has constructed an emergency dispatch system that operates 24 hours a day, 365 days a year to prepare against unexpected trouble, such as gas leaks. We have established a strong security structure to prepare against any situation in order to ensure the safety of customers. To strengthen resilience and respond to electricity supply constraints and natural disasters that have grown wider in scope and more intense recently, the Group reinforced the supply infrastructure, including self-defense capabilities, and strengthened the link with business operators for quick restoration. The Group is further strengthening structure-building and supply-demand adjustment function to secure stable supply of energy in times of disaster.

Disaster-resistant LPG

LPG can be carried by filling canisters. It is known as a “distributed energy that can be used independently” and inspected and repaired on an individual basis in times of disaster. Mitsuroko Group is strengthening disaster response measures and established a strong system to minimize the impact of disaster on customer lives.

Earthquake countermeasures

LPG is known as an energy that is resistant to earthquakes. However, the Group promotes the installation and attachment of safety equipment, including microcomputer meters, to prepare against unexpected circumstances. We have established an emergency dispatch system that operates 24 hours a day, 365 days a year through a call center.

Storm and flood measures

The Group is strengthening the below measures to prevent leakage of LPG containers through storm and floods.

- 1 Install disaster prevention nets to prevent leakage from platforms and secure lashing belts at LPG container filling stations.
- 2 For LPG containers installed in customers’ homes, we check for flood risks using hazard maps and register this as customer information. We secure double canister chains and promote the attachment of tension-type high-pressure hoses as disaster canister leakage prevention.

Introduction of safety confirmation system (emergency call system)

Mitsuroko Group has introduced a safety confirmation system (emergency call system) at all business companies, not just in the Energy Solutions Business and Power & Electricity Business. The Group has constructed a system that can confirm the safety of employees by PC or mobile phone, speedily confirm the safety of employees or their family members, and quickly take action for customer response and business continuity.

Development and application of business continuity plan (BCP)

Mitsuroko Group has developed a BCP and disaster response manual to prepare against large-scale disasters and the recent spread of COVID-19. The Group regularly confirms the communications system and important facilities, conducts accident response training and dispatch training, and maintains a constant awareness to respond smoothly to emergencies.

- Confirmation of safety and grasping damage status
- Installation of emergency response headquarters in times of disaster
- Disaster manual (action flow)
- Implement business continuation strategy based on the degree of impact on business

Implement disaster prevention drills

All Group companies conduct disaster prevention drills (group training or safety confirmation drills) at least once a year, remain highly aware of disaster prevention practices, and ensure that they can communicate and take action without issue in times of disaster.

Disaster prevention measures at power plants

Mitsuroko Green Energy owns wind power plants, biomass power plants, and solar power plants. Therefore, it has established emergency response standards and prepared a disaster response manual for the objective of forming a response organization that can respond promptly and properly when natural disasters, fires, and explosions occur at power plants.

Under the basic policy, in case of a disaster, all Company employees come together and take efforts to contribute to local communities, preserve company assets, prevent secondary disasters, quickly restore equipment, and prevent reoccurrence of disasters as well as prioritize saving human lives.

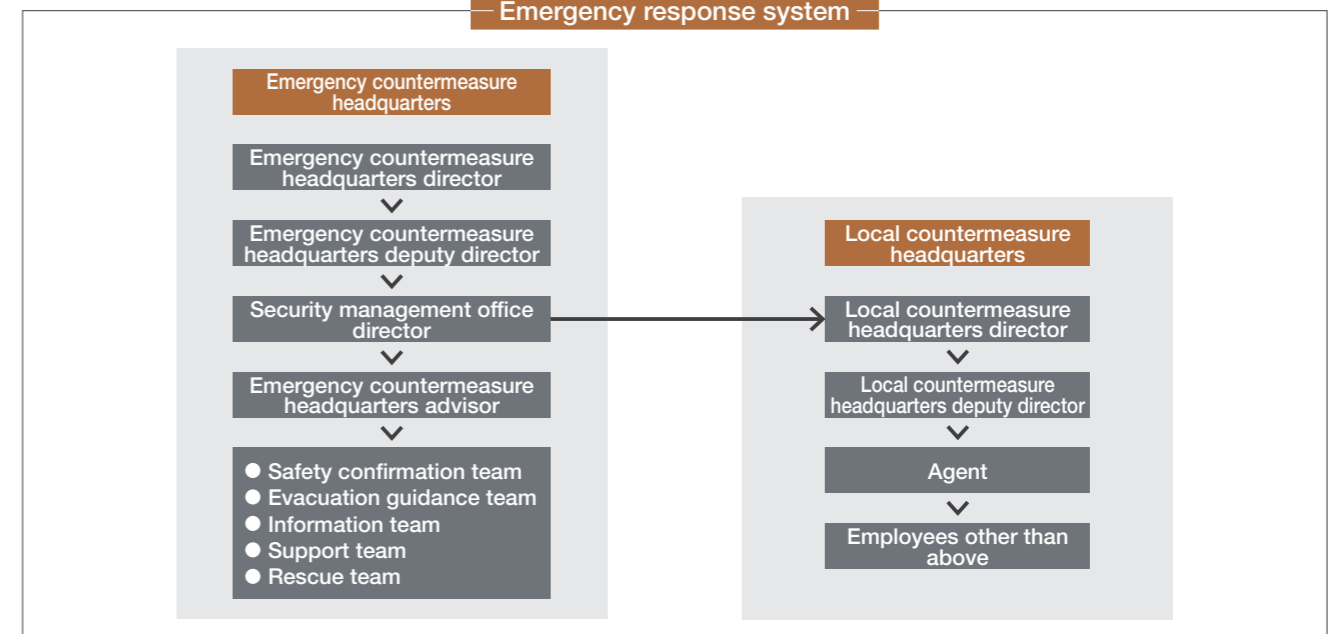
In the following cases, the Company shall adopt an extremely strict system, such as establishing an emergency response organization automatically during disasters, regardless of the status of damage. In addition, the chief officer can establish an emergency response organization when deemed necessary to

attend to the response.

- An earthquake with an intensity of lower 6 or stronger (on the Japanese scale of 7) hits areas where power plants are located.
- Alarm declaration based on large-scale earthquake countermeasure special mechanism and warning related to Tokai earthquakes issued

Also, the security management office manages the emergency countermeasure headquarters and local countermeasures headquarters to prepare against emergencies. This office regularly holds disaster prevention drills for cases of severe disasters at power plants with headquarters. Specifically, the office holds “alarm training” and “disaster prevention drills” at least once per year, heightens awareness of disaster prevention among employees, and takes efforts for education.

Emergency response system



Opening of Nagano Office (BCP measures)

Mitsuroko Creative Solutions Co., Ltd. opened the Nagano Office of Mitsuroko Administration Center in Nagano-shi, Nagano, in July 2022, as an addition to the Mitsuroko Administration Center in Saitama-shi, Saitama, which is the shared services division of Mitsuroko Group. While we continue to upgrade our operations and make them efficient by centralizing the operations that have been dispersed throughout the Group companies, through the opening of the

Nagano Office, we have established a system that avoids the risk of interruption in our operations due to centralization when struck by disaster, etc., so that operations can continue in the event of an emergency. We have established a system that allows us to shift to pre-determined operations in an emergency by activating the BCP program if it becomes impossible to carry out operations in Saitama-shi, Saitama.



Respect of human rights

Basic approach

In the “Charter of Corporate Ethics,” Mitsuuroko Group has established the rule to respect the personality and individuality of employees and create a comfortable and fulfilling work environment and has respected human rights and acted without discrimination.

In recent years, through various activities, there has been a spreading awareness of human rights that view “humans as human.” There is an increased understanding for the need to respect human rights as much as possible.

Under these circumstances, Mitsuuroko Group believes that it is important to perform business activities in accordance with international codes regarding human rights to prevent any sort of human rights issues in the relationship with all stakeholders, including not only employees, but also business partners and customers, as we aim to further improve corporate value.

Mitsuuroko Group Human Rights Policy

Based on the management philosophy of “As a Lifestyle Producer, we consistently conduct our business with integrity and from the customer’s perspective” and the Charter of Corporate Ethics, Mitsuuroko Group is taking efforts to realize lifestyles that are gentle on humans and the Earth by providing new value for society and

consumer needs.

We have established the “Mitsuuroko Group Human Rights Policy” to respect the human rights of all people either directly or indirectly related to all processes in our business activities. We will continue to take efforts to respect the human rights of various stakeholders.

Mitsuuroko Group Human Rights Policy

1 Basic principles

Mitsuuroko Group promotes initiatives that comply with the United Nations’ “Guiding Principles on Business and Human Rights,” and pursues a method to maximize the respect of international human rights codes, including the OECD’s “Guidelines for Multinational Enterprises,” the ILO’s “Declaration of Principles concerning Multinational Enterprises and Social Policy,” and the United Nations’ “International Bill of Human Rights.”

Along with complying with the laws and regulations of countries/regions where the Company performs business activities, we also pursue a means to respect international human rights codes when there are contrasts between them and the laws and regulations of the country/region.

2 Application scope

This policy applies to all officers and employees of Mitsuuroko Group. Mitsuuroko Group also requests that all stakeholders respect and refrain from violating the human rights of others.

3 Respect of human rights in business activities

Mitsuuroko Group strives to avoid or mitigate the negative impact on human rights of all stakeholders related to Mitsuuroko group in all processes of business activities. The Group aims to construct a value chain that can fulfill the responsibility to respect human rights established in this policy.

4 Human rights due diligence

Mitsuuroko Group identifies the impact of its business activities on stakeholder human rights and strives to prevent and mitigate issues by continuing the construction/operation of human rights due diligence systems.

5 Aid

Mitsuuroko Group takes efforts to aid and correct negative impact or the possibility of negative impact on human rights of stakeholders in its business activities.

5 Disclosure of information

Mitsuuroko Group discloses information through its website, including the progress status of its own human rights respect initiatives and those results.

7 Dialogue and consultation

In the development of this policy, Mitsuuroko Group utilizes expert knowledge related to human rights from independent, external institutions and earnestly holds dialogues and consults with related stakeholders.

8 Education / training

Mitsuuroko Group performs appropriate education and training of officers and employees, incorporates this policy in all business activities, and effectively executes it.

9 Important themes related to human rights in Mitsuuroko Group

Mitsuuroko Group has established important themes related to human rights below and aims to realize a work environment that feels worthwhile and respects human rights.

(1) Prohibition of discrimination / harassment

Mitsuuroko Group does not accept any sort of discrimination or harassment on the basis of race, ethnicity, tribe, nationality, religion, beliefs, origin, gender, age, disabilities, or sexual orientation, etc.

(2) Prohibition of child labor / forced labor

Mitsuuroko Group prohibits child labor, forced labor, human trafficking, and other improper labor practices.

(3) Respect for basic rights of labor

Mitsuuroko Group respects the basic rights of labor of employees, including the freedom of association, rights to unionize, and rights of collective bargaining.

(4) Promotion of diversity and inclusion

Mitsuuroko Group respects each employee as an individual and strives to establish a work environment where employees can do their best to maximize their capabilities and utilize their differences.

(5) Initiatives to ensure safe work environments and health-focused management

Mitsuuroko Group aims to ensure a pleasant, safe, and hygienic workplace environment and to create a workplace where each and every employee can work energetically and vigorously in order to lead a healthy and cheerful life both mentally and physically.

(6) Support for work-life balance

Mitsuuroko Group strives to support the realization of work-life balance for each employee.

Initiatives on human rights due diligence

Based on its human rights policy, Mitsuuroko Group has established a system for human rights due diligence (hereinafter “human rights DD”).

1 Formulation of Human Rights Policy

In 2021, Mitsuuroko Group formulated and published its Human Rights Policy, which consists of nine provisions. It also stipulates 6 priority themes.

2 Direction of initiatives regarding human rights DD

Based on its human rights policy, Mitsuuroko Group is currently considering ways to establish a human rights DD system. Specifically, we are considering the following methods.

(1) Scoping (risk identification)

In the business activities of Mitsuuroko Group, there are a wide variety of human rights risks that our business activities involve or could involve due to the many stakeholders. To this end, we will work with personnel with expertise both inside and outside the Company to determine the scope of human rights issues to be investigated, including the type of issue, country/region, and product, taking into consideration a variety of factors.

(2) Data collection

We will gather information necessary for risk analysis, from both quantitative and qualitative perspectives, through engagement with stakeholders in an appropriate manner. We will strive to gather information, especially through dialogue with rights holders.

(3) Risk analysis

Based on the data collected in (2) above, we will analyze how we are or can be influencing rights holders. In doing so, we will also consider the types (implementation, facilitation, and involvement) that identify how we are involved with negative human rights impacts, and explore ways to address them according to their impact, leading to (4) in the next section.

(4) Monitoring (risk prevention/mitigation/correction)

There are multiple options for corrective measures, depending on the intensity of the negative impact on human rights and the type of our involvement. We will consider what corrective measures are appropriate for rights holders, and will review the appropriateness of those measures after the fact.

(5) Communication (reporting)

The status of human rights DD implementation will be reported regularly to the Board of Directors and disclosed on the official website and in the Sustainability Report.

3 Implementation in FY2022

No cases of human rights DD were implemented in FY2022. Although we have not yet established a specific system, we are conscious of human rights risks in our business activities and check for events that may have a negative impact on human rights through initiatives to deepen understanding of human rights, based on our human rights policy, such as human rights training and compliance activities at each company of the Group. We are also working to identify risks in individual businesses through interviews with experts and internal audits. In the future, we will establish and operate a specific human rights DD system based on the identified risks.





Health-focused management

Basic approach

Understanding that human resources are our greatest asset, Mitsuuroko Group considers the health management of employees, who are the source of our future growth as an important management issue. The Group respects that people face diverse life stages, aims to create workplaces for the autonomous and proactive management of their own health, and supports employee health promotion through various initiatives and information transmission. In the future, the Group will continue to perform various initiatives to promote physical and mental health that can prevent disease, establish workstyles that fit new normal, and promote enhanced health-focused management as a leading company.

Mitsuuroko Group Health Care Declaration

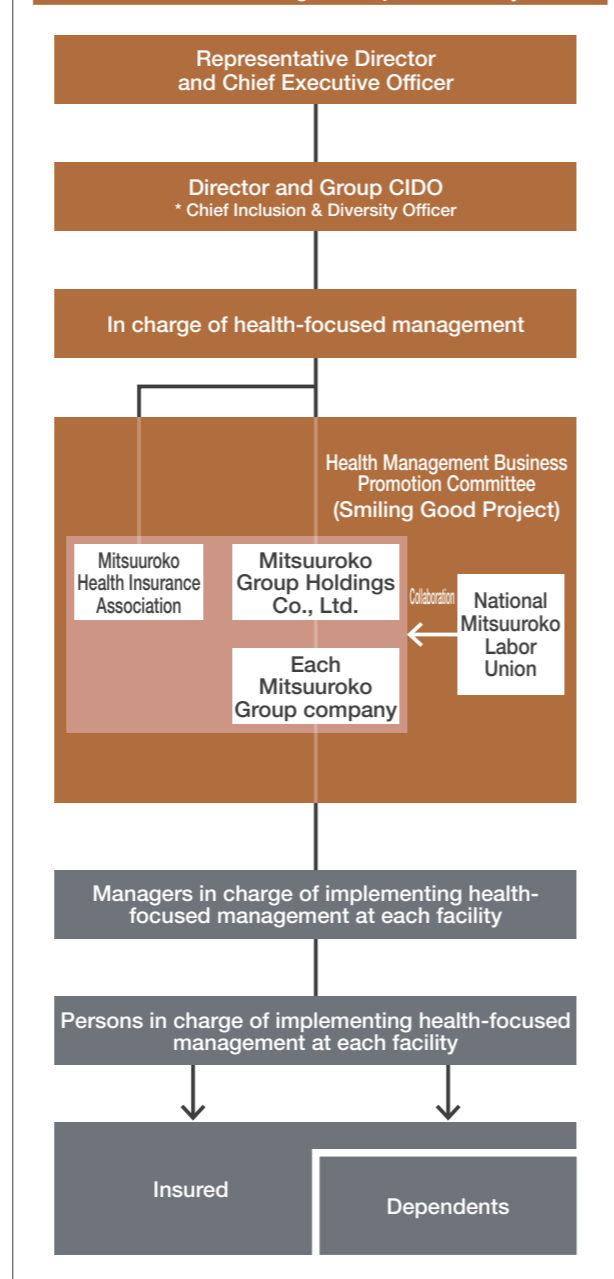
“We, Mitsuuroko Group, aim to create a workplace where each and every employee can work energetically and vigorously by working on health promotion in order to lead a healthy and cheerful life both mentally and physically.”

Mitsuuroko Group Health Promotion Activities Policy

Mitsuuroko Group wants to continue to be helpful to people's lives as “a Lifestyle Producer” by supplying stable energy, food and drink and real estate services. The Group also aims to be a company that makes customers feel “Every Day, Special!” where all employees have a mindset that each day is special and full of new opportunities. In order to realize this, it is essential for each and every employee to be healthy in body and mind. Mitsuuroko Group will continue to create a workplace environment where each employee can work in good health and promote initiatives that contribute to the health of employees.



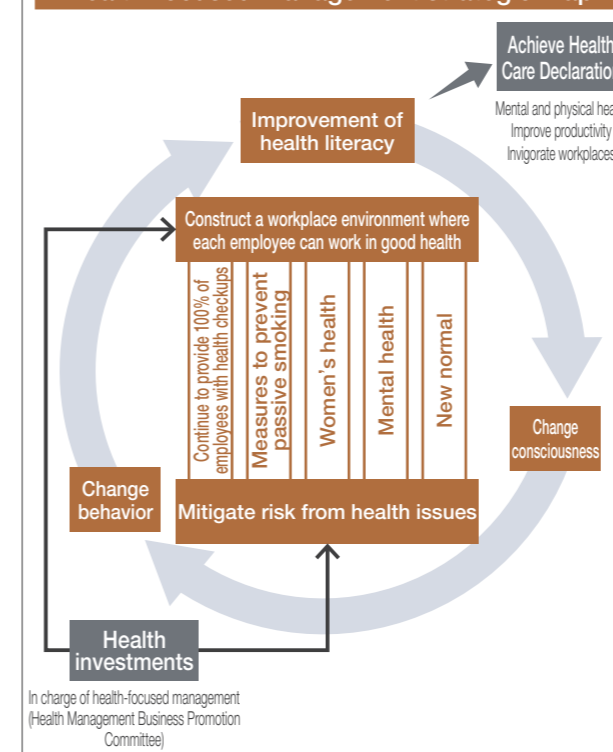
Health-focused management promotion system



Initiatives for health-focused management

- 1 Continue to provide 100% of employees with health checkups**
Mitsuuroko Group is working to ensure that 100% of employees receive health checkups and take post-checkup measures to prevent the severity of lifestyle-related diseases and support health promotion. In addition, as part of a collaboration with the health insurance association, the Group and association are working to distribute secondary examination diagnosis recommendation letters.
- 2 Measures to prevent passive smoking**
From April 1, 2020, the Group banned smoking at all Group companies during working hours. From October 1, 2021, we have implemented a total ban on smoking on our premises and eliminated smoking areas on the grounds. The Group will continue to take efforts to prevent passive smoking for employees, customers, and other related persons. From October 1, 2021, we also designated the 22nd of every month as No Smoking Day to prevent smoking for a day, both during work hours and in private. By stopping smoking for one day, smokers will hopefully reflect on their own smoking habits. Also, the Group aims to lower the smoking rate through seminars and support for anti-smoking outpatient visit expenses.
- 3 Women's health measures**
Seminars for female employees and managers of either gender are held on the themes of female health, life events, and careers. We support women's health and woman's participation and advancement through cervical cancer screenings for female employees during their regular health checkups.
- 4 Mental health measures**
In addition to internal consultation counters, the Group has established external consultation counters and established a system for mental health consultation by specialists through phone, e-mail, and interviews. Moreover, we have conducted mental health line care training for managers as we promote mental health care for employees.
- 5 Support for new normal**
We have created an environment through new work styles and promoted telecommuting that utilized ICT and prioritized safety and health of all stakeholders. Focusing on the mental and physical care during telecommuting, we have created a human resource and environmental structure for self-care management. While adapting to new value, we will promote health from multiple angles by enhancing health literacy.
- 6 Recent measures (from April 2020)**
 - (1) Provision of health-conscious meals**
At certain business sites of the Group, we provide "mini employee meals" that are light and health-conscious to support the health of employees through "food." The Group plans to expand the business sites where "mini employee meals" are introduced.
 - (2) Adult physical fitness test**
The Group held athletic seminars led by physical therapists. This was not only an opportunity to learn about self-care, including occupational care and mindfulness, but also measure "strength," "flexibility," and "balance" as participants looked back at their own health. In FY2022, we also participated in a walking event using a health care app and engaged in a month-long walking initiative. Participants who walked more than 200,000 steps in a month (approximately 6,500 steps per day) received a commemorative participation gift.
 - (3) Adult voluntary research (food contest)**
Employees cooked food based on the Mitsuuroko "triangle" logo for a company contest. Through this contest, employees could think about food, the fun of cooking, and nutrition. It aimed to invigorate communication between employees and families. The theme in FY2021 was onigiri (rice balls), and the theme in FY2022 was sandwiches.
 - (4) Radio calisthenics / hand clap**
Since FY2021, these have each been held online once a week, primarily for female employees. In addressing lack of exercise experienced with increased telecommuting, this also promotes communication through events and exchange.
 - (5) Opening of the Health-focused Management Room**
Health-focused Management Room has been opened since FY2021 on the portal site, containing information on health and details of the results of various events. Radio calisthenics videos are also posted on the website, allowing individuals to engage in radio calisthenics at their own leisure.

Health-focused management strategic map



Indicators related to health-focused management

Indicators	Actual				Target
	FY2019	FY2020	FY2021	FY2022	
Rate of receiving regular medical examinations	100%	100%	100%	88.3%	100%
Rate of receiving thorough examinations	56.5%	56.1%	74.4%	82.2%	90%
Rate of maintaining proper weight	62.6%	63.5%	62.9%	62.6%	80%
Rate of undergoing stress checks	97.5%	98.6%	100%	100%	100%
Rate of smoking	37.5%	33.4%	32.8%	32.0%	18%
Rate of regular exercise	23.2%	25.0%	24.8%	27.2%	40%

* FY2022 figures of actual results are as of January 31, 2023.



Health-focused management

Obtained certification as a Health & Productivity Management Outstanding Organization 2023 (White 500)

In March 2023, the Japan Health Council, in collaboration with the Ministry of Economy, Trade and Industry, recognized us as a “Health & Productivity Management Outstanding Organization 2023 (White 500),” which honors companies and corporations that practice excellent health-focused management. Based on the “Mitsuuroko Group Charter of Corporate Ethics” and the “Mitsuuroko Group Health Care Declaration,” the Group considers the support of the autonomous and proactive health management of employees from a management point of view and is working to promote health-focused management.



Obtained certification as Sports Yell Company 2023

The Group was certified as a “Sports Yell Company” from the Japan Sports Agency for being a company that proactively took measures for athletics in order to enhance the health of all employees. The Group advocates the goals as a Sports Yell Company, conducts radio calisthenics and aerobics in women’s groups, and conducts training, such as the “adult physical test.” In the future, the Group will proactively take measures for athletics in order to enhance the health of employees as one initiative to promote health-focused management.



Response to COVID-19 pandemic

The Group prioritizes the health and safety of customers, business partners, employees, and their families in each region across Japan, based on the headquarters. All employees share an awareness of preventing infection and the spread of the virus as the Group aimed to maintain an approximately 30% attendance rate, promote working in group shifts, remote work and staggered working hours, and

continue services for customers and security measures, and strove to maximize the retention of regional energy life lines.

The Group is also striving to prevent the spread of the virus by implementing best practices, such as encouraging basic anti-virus measures like masks, hand-washing, gargling, and applying disinfectant on the hands.

Message from External Directors

Improving corporate value through health-focused management

Director, Member of the Audit and Supervisory Committee (External) (Independent)

Yoshiyuki Kawano (physician)



A company gains the following four advantages from health-focused management initiatives.

1 Prevention of a drop in employee performance

When it comes to modern day work styles, we are in the midst of a reform phase particularly in terms of promoting digital transformation (DX) and adopting remote work arrangements. This has opened up possibilities with respect to a wide range of work styles, but has also given rise to working conditions that put employees under a lot of stress. Against this backdrop, it is possible to prevent a deterioration in employee performance while reducing the risk of mishaps and work-related accidents as well as productivity loss by having employees undergo health checkups where they are encouraged to embrace better daily habits, and by having them also undergo stress checks that help ensure early intervention when it comes to mental health issues.

2 Improvement of employee engagement

When a company declares its full support for employee health maintenance and improvement efforts and promotes specific measures, this will lead to greater employee job satisfaction, gratitude of their family members, lower turnover rates, and improved employee engagement.

3 Enhancement of corporate branding

A company is able to differentiate itself from its competitors by engaging in health-focused management under its ESG initiatives. Such practices are expected to contribute to improving corporate image, securing outstanding talent, improving customer satisfaction, and enhancing product branding.

4 Improvement of corporate business performance and share price

Japan’s Ministry of Economy, Trade and Industry has reported findings suggesting that implementing health-focused management may result in better performance in terms of return on assets (ROA)

and return on sales (ROS). Moreover, share prices of companies certified under the Health and Productivity Stock Selection have been shown to outperform the Tokyo Stock Price Index (TOPIX).

The Group has had a firmly established culture of valuing employees, whom it regards as human resources, ever since I first assumed my position. It takes a lot of time and perseverance for a company to develop such a culture, and the Group’s culture is the culmination of over 90 years of development. I believe we now have a business environment that will make it possible to implement more specific measures given that we have gained a common understanding regarding the notion that, when each and every employee works with vigor, it is possible to revitalize the company while also achieving perpetual corporate development. By establishing a health-focused management promotion system headed by the Representative Director and Chief Executive Officer in the midst of this business environment, we have set up a system for visibly advancing health-focused management thereby demonstrating our determination to promote healthcare initiatives throughout the company to both internal and external stakeholders. Above and beyond the initiatives of the company, I think it will be possible to achieve more intensive health-focused management if we involve a change in employees’ attitudes whereby they proactively manage their own health.

As a result of this, we will continue serving as a company that contributes to our local communities as a Lifestyle Producer, by providing environments where employees are able to work with vigor while employing systems to safeguard such human resources. As a doctor and an industrial physician, I am committed to supporting employees with respect to their mental and physical health and will emphasize the importance of preventative medicine.



Inclusion & diversity

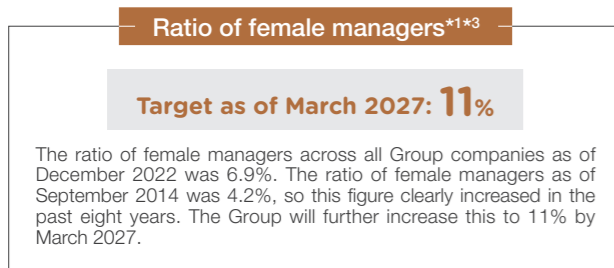
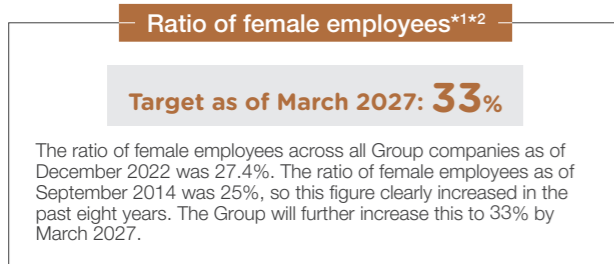
Basic approach

In order to provide good services to our customers as “a Lifestyle Producer” in a diverse society, we are promoting inclusion & diversity at the Group because we believe that it is essential to be a company where diverse employees can fully demonstrate their abilities and work with vigor.

Promotion of women’s participation and advancement in the workplace

1 Numerical targets

The Group took efforts to promote women’s activities as we aimed for the numerical targets announced on November 12, 2014. We once again established targets as follows in September 2021.



*1 The calculation of this ratio is based on a figure that excludes contract employees, part-time employees, and officers.
 *2 Excludes Logitri Tohoku Co., Ltd., Logitri Chubu Co., Ltd., and Logitri Kansai Co., Ltd., which have limitations on female employment due to operations that require carrying heavy loads as an LPG delivery company. Eligible employees as of June 30, 2022: 1,589
 *3 Calculated as (female managers / total manager positions in consolidated Group (excluding Logitri Tohoku Co., Ltd., Logitri Chubu Co., Ltd., and Logitri Kansai Co., Ltd.)) × 100

2 Hold career training for female employees

In FY2022, we held career training for female employees of the Group aged 29-33. This is one of the measures to support female employees who are vulnerable to life events such as childbirth, childcare, and nursing care, by providing them with opportunities to learn how to build their future careers while facing events that have already occurred or will occur in the future, and to build their own career at Mitsuuroko Group. Mitsuuroko Group will continue to provide this training.



3 Establishment of the Project Team for the Promotion of Women’s Participation and Advancement

In April 2022, we launched the “Project Team for the Promotion of Women’s Participation and Advancement” (Blooming Project Team) led by female employees selected from each company of the Group. The purpose of the project is to promote women’s participation and advancement as part of the diversity promotion, and to realize systems and initiatives that allow women, who often play a central role in taking care of children and elderly relatives, to work more comfortably and continue their careers, thereby contributing to the success of not only women but also a diverse workforce. We expect that by involving the employees themselves in the promotion of women’s participation and advancement, they will be able to relate to these activities on a personal level and create new initiatives based on diverse ideas.

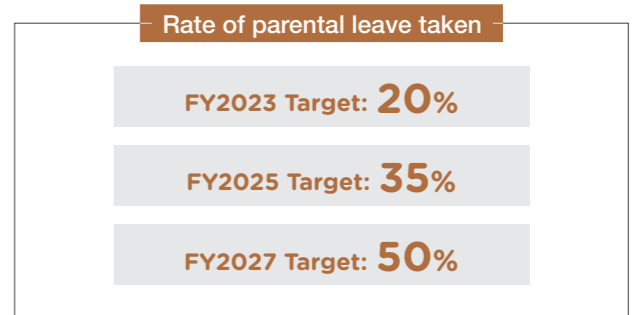
4 One of our Group companies received the highest rank of Platinum certification as a “Company Practicing Diverse Workstyles”

In June 2022, Mitsuuroko Creative Solutions Co., Ltd. received the Platinum certification under the certification system promoted by Saitama. We will continue to strive to create an environment in which each and every employee can work with vigor and satisfaction.

Promote male employees to take parental leave

1 Numerical targets

At the February 2023 meeting of the Company’s Board of Directors, the Group set a numerical target to promote the use of parental leave by male employees. The Group believes that by actively encouraging employees to take parental leave, regardless of gender, they can enrich their own work-in-life and promote a workplace culture that accepts and utilizes the abilities and individuality of diverse human resources, leading to inclusion & diversity management that allows diverse human resources to play an active role regardless of gender or work style.



*1 The calculation of this ratio is based on a figure of full-time employees, contract employees, and part-time employees.
 *2 Parental leave includes holidays for the purpose of childcare.
 *3 Calculated as (male employees who took parental leave in the fiscal year / male employees whose partners gave birth in the fiscal year) × 100
 *4 If parental leave is taken in multiple blocks for the same child, it is counted as one child. If the parental leave is taken across two fiscal years, it is included in the fiscal year when the parental leave started; if the parental leave is divided into multiple fiscal years, only the first parental leave taken is included in the calculation.

2 New management training

In FY2022, the Group conducted maternity leave and parental leave training for managers to ensure they have an accurate understanding of parental leave so as to

make it easier for all employees, regardless of gender, to take parental leave. The Group plans to expand the training to all employees in the future.

New work styles

The Group aims to establish an environment where employees of differing backgrounds are able to maximize their abilities by realizing new work styles that enables employees to have a flexible workstyle depending on the format of the business. The Group also hopes that employees will be able to live and work

in the way they feel fits them the best. The Group has worked on forming a system where the entire Group can work remotely, and actively implemented work from home. We will continue to promote new work styles, including hybrid workstyles that combine remote work and office work.

Major Group initiatives

- **Provide tools that enable remote work**
Provide PCs and mobile phones to complete tasks without going into the office
- **Recommend online meetings**
Recommend online meetings instead of in-person meetings in order to prevent the spread of COVID-19
- **Introduce system that can receive outside calls on PCs (Uni Talk)**
Implement system to receive outside calls without going to the office to enable flexible remote work
- **Introduce hourly paid leave**
Enable paid leave in hourly units to improve work-life balance
- **Introduce varying work schedules that can be selected**
Implement varying work schedules that can be selected based on individual lifestyle and workstyle (ex: there are six selectable shifts at Mitsuuroko Group Holdings Co., Ltd.)
- **Introduce work from home allowance**
Introduce a work from home allowance to subsidize utility and communication costs when working from home



Inclusion & diversity

Initiatives to achieve work-life integration

At Mitsuuroko Group, we believe in the importance of integrating work and life (work-life integration) in order to create a synergistic relationship between work and

family life and to enhance both public and private life. To achieve this goal, we have established various systems to allow employees to choose diverse ways of working.

Main systems, benefits, and initiatives related to work-life integration

System name	Overview of systems	System name	Overview of systems
Working hour shift system/varying work schedule system	Either working hour shift system or working hour varying work schedule system will be adopted as required by the nature and conditions of operations at each office and workplace. <ul style="list-style-type: none"> Working hour shift system →Two-shift or three-shift system Working hour varying work schedule system →Adjustable in 30-minute increments 	Refresh leave system	A leave period of one consecutive month is granted. Available to those who have been employed for 20 years in the fiscal year with the base date set as April 1 of each year.
Parental leave system	Available until the child reaches the age of 1 (Under special circumstances, this could be extended to a maximum of the age of 2. It can be obtained in blocks up to twice.)	Expired paid annual leave reserve system	Can accumulate up to 30 days of expired paid leave Can be used for leave for personal injury or illness of employees, nursing care leave, volunteer activities, and leave to prepare for retirement, etc.
Paternity leave system	Can be taken separately from parental leave for up to four weeks within eight weeks of the birth of a child (can be taken in blocks up to twice)	System for leave of absence for spouse or partner relocating outside Japan, etc.	Can take up to five years of leave of absence to accompany spouses and partners who are staying abroad for six months or more for work or study, such as overseas transfers and overseas study
Caregiver leave system	As a general rule, it is available for a total of 93 days for each person requiring nursing care.	System for leave of absence for spouse or partner relocating within Japan	Can take up to five years of leave of absence if deemed appropriate by the company
Sick/injured childcare leave system	Available until the child reaches the start of elementary school	Hourly paid leave system	Paid vacation days available in hourly units (to be exercised five days per year, up to 40 hours)
Family care leave system	Available for up to five days per year for one eligible family member and up to 10 days per year for two or more eligible family members	Teleworking system	Determined on a company-wide or workplace-specific basis. Can work from home, satellite offices, mobile work, or other locations outside of the office
Shorter working hours for childcare	Available until the child finishes the sixth grade of elementary school Can be shortened in 30-minute increments for maximum of six hours	Leisure time support system (Yoka Cinema)	Subsidy for movie tickets once a year (including family/pair)
Shorter working hours for nursing care	Available for a period of three years from the start of use (up to twice) Can be shortened in 30-minute increments for maximum of 6 hours		

Handbook for Supporting Balancing Work with Childcare/Nursing Care

In response to the low birth rate, aging society, and increasing number of dual-income families, the Group has created a Handbook for Supporting Balancing Work with Childcare/Nursing Care as part of our efforts to support employees who balance work and childcare/nursing care. This handbook is developed to help employees who are engaged in childcare/nursing care to understand the internal and external systems related to childcare/nursing care and the process from leave to return to work, and to visualize how they can utilize the Company's systems in their daily childcare/nursing care and work, so that they can balance childcare/nursing care and work according to their individual circumstances.



Human resources development

Basic approach

As “a Lifestyle Producer,” the Group promotes skill development and training for each employee in order to provide better services to customers. The Group has established an environment to maximize those abilities.

Evaluation system

The Group examines multi-faceted criteria to support employee skill development, promote utilization of skills, accurately grasp the degree of achievement of duties, perform on-the-job training, give fair and accurate evaluations, support challenges and fair promotions to higher positions, and contribute to a fair treatment system in promotion, transfer, positioning, education, etc. through all skills.

1 Target management

Each employee sets their own targets twice a year. The Group has adopted a “target management” system to evaluate the achievement/contribution to those targets and provide proper benefits. The Group performs multi-sided evaluations, including performance evaluations that assess the achievement of performance targets and important topics as well as achievement of duties that target sharing of organizational targets, operational status evaluations that assess the appropriateness of internal controls, and evaluations of individual contributions in each department and contribution and achievement of operations improvement targets.

2 Competency evaluation

In order to develop employees, the Group has adopted “competency evaluations” to grasp and realize actions expected in operational achievements once a year, and evaluate the degree of action / skill usage.

Training system

1 Initiatives to improve employee capabilities

The Group has taken efforts to establish an employee capabilities improvement program that aims to improve the skills and motivation of employees.

Contents	Objective	Frequency of implementation
New employee training	Training to develop the skills, knowledge, and mindset needed in working through learning Mitsuuroko Group management philosophy, business details, and basic business manners.	Once a year
New management training	Training aimed at learning duties expected of management, leadership in times of extreme external environmental changes, and communication skills with members, as well as the ability to use this knowledge in practice	Once a year
Evaluator training	Training for management to improve motivation of entire organization by once again raising awareness of appropriate evaluation methods and communication techniques with members	Twice a year
Career training for junior employees	Training for junior employees aimed at building independent and autonomous career design	Once a year
Harassment prevention training	Training for all officers and employees of the Group to reaffirm basic knowledge of harassment and how to respond to it, with the aim of preventing harassment	Once a year
IT compliance training	Education related to information security and personal information protection aimed at boosting awareness of security threats among each Group officer and employee	Once a year
Career training for female employees	Training aimed at maximizing each individual's abilities and promoting the practice of career autonomy in order to achieve diversity	Once a year
Maternity leave and parental leave training	Training for managers with the aim of encouraging all employees to take parental leave through accurate understanding of parental leave by managers	Once a year
Diversity training	Training for all Group officers and employees aimed at promoting diversity throughout the Group	Once a year
Human rights training	Training aimed at recognizing that people are individuals before they are members of an organization, that people have rights as human beings (human rights), and that it is necessary to respect human rights in the development of business activities	Once a year
Sustainability training	Training to acquire knowledge and foster literacy on ESG	Once a year
Incubation system	Foster a corporate culture where employees can freely take up challenges and expand opportunities for discovery of new businesses	As needed
MBA acquisition support		Applications received: Once a year
Law school support	Support system for acquisition of specialized and advanced knowledge and improvement of skills of employees	Once a year
Correspondence university support		Once a year
Education at the time of employment	Mandatory training at the time of hiring (for the construction and electrical industries, training on how to handle machinery and safety equipment and on work procedures is also provided)	As needed
Sales presentation	Improvement of proposal skills and discovery of new businesses	Once a year
Training for energy company store managers	Training for store managers aimed at sharing current issues and improving leadership and communication skills to involve others	Twice a year
Harassment and mental health training for energy companies	Training for managers aimed at improving communication skills and acquiring basic knowledge on mental health to prevent harassment	Once a year
Training for energy company chiefs	Training for chiefs aimed at acquiring the role expectations and support and leadership skills required of a chief, as well as to broaden the vision, perspective, and point of view, and to acquire team-building skills in light of company-wide optimization	Twice a year
Energy company first year training	Training aimed at helping employees realize growth through reflection on the work they have experienced and their own actions in the first six months of employment, and to motivate them to take the next step	Once a year
Energy company pre-retirement training	Training aimed at creating opportunities to think about both life and career aspects in the future after retirement, in the age where people live up to 100 years old	Once a year
Training for certification as an LNG technician	Training to acquire certification as an LNG technician	Twice a year
Class C chief gas engineer training	Training to acquire certification as a Class C chief gas engineer	Once a year
Foreman education	Training for new on-site supervisors in the construction and electrical industries	As needed
Traffic and driving safety training (new drivers / drivers who have been in accidents, etc.)	Training to ensure safe driving	Once a year
Escorted instruction on safe driving using a drive recorder		Once a year

2 Acceptance of practical training from various organizations and schools

Details of activities on [P. 61](#)



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Social

Local communities

Basic approach

We at Mitsuuroko Group believe that contributing to society through our core business is the role we should play, and we have been supported by many stakeholders, including local communities and society, in the course of our business.

As a corporate citizen in the local communities, we will do our best to contribute, even in small ways.

Fund-raising activities for the Christel Vie Ensemble Foundation (Christel Foundation)

We sympathize with the activities of the “Christel Foundation,” which is working to improve animal welfare, eliminate the killing of cats and dogs, and conserve biodiversity, and we support their fund-raising activities. Donation boxes are placed in cafeterias, convenience stores, etc. operated by Mitsuuroko Provisions Co., Ltd. Mitsuuroko Group will continue to support the activities of the Christel Foundation in order to save as many lives as possible.



Service solutions for parents raising children

Mitsuuroko Vessel Co., Ltd. offers service solutions for child monitoring and family communication. Their GPS-based monitoring service, “Mitsu-mail Imakoko,” launched in July 2020, allows parents to easily track their children's whereabouts using a dedicated GPS device. The service automatically sends notifications to parents' smartphones when their children arrive at or depart from schools, parks, and other places they frequently visit. It also provides information on local disaster prevention facilities and notifies parents of the entry of their children into pre-defined dangerous areas, and the service has been well received by many parents and school staff. We will continue to take up the challenge of creating fulfilling lifestyles for the children who will lead the next generation and for each and every one of our customers, and through “Mitsu-mail Imakoko,” we will continue to provide a new monitoring service that connects parents and children.



Activities to protect and nurture the forests around water collection sites

As part of activities to beautify the environment and recharge water sources in the forests around Narusawa-mura in Yamanashi (“Mitsuuroko's Forest Narusawa”), where the Narusawa Plant of Mitsuuroko Beverage Co., Ltd. draws water, and in the promenade (“Mitsuuroko's Path”) in Nannou-cho, Kaizu-shi, Gifu, where the Gifu Yoro Plant of Mitsuuroko Beverage Co., Ltd. draws water, Group employees, their families, and other concerned parties are engaged in volunteer forest maintenance activities.



* From FY2020 to FY2022, this activity was not conducted due to the spread of COVID-19.

Revitalization of local communities (National Mitsuuroko Association)

Member stores of the “National Mitsuuroko Association” are responsible for sales of our products and have contact with approximately 800,000 households. “National Mitsuuroko Association,” as an organization that provides excitement and peace of mind, flexibly responds to the diverse needs of customers, is chosen by customers on a permanent basis, and establishes

strong ties. In addition, the organization strives to build an environmental foundation where the strengths of each member store can be fully demonstrated and they can always take up challenges. The association is currently composed of about 1,800 companies, and they are indispensable partners in the provision of our services.



We are striving to build an environmental foundation that will enable our member stores to flexibly respond to the diversifying needs and allow the next generation of managers to continue to take up the challenges.



Sales support

We support sales of priority products of Mitsuuroko Vessel Co., Ltd. (electricity, internet, Cosmos Berry's)



Web exhibitions

As face-to-face sales are restricted, it is possible to participate in web exhibition sites using the Internet.



EMC

As a response measure for disasters, which frequently occur, we provide “emergency calls,” a service to confirm the safety of employees in the event of an earthquake. We also act as a middleman to provide the accompanying emergency backpacks.



Block meetings and study sessions

Members can participate in new product study sessions with handled manufacturer representatives and information exchange meetings that make use of the nationwide network, supporting sales activities based on constantly latest and useful information. We organize the MITSUUROKO MANAGEMENT SCHOOL, a business school that supports the development of young and next-generation managers nationwide.



Mediation of supplies

We will create Information magazines related to lifestyle that can be distributed to customers of member stores, and act as a middleman to provide member stores original gifts, etc. They can also participate in paper exhibitions through flyers.

Action plan for FY2022

1 Enhancement of emergency response measures

- Preparing a disaster manual and sharing it with member stores by posting it on the website of the “National Mitsuuroko Association”
- Contributing to the community by increasing the availability of disaster response equipment (emergency bulk storage tanks, LPG emergency generators, HGP emergency soup kitchen sets, etc.)
- Making proposals for BCP measure products in times of disaster (storage batteries, solar power generators for private use, emergency power generators, etc.)

2 Support towards realization of carbon neutrality

- Making plans and proposals to link carbon neutral initiatives to member stores' growth strategies
- Increasing the availability of high-efficiency gas equipment, actively promoting fuel conversion to LPG, and supporting sales of new energy products
- Supporting initiatives in new business models (decarbonization businesses, EV-related businesses, and energy solution businesses)

3 Strengthening the network of the “National Mitsuuroko Association”

- Enhancing the features of the website, introducing communication tools such as web exhibitions, and actively promoting digitalization
- Invigorating the activities of the association through product-specific enhancement programs and various training sessions
- Further strengthening the cohesiveness of the association by creating a symbolic logo of the “National Mitsuuroko Association”





Local communities

Acceptance of practical training from various organizations and schools

Sweet Style Co., Ltd. considers it an important social responsibility for a company to support the development of the next generation of professional human resources, and in past years has accepted practical training internships from vocational schools. We have provided them with practical training to deepen their understanding of the difficulties of working, the fun of bakery, and Azabujuban Mont-Thabor's commitment. Currently, due to the spread of COVID-19, we are not accepting students for practical training, but we plan to resume accepting students after the infection is under control.



Contribution to society through sports

Promotion of sports club activities and support for top athletes

With the launch of the Mitsuuroko Women's Basketball Team in 2012 and the establishment of the Swim Team in May 2021, the Company continues to make great strides in leagues and competitions based on the philosophy of contributing to the revitalization of the local community and interaction through sports. Each member participates in competitions while working as an employee, fostering responsibility and attitude as a member of society, and working together with a high level of awareness. Having active players around stimulates the employees who work with them, and for the players, having supportive people around them helps to foster a sense of unity among the employees, and the workplace is full of vitality. We have also entered affiliate contracts with swimmer Katsuhiro Matsumoto and professional golfers Shiho Kawasaki, Yuting Seki, Momoka Miura, Eimi Koga, and Airi Saito, and we will support these athletes as they pursue their dreams and contribute to the development of sports culture. We will continue to proactively engage in social contribution activities through sports and also enhance the corporate value of all of Mitsuuroko Group.



Supporting the activities of the girls golf program "USLPGA-USGA Girls Golf Japan," overseen by USLPGA and USGA

Mitsuuroko Group endorses the goals of the Girls Golf academy overseen by the United States Ladies Professional Golf Association (USLPGA) and the United States Golf Association (USGA) for the development of kids golfers and female golfers, and supports the activities of "USLPGA-USGA Girls Golf Japan." The program not only teaches the skills as a golfer, but also life skills as a woman and a global citizen. Through this sponsorship, we hope that the participating children will be able to enhance each other's skills and develop an international mindset, and that the program will serve as a catalyst for their future global activities in a variety of fields.



Start of Hamabowl Health Bowling Class

Hamabowl has started health bowling classes based on the LTB program, which has a proven track record in the United States, the home of bowling. We received 135 applications for the five classes, and 50 new Hamabowl members who continued bowling after the classes ended.



Held Bowling Alley Field Trip for Families

Hamabowl held a Bowling Alley Field Trip for Families. After a tour of the backside of the bowling lanes, which is not usually seen, a bowling lesson was given by a Hamabowl employee (who has obtained a JPBA bowling instructor certification). Parents and children pitched one game together while learning how to best enjoy bowling.





Local communities

Supporting the promotion of sports and recreational activities for disabled people

Hamabowl started supporting the sports and recreation promotion activities of the sports and culture center for people with disabilities, Yokohama Rapport. We organized Hama Pick bowling tournament inside Yokohama Rapport, and offered Hamabowl as a

practice site for the Japan Para Sports Games. We will continue to support sports activities for people with disabilities through bowling in cooperation with Yokohama Rapport.

Implemented Rain-Bowling Class

Following the bowling pin reuse contest, which was part of the Rain-Bowling Project, Hamabowl held the Rain-Bowling Class with students of Yamoto Elementary School in Yokohama-shi for them to learn about reuse in a fun manner by utilizing discarded bowling pins. The event was a lively social gathering that included students having fun exercising through the originally devised game BOWLKKY (bowling + Mōlkky), and having study sessions on ESG among themselves.



Sponsored Ramichan Cup 2022 Tournament organized by VAMOS TOGETHER, and jointly organized Ramichan Charity Bowling Tournament

We sponsored the Ramichan Cup 2022 Tournament because we sympathized with the purpose of VAMOS TOGETHER¹, a general incorporated association headed by Alex Ramirez², whose organizational goal is to “maximize the talent and individuality of people with special needs and create a society where they can lead independent lives.”

In December 2022, VAMOS TOGETHER and Hamabowl (Yokohama-shi, Kanagawa) jointly planned a charity bowling tournament at Hamabowl, with the event’s objective of “an event where everyone can share the joy of physical exercise and have fun together.” This tournament was aimed at providing an opportunity for bowlers with special needs to interact with each other and raise funds for charity. The tournament was open to the general public through a lottery system, and it was an event that everyone could enjoy.

A portion of the proceeds from this tournament, as well as the amount of money donated in the donation box through the tournament, were used to support children’s development and independence support activities through VAMOS TOGETHER.



Organized the Exhibition of Craft Art Made from Bowling Pins, a joint project with Yokohama University of Art & Design

Hamabowl and SPA EAS: Yokohama Tennen Onsen held an exhibition of craft art made from discarded bowling pins with the aim of giving new roles to the tons of pins that are discarded each year. Students and faculty of the craft course at Yokohama University of Art & Design, who regularly work with wood and metal in their assignments, gave new form to the use of bowling pins in this production.



Support for storage location of donated goods, etc. to NPOs

GSC provides storage units and support to Ray of Hope¹ and Nature Society², which are NPOs in Singapore.

The storage units provided are used by Ray of Hope to store donated relief items and by Nature Society to store publications related to natural heritage preservation activities, etc.

¹ Crowdfunding charity distributing necessities to low-income families in Singapore (<https://rayofhope.sg/>)

² Non-profit organization dedicated to the appreciation, protection, research and enjoyment of the natural heritage of Singapore, Malaysia and surrounding areas (<https://www.nss.org.sg/>)



¹ An organization that aims to create a society where people with and without special needs can coexist by playing and learning together. It encourages people to make the most of their individual talents with the message, “Everyone is great in their own way.”

² A former professional baseball player from Caracas, Venezuela. He served as manager of the YOKOHAMA DeNA BAYSTARS from 2016 until the 2020 season. Currently, he is actively involved in welfare activities as well as TV personality activities.

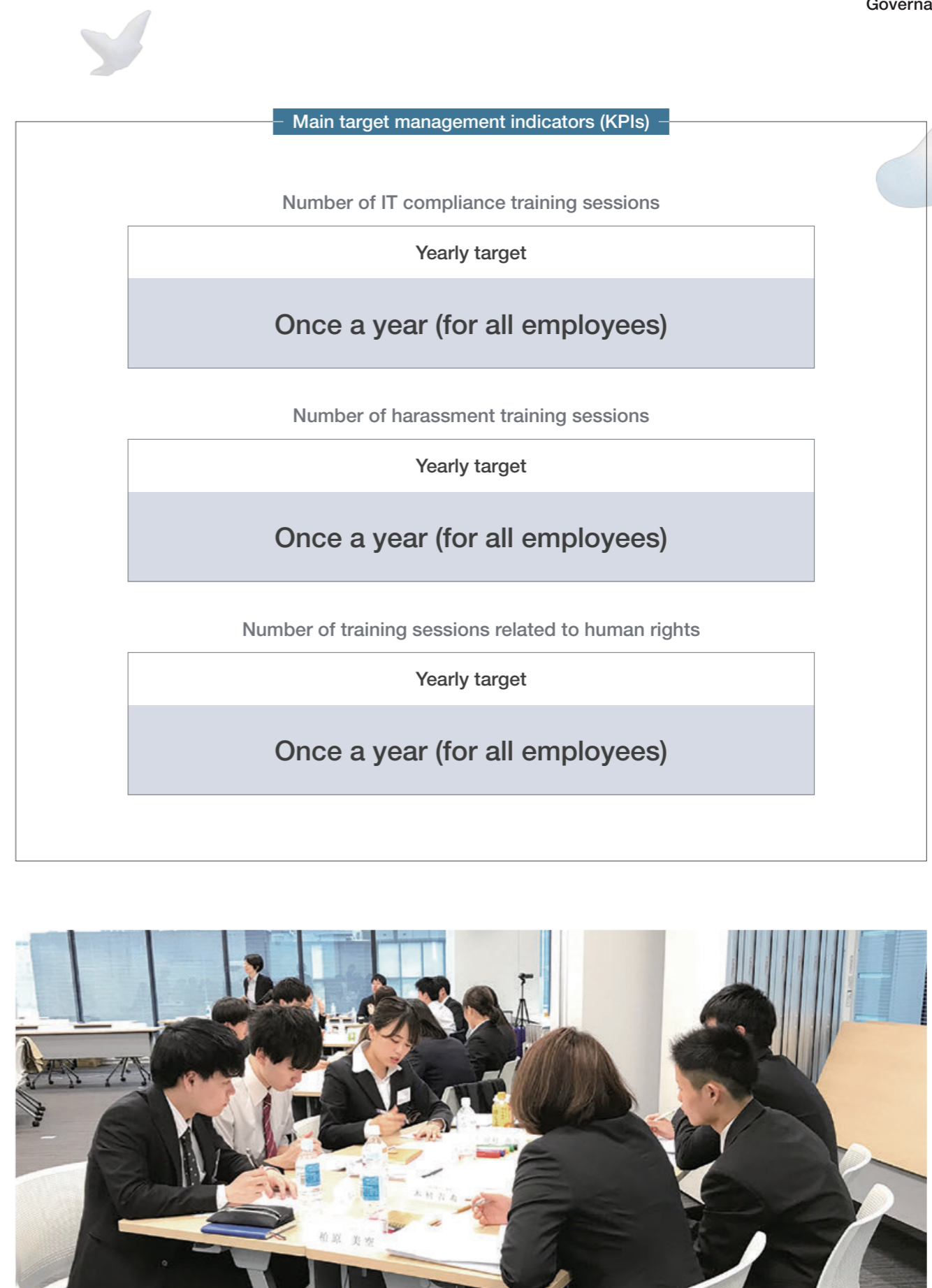
Governance

Mitsuroko Group aims to improve corporate value to all stakeholders and achieve sustainable growth. We maintain a basic corporate governance approach to construct an optimized management structure and perform appropriate and healthy company operations.

We will continue to promote governance reforms to accelerate decision-making, strengthen the supervisory function of management, and secure the transparency of company actions. We will take initiatives to strengthen risk management and improve compliance.

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Main target management indicators (KPIs)

Number of IT compliance training sessions

Yearly target

Once a year (for all employees)

Number of harassment training sessions

Yearly target

Once a year (for all employees)

Number of training sessions related to human rights

Yearly target

Once a year (for all employees)





Corporate governance

Basic approach

Mitsuroko Group's basic approach on corporate governance is to develop a system to ensure the appropriateness of the Group's operations in accordance with the Companies Act, the Regulations for Enforcement of the Companies Act, the Financial Instruments and Exchange Act, other laws and regulations, and the code of corporate conduct of financial instruments exchanges. The purpose of this system is to ensure compliance with laws and regulations and social ethical norms, to ensure that Mitsuroko Group's business is conducted in good faith and with transparency to customers, business partners, shareholders, etc., and to fulfill the Group's social mission in business activities.

Corporate governance structure

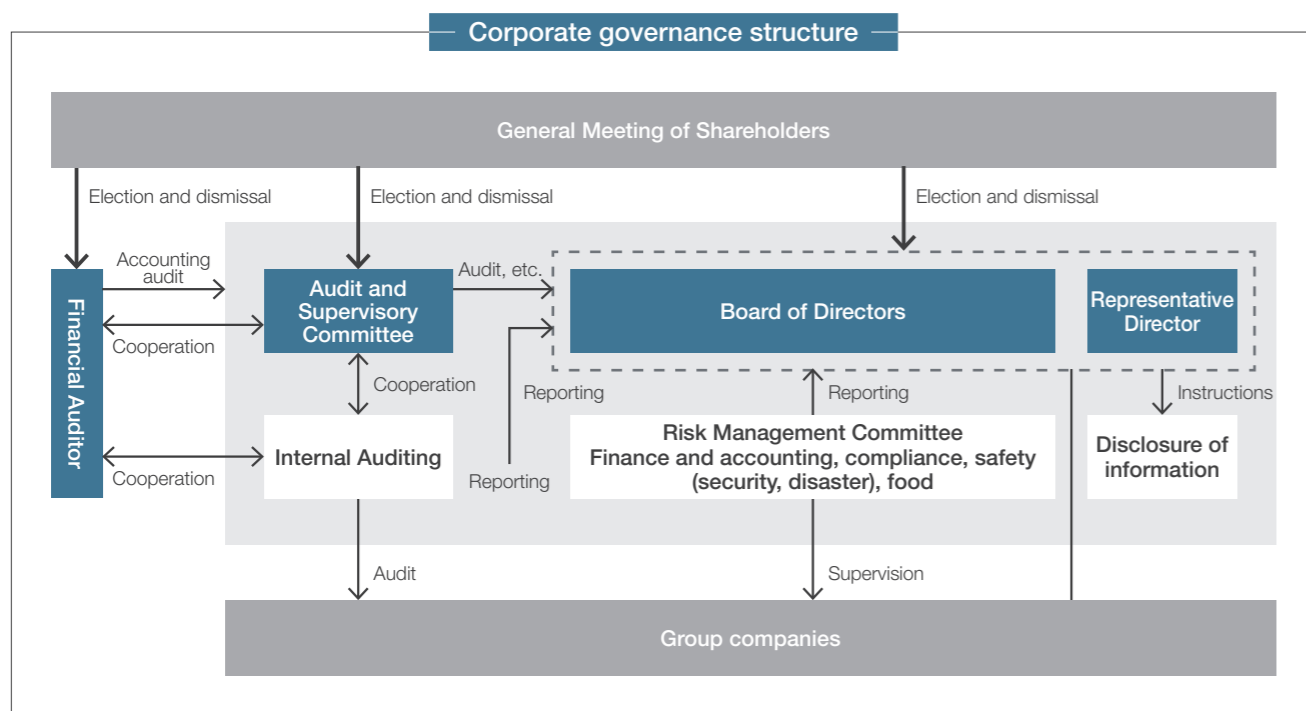
In June 2015, we shifted to a company with audit and supervisory committee and established a Board of Directors, Audit and Supervisory Committee, and Financial Auditor.

The Company has improved the effectiveness of auditing and supervision through auditing by Directors who are Audit and Supervisory Committee Members with voting rights on the Board of Directors, and further strengthened the supervisory function of the Board of Directors. Furthermore, the management participation of five External Directors, including three Directors who are Audit and Supervisory Committee Members, enhances the supervisory function of the Board of Directors with respect to business execution and ensures the appropriateness and transparency of the decision-making process.

With regard to the Board of Directors, by holding

meetings at least once a month, we are always striving to share management issues and have established a system that enables us to take action to resolve issues as soon as possible. We are also working to build a more advanced governance system by appointing diverse human resources as Directors, including foreign nationals and physicians, to incorporate multifaceted perspectives and utilize AI, IoT, and other technologies.

Moreover, in addition to appointing Directors to be responsible for the business in each segment of Mitsuroko Group, and giving them the authority and responsibility to establish a legal compliance system and a risk management system for each Group company, the head of Finance & Control also promotes and manages these systems across the Group.



Areas where Directors are expected to excel in

The Company aims to improve corporate value to all stakeholders and achieve sustainable growth. We maintain a basic corporate governance approach to construct an optimized management structure and perform appropriate company operations. We have composed a balanced Board of Directors by electing diverse human resources based on

their knowledge, experience, and capabilities as we aim to accelerate decision-making, strengthen the supervisory function of management, and secure the transparency of company actions.

The Company expects that each Director will excel particularly in the following fields and skills.

Name	Position and responsibilities	Area or skill expected to excel in							
		Corporate management strategy	Financial accounting Capital policy	Human resources Personnel development	Legal Risk management	Auditing	Internal controls Governance	Overseas	Social environment
Kohei Tajima	Representative Director and President Chief Executive Officer General management	●	●	●	●		●	●	●
Atsushi Futami	Director Power & Electricity Business	●			●		●		●
Kazuhiro Kojima	Director Group Chief Financial Officer, Finance & Control, Legal & Secretary, Others (operational and system support)	●	●		●	●	●	●	●
Manabu Sakanishi	Director Energy Solutions Business	●		●	●		●		●
Jun Kawakami	Director Mobility Business, Others (leasing)	●					●		●
Motoyasu Omori	Director Foods Business	●					●		●
Goh Wee Meng	Director Group Chief Technology Officer, Group Chief Information Officer, Group Global Chief Inclusion & Diversity Officer, Global Planning, ICT Planning (Planning, maintenance, and promotion of information infrastructure)	●		●			●	●	●
Katsuhisa Yanagisawa	Director (External)	●	●			●	●		●
Kaori Matsui	Director (External) (Independent)	●	●			●	●		●
Hideo Sugahara	Director (External) (Independent) Audit and Supervisory Committee Member, tax accountant	●	●		●	●	●		●
Yoshiyuki Kawano	Director (External) (Independent) Audit and Supervisory Committee Member, physician	●	●		●	●	●		●
Kei Tajima	Director (External) Audit and Supervisory Committee Member	●	●		●	●	●		●

* The above table does not display all of their expertise.

Remuneration, etc. for Directors

Policy on determining the remuneration for Officers

At the Board of Directors meeting held on January 20, 2021, the Company passed a resolution for a policy on determining the remuneration, etc. for each individual Director (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter). In addition, the Board of Directors has confirmed that the method of determining the remuneration, etc. as well as the amounts determined for each individual Director in the current fiscal year are consistent with the aforementioned policy, and are therefore judged to be in line with the policy. The contents of the policy on determining the remuneration, etc. for each individual Director are as follows.

Basic policy

The basic policy of the Company is to determine the remuneration of Directors such that it is suitable and appropriate in light of Directors' roles and responsibilities, taking into consideration the business performance of the Company. Specifically, remuneration for Executive Directors consists of basic remuneration and a "Board Benefit Trust (BBT)," which is a form of performance-linked stock remuneration. Remuneration for External Directors, who are primarily responsible for supervisory functions, consists solely of basic remuneration in light of their duties.

Policy on determining basic remuneration (monetary remuneration)

Basic remuneration for the Company's Directors consists of fixed monthly remuneration and is determined after comprehensively taking into consideration such factors as remuneration levels at other companies, the business performance of the Company, and the levels of employee salaries, in addition to the positions, responsibilities, etc., of Directors.



Corporate governance

● Policy on determining performance-linked remuneration, etc. and non-monetary remuneration, etc.

At the 107th Ordinary General Meeting of Shareholders held on June 28, 2016, a resolution was adopted in relation to a "Board Benefit Trust (BBT)" as a form of performance-linked stock remuneration for Directors (excluding External Directors and Directors who are Audit and Supervisory Committee Members; hereinafter, referred to as the "Eligible Directors" in this and the following paragraph) (furthermore, the trust established based on this plan is hereinafter referred to as the "Trust").

As set forth in the resolution, Eligible Directors are granted several points for each fiscal year, determined after taking into consideration their position, the degree of achievement of business performance targets (the degree of achievement of the target for profit before income taxes on the consolidated statement of income), and other factors, in accordance with the Officer Share Benefit Regulations (the maximum total number of points granted to Eligible Directors per fiscal year shall be 100,000 points). Furthermore, when granting the Company's shares, etc., the points granted to Eligible Directors are converted at a rate of one share of the Company's common stock per point (however, in the event of a share split, gratis allotment of shares, consolidation of shares, etc., in relation to the Company's shares, the conversion ratio shall be reasonably adjusted according to the ratio thereof, etc.). The number of points for the Eligible Directors to be used as the basis for the granting of the Company's shares, etc., is calculated by aggregating the points granted to the Eligible

Directors through the time of their retirement and then multiplying the result by a predetermined coefficient set for each reason for retirement (hereinafter, the points thus calculated are referred to as the "confirmed number of points").

If an Eligible Director retires and satisfies the beneficiary requirements set forth in the Officer Share Benefit Regulations, he or she will be granted a number of the Company's shares corresponding to the "confirmed number of points" from the Trust after their retirement, when he or she completes the prescribed beneficiary confirmation procedures; provided, however, that in cases when the requirements provided for in the Officer Share Benefit Regulations are satisfied, the Eligible Director in question shall be paid cash equivalent to the market value of a certain percentage of the Company's shares, in place of the granting of those shares of the Company. The amount of remuneration, etc., to be received by Eligible Directors shall be based on the amount obtained by multiplying the total number of points granted to each Eligible Director by the book value per share of the Company held in the Trust, at the time the points are granted (however, in the event of a share split, gratis allotment of shares, consolidation of shares, etc., in relation to the Company's shares, the conversion ratio shall be reasonably adjusted according to the ratio thereof, etc.). In addition, if deemed appropriate, this amount shall be added to any money paid in accordance with the provisions of the Officer Share Benefit Regulations.

● Policy on determining the ratio of the amount of basic remuneration (monetary remuneration), performance-linked remuneration, etc., or non-monetary remuneration, etc., for the amount of individual remuneration, etc., for each Director

In addition to basic remuneration, Executive Directors receive performance-linked stock remuneration (BBT), classified as performance-linked remuneration, etc., and non-monetary remuneration, etc. However, the ratio of basic remuneration, performance-linked remuneration, and non-monetary remuneration is not set in advance given the nature of performance-linked stock remuneration (BBT), such as the fact that, as described in "Policy on determining performance-linked remuneration, etc. and non-monetary remuneration, etc." above, a number of points (a maximum of 100,000 points per fiscal year) are granted to Eligible Directors in accordance with the Officer Share Benefit

Regulations for each fiscal year, taking into consideration their positions, the degree of achievement of business performance targets, and other factors, and a number of the Company's shares, etc., that is equivalent to the confirmed number of points at the time of retirement is granted, as well as the fact that this plan was introduced in place of the payment of retirement benefits. However, basic remuneration shall be the principal remuneration for Executive Directors.

Remuneration for External Directors consists solely of basic remuneration, as described in the "Basic policy" in the previous page.

● Matters concerning the determination of the contents of remuneration, etc. for individual Directors

Of remuneration, etc., for individual Directors, decisions concerning the specific amount of basic remuneration are delegated to the Representative Director and President, based on a resolution of the Board of Directors. This authority covers the setting of payment standards according to positions, responsibilities, etc., and the amount of basic remuneration for each individual based on such standards. To ensure that the Representative Director and President appropriately exercise this authority, the Representative Director shall make decisions concerning the establishment of payment standards in accordance with positions, responsibilities, etc., after consulting with and receiving reports from independent External Directors.

Furthermore, the specific content of performance-linked stock remuneration (BBT) for individual Executive Directors is determined in accordance with the Officer Share Benefit Regulations.

Total amount of remuneration, etc. for FY2021

Officer category	Total remuneration (millions of yen)	Basic remuneration (millions of yen)	Performance-linked stock remuneration (millions of yen)	Number of officers (Persons)
Total number of Directors (excluding Audit and Supervisory Committee Members)	368	281	87	9
(External Directors)	(14)	(14)	(-)	(2)
Directors who are Audit and Supervisory Committee Members	21	21	-	4
(External Directors)	(19)	(19)	(-)	(3)
Total	390	302	87	13
(External Directors)	(34)	(34)	(-)	(5)

(excluding External Directors and Directors who are Audit and Supervisory Committee Members) at the conclusion of this General Meeting of Shareholders was seven. The conditions for allocating performance-linked stock remuneration are as described in Policy on determining the remuneration for Officers.

*4 At the 106th Ordinary General Meeting of Shareholders held on June 26, 2015, the amount of remuneration for Directors who are Audit and Supervisory Committee Members was resolved to be no more than ¥100 million per year. The number of Directors who are Audit and Supervisory Committee Members at the conclusion of this General Meeting of Shareholders was three.

*5 The Board of Directors has passed a resolution that the remuneration for each Director be determined by Representative Director and President Kohei Tajima, as stated in "Matters concerning the determination of remuneration, etc. for each individual Director" above, for the reason that Representative Director and President is eligible for evaluating the divisional performance that each Director undertakes, after considering the performance, etc. of the entire Group. Also, the total amount of performance-linked stock remuneration is reported to the Board of Directors every year through the company's performance as soon as it is confirmed according to the prescribed rules.

*1 The amount of the above remuneration, etc. includes the provisions for share awards of ¥87 million that was recorded in fiscal year ended March 31, 2022.

*2 The indicator of performance-linked remuneration is "profit before income taxes" in the consolidated statement of income. This is to allow all Directors to promote a way of management that gives consideration to the continual improvement of the corporate value of the Group, by sharing returns with shareholders with the cost of capital in mind. The target value for the indicator of performance-linked remuneration in fiscal year ended March 31, 2022 was ¥6,200 million, while the actual value was ¥3,437 million. The target value for profit before income taxes in fiscal year ended March 31, 2023 is ¥4,700 million.

*3 At the 106th Ordinary General Meeting of Shareholders held on June 26, 2015, the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) was resolved to be no more than ¥300 million per year (note that salary for employees is not included). The number of Directors at the conclusion of this General Meeting of Shareholders was nine (including two External Directors). In addition, separately from this, at the 107th Ordinary General Meeting of Shareholders held on June 28, 2016, a resolution was passed to adopt "Board Benefit Trust (BBT)" as performance-linked stock remuneration for Directors other than External Directors. The number of Directors

Cross-shareholdings

1 Policy on cross-shareholdings

The Company's policy is to hold shares that contribute to improving corporate value over the medium- to long-term, after comprehensively considering their importance in relation to its business strategy, relationships with business partners, and other factors. Each year, the Board of Directors carefully examines the significance of acquiring and holding each individual stock and their profitability based on the cost of capital, etc., thus regularly verifying the appropriateness of holding these stocks. Furthermore, the Company has established a policy of selling any stocks that it is unable to recognize the rationality of holding as a result of verifying the significance and purpose of holding them and will take steps to reduce the number of such shares that it holds.

Evaluation of the effectiveness of the Board of Directors

The Company has conducted self-evaluations of the effectiveness of the Board of Directors in the form of questionnaires to Directors. The Company endeavors to ensure objectivity by seeking advice from attorneys and other experts as appropriate in relation to the preparation of the questionnaire and the analysis of evaluation results.

Target	All 12 Directors
Method	Questionnaire format
Evaluation	5-point evaluation + free comments
Evaluation items	1. Composition and operation of the Board of Directors 2. Management and business strategies 3. Corporate ethics and risk management 4. Dialogue with shareholders

2 Standard for exercising voting rights for cross-shareholdings

The Company appropriately exercises voting rights based on a comprehensive assessment of whether to vote for or against each proposal, taking into consideration factors such as the establishment of appropriate corporate governance structure, the improvement of the corporate value of the investee over the medium to long term, and the impact on the Company. If necessary, we will discuss the content of proposals, etc., with issuers.

● Summary of evaluation results for FY2021

According to the results of the questionnaire, the Board of Directors of the Company in FY2021 was evaluated to be effective. The details are as follows.

The Company will work to improve these points in the future.

Particularly appreciated points	An environment in which External Directors feel comfortable expressing constructive opinions, and do so when necessary.
	It has an appropriate composition of members that ensures the knowledge, ability, experience, and diversity necessary to fulfill the roles and responsibilities of the Board of Directors.
	Its agenda items contain sufficient content for deliberation in light of the level of importance of the matters to be discussed. Its cross-shareholdings are appropriately examined.
Recognized issues	Important risks are reported to the Board of Directors in a timely and accurate manner and the Board of Directors is aware that these issues are being addressed appropriately by the management team.
	The results of the audit of the effectiveness of the internal control system are reported in a timely and appropriate manner.
	The content and volume of materials used at the meetings of the Board of Directors and the timing of prior distribution and explanation should be considered more carefully.
	Important management and business strategies should be reviewed from a more multifaceted and sustainability-oriented perspective and monitored more effectively.
	Business portfolio reviews and capital and human resource investments should be more strategically implemented and such implementations checked.
	A more appropriate system should be established to promote constructive dialogue with shareholders.

Status of the risk management system

Mitsui Group has established the "Risk Management Committee" as a subordinate body of the Board of Directors to ensure the early detection and resolution of various problems related to legal compliance and to develop the systems required to implement and supervise internal control over legal management and compliance with laws, regulations, and social norms (compliance) in the midst of a risk environment that is becoming increasingly diverse and complex as our business portfolio evolves. In addition, the Group has established a reporting system to ensure that compliance-related information is accurately and promptly reported to the department in charge of compliance, and it will constantly develop, improve, and appropriately operate the Compliance Hotline so that all Group employees can use it properly to communicate information without employees or outsiders receiving disadvantageous treatment because of such a report. The Risk Management Committee evaluates risks, recognizes issues, and implements operational improvements based on the recognition of issues with regard to events that may affect the

achievement of the objectives set for each business process by the general managers of each division regarding all operations of the Group, and it formulates an internal control implementation plan with the approval of the Board of Directors. In addition, it supervises the progress of the plan, and in cooperation with the Audit and Supervisory Committee and the Internal Auditing Department, it determines policies for the design and improvement of the overall internal control system.

Regarding issues related to the development and operation of internal control over financial reporting, the Head of the Finance & Control performs cross-group review and coordination, and reports to the Board of Directors on the annual plan for internal control over financial reporting and its results in light of changes in the environment.

In addition, the Company has established the "Food Quality Control Committee" to manage risks related to food quality, laws, and regulations, and to manage risks related to safety in cooperation with each department.



Risk management

Basic approach

Mitsui Group has established risk management rules and is developing and operating a risk management system for all of its businesses.

The Group will ensure the continuity and stable development of its business through risk management practices.

We also place the highest priority on ensuring the quality and safety of our products and services, and strive in good faith to eliminate or reduce obstacles to the interests of our customers, business partners, shareholders, investors, local communities, and other stakeholders, as well as those of all officers and employees of the Group.

We are aware of our responsibility as a supplier of products and services that are widely used throughout society, and we consider it our social mission to stably supply such products and services. In the spirit of compliance, we will adhere to various laws and regulations, the Charter of Corporate Ethics, and other codes of conduct and rules, and each of us will autonomously consider what is ethically correct conduct and act according to our value judgment.

Promotion system and process of risk management

For the purpose of promoting compliance and risk management, the Group has set up a "Risk Management Committee" to supervise the risk management of the entire Group, and Finance & Control promotes and manages these across the Group.

The Group has appointed an "Internal Control Manager," "Internal Control Promoter," and "Internal Control Promotion Committee Member" for each department to disseminate information related to compliance in each department, and to serve as a consultation contact point for employees on-site.

Regarding the risk management process, Finance & Control promotes and manages risk across the entire Group, and reports monthly to the Board of Directors risks reported by the Group to prevent problems before they occur.

With regard to detected risks, if a Company-wide response is deemed necessary, taking into consideration the monetary impact and importance of the risk, the Risk Management Committee discusses the response, and the Board of Directors makes a final decision on the matter and considers and implements specific measures to address it.

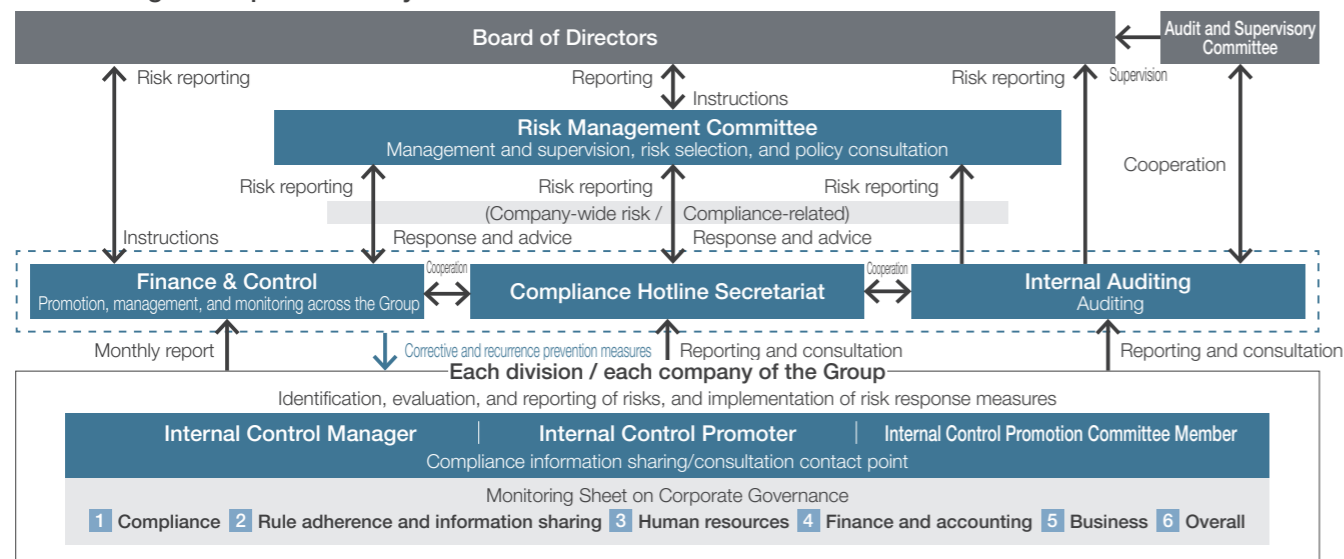
Monitoring

Through the Monitoring Sheet on Corporate Governance, Finance & Control visualizes the risks that should be focused on and their priorities by accurately identifying risks for the entire Group and selecting risks that need to be addressed in a focused manner.

It manages the risks related to matters such as compliance, rule adherence and information sharing, human resources, finance and accounting, and business, and report monthly to our Board of Directors to prevent problems before they occur.

Throughout the year, the Company monitors risks, mainly those of particular importance, and when necessary, related departments and Internal Auditing conduct investigations to take corrective measures and prevent recurrence.

Risk management promotion system



Main business risks

Risks that may affect the Group's stock price, financial position, and business performance include the following.

Recognizing the possibility of these risks, the Group strives to avoid their occurrence and to respond to them when they do occur.

Risks	Relevant businesses	Degree of impact	Risk description
1. Demand trend	Energy Solutions Business	Large	Demand for petroleum products (heating oil) and LPG, the Group's core products, generally increases when temperatures are cooler. As such weather conditions can cause net sales to fluctuate and affect the Group's business performance.
2. Product procurement	Energy Solutions Business / Power & Electricity Business	Large	The cost of sales of petroleum products, LPG, and electricity, the Group's core products, may fluctuate due to changes in crude oil prices and CP of LPG, trends in foreign exchange rates, and wholesale electricity market prices through electricity supply crunch caused by inclement weather and international conditions, etc., which may affect the Group's business performance. To mitigate these risks, attempts are made to hedge transactions using futures and other instruments and to diversify procurement sources as necessary, but these risks cannot be completely avoided.
3. Sales strategy	Energy Solutions Business / Power & Electricity Business	Medium	The Group's core businesses are the Energy Solutions Business, which sells household energy such as petroleum products, LPG and related equipment, and the Power & Electricity Business, which generates renewable energy such as wind power generation and biomass power generation and conducts electricity retail for general households. Competition among competitors for customers is intensifying due to greater freedom of choice in energy and maximum price curtailment, among other factors, and a decrease in the number of customers and drop in sales prices due to these factors may affect the Group's profitability.
4. Disasters etc.	Energy Solutions Business / Power & Electricity Business	Very large	Each of the Group's business sites includes petroleum product and LPG storage facilities, power plants, and other facilities. Although the Company conducts periodic inspections in accordance with laws and regulations, inspects facilities through a voluntary safety system, and makes periodic repairs, a major earthquake or other disaster could cause a leakage accident or damage to assets.
5. Investments etc.	All businesses	Medium	In order to strengthen its management base, the Group establishes subsidiaries or affiliated companies in Japan and overseas, and enters into capital tie-ups with external parties. With regard to investments, etc., we make decisions after giving due consideration to investment risks, etc., and periodically check the possibility of recovering the investment value. However, if the financial conditions and business performance of the investee deteriorate due to changes in the business environment or unforeseeable circumstances, and the possibility of recovering the investment decreases, or the stock price falls below a certain level, we may incur a partial or total loss on our investment, which may affect our financial condition and business performance of the Group.
6. Non-current assets	All businesses	Medium	The Group owns a number of business fixed assets, all of which are essential to the conduct of its business and are recognized as generating sufficient cash flow in the past and present. Although we regularly check the possibility of recovering the value of our investments, future trends in land prices and changes in the Group's earnings situation may affect our financial position and business performance of the Group.
7. Laws and regulations	All businesses	Medium	There are a wide variety of laws and regulations that the Group must comply with in the course of its business operations. The Energy Solutions Business and Power & Electricity Business are subject to the High Pressure Gas Safety Act, the Fire Service Act, and the Electricity Business Act, etc., while the Foods Business is subject to various regulations under food-related laws and quality inspections by external public organizations. Furthermore, in the future, we may be subject to various legal restrictions, such as the introduction of greenhouse gas emission regulations and carbon taxes, amid the global demand for stronger CO ₂ emissions reduction efforts and decarbonization. Violations of laws and regulations applicable to the Group may hinder the continuation of our business activities due to penalties, compensation for damages, or damage to the Group's reputation, etc. In addition, significant capital investment may be required in the future in the event of major revisions or tightening of regulations, or the establishment of regulations that are currently unforeseeable.
8. Overseas Business	Overseas Business	Large	The Group conducts overseas business in Asia, and in addition to foreign exchange risks, we are subject to risks inherent in overseas business in general, such as unforeseen circumstances arising from political, economic, and social conditions in each country, and changes in various laws and regulations, which may hinder the continuation of our business and affect our financial position and business performance.
9. Spread of COVID-19	Foods Business / Living & Wellness Business	Large	A decrease in customers due to a temporary shutdown of operations at the stores of the Foods Business and the hot bath facilities and bowling alleys of the Living & Wellness Business may affect the Group's profitability.

Risk factor by business segment

	Risk description	Risk description
Energy Solutions Business	<ul style="list-style-type: none"> Fluctuation in cost of sales due to crude oil prices, CP¹/MB² of LPG, and exchange rates Impact of COVID-19 on logistics infrastructure *1 Contract Price: Contracted import price; *2 Mont Belvieu: US-produced LPG price index 	<ul style="list-style-type: none"> Fluctuations in real estate market Obsolescence of property in commercial facilities (Decline in competitiveness) Delayed response to deterioration of owned real estate (Decline in competitiveness and increase in repair costs) Risk of decrease in SPA EAS and Hamabowl customers due to the spread of COVID-19
Power & Electricity Business	<ul style="list-style-type: none"> Policy risks associated with changes in administrative policy and impact on system development Necessity of procuring low cost power and developing power sources to achieve competitiveness in electric power sales Impact of power outages caused by natural disasters on IPP business Drop in electricity unit selling price caused by intensified competition Impact of increased costs from obligation to offer non-fossil energy Capacity contributions at the start of the capacity market 	<ul style="list-style-type: none"> Risks in exchange rates Unforeseen circumstances arising from political, economic, social and other conditions in each country Changes in various laws and regulations Risks inherent in Overseas Business in general
Foods Business	<ul style="list-style-type: none"> Damage to brand image and impact on business performance in event of quality-related accident at franchised stores of store brands Risk of decreased sales due to closing of stores in conjunction with the spread of COVID-19 	<ul style="list-style-type: none"> Risk receivables for lease customers arising from economic conditions, monetary policies, or the spread of COVID-19 Impact of leakage of personal information (including specific personal information) on business performance, etc. Risk of system outage due to system failure Natural disaster risk and insurance underwriting risk of each insurance company arising from climate change



Compliance

Basic approach

Mitsuroko Group has declared to society that it would give consideration to the global environment, comply with relevant laws and regulations, and enhance environmental preservation.

We have also advocated the need for ethics by stating in our corporate philosophy that we consistently conduct our business with integrity.

In the future, we will continue to contribute to the sustainable development of society as “a Lifestyle Producer” by striving for sincere management and business activities based on high ethical standards, always from the perspective of corporate social responsibility, as well as activities that take into consideration environmental preservation and resource saving.

Mitsuroko Group Standard of Conduct

Mitsuroko Group has established the “Charter of Corporate Ethics” as a code of conduct to be observed by the Company and its officers and employees in the course of the various corporate activities of the Group companies.

The officers and employees of each Group company take the initiative in practicing the normative behaviors

set forth in the Charter of Corporate Ethics as their important role and are making utmost efforts to ensure that they are firmly established within the Group. In addition, in the event of a conflict with this Charter of Ethics, officers and employees take responsibility for resolving the problem, investigating the cause, and improving operations to prevent recurrence.

Charter of Corporate Ethics

- 1 Comply with laws, regulations, and other social norms, and conduct fair and sound corporate activities**
Mitsuroko Group will conduct its corporate activities in accordance with laws and regulations, social norms, and social good sense. In addition, Mitsuroko Group will not associate with any individuals or groups that may adversely affect social order or the sound activities of the Company.
- 2 Provide safe and high-quality products and services**
We will develop safe and high-quality products and services based on our rich experience and knowledge and provide them to consumers and business partners.
- 3 Respect the personality and individuality of employees and create a comfortable and fulfilling work environment**
Mitsuroko Group will value the independence and creativity of each and every employee and foster a corporate culture in which they are fully utilized in its corporate activities. Mitsuroko Group will protect workplace safety and the health of its employees, respect human rights, and ensure a healthy work environment free from discrimination.
- 4 Respect the position of stakeholders**
Mitsuroko Group will strive to maintain sound and positive relationships with a wide range of society, including customers, business partners, employees, and shareholders.
- 5 Contribute to the preservation of the global environment and the creation of a prosperous and livable society**
Mitsuroko Group will be aware that it receives various benefits from the Earth, including the resources necessary for its business activities, and that it is the Group’s responsibility to preserve the global environment in a better state.

Compliance Handbook

Mitsuroko Group publishes the “Compliance Handbook,” a combination of the “Charter of Corporate Ethics” and the “Code of Conduct Casebook,” which explains the code of conduct stipulated according to the Charter of Corporate Ethics in an easy-to-understand manner. In order to enhance the understanding of the Charter of Corporate Ethics, we have sought to make it easier to comprehend the necessary actions needed to be taken by officers and employees by giving specific examples from daily life in understandable ways. For this reason, 50 of the 100 cases in the handbook have been converted into easy-to-read manga cartoons.



Compliance reporting system

For the purpose of preventing and early detection of organizational or individual violations of laws and regulations, as well as fraudulent activities, we have established a “Compliance Hotline,” which includes Legal & Secretary, Internal Auditing of the Company, and an outside law firm.

In response to reports and consultations on violations from the Company employees, business partners,

etc., we protect the informants, investigate the facts responsibly, and take corrective and recurrence prevention measures, as necessary. The information on where to report to the Compliance Hotline is posted on the information security card that is carried by all employees at all times and is known and shared by all employees.

Compliance training

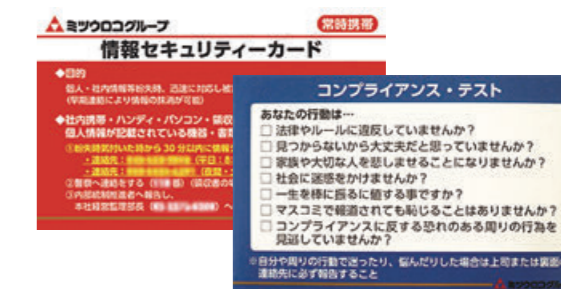
Mitsuroko Group regularly conducts compliance training by rank and theme.

Content of training	Target	Frequency of implementation
IT compliance training	All officers and employees	Once a year
Group management compliance training	Management	Once a year
Training for supervising officers	Supervising officers	Frequency of implementation
Group company accounting training	Accounting managers	Frequency of implementation

Content of training	Target	Frequency of implementation
New management training	Newly appointed managers	Once a year
Training for managers in charge of safety	Managers in charge of safety	Once a year
Group new employee training	New employees	Once a year

Issuance of information security cards

For the purpose of responding quickly and minimizing damage in the event of loss of personal or internal information, we have issued an “information security card” that describes how to respond in the event of loss of documents or business equipment containing personal information, etc., as well as compliance-related matters, and we have all employees of the Group, including subcontractors, carry this with them at all times.



Implementation of education on compliance and harassment

We have produced an educational DVD on compliance based on case studies, and together with the DVD on harassment, we are conducting education on compliance by having all officers and employees of the Group watch it during the compliance small group activities that we have been conducting on a regular basis.

In addition, in order to continuously educate all employees of Mitsuroko Group about compliance and to strengthen their awareness of compliance, we regularly distribute a “Compliance Newsletter” on the company intranet every week, featuring news of public interest and familiar examples.





Compliance

Prevention of bribery

Based on our management philosophy and “Charter of Corporate Ethics,” the Group promotes sincere corporate activities based on high ethical standards, always from the perspective of corporate social responsibility.

The Group aims to conduct measures to prevent bribery in its corporate activities by establishing and spreading awareness of the Charter of Corporate Ethics, employment rules, Compliance Rules, and risk management rules, etc.

We have enacted and announced Mitsuuroko Group Basic Policy on Prevention of Bribery, promoted efforts to prevent bribery across the Group with a mindset of fair play, and realize further improvement of corporate value by fulfilling our social responsibility in order to gain the trust of stakeholders and the general public.

Operation structure for prevention of bribery

Head of Legal & Secretary shall be responsible for managing prevention of bribery.

The Presidents of each Group company are also responsible for making their officers and employees comply with this basic policy. Regarding approval of entertaining, gift-giving, and donations in Overseas Business, and approval of agreements and confirmation of due diligence results related to hiring third parties, each department, the President of each company, and the finance and accounting department and the legal affairs department of Mitsuuroko Group confirm.

When we become aware of a violation of this basic policy or suspicion thereof, we will report it immediately to the manager in charge of legal affairs, the manager of the Internal Auditing, or the compliance hotline in or outside the Company.

We have spread awareness of this reporting structure.

The Company performs regular self-inspections of the status of compliance with this basic policy and the Internal Auditing executes controls and prevents risks beforehand by regularly conducting audits related to the compliance and operation of this basic policy.

If by chance a violation of this basic policy is discovered, the Company will proceed in accordance with company regulations and cooperate with investigations by supervising departments.

Education and spreading understanding

The Company has been aiming for education and spreading understanding of the prohibition on bribery in compliance training and internal materials.

Because there are different restrictions on overseas transactions from those in Japan, the Company shall thoroughly spread an awareness of the prohibition of bribery in and outside Japan and further expand the scope of training.

Also, the Internal Auditing shall take efforts to execute controls and extract risks beforehand through regular audits.

Mitsuuroko Group Basic Policy on Prevention of Bribery

1 Basic policy

Mitsuuroko Group promotes business activities based on its Charter of Corporate Ethics and management philosophy of “As a Lifestyle Producer, we consistently conduct our business with integrity and from the customer’s perspective.”

In accordance with laws and regulations and their intentions, we prohibit the entertaining or gift-giving to public officials, etc.

We aim to conduct measures for the prevention of bribery by establishing and spreading awareness of the Charter of Corporate Ethics, employment rules, Compliance Rules, and risk management rules, etc.

The Group enacted a basic policy related to prevention of bribery overseas and in Japan as it conducts global business.

We understand that it is the duty of each Mitsuuroko Group company, officer, and employee to comply with this basic policy. As such, we make the following declaration.

In accordance with our Basic Policy on Prevention of Bribery, we shall comply with the laws applied in each country and region and not engage in bribery of foreign officials. By clarifying the policies that are the foundation of this basic policy, we promote efforts to prevent bribery across all of Mitsuuroko Group with a mindset of fair play, and realize further improvement of corporate value by fulfilling our social responsibility in order to gain the trust of stakeholders and the general public.

2 Compliance of applied laws and regulations

We understand that corruption and bribery are unacceptable and comply with Japanese Penal Code, the Unfair Competition Prevention Act, the National Public Service Ethics Act, and the National Public Service Ethics Code.

We also comply with the laws, regulations, and restrictions applied in each country and region where we conduct corporate activities and do not bribe foreign public officials, etc.

We shall not perform any actions that may lead to suspicion of bribery.

1. Japan: Unfair Competition Prevention Act (Article 18), Penal Code (Articles 197 and 197-4)
2. US: Foreign Corrupt Practices Act (FCPA)
3. UK: UK Bribery Act 2010
4. Other similar laws based on or related to treaties for the prevention of bribery of foreign officials in international trade

3 Prohibited actions

(1) Prohibition of bribery

In corporate activities, the Company shall not offer, promise, or grant a bribe to anyone, whether they be a private citizen or a public official, either in or outside Japan, directly or through a third party, such as a proxy, consultant, or associate under contract.

The Company shall not perform any action that may be suspected of bribery from society. Bribery refers to the granting and receipt of items of monetary value, or other improper interests, or the promise, demand, request, or approval thereof.

(Notes) In the cases of charitable business, political contributions, and donations for sponsored activities, actions are also prohibited if they are in fact equivalent with bribery or improper granting of interests.

Also, officers and employees are prohibited from instructing, suggesting, or supporting bribery of a third party such as an agent, advisor, consultant, or subcontractor hired in order to collect and analyze information, secure orders for Mitsuuroko Group, or otherwise request cooperation for the purpose of promoting business, or to request services for which Mitsuuroko Group has received orders.

(2) Prohibition of accepting bribes

The Company shall constantly maintain a stance of loyalty and fairness and shall not request, promise, nor receive bribes from business partners either in or outside of Japan by using our business position.

Also, the Company shall not perform any action that may be suspected of accepting bribes from society.

4 Review and management of payment records

In order to prove that we do not engage in bribery, we review all payments to third parties within a logical degree of detail, record transactions accurately and surely in accounting books, and preserve these records internally for a set period.

In all circumstances, off-balance-sheet transactions are strictly prohibited.

5 Education

The Company performs training related to compliance that includes education of this basic policy and regular case studies for officers and employees in order to comply with the prohibition of bribery.

6 Compliance system, reporting, and internal reporting system

The responsibility of preventing bribery, including the execution and review of this basic policy, lies with the Head of Legal & Secretary.

The Presidents of each Group company are also responsible for making their officers and employees comply with this basic policy.

Also, when we become aware of a violation of this basic policy or suspicion thereof, we will report it immediately to the manager in charge of legal affairs, the manager of the Internal Auditing, or the hotline in or outside the Company.

Mitsuuroko Group has established and spread awareness of a reporting and consultant hotline with an external attorney in order to quickly identify and correct compliance issues, including bribery.

Violations to this basic policy will be subject to punishment in accordance with various regulations.

7 Cooperation with monitoring and investigations by supervising departments

We perform regular self-inspections of the status of compliance with this basic policy and cooperate with investigations of supervising departments in each country and region.

We will perform reviews as needed of this basic policy and compliance procedures.

8 Audit

The Internal Auditing performs appropriate audits related to compliance and operation of this basic policy, extracts risks and issues related to prevention of bribery, executes controls, and prevents risks beforehand.



Compliance

Tax policy

Mitsuo Group has always complied with the tax laws applied in each country and region it operates in and pays appropriate taxes. However, to increase awareness of tax compliance and tax transparency throughout the entire Group and further enhance tax governance, we have formulated the “Mitsuo Group Tax Policy.”

As we expand our business globally, going forward, we will fulfill our corporate social responsibility and further improve our corporate value through adhering to this Tax Policy, complying with the tax laws applied in each country and region, and paying appropriate taxes.

Mitsuo Group Tax Policy

1 Basic policy

Mitsuo Group promotes business activities based on its Charter of Corporate Ethics and management philosophy of “As a Lifestyle Producer, we consistently conduct our business with integrity and from the customer’s perspective.” We recognize that transactions that lack legitimate business purposes or economic rationality hinder tax transparency and may damage the Group’s business and brand value as well as the interests of stakeholders, including local communities and business partners.

As we expand our business globally, we will fulfill our corporate social responsibility and further improve our corporate value through adhering to this Tax Policy, complying with the tax laws applied in each country and region, and paying appropriate taxes.

2 Tax compliance

We will always report income and pay taxes in compliance with the laws and regulations applied in each country and international standards such as the Action Plan on Base Erosion and Profit Shifting (BEPS). In addition, we will not engage in tax evasions or opaque tax administration that hinders the sound development of the world economy.

3 Tax governance and human resources development

The Group CFO is responsible for the development and maintenance of the tax governance of the entire Group as well as the development of human resources responsible for the enhancement of tax governance.

We have formed a system for managing tax risks globally, assigning employees with expertise in matters concerning taxation to Finance & Control (F&C).

We have also put a framework in place for addressing the Group’s tax-related concerns in which the F&C and each Group company work together and the issues are reported to the Group CFO and resolved. Whenever tax-related matters of significant importance arise, the CFO reports them to the Board of Directors.

In addition, the F&C gathers the most up-to-date information concerning taxation through means such as participation in training sponsored by external specialists. It then conducts workshops for the accounting (tax) departments of each Group company based on the advice they have received from the external experts, educating employees on tax compliance as necessary.

In this way, we foster and strengthen the human resources who handle the Group’s tax matters, ensuring the appropriateness of tax governance.

4 Response to transfer pricing taxation

For international transactions within the Group, we comply with the tax laws of each country and the Organization for Economic Co-operation and Development (OECD) Transfer Pricing Guidelines, ensuring transfer pricing transactions are carried out appropriately and in accordance with the arm’s length principle. In addition, to avoid double taxation, we enter into an advance pricing agreement with tax authorities, working to reduce tax risk.

5 Response to anti-tax haven rules

We will not use tax havens for the purpose of tax avoidance without economic rationality. If, in light of the taxation systems of each country, anti-tax haven rules apply to schemes necessary for our business operations, we will report on such matters and pay taxes appropriately.

6 Minimizing tax risk

If deemed necessary due to uncertainties or other concerns regarding the interpretation of laws and regulations, we will receive advice from external experts such as tax consultants and legal advisors wherever necessary, and we will work to minimize tax risk through making appropriate judgments after adequate research, evaluation, and consideration of the various choices. Furthermore, we will confirm important tax-related issues with tax authorities in advance to clarify the handling of taxation.

7 Tax cost optimization (tax planning)

Through strengthening governance as outlined above and utilizing means such as preferential tax systems and tax exemptions that are recognized under the laws and regulations of each country within the scope of normal business activities, we will optimize tax costs and improve our corporate value.

8 Relations with tax authorities

We will form and maintain transparent, sound, and positive relations with tax authorities by responding to their requests in an appropriate, honest, and timely manner, and obtaining advance rulings as necessary.

Cybersecurity

Basic approach

As an infrastructure business operator that supplies energy and services related to everyday lifestyles, the Group considers cybersecurity an important issue in the fulfillment of our social responsibility and has positioned it as one of its key management issues.

Under the leadership of management, we ensure security in our customer service information systems, protect the information assets that have been entrusted to us, and promote stable supply of energy and security.

While transactions via the Internet and smartphones have increased with the rapid development of digital technology in recent years, cyber risk is also growing due to the advancement and sophistication of cyber attacks.

In light of changes in the environment such as the recent use of digital technology and increased threat of cyber attacks, we are working to strengthen cybersecurity measures within our various operations and businesses, such as the Energy Solutions, Power & Electricity, Foods, and Living & Wellness businesses.

Information security targets

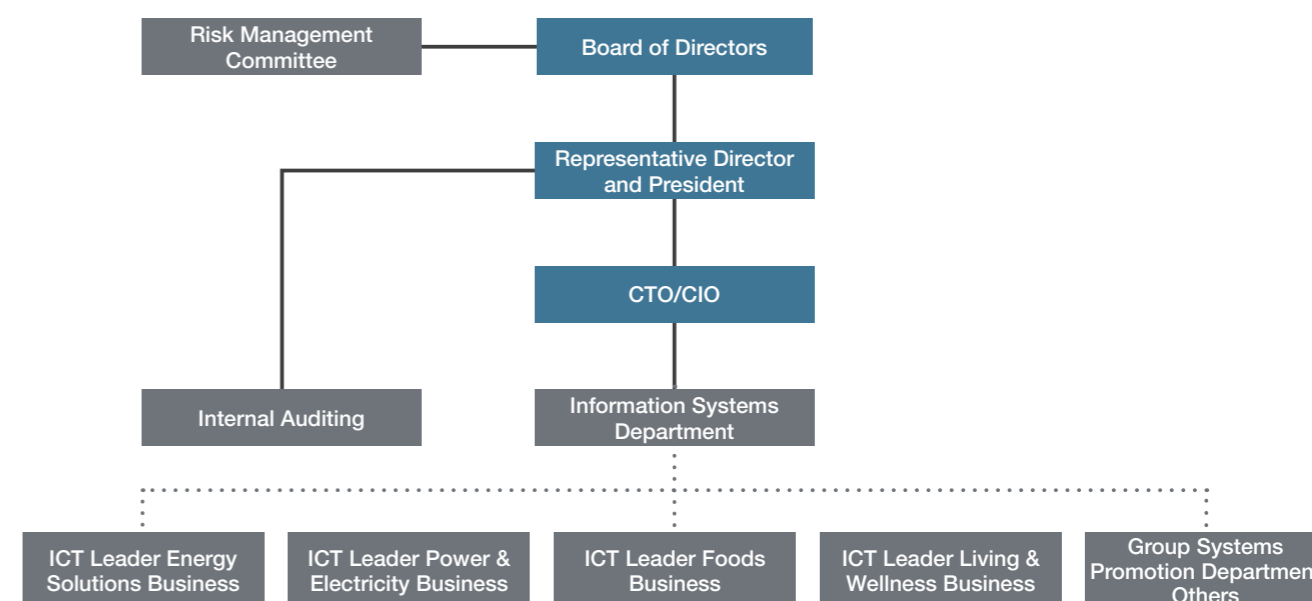
To reduce cyber risk, we maintain defense in depth and detection measures, actively developing human resources in security measures and sharing information with other companies to improve our knowledge and expertise through working with external organizations

that handle cybersecurity, as well as analyzing and responding to new cyber attack methods. We will constantly endeavor to reinforce our approach to cybersecurity to provide safer and more secure services to our customers.

Cybersecurity response system

We have established the Risk Management Committee as a subordinate body of the Board of Directors as well as the Information Systems Department under the CTO / CIO. Through this framework, we manage the information security governance of the entire Group. The Risk Management Committee and the Board of Directors receive reports on the status of the Group’s

security measures on a regular basis. Aiming to prevent cybersecurity incidents and minimize the damage or impact caused if they occur, each department and the subsidiaries that support the Group’s business work together to build an information security promotion system and ensure cybersecurity.





Cybersecurity

Practices to ensure cybersecurity

As initiatives to ensure cybersecurity, we secure the budget and human resources for technical countermeasures such as those for preventing the unauthorized access of systems. In addition, since IT measures alone are not sufficient to counter increasingly sophisticated cyber attacks, we conduct periodic e-learning training (once a year) and unannounced drills on countermeasures against suspicious e-mails for the Group's officers and employees, including contract employees and the employees of business partners, working to strengthen the information security of the entire organization.

Strengthening the sharing of information with Group companies

To make sure that our security policy is applied to all Group companies, we monitor the status of security measures of each company of the Group while ensuring security tools and operations meet a certain standard, working to strengthen governance and improve security across the entire Group.



Personal information protection

Basic approach

The Group deeply acknowledges the importance of privacy in respect to our customers' personal information. When handling personal information for our operations, all officers and employees comply with relevant laws and regulations as well as the internal rules that the Group has established. We thereby ensure that we respect our customers, meet their expectations, and build trust. In addition, we pay special consideration when handling the personal information of children and seek to obtain their parents' consent in the process.

Privacy policy

Mitsuuroko Group Holdings Co., Ltd. and each Mitsuuroko Group company handle the personal information of customers as outlined below.

1 Purpose of use

Each Mitsuuroko Group company acquires and uses the personal information of customers only for purposes such as publishing it on official websites or reasons which we notify our customers about. Each Mitsuuroko Group company will not acquire or use personal information for purposes other than the above without the consent of the customer.

2 Provision of personal information to third parties

Each Mitsuuroko Group company will not entrust or provide the personal information of customers to third parties, except upon the customers' consent or when we are legally obligated to do so after a receipt of request from judicial or governmental authorities. Even after customers give their consent, we ensure confidentiality agreements are in place to protect personal information in the event that we disclose, entrust, or provide personal information to third parties, and we do our utmost to protect the personal information of our customers.

3 Shared use of personal information

Regarding the following personal information, each Mitsuuroko Group company may share the information below for the purposes described in "1 Purpose of use" or for the purposes of use outlined below.

- 1) Basic customer information including name, age, gender, address, phone number, and contract number
- 2) The details and usage status of services and products provided by each Mitsuuroko Group company to customers, and the status of transactions
- 3) Results of various surveys conducted by each Mitsuuroko Group company
- 4) Details of inquiries from customers

The responsibility of managing information for shared use lies with the respective Mitsuuroko Group companies that have acquired the personal information.

Purposes of use

- For proposals and information regarding products, services, campaigns, events, etc. provided by each Mitsuuroko Group company
- For surveys, research and development to improve the quality of products and services provided by each Mitsuuroko Group company
- For the conducting of surveys about the products and services provided by each Mitsuuroko Group company
- For proper execution of business management operations as a group, such as understanding and managing various risks

4 Implementation of security measures for personal information

Each Mitsuuroko Group company has established internal rules and will take reasonable safety measures to protect the personal information entrusted to us by our customers from loss, destruction, unauthorized leakage to the outside, falsification, and unauthorized access.

In addition, we may delete the personal information of customers when we judge that the purpose of use has been achieved and it is no longer necessary to keep the personal information.

5 Inquiries from customers regarding personal information

When we receive a request from a customer to disclose, correct, add or delete, suspend the use, etc. of the customer's own personal information managed by us, we will confirm the identity of the customer before honoring these requests and taking appropriate actions promptly.

Initiatives for protecting personal information

Each Mitsuuroko Group company is conducting the following activities to ensure that the privacy policy is complied with.

- 1 We conduct educational activities and training for all officers and employees to ensure compliance with laws, regulations, and other standards concerning personal information.
- 2 We appoint a personal information supervisor who understands and complies with the matters specified in the internal rules of the Company. Their responsibilities include conducting training, implementing safety measures, and thoroughly communicating information to ensure that all of those who are engaged in the handling of personal information, including its acquisition and use, understand and comply with the internal rules.

- 3 We request the cooperation of our business partners and contractors whenever necessary for the protection of personal information.
- 4 We improve the privacy policy, internal rules, and the management of personal information protection as necessary in accordance with changes in laws, regulations, and the social environment.
- 5 We ensure this privacy policy can be accessed at all times by customers via means such as our company website and company brochures.



Appropriate information disclosure

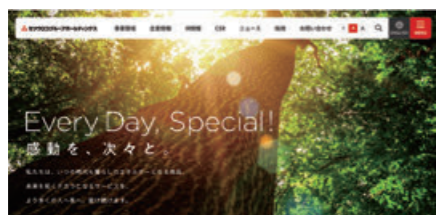
Basic approach

As a company conducting business with a mission to benefit society, we consider the timely and appropriate provision of information to all our stakeholders as a matter of importance. To enable customers to use the Group's products and services safely, securely, and comfortably, we proactively and appropriately disseminate company information as well as information on the safety and use of our products and services.

Appropriate information disclosure

● Mitsuuroko Group website

To gain the understanding of our customers, we promptly and appropriately share information on our website, such as company information, various information that concerns the lifestyles of customers, and information related to products and services.



● Appropriate disclosure of information in compliance with laws and regulations, and our voluntary standards.

We regularly offer necessary information to our customers whenever they contemplate the products or services offered by the Group. In addition to complying with the Act against Unjustifiable Premiums and Misleading Representations, we have established a checklist to ensure appropriate advertising and representations of our products or services. We cooperate with the Representations Officer when producing flyers, catalogues, or pamphlets, working to thoroughly provide correct information. In addition, we work to enable customers to use products and service safely, acting in accordance with the prescribed guidelines on methods for appropriate provision of information established by the Ministry of Economy, Trade and Industry in conjunction with the full liberalization of the electricity and gas retail market.

Timely disclosure system overview

1 Timely disclosure policy

The Company's basic policy is to disclose necessary information to stakeholders in a timely and appropriate manner. The Company will disclose "decisions," "occurrences," and "financial information" in a timely manner, as determined by the Board of Directors, in accordance with the provisions set forth by the Tokyo Stock Exchange.

2 Timely disclosure system

- 1) Decisions The departments in charge of disclosure in Finance & Control (Finance & Control, Financial Planning & Analysis and Finance & IR Team) confirm in advance whether decisions made by management meetings (the Board of Directors and the Management Committee) of the Company and its subsidiaries are subject to timely disclosure. If the decision is subject to timely disclosure, then, after a management meeting makes a decision, the departments in charge of the disclosure will promptly disclose the information in accordance with the instructions of the Head of Finance & Control, who is the manager responsible for disclosure.
- 2) Occurrences If any events that should be disclosed in a timely manner occur at the Company and its subsidiaries, the departments in charge of disclosure in Finance & Control confirm whether the occurrence is subject to timely disclosure, after persons in charge promptly notify the Head of Finance & Control. If the occurrence is subject to timely disclosure, then, after a decision has been made concerning disclosure by a management meeting of the Company or its subsidiaries, it will be promptly disclosed by the departments in charge of disclosure in accordance with the instructions of the Head of Finance & Control.
- 3) Financial information After a decision has been made by a management meeting (the Board of Directors and the Management Committee) of the Company or its subsidiaries, financial information is promptly disclosed by the departments in charge of disclosure in accordance with the instructions of the Head of Finance & Control, who is the manager responsible for disclosure.

3 Handling of timely disclosure information

Timely disclosure information is strictly controlled in accordance with the Company's Information Management Regulations. In addition, the Company makes thorough efforts to prevent insider trading in accordance with the Regulations for Prevention of Insider Trading.

Supply chain management

Basic approach

As a group that is close to our people's lives, supporting their daily lives through products and services, we believe that it is important to fulfill our social responsibility through working not alone but together with all of our business partners. Striving to form relationships of trust with all of our business partners, we have set out our approach to the provision of products and services and the way in which we build relations in our Charter of Corporate Ethics.

Charter of Corporate Ethics (extract)

Provide safe and high-quality products and services

We will develop safe and high-quality products and services based on our rich experience and knowledge and provide them to consumers and business partners.

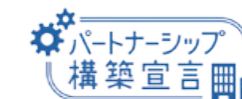
Respect the position of stakeholders

Mitsuuroko Group will strive to maintain sound and positive relationships with a wide range of society, including customers, business partners, employees, and shareholders.

Publication of "Declaration of Partnership Building"

Guided by our "Charter of Corporate Ethics," we will promote sincere corporate activities based on high ethical standards, always from the perspective of corporate social responsibility, and thoroughly ensure transactions respect human rights by complying with "Mitsuuroko Group Human Rights Policy."

We will continue to carry out corporate activities that are fair and respect human rights, building more positive and mutually prosperous relationships with our business partners with an aim to increase the added value of the entire supply chain and realize sustainable growth.



Declaration of Partnership Building

We declare that we will focus efforts on the following matters in order to build new partnerships by promoting collaboration and mutual prosperity with supply chain and value-creating business operators.

1 Mutual prosperity throughout the supply chain, and new collaboration transcending business scales, affiliations, etc.

We will increase added value throughout the supply chain by reaching out, through our direct suppliers, to their suppliers (from "Tier N" to "Tier N+1"), and we aim to create mutual prosperity with our business partners through collaboration that goes beyond existing trade relationships and business scales, etc. From the perspective of work style reform or ensuring business continuity in times of disaster, we will support our business partners by helping them to introduce telecommuting systems, advising them on business continuity planning (BCP), or providing other forms of assistance. While deepening collaboration among companies, we will also work to reduce CO₂ emissions, increase energy efficiency, and contribute to local communities.

2 Compliance with "Promotion Standards"

We will comply with the desirable trade practices set forth for main contractors and subcontractors ("Promotion Standards" prescribed in the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises), actively working to correct trade practices and business customs that obstruct the partnership building.

1 Method for determining prices

We will not demand unreasonable cost reductions. When determining transaction prices, we will consult with subcontractors if requested to do so, and fully discuss prices to ensure that appropriate profit for subcontractors is included, taking into consideration factors such as rises in labor costs. When concluding agreements that include determined transaction prices, we, as the main contractor, will state and issue the terms of the contract in writing.

2 Terms of payment by bill, etc.

In principle, payments will be made in cash.

3 Intellectual property and know-how

We will not request our subcontractors enter unilateral nondisclosure agreements, or take advantage of our trading position to demand disclosure of know-how or transfer of intellectual property rights without compensation.

4 Work style reform and relations

To enable our subcontracting business partners to carry out work style reforms, we will not place orders that have tight delivery deadlines with or make sudden changes to the specifications of jobs without compensating them appropriately. When disasters or other such events occur, we will not impose unilateral trading burdens on subcontractors, and upon the resumption of operations, we will continue business relationships to the best of our ability.

3 Other matters

We will uphold our "Charter of Corporate Ethics" and the "Mitsuuroko Group Human Rights Policy," conducting business that is fair and respectful of human rights.



GRI Standards table

Common standards

Items	Disclosures	Disclosure location
GRI 2: General Disclosure Matters (2021)		
1. Organization and reporting practice	2-1	Details of the organization SUSTAINABILITY REPORT 2022 P. 94: Company Profile BUSINESS REPORT 2022 P. 54: Company Information Website Company Information
	2-2	Entities covered by the organization's sustainability report SUSTAINABILITY REPORT 2022 P. 3: Editing Policy, P. 94: Company Profile Website Editing Policy/Company Profile
	2-3	Reporting duration, reporting frequency, contact SUSTAINABILITY REPORT 2022 P. 3: Editing Policy Website Editing Policy/Company Profile
	2-4	Revisions and corrections of information —
	2-5	External assurance SUSTAINABILITY REPORT 2022 P. 93: Independent Assurance Report Website Independent Assurance Report
2. Business activities and labor	2-6	Activities, value chain, other trading relationships Securities Report/Quarterly securities report (113th Securities Report, P. 6-7) SUSTAINABILITY REPORT 2022 P. 5: Model of Value Creation BUSINESS REPORT 2022 P. 11: Business Model and Outcomes Website Philosophy/Vision/Model of Value Creation
	2-7	Employees Securities Report/Quarterly securities report (113th Securities Report, P. 12) BUSINESS REPORT 2022 Financial Data (Main data for 11 years, P. 49) SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 90) Website ESG Data (Social data)
	2-8	Labor other than employees SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 90) Website ESG Data (Social data)
3. Governance	2-9	Governance structure and composition Securities Report/Quarterly securities report (113th Securities Report, P. 35) SUSTAINABILITY REPORT 2022 P. 11: Sustainability management promotion system, P. 67: Corporate governance (Corporate governance structure) SUSTAINABILITY REPORT 2022 ESG Data (Governance data, P. 92) BUSINESS REPORT 2022 P. 30: Corporate governance Website Corporate governance
	2-10	Nominating and selecting the highest governance body Securities Report/Quarterly securities report (113th Securities Report, P. 35) SUSTAINABILITY REPORT 2022 P. 67: Corporate governance (Corporate governance structure) BUSINESS REPORT 2022 P. 31: Corporate governance (Management team) Website Corporate governance
	2-11	Chair of the highest governance body Securities Report/Quarterly securities report (113th Securities Report, P. 35) SUSTAINABILITY REPORT 2022 P. 67: Corporate governance (Corporate governance structure) BUSINESS REPORT 2022 P. 31: Corporate governance (Management team) Website Corporate governance
	2-12	Role of highest governance body in supervision of impact management Securities Report/Quarterly securities report (113th Securities Report, P. 35) SUSTAINABILITY REPORT 2022 P. 67: Corporate governance (Corporate governance structure) BUSINESS REPORT 2022 P. 31: Corporate governance (Management team) Website Corporate governance (Corporate governance report)
	2-13	Delegating responsibility of impact management SUSTAINABILITY REPORT 2022 P. 11: Sustainability management promotion system, P. 21: Environmental management (Environmental management promotion system) Website Sustainability promotion system Website Environmental management (Environmental management promotion system)
	2-14	Highest governance body's role in sustainability reporting SUSTAINABILITY REPORT 2022 P. 11: Sustainability management promotion system, P. 21: Environmental management (Environmental management promotion system) Website Sustainability promotion system Website Environmental management (Environmental management promotion system)
	2-15	Conflicts of interest SUSTAINABILITY REPORT 2022 P. 67: Corporate governance Website Corporate governance
	2-16	Communicating critical concerns Securities Report/Quarterly securities report (113th Securities Report, P. 37) SUSTAINABILITY REPORT 2022 P. 70: Corporate governance (Status of the risk management system), P. 71: Risk management Website Corporate governance Website Risk management
	2-17	Collective knowledge of highest governance body SUSTAINABILITY REPORT 2022 P. 68: Corporate governance (Areas where Directors are expected to excel in) BUSINESS REPORT 2022 P. 32: Corporate governance (Areas where Directors are expected to excel in) Website Corporate governance (Areas where Directors are expected to excel in)
	2-18	Evaluating the highest governance body's performance SUSTAINABILITY REPORT 2022 P. 70: Corporate governance (Evaluation of the effectiveness of the Board of Directors) BUSINESS REPORT 2022 P. 33: Corporate governance (Evaluation of the effectiveness of the Board of Directors), P. 34: Message from External Directors Website Corporate governance (Corporate governance report)
	2-19	Remuneration policies Securities Report/Quarterly securities report (113th Securities Report, P. 53) SUSTAINABILITY REPORT 2022 P. 68: Corporate governance (Remuneration, etc. for Directors) BUSINESS REPORT 2022 P. 32: Corporate governance (Remuneration, etc. for Directors) Website Corporate governance (Remuneration, etc. for Directors)
2-20	Process for determining remuneration Securities Report/Quarterly securities report (113th Securities Report, P. 53) SUSTAINABILITY REPORT 2022 P. 68: Corporate governance (Remuneration, etc. for Directors) BUSINESS REPORT 2022 P. 32: Corporate governance (Remuneration, etc. for Directors) Website Corporate governance (Remuneration, etc. for Directors)	
2-21	Annual total remuneration ratio —	

Items	Disclosures	Disclosure location
4. Strategies, policies, practices	2-22	Announcement on strategies for sustainable development SUSTAINABILITY REPORT 2022 P. 7: Message from the President Website Message from the President
	2-23	Policy announcement SUSTAINABILITY REPORT 2022 P. 24: Climate change initiatives BUSINESS REPORT 2022 P. 13: Management Policy and Strategy of Mitsuuroko Group BUSINESS REPORT 2022 P. 15: The Financial Strategy of Mitsuuroko Group Website Climate change initiatives
	2-24	Practices of policy announcement SUSTAINABILITY REPORT 2022 P. 24: Climate change initiatives BUSINESS REPORT 2022 P. 13: Management Policy and Strategy of Mitsuuroko Group Website Climate change initiatives
	2-25	Corrective process of negative impacts —
	2-26	Mechanisms for seeking advice and raising concerns SUSTAINABILITY REPORT 2022 P. 71: Risk management, P. 73: Compliance Website Risk management Website Compliance
	2-27	Compliance with laws and regulations SUSTAINABILITY REPORT 2022 P. 73: Compliance BUSINESS REPORT 2022 P. 29: Compliance Website Compliance
	2-28	Associations with memberships SUSTAINABILITY REPORT 2022 P. 17: Stakeholder Engagement Website Stakeholder Engagement
	2-29	Approach to stakeholder engagement SUSTAINABILITY REPORT 2022 P. 17: Stakeholder Engagement Website Stakeholder Engagement
5. Stakeholder engagement	2-30	Labor agreement Securities Report/Quarterly securities report (113th Securities Report, P. 12)

GRI 3: Material Topics (2021)

	3-1	Process for determining material topics SUSTAINABILITY REPORT 2022 P. 13: Materiality identification and review Website Materiality
	3-2	List of material topics SUSTAINABILITY REPORT 2022 P. 13: Materiality identification and review, P. 15: Materiality and KPI BUSINESS REPORT 2022 P. 17: Materiality Website Materiality
	3-3	Management of material topics SUSTAINABILITY REPORT 2022 P. 11: Sustainability management promotion system Website Sustainability promotion system

Sector standards

Items	Disclosures	Disclosure location
GRI 11: Petroleum/Gas (2021)		
	11-1	Greenhouse gas (GHG) emissions SUSTAINABILITY REPORT 2022 P. 25: Climate change initiatives SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Climate change initiatives (TCFD) Website ESG Data (Environmental data)
	11-2	Climate-related adaptation, resilience, and transition SUSTAINABILITY REPORT 2022 P. 29: Response to climate change SUSTAINABILITY REPORT 2022 P. 43: Stable supply of energy/electricity SUSTAINABILITY REPORT 2022 P. 47: Disaster prevention measures BUSINESS REPORT 2022 P. 25: Enhancement of safety and disaster response measures Website Response to climate change Website Stable supply of energy/electricity Website Disaster prevention measures
	11-3	Emissions SUSTAINABILITY REPORT 2022 P. 23: Environmental risk management (Management of chemicals and contaminants) SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Environmental risk management (Management of chemicals and contaminants) Website ESG Data (Environmental data)
	11-4	Biodiversity SUSTAINABILITY REPORT 2022 P. 36: Response to climate change (Activities to protect and nurture the forests around water collection sites), P. 59: Local communities (Activities to protect and nurture the forests around water collection sites) Website Response to climate change
	11-5	Waste SUSTAINABILITY REPORT 2022 P. 23: Environmental risk management (Management of chemicals and contaminants) SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Environmental risk management (Management of chemicals and contaminants) Website ESG Data (Environmental data)
	11-6	Water and wastewater SUSTAINABILITY REPORT 2022 P. 22: Environmental risk management (Water risk initiatives) SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Environmental risk management (Water risk initiatives) Website ESG Data
	11-7	Closure and rehabilitation —
	11-8	Preservation of assets and management of critical incidents SUSTAINABILITY REPORT 2022 P. 71: Risk management Website Risk management
	11-9	Occupational health and safety SUSTAINABILITY REPORT 2022 P. 51: Health-focused management SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 91) BUSINESS REPORT 2022 P. 27: Health-focused management Website Health-focused management Website ESG Data (Social data)



GRI Standards table

Sector standards

Items	Disclosures	Disclosure location
11-10	Employment practices	SUSTAINABILITY REPORT 2022 P. 55: Inclusion & diversity SUSTAINABILITY REPORT 2022 P. 51: Health-focused management Website Inclusion & diversity Website Health-focused management
		SUSTAINABILITY REPORT 2022 P. 49: Respect of human rights SUSTAINABILITY REPORT 2022 P. 55: Inclusion & diversity SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 90) Website Respect of human rights Website Inclusion & diversity
11-11	Non-discrimination and equal opportunity	SUSTAINABILITY REPORT 2022 P. 49: Respect of human rights SUSTAINABILITY REPORT 2022 P. 55: Inclusion & diversity SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 90) Website Respect of human rights Website Inclusion & diversity
11-12	Forced and compulsory labor and modern slavery	SUSTAINABILITY REPORT 2022 P. 49: Respect of human rights Website Respect of human rights
11-13	Freedom of association and collective bargaining	Securities Report/Quarterly securities report (113th Securities Report, P. 12) SUSTAINABILITY REPORT 2022 P. 51: Health-focused management SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 91) BUSINESS REPORT 2022 P. 27: Health-focused management Website Health-focused management Website ESG Data (Social data)
		SUSTAINABILITY REPORT 2022 P. 5: Model of Value Creation BUSINESS REPORT 2022 P. 13: Management Policy and Strategy of Mitsuuroko Group BUSINESS REPORT 2022 P. 11: Business Model and Outcomes
11-14	Economic impacts	SUSTAINABILITY REPORT 2022 P. 17: Stakeholder Engagement SUSTAINABILITY REPORT 2022 P. 59: Local communities Website Stakeholder Engagement Website Local communities
11-15	Local communities	SUSTAINABILITY REPORT 2022 P. 17: Stakeholder Engagement SUSTAINABILITY REPORT 2022 P. 59: Local communities Website Stakeholder Engagement Website Local communities
11-16	Land and resource rights	—
11-17	Rights of indigenous peoples	SUSTAINABILITY REPORT 2022 P. 49: Respect of human rights Website Respect of human rights
11-18	Disputes and public safety	SUSTAINABILITY REPORT 2022 P. 71: Risk management Website Risk management
11-19	Anti-competitive behavior	SUSTAINABILITY REPORT 2022 P. 73: Compliance BUSINESS REPORT 2022 P. 29: Compliance Website Compliance
11-20	Anti-corruption	SUSTAINABILITY REPORT 2022 P. 73: Compliance SUSTAINABILITY REPORT 2022 P. 75: Compliance (Prevention of bribery) Website Compliance Website Compliance (Prevention of bribery)
11-21	Payment to government	—
11-22	Public policy	—

Items	Disclosures	Disclosure location
Anti-corruption (2016)	205-1	Operations assessed for risks related to corruption SUSTAINABILITY REPORT 2022 P. 75: Compliance (Prevention of bribery) Website Compliance (Prevention of bribery)
	205-2	Communication and training about anti-corruption policies and procedures SUSTAINABILITY REPORT 2022 P. 75: Compliance (Prevention of bribery) Website Compliance (Prevention of bribery)
	205-3	Confirmed incidents of corruption and actions taken —
Anti-competitive Behavior (2016)	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices —
Taxes (2019)	207-1	Approach to tax SUSTAINABILITY REPORT 2022 P. 77: Compliance (Tax policy) Website Compliance (Tax policy)
	207-2	Tax governance, control, and risk management SUSTAINABILITY REPORT 2022 P. 77: Compliance (Tax policy) Website Compliance (Tax policy)
	207-3	Stakeholder engagement and management of concerns related to tax SUSTAINABILITY REPORT 2022 P. 77: Compliance (Tax policy) Website Compliance (Tax policy)
	207-4	Country-by-country reporting —

Environmental

Raw Materials (2016)	301-1	Materials used by weight or volume —
	301-2	Recycled input materials used SUSTAINABILITY REPORT 2022 P. 38: Promotion of resource cycle Website Promotion of resource cycle
	301-3	Reclaimed products and their packaging materials —
Energy (2016)	302-1	Energy consumption within the organization SUSTAINABILITY REPORT 2022 P. 31: Response to climate change (Initiatives of operating companies) SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Response to climate change (Initiatives of operating companies)
	302-2	Energy consumption outside of the organization SUSTAINABILITY REPORT 2022 P. 29: Response to climate change (Controlling customer CO ₂ emissions) Website Response to climate change (Controlling customer CO ₂ emissions)
	302-3	Energy intensity —
	302-4	Reduction of energy consumption SUSTAINABILITY REPORT 2022 P. 29: Response to climate change SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Response to climate change Website ESG Data
	302-5	Reductions in energy requirements of products and services —
Water (2018)	303-1	Interactions with water as a shared resource SUSTAINABILITY REPORT 2022 P. 22: Environmental risk management (Water risk initiatives) Website Environmental risk management (Water risk initiatives)
	303-2	Management of water discharge-related impacts SUSTAINABILITY REPORT 2022 P. 22: Environmental risk management (Water risk initiatives) Website Environmental risk management (Water risk initiatives)
	303-3	Water withdrawal —
	303-4	Water discharge SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 89) Website ESG Data
	303-5	Water consumption SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 89) Website ESG Data
Biodiversity (2016)	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas SUSTAINABILITY REPORT 2022 P. 36: Response to climate change (Activities to protect and nurture the forests around water collection sites), P. 59: Local communities (Activities to protect and nurture the forests around water collection sites) Website Response to climate change
	304-2	Significant impacts of activities, products, and services on biodiversity —
	304-3	Habitats protected or restored SUSTAINABILITY REPORT 2022 P. 36: Response to climate change (Activities to protect and nurture the forests around water collection sites), P. 59: Local communities (Activities to protect and nurture the forests around water collection sites) Website Response to climate change
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations —
Emissions (2016)	305-1	Direct (Scope 1) GHG emissions SUSTAINABILITY REPORT 2022 P. 25: Climate change initiatives SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Climate change initiatives (TCFD) Website ESG Data
	305-2	Indirect (Scope 2) GHG emissions SUSTAINABILITY REPORT 2022 P. 25: Climate change initiatives SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Climate change initiatives (TCFD) Website ESG Data
	305-3	Other indirect (Scope 3) GHG emissions SUSTAINABILITY REPORT 2022 P. 25: Climate change initiatives SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Climate change initiatives (TCFD) Website ESG Data

Standards for each item

Items	Disclosures	Disclosure location
Economic		
Economic Performance (2016)	201-1	Direct economic value generated and distributed Securities Report/Quarterly securities report (113th Securities Report, P. 2-3, 34) BUSINESS REPORT 2022 P. 49: Financial Data
	201-2	Financial implications and other risks and opportunities due to climate change SUSTAINABILITY REPORT 2022 P. 24: Climate change initiatives (TCFD) Website Climate change initiatives (TCFD)
	201-3	Defined benefit plan obligations and other retirement plans Securities Report/Quarterly securities report (113th Securities Report, P. 93)
	201-4	Financial assistance received from public government —
Market Presence (2016)	202-1	Ratios of standard entry level wage by gender compared to local minimum wage —
	202-2	Proportion of senior management hired from the local community —
Indirect Economic Impacts (2016)	203-1	Infrastructure investments and services supported SUSTAINABILITY REPORT 2022 P. 43: Stable supply of energy/electricity, P. 59: Local communities Website Stable supply of energy/electricity Website Local communities
	203-2	Significant indirect economic impacts —
Procurement Practices (2016)	204-1	Proportion of spending on local suppliers —



GRI Standards table

Standards for each item

Items	Disclosures	Disclosure location		
Environmental				
305-4	GHG emissions intensity	—		
	305-5	Reduction of GHG emissions	SUSTAINABILITY REPORT 2022 P. 25: Climate change initiatives SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Climate change initiatives (TCFD) Website ESG Data (Environmental data)	
		305-6	Emissions of ozone-depleting substances (ODS)	—
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	SUSTAINABILITY REPORT 2022 P. 23: Environmental risk management (Management of chemicals and contaminants) Website Environmental risk management (Management of chemicals and contaminants)
	Waste (2020)	306-1	Waste generation and significant waste-related impacts	SUSTAINABILITY REPORT 2022 P. 23: Environmental risk management (Management of chemicals and contaminants) SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Environmental risk management (Management of chemicals and contaminants) Website ESG Data (Environmental data)
		306-2	Management of significant waste-related impacts	SUSTAINABILITY REPORT 2022 P. 23: Environmental risk management (Management of chemicals and contaminants) SUSTAINABILITY REPORT 2022 ESG Data (Environmental data, P. 89) Website Environmental risk management (Management of chemicals and contaminants) Website ESG Data (Environmental data)
		306-3	Waste generated	SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 89) Website ESG Data (Environmental data)
306-4		Waste diverted from disposal	—	
306-5		Waste directed to disposal	SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 89) Website ESG Data (Environmental data)	
Supplier Environmental Assessment (2016)	308-1	New suppliers that were screened using environmental criteria	—	
	308-2	Negative environmental impacts in the supply chain and actions taken	SUSTAINABILITY REPORT 2022 P. 82: Supply chain management Website Supply chain management	

Items	Disclosures	Disclosure location	
403-8	Workers covered by an occupational health and safety management system	SUSTAINABILITY REPORT 2022 P. 51: Health-focused management SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 91) BUSINESS REPORT 2022 P. 27: Health-focused management Website Health-focused management Website ESG Data (Social data)	
	403-9	Work-related injuries	SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 91) Website ESG Data (Social data)
	403-10	Work-related ill health	—
Education and Training (2016)	404-1	Average hours of training per year per employee	SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 91)
	404-2	Programs for upgrading employee skills and transition assistance programs	SUSTAINABILITY REPORT 2022 P. 58: Human resources development Website Human resources development
	404-3	Proportion of employees receiving regular performance and career development reviews	—
Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	SUSTAINABILITY REPORT 2022 P. 55: Inclusion & diversity SUSTAINABILITY REPORT 2022 ESG Data (Social data, P. 90) BUSINESS REPORT 2022 P. 28: Promotion of diversity Website Inclusion & diversity Website ESG Data (Social data)
	405-2	Ratio of basic salary and remuneration of women to men	—
No Discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	—
Freedom of Association and Collective Bargaining (2016)	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—
Child Labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	—
Forced or Compulsory Labor (2016)	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—
Security Practices (2016)	410-1	Security personnel trained in human rights policies or procedures	—
Rights of Indigenous Peoples (2016)	411-1	Incidents of violations involving rights of indigenous peoples	—
Human Rights Assessment (2016)	412-1	Operations that have been subject to human rights reviews or impact assessments	—
	412-2	Employee training on human rights policies or procedures	SUSTAINABILITY REPORT 2022 P. 49: Respect of human rights SUSTAINABILITY REPORT 2022 P. 58: Human resources development Website Respect of human rights Website Human resources development
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—
Local Communities (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	SUSTAINABILITY REPORT 2022 P. 17: Stakeholder Engagement SUSTAINABILITY REPORT 2022 P. 59: Local communities BUSINESS REPORT 2022 P. 23: Contribution to local communities Website Stakeholder Engagement Website Local communities
	413-2	Operations with significant actual and potential negative impacts on local communities	—
Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria	—
	414-2	Negative social impacts in the supply chain and actions taken	—
Public Policy (2016)	415-1	Political contributions	—
Customer Health and Safety (2016)	416-1	Assessments of the health and safety impacts of product and service categories	SUSTAINABILITY REPORT 2022 P. 45: Safety assurance and quality control for customers Website Safety assurance and quality control for customers
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	—
Marketing and Labeling (2016)	417-1	Requirements for product and service information and labeling	—
	417-2	Incidents of non-compliance concerning product and service information and labeling	—
	417-3	Incidents of non-compliance concerning marketing communications	—
Customer Privacy (2016)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	—
Socioeconomic Compliance (2016)	419-1	Non-compliance with laws and regulations in the social and economic area	—

ESG Data

Environmental data

Sales volume for renewable energy and environment related products / greenhouse gas emissions

Sales volume	Unit	FY2020	FY2021	
Electricity sales volume by energy source	Solar power	thousand kW	7,045	7,152
	Wind power	thousand kW	55,807	48,889
	Biomass power	thousand kW	60,741	59,605
	Solar panels	kW	1,894	1,758
Product sales volume	Storage batteries	kWh	13,071	10,205
	ENE-FARM	Units	76	92

Greenhouse gas (CO ₂) emissions	Unit	FY2020	FY2021	
Scope 1 + Scope 2	Total	t-CO ₂	25,828	34,021
	Scope 1	t-CO ₂	11,579	★ 17,049
	Scope 2	t-CO ₂	14,249	★ 16,972

Greenhouse gas (GHG) emissions	Unit	FY2020	FY2021	
Scope 3	Total	t-CO ₂ eq	5,753,128 ¹	★ 5,958,716
Category 1	Purchased goods and services	t-CO ₂ eq	638,501	★ 596,251
Category 3	Fuel and energy-related activities not included in Scopes 1 and 2	t-CO ₂ eq	1,960,081	★ 2,415,898
Category 4	Transportation and delivery (upstream)	t-CO ₂ eq	21,095 ¹	★ 19,676
Category 11	Use of sold products	t-CO ₂	3,133,452	★ 2,926,890

Conversion factors, etc.

CO ₂ emission factors	Unit	FY2020	FY2021	
City gas	tCO ₂ /thousand Nm ³		2.23	
Purchased electricity	Emission factors by electric utility business operator published in accordance with the ministerial ordinance of the Act on Promotion of Global Warming Countermeasures.			
	Steam (excluding steam for industrial use), hot water, cold water	tCO ₂ /GJ		0.057
Thermal	Steam for industrial use	tCO ₂ /GJ		0.060
	Heavy oil A	tCO ₂ /kL		2.71
	Diesel fuel	tCO ₂ /kL		2.58
	Heating oil	tCO ₂ /kL		2.49
	Gasoline	tCO ₂ /kL		2.32
	LPG	tCO ₂ /t		3.00

Energy usage volume

Energy	Unit	FY2020	FY2021
LPG	t	2,248	2,161
Gasoline	kL	956	1,000
Heavy oil	kL	0	1,289
Diesel fuel	kL	790	839
Heating oil	kL	152	156
City gas	thousand Nm ³	93	983
Electricity	thousand kWh	26,638	36,017
Warm water	GJ	2,419,962	2,665,334
Cold water	GJ	5,315	5,541
Steam for industrial use	GJ	907	956

Other environmental data

Water consumption and water discharge volume	Unit	FY2020 ²	FY2021
Usage volume	Water supply	thousand m ³	4,941
	Well water	thousand m ³	1,514
Water discharge volume	Sewage ³	—	—
	Underground/river ⁴	thousand m ³	647

Waste volume	Unit	FY2020 ²	FY2021
Industrial waste	Total amount	t	35,088
Recycling of industrial waste	Coffee grounds, tea grounds, mandarin orange grounds, used paper and cardboard, metals, etc.	t	2,398
Recycling rate	Recycled industrial waste/industrial waste (total volume)	%	6.8
Toxic waste	Mercury waste, PCBs	t	2.3

★ marked indicators are independently assured by KPMG AZSA Sustainability Co., Ltd. The Company has received independent assurance report since FY2020. For more information, please refer to the Sustainability Report of previous year. The basis for the calculations is as follows:

The boundary covers Mitsuuroko Group Holdings Co., Ltd. and its consolidated subsidiaries. We have added Shizuoka Mitsuuroko Foods Co., Ltd. since November 2021. General Storage Company Pte. Ltd., an overseas subsidiary acquired in December 2021, is excluded from the boundary of this report as it is difficult to compile sustainability information. Scope 1 and 2 emissions include only CO₂ emissions, while scope 3 emissions include emissions from GHG other than CO₂.

Scope 1: CO₂ emission factor of fuel and the unit calorific value are based on the coefficients specified in the Act on Promotion of Global Warming Countermeasures.

Scope 2: CO₂ emission factor of electricity based on the adjusted emission factors by electric utility business operator.

Scope 3: Each emissions intensity is referenced from the Act on Promotion of Global Warming Countermeasures; the Ministry of the Environment's "Database on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain"; and the Inventory Database for Environmental Analysis version 2 (IDEAv2) for calculating supply chain greenhouse gas emissions, published by the Sustainable Management Promotion Organization.

Category 1: Calculated by multiplying the amount (physical quantity) of petroleum-derived fuel and city gas procured for sales by the emission intensity for each fuel type specified in IDEAv2.

Category 3: GHG emissions derived from the extraction, production, and transportation of fossil fuels used in the production of electricity for sales purposes and the production of energy purchased for private use. Emissions from "electricity

for sales purposes" are calculated by multiplying the amount of electricity sold by the basic emission factor of Mitsuuroko Group conducting retail electricity business and the emission intensity database figure. Emissions from "private electricity consumption" are calculated by multiplying the amount of electricity used for private consumption by the emission intensity database figure. Emissions from "private fuel consumption" are calculated by multiplying the amount of fuel used for private consumption by the fuel emission intensities specified in IDEAv2 for each fuel type.

Category 4: Upstream transportation emissions are calculated by multiplying the transportation volume (t-km), which is the product of the cargo weight and the distance transported, by the IDEAv2 emission intensity for each transportation type. For shipping and transportation, fuel consumption is multiplied by the emission intensity from the Ministry of the Environment database.

Category 11: Calculated by multiplying the sold volume (physical quantity) of petroleum-derived fuel and city gas by their respective fuel-specific calorific values and CO₂ emission factors.

¹ Due to discrepancies in fuel consumption for LPG shipping logistics in FY2020, it has been revised to the following figures.

	Before revision	After revision	Changes
Scope 3	5,760,604 t-CO ₂ eq	5,753,128 t-CO ₂ eq	-7,476 t-CO ₂ eq
Category 4	28,571 t-CO ₂ eq	21,095 t-CO ₂ eq	-7,476 t-CO ₂ eq

² Other environmental data results for FY2020 are not disclosed.

³ Discharges to sewage are not disclosed (measured) by many water agencies, making it difficult to aggregate.

⁴ Discharged after neutralization, reduction, dilution, etc. as required by law.

Social data

Employee overview

	Male		Female		Total	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Number of employees by gender	12	1,314	9	427	21	1,741

* As of March 31, 2022

	Less than 30 years old		30 to 39 years old		40 to 49 years old		50 to 59 years old		60 years old or over		Total	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Number of employees by age	0	264	9	385	6	552	6	522	0	18	21	1,741

* As of March 31, 2022

	Male		Female		Total / average	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Average age by gender	45	41	40	35	43	39
Average years of service by gender	4	13	7	9	5	12
Total number of employees in management	8	444	6	28	14	472
General manager or higher	7	90	2	3	9	93
Section manager or higher (excluding general managers)	1	354	4	25	5	379

* As of March 31, 2022

	Master's / Bachelor's graduate				Vocational school graduate		High-school graduate				Total	
	Male		Female		Male	Female	Male		Female		Non-consolidated	Consolidated
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated				
Recruitment status (new graduates)	0	0	17	12	0	1	0	0	5	2	0	37

* As of FY2021

	Male		Female		Total	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Recruitment status (mid-career)	4	71	1	22	5	93

* As of FY2021

		Number registered					
Number of employees with disabilities		19					

* As of June 2021

	Childcare leave						Nursing care leave	
	Male		Female		Total		Non-consolidated	Consolidated
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated		
Childcare / nursing care leave system usage	0	3	1	17	1	20	0	0

* As of FY2021

	Childcare leave		Childcare work time reduction	Nursing care leave	Nursing care work time reduction	Accompaniment leave system	Volunteer leave	Refresh leave system
	Number of leave takers	Return rate	Number of leave takers	Number of leave takers	Number of leave takers	Total number of users	Total number of users	Number of leave takers
Main system and usage data	20	100%	23	0	0	2	0	26

* As of FY2021

	Total number of retired employees	Number of retirees reemployed		
		HD	Subsidiaries, etc.	Total
Reemployed retiree status	37	0	34	34

* As of FY2021

	Male (turnover rate)		Female (turnover rate)		Average (turnover rate)	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Turnover rate	11.11%	5.60%	0.00%	10.32%	5.88%	6.48%

* As of FY2021

	Contract employees			Temporary employees	Total
	Total	Male	Female		
Number of temporary employees and contract employees	1,876	540	1,336	68	1,944

* As of March 31, 2022

	Average number of paid annual leave days taken
Average number of paid annual leave days taken	11.3 days

* As of FY2021

	Number of employees
Number of employees covered by collective bargaining rights (excluding management)	633 * Limited to the 14 companies that are members of the National Mitsuuroko Labor Union

* As of March 31, 2022

	Average annual training time
Average annual training time	17.1 hours

* As of FY2021

	All employees
Average annual salary	5,115,997 yen

* As of FY2021

	Master's / Bachelor's graduate	High-school graduate
New graduate starting salary	250,000 yen (including 1,000 yen book allowance) * Mitsuuroko Vessel Co., Ltd. major career track	—

* As of FY2022

	Total investment in human resource development	Invested amount in human resource development and skills development per employee	Invested hours in human resource development and skills development per employee
Investment in human resource development	52,288,144 yen	30,033 yen	17.1 hours

* As of FY2021

Occupational health and safety management

Annual average of total hours worked per employee	1,872 hours	Rate of receiving regular medical examinations	100%
Monthly average of overtime hours worked per employee	17.6 hours	Rate of smoking	32.8%
		Rate of regular exercise	24.8%

* As of FY2021

* As of FY2021

Summary of accidents and disasters

Number of deaths due to work-related accidents	Number of severe accidents	Number of work-related accidents	Number of traffic accidents	Frequency rate of lost-worktime injuries	Severity rate
0	0	29	1	2.76%	0.013%

* As of FY2021

Governance data

Composition of the Board of Directors (As of March 31, 2023)

Directors (excluding Directors who are Audit and Supervisory Committee Members)		Overall	
Total number of Directors	9	Total number of Directors (including Audit and Supervisory Committee Members)	12
Female	1	Female	1 (8%)
Foreign nationals	1	Foreign nationals	1 (8%)
External	2	External	5 (42%)
Directors who are Audit and Supervisory Committee Members		Independent External Directors	3 (25%)
Total number of Directors who are Audit and Supervisory Committee Members	3		
External	3		

Meetings of the Board of Directors / Audit and Supervisory Committee

	FY2018	FY2019	FY2020	FY2021
Number of Board of Directors meetings held	14	12	12	13
Number of Audit and Supervisory Committee Meetings held	12	12	12	13

Director remuneration (FY2021)

	Total remuneration, etc. (millions of yen)	Total remuneration, etc. by type (millions of yen)		Number of applicable Directors
		Basic remuneration	Performance-linked stock remuneration	
Directors (excluding Directors who are Audit and Supervisory Committee Members)	368	281	87	9
(External Directors)	(14)	(14)	(—)	(2)
Directors who are Audit and Supervisory Committee Members	21	21	—	4
(External Directors)	(19)	(19)	(—)	(3)
Total	390	302	87	13
(External Directors)	(34)	(34)	(—)	(5)

Compliance-related consultations

Compliance consultations	FY2019	FY2020	FY2021
Number of consultations	17	12	17

Meetings of the Risk Management Committee

Risk Management Committee	FY2018	FY2019	FY2020	FY2021
Number of meetings held	5	1	4	3

Independent Assurance Report



Independent Assurance Report

To the Representative Director, President and Chief Executive Officer of Mitsuuroko Group Holdings Co., Ltd.

We were engaged by Mitsuuroko Group Holdings Co., Ltd. (the "Company") to undertake a limited assurance engagement of the environmental performance indicators marked with a star ★ (the "Indicators") for the period from April 1, 2021 to March 31, 2022 included in its Sustainability Report 2022 (the "Report") for the fiscal year ended March 31, 2022.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:


- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting the Company's Shizuoka Mitsuuroko Foods Co., Ltd.'s Ihara factory and Okitsu factory selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Management







We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.


Takeru Yamada, Partner
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
November 24, 2023

Company Profile

As a corporate group that contributes to the creation of more fulfilling lifestyles by focusing on providing environmentally friendly energy and lifestyle services, Mitsuuroko Group operates in the Energy Solutions Business, Power & Electricity Business, Foods Business, Living & Wellness Business, Overseas Business, and Others, which include office equipment leasing, administrative support, and insurance.

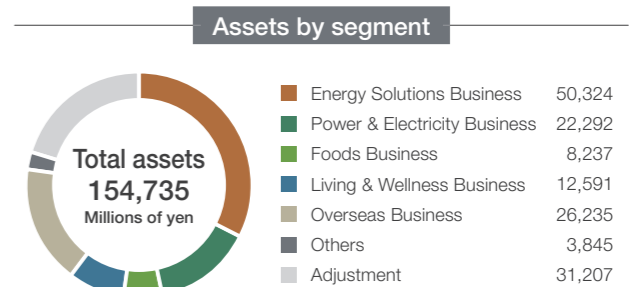
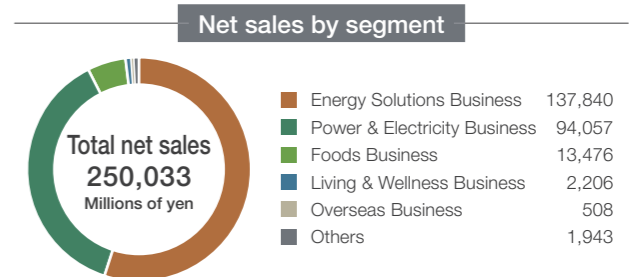
Mitsuuroko Group's business areas

Business Area	Key Message	Description
 Energy Solutions Business	Support people's lives. Cultivate the future.	Responding to contemporary needs, we continue to remain close to our customers' lifestyles and bring happiness through energy. We are utilizing the Group network to provide energy and fulfilling lifestyles.
 Power & Electricity Business	Next-generation energy that brings comfort and ease to daily life.	We live in an age of shifting from "energy efficiency and conservation" to "energy generation." As a power generation business operator that uses diverse renewable energy sources and a retail electricity provider, we aim to "improve the global environment (reduce CO ₂ emissions)," "improvement of energy self-sufficiency," and "harmonious coexistence with local communities."
 Foods Business	Exciting the future with the delicious.	We are providing fulfilling lifestyles to everyone by operating a beverage business, shop & restaurant business, bakeries, and cafés.
 Living & Wellness Business	Connecting to a future that connects daily life.	In addition to development and leasing of residential homes, office buildings, and commercial facilities, we build fulfilling lifestyles with our customers by creating new business opportunities, and aim for harmony between regions through business.
 Overseas Business	Delivering sustainable values to local communities.	The company is involved in the development of energy and social infrastructure in local communities mainly in Asia, and will continue to develop new businesses in the global market.
 Others	Results meeting needs to accelerate business.	We provide total solutions for the present and future of businesses and powerfully support the streamlining of all businesses.

Contribute to fulfilling lifestyles

Mitsuuroko Group Holdings Co., Ltd. company information

Company name	Mitsuuroko Group Holdings Co., Ltd.
Main business	Holding company (Group's management strategy and management)
Headquarters	3-1-1 Kyobashi, Chuo-ku, Tokyo 104-0031, Japan
Date established	May 10, 1926
Capital	¥7,077 million
Number of employees	21 / Consolidated: 1,771 (as of March 31, 2022)
Group companies	Consolidated subsidiaries: 45 companies (37 domestic companies, 8 overseas companies) Entities accounted for using equity method: 7 companies (7 domestic companies) (as of December 31, 2022)





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