



SUSTAINABILITY

REPORT

2021



Mitsuuroko Group Holdings Co., Ltd.  
SUSTAINABILITY REPORT 2021

# For the Realization of a Sustainable Society

As stated in our management philosophy, the Mitsuuroko Group is committed to contributing to the development of a bright future, a beautiful planet, and an enriched society, while fulfilling our role in realizing a sustainable society through our energy-based business, from the customer's perspective as "a Lifestyle Producer."

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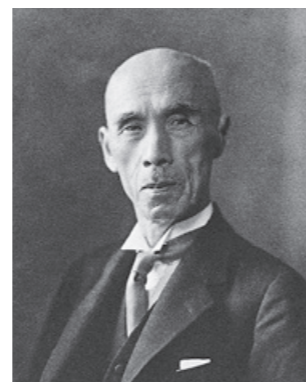
## Founding principle of continually taking up challenges

One of the founding principles of the Mitsuuroko Group is that "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." This is an important principle for our continual pursuit of challenges and it exists so that the Mitsuuroko Group can continue to shine for the next 100 years.

Up to now, the Mitsuuroko Group has continued to grow while sensing changes in society and our customers and changing ourselves as we look ahead to the future. In order to continually adapt to the environment of the times, we will continue to be a corporate group that takes up challenges, not fearing failure but learning from it.

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.



First President Tatsusaku Tajima

## Management philosophy

We at the Mitsuuroko Group are working to spread natural energy for people and environmentally friendly lives while currently providing a stable supply of LPG and other energy sources.

Since its founding in 1886, the Mitsuuroko Group has been working to support people's lives every way it can by supplying energy that meets contemporary needs and providing services related to everyday lifestyles. This involves everything from coal to briquettes, charcoal briquettes, petroleum products, and LPG. Today, we are subject to major challenges in terms of remaining mindful of the global environment and addressing energy shortages. As such, we are fully committed to promoting the spread of natural energy sources that are not dependent on traditional fossil fuels, as well as energy storage and other next-generation energy systems.

The Mitsuuroko Group will remain committed to helping each and every one of our customers lead enriched lifestyles as we firmly set our sights on resources and the environment for the sake of our children and our planet.

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

## Corporate message

We provide people and communities with products that empower lifestyles and services that lead the way into the future.

Every Day, Special!

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## Editing Policy

This document was prepared while emphasizing the objective to express specific topics, thoughts, and initiatives, etc. related to the Mitsuuroko Group's "Environment, Social, and Governance (ESG)."

In its editing, we referred to the assessment items of major ESG rating providers, in addition to the "Environmental Reporting Guidelines (2018)" by the Ministry of the Environment and the "GRI (Global Reporting Initiative) Standards," the international reporting guidelines.

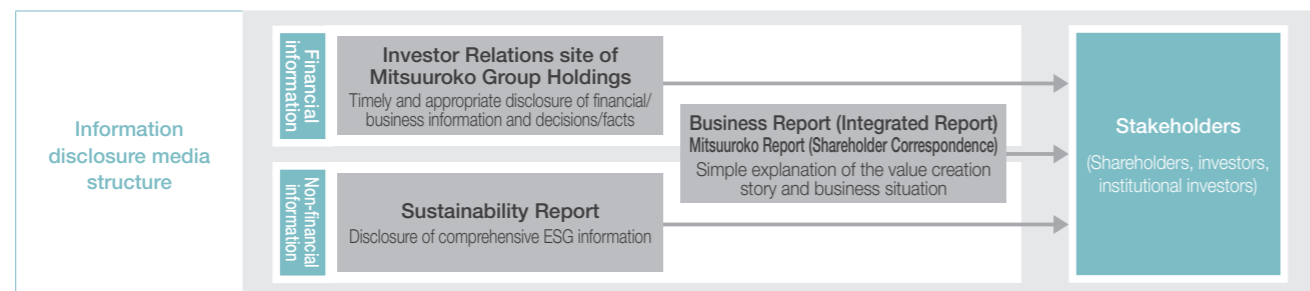
In addition, the Company is continuing to enhance the ESG related information each year that is determined to be important.

<b>Reporting scope</b>	The scope covers 51 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. * 44 consolidated subsidiaries and 7 entities accounted for using equity method (as of December 31, 2021)
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<b>Reporting period</b>	Reporting period is FY2020 (from April 2020 to March 2021). However, some information in and after April 2021 is also included.
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<b>Guidelines referenced</b>	<ul style="list-style-type: none"> <li>● GRI Sustainability Reporting Standards</li> <li>● GRI Standards Table</li> <li>● "Environmental Reporting Guidelines (2018)" by the Ministry of the Environment</li> <li>● Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)</li> </ul>
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<b>Report reliability</b>	Some environmental information in this report has been assured by third party institutions to ensure objective reliability of information.
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## Company Profile

The Mitsuuroko Group is a corporate group that primarily provides environmentally friendly energy and lifestyle-related services with a mission to "contribute to enriched lifestyles."

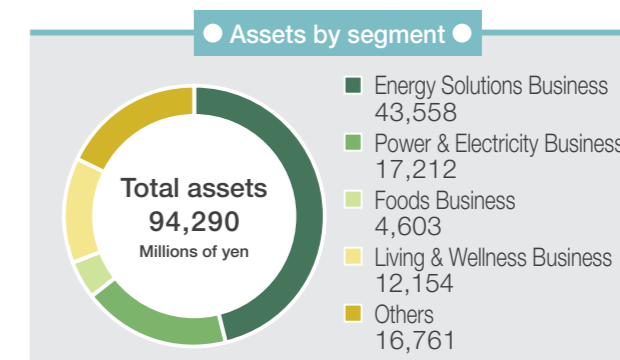
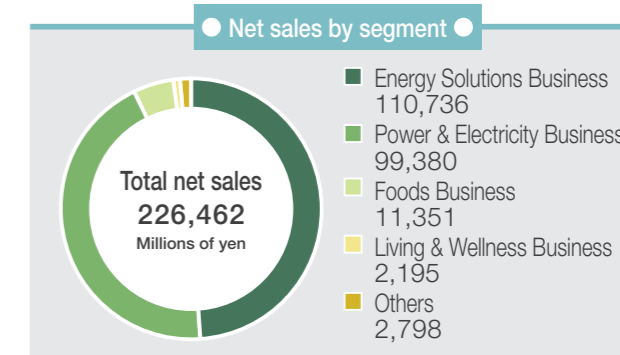
Our businesses are the "Energy Solutions Business," the "Power & Electricity Business," the "Foods Business," the "Living & Wellness Business," and "Others," which include leasing of office equipment, insurance brokerage, operational and system support, and Overseas Business.

### Mitsuuroko Group's business areas

<b>Energy Solutions Business</b>	<b>We will continue to provide energy that makes life sparkle.</b> Responding to contemporary needs, we continue to remain close to our customers' lives and bring happiness through energy. We are utilizing the Group network to provide energy and enriched lifestyles.	Sales of and logistics services for LPG, city gas, petroleum, new energy equipment, and more
<b>Power &amp; Electricity Business</b>	<b>Next-generation energy that brings comfort and ease to daily life.</b> We live in an age of shifting from "energy conservation" to "energy creation." As a power generation business operator that uses diverse renewable energy sources and a retail electricity business operator, we aim to "improve the global environment (reduce CO <sub>2</sub> emissions)," "increase energy self-sufficiency," and "coexist with local communities."	Wind power generation, biomass power generation, mega solar power generation, electric power wholesale to power companies, and electric power retail sales to general consumers
<b>Foods Business</b>	<b>Exciting the future with the delicious.</b> We are providing enriched lifestyles to everyone by operating a beverage business, shop & restaurant business, bakeries, and cafés.	Manufacture and sale of beverages, operation of restaurants, and in-facility stalls and cafeterias, operation of DELICATERIA (delicatessens directly under Mitsuuroko Grocery) and voluntary chain stores, operation of burger restaurants, and fresh bakeries and cafés, and more.
<b>Living &amp; Wellness Business</b>	<b>Connecting to a future that connects daily life.</b> In addition to development and leasing of residential homes, office buildings, and commercial facilities, we offer proposals to expand the range of people's living and aim for harmony between regions through business.	Leasing of office buildings, condominiums, and other buildings and operations/management of commercial complexes, and more
<b>Others</b>	<b>Results meeting needs to accelerate business.</b> We provide total solutions for the present and future of businesses and powerfully support the streamlining of all businesses.	Leasing of office equipment, payment collection, system development, insurance brokerage, Overseas Business, and more

### Company information of Mitsuuroko Group Holdings Co., Ltd.

<b>Company name</b>	Mitsuuroko Group Holdings Co., Ltd.
<b>Main business</b>	Holding company (Group's business strategy and management)
<b>Headquarters</b>	3-1-1 Kyobashi, Chuo-ku, Tokyo 104-0031, Japan
<b>Date established</b>	May 10, 1926
<b>Capital</b>	¥7,077 million
<b>Number of employees</b>	17 / Consolidated: 1,534 (as of March 31, 2021)
<b>Group companies</b>	Consolidated subsidiaries: 44 companies (36 domestic companies, 8 overseas companies) Entities accounted for using equity method: 7 companies (7 domestic companies) (as of December 31, 2021)



# CEO Message

As an “environmentally adaptive” company, we produce sustainable “enriched lifestyles.”



Representative Director, President and Chief Executive Officer  
**Kohei Tajima**

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Mitsui Group Holdings Co., Ltd.

## Responsibility to express to stakeholders

Looking back at the history of the Mitsui Group, we transported and sold coal at our founding in 1886. Subsequently, we began producing briquettes and charcoal briquettes, from the Taisho era into the Showa era, as the main fuel at the time was charcoal, lumber, and other wood products. However, cutting down too many trees would cause deforestation and harm the mountain environments. Therefore, under the mindset of planting trees to enrich mountains and shaping rivers to prevent flooding, the first and second Presidents sought to protect the mountains by creating solid fuel that served to conserve the natural environment and be more convenient than charcoal and lumber. While there was no focus on reducing CO<sub>2</sub> emissions at the time, we already were very conscious of the environment 100 years ago. There are two major reasons for issuing this Sustainability Report. The first is external reasons. As ESG and SDGs have become everyday words, and ESG funds gain the attention of investors, the world is shifting toward sustainability. Because we are a public company, we have felt an increasing need to respond to the growing interest in non-financial information and financing perspectives. The second is internal reasons. We identified six important issues (materiality), raised main target management indicators (KPIs) to target, and established qualitative and quantitative targets. We felt the need to create this tangible report because there was no opportunity to collect data for each ESG area in the past.

In order to continue creating new value with our diverse stakeholders and contribute to enriched lifestyles and building a society, the Group takes on various issues. Since we are engaged in positive initiatives, we need to also strive to transmit these efforts to the world. In growing from a domestic company to a global company, an international understanding is needed. This understanding will deepen with increased information volume and boost our engagement with various stakeholders.

## High environmental awareness that the Mitsui Group is proud of

The Group took steps to meet the listing standards for the “Prime Market” in the new categories of Tokyo

Stock Exchange, Inc. However, considering market trends and the speed and condition of changes to our business environment, we decided to select the “Standard Market” instead. Companies listed on the Standard Market are not required to give reports based on the TCFD recommendations. However, we are making proactive disclosures related to climate change and the environment. The reason for this is that the TCFD recommendations share the same common sense of values we have upheld since the founding of the Company.

The Mitsui Group has grown as an “environmentally adaptive company” that meets the needs of the times. In this age of decarbonization, the volume of coal and briquettes handled is falling rapidly. The nature of our business is long-term, ongoing transactions. As such, we cannot survive as a company without maintaining a long-term perspective of environmental considerations and sustainability. Therefore, we intend to always maintain a high environmental awareness.

For example, while renewable energy has gained attention recently, we were relatively early in entering the mega solar market, beginning operations of Suigo-Itako Solar Power Plant and Futtsu Solar Power Plant in 2014. We also began operation of Teshio Wind Power Plant in October 2001. It typically takes at least 5 years to commence the operations of a wind power plant. It means we started construction around 1996. Most do not know our history of looking ahead and entering the renewable energy business far before the calls for carbon neutrality. We plan to proactively share such information in the future.

## Society changing to a common sense of value focused on sustainability

Through innovations in science and technology, we have come to realize for the first time that our planet is deteriorating. It is now possible to not only calculate CO<sub>2</sub> emissions, but also to forecast the future. We feel that this rapid progress in technology is well timed with the rising interest in sustainability. I take an optimistic approach to things every day. I also take a side that is very realistic. The current global population is 7.8 billion people and we are almost certain to surpass 9 billion at some point. Rather than

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# CEO Message

taking this as a negative, I believe we should consider how each and every person can live enriched lifestyles. If we face a problem, we should come up with a solution rather than engage in conflicts.

We must act fast to save our planet. I expect students to be taught about sustainability and they will eventually become part of company management. These small initiatives will lead to activities that bring harmony to our social lives and cyclical structures of our planet in the decades to come.

I prefer to develop a new field than to compete for market share. While competing for market share is needed, an increase in market share is simply a result of our efforts being chosen by customers. A bright future is certainly preferred over a dark one. French philosopher Alain once said, "Pessimism comes from temperament, optimism from will". As I am in a position of responsibility, I would like to use my will to draw a bright future.

### Identify six materiality items in a simple and organic way

Identifying materiality is not a goal. Rather, it is important for all employees to engage in efforts together and achieve our targets. In identifying materiality, I emphasized being simple and organic. I have always mentioned the concept of "SOLA." This stands for Simple, Organic, Live, and Advance. There is no point in setting difficult targets if we cannot take efforts to address them. In order for all employees to remain aware of materiality, it is necessary to make them simple to remember, reach, participate and understand. As a process, we first identified social issues that should be considered, evaluated their importance to stakeholders and the Group, and finally set our Group priorities. By discussing these issues, we narrowed down the scope such that, in the light of diversity, even foreign nationals who can only speak simple Japanese are able to understand.

We have employees who use various workstyles in our workplaces. Many of the materiality items we have identified are universal topics so they will not change frequently. However, I would like to review them occasionally to meet the needs of the times.

### Keep a close eye on development in various fields and realize carbon neutral by 2050

Carbon neutral means virtually zero emissions, calculated by subtracting the amount absorbed by plants, etc. from CO<sub>2</sub> emissions. In other words, it aims for overall neutral rather than eliminating all CO<sub>2</sub>

emissions. I believe that technological innovations will make this possible a little earlier than 2050. In order to achieve this, we must boost our consciousness toward new technology and invest in the implementation of cutting-edge technology. We are operating the Foods Business in addition to the Energy Solutions Business. In the food technology field, there have been incredible advancements, such as environmentally conscious food products. We will continue to observe the developments across a wide range of fields. I also believe that it is important that we take the additional efforts to connect with these developments.

### Thoughts related to "health-focused management" and "diversity," and human capital

Because many young people are relatively healthy, they do not reflect on their own health. However, observing the athletes competing in the Olympics, I really feel the importance of maintaining physical and mental health as even the slightest weakness in condition can prevent them from performing at their best.

We in management are doing our best to "manage the company," but we haven't been able to "manage health." Delving into health focused management, we reach the topic of health and productivity management, in which we manage health and productivity of employees concurrently. As investing in health leads to improved productivity, there is a correlation between health and productivity. We can further improve productivity by focusing more on elements of preventive care rather than symptomatic treatment. Workstyles have changed with the rise of remote work resulting from the novel coronavirus pandemic. As workstyles become more varied, our means of health management have also become diverse. Because of greater awareness of health within the company, I believe the productivity of the Group will increase.

Diversity is closely tied to mental health. In the past, I had lived in the US, Brazil, and Malaysia. In these melting pot countries, society is formed by people of different races, religions, and cultures accepting one another. As an isolated island nation, I feel that Japan has not reached the same level of understanding of foreign people. I felt the power of diversity in Japan at the 2019 Rugby World Cup. Of the members of the Japanese team, approximately half were originally foreign nationals. I was touched to see them come together under the mindset of "One for all, All for one" and reach the final eight for the first time. I feel the Mitsuuroko Group can become our strongest by



forging a bond like the Japanese rugby team. Communication skills are vital to achieve this. I actually prefer moving forward while facing unexpected events rather than see everything go according to plan. Many opinions form, clash at times, and ultimately reach consensus through communication. I would like to see this type of organization.

### In order to continue being "a Lifestyle Producer"

I believe that an enriched lifestyle is a stress-free lifestyle. Here, stress means friction, sacrifice, obstacles, etc. in the living environment rather than mental stress. For example, in 1950s, Japanese households used wood fires to cook food and heat water for baths. As this transformed into briquettes and gas, the time spent in the kitchen was cut into a third. The time spent travelling from Tokyo to Osaka is also gradually getting shorter. It took approximately 14 days on foot in the Edo era. However, in the Meiji era, this was reduced to 20 hours by train. Now, it takes two and a half hours by bullet train. Once the maglev bullet train is completed, it will only take around one hour.

In this sense, I feel that an enriched lifestyle is one with no or little stress experienced on a subconscious level in life, apart from financial wealth or need. It is better not to have a society that is built on sacrifices. In the end, a society with a stress-free cycle is ideal. Even though enriched lifestyles evolve over time, the Mitsuuroko Group aims to change our role along with this to continue being "a Lifestyle Producer."

### From "good to have" to "difficult not to have"

When we start each business, we want to provide a product or service that is good to have. Our ultimate target is to transform this product or service into something that is "difficult not to have." While something may feel "good to have" at first, if a user becomes accustomed to this, in time they may wake up one day and discover that it is really difficult to live without it. We will continue providing these sort of products and services.

I advocate "changing the company by 3% yearly." By doing so, we can change 100% in 30 years. In 30 years, the management and employees will be completely different and the company will become a completely different company. Management leaves once they fulfill their roles, but the company exists forever. Five years from now in the year 2027 we will commemorate the occasion of a full century since the Mitsuuroko Group was founded. We will continue to treasure the "Mitsuuroko identity" and strive to achieve a form that meets this vision without fail. We will continue to work hard for what we can do now.

As such, the Mitsuuroko Group will remain committed to helping each and every one of its customers lead enriched lifestyles as the Group firmly sets its sights on resources and the environment for the sake of our planet.

# Materiality

## Identification of materiality

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

## Materiality of the Mitsuuroko Group

### 1 Contribution to the environment

The 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 the Mitsuuroko Group's existence is to build a better society through its daily business 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, the Mitsuuroko Group is working to reduce the CO<sub>2</sub> 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 neutral by FY2050.

### 2 Contribution to local communities

The business operation of the Mitsuuroko Group has been supported by many stakeholders until now. Within these stakeholders, it must not forget the indispensable role of local communities.

The 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. The 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.

### 3 Thorough compliance

In the management philosophy, the Mitsuuroko Group has set forth that it consistently conducts its 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 continuously 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.

### 4 Enhancement of safety and disaster response measures

Safety is indispensable element because of the nature of all businesses the Mitsuuroko Group promotes. With its mainstay energy-related products directly linked to our lives as lifelines, the Mitsuuroko Group's mission is to contribute to society through the stable supply of energy as well as safe, reliable, 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.

### 5 Health-focused management

Understanding that human resources are our greatest asset, the 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 Healthcare 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.

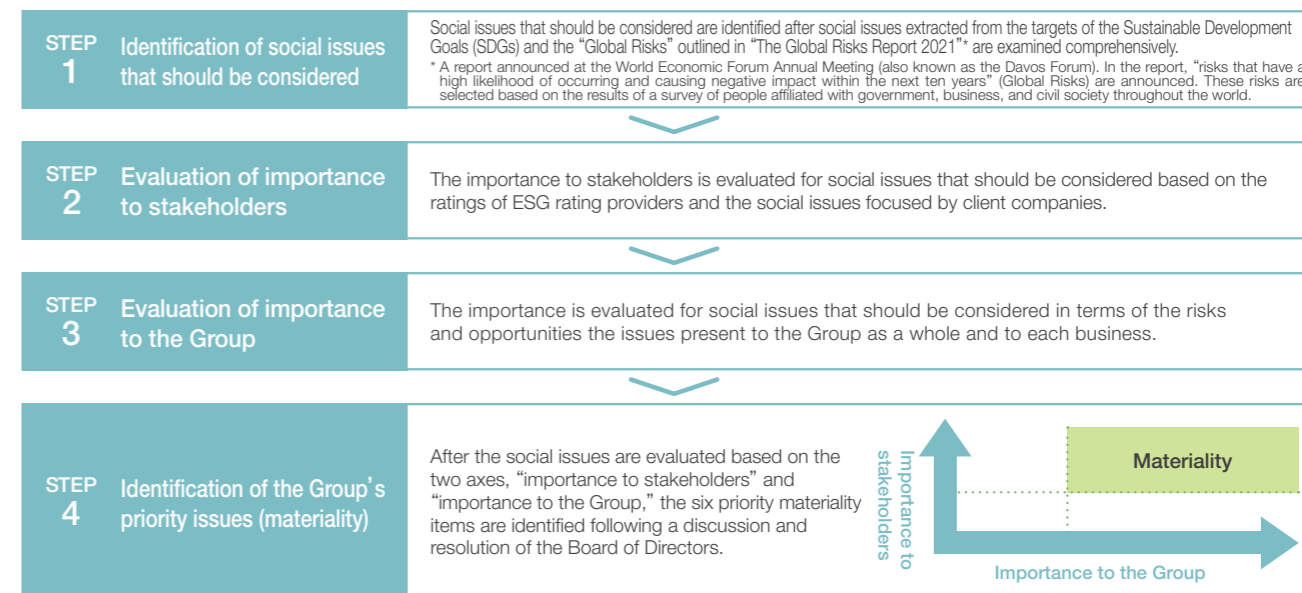
As a leading company in health-focused management, it will continue to provide support and engage in even more comprehensive initiatives through further promoting physical and mental health to prevent illnesses, and promoting work styles in line with new normal, including those that address the COVID-19 pandemic.

### 6 Promotion of diversity

The Mitsuuroko Group has grown from its principle of evolving and changing with the times as an "environmentally adaptive company" 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 the Mitsuuroko Group fosters a corporate culture that embraces diversity as a strength, creating an environment that does not discriminate based on employment background, nationality, gender, age, or whether one is a new graduate or mid-career hire.

The Mitsuuroko Group aspires to shaping a new era by being "an enterprise that creates favorable cycle" and "seeking continuous change."

## Materiality identification process



## Materiality and the Charter of Corporate Ethics

Charter of Corporate Ethics	Materiality		Mitsuuroko Group indicators		
			KPI	Quantitative targets	Target fiscal year
Contribute to the preservation of the global environment and the creation of an enriched and livable society	1 Contribution to the environment	(i) Reduction of Scopes 1 and 2 (in-house) <sup>1,2</sup> CO <sub>2</sub> : Contribution to improved energy efficiency	The Company's CO <sub>2</sub> reduction rate	Carbon neutral <sup>4</sup>	FY2050
		(ii) Reduction of Scope 3 (customer) <sup>3</sup> CO <sub>2</sub> : Contribution to improved energy efficiency	Customers' CO <sub>2</sub> reduction rate		
Comply with laws, regulations, and other social norms, and conduct fair and sound corporate activities. Strive to maintain sound and positive relationships with a wide range of society, including customers, business partners, employees, and shareholders.	2 Contribution to local communities		Increase the number of locations with the Christel Vie Ensemble Foundation donation boxes	Increase from the number of locations in 2021 (11 locations)	Each year
			Contribution to local communities and society (community cleanups, etc.)	Once a year (2 locations)	Each year
Provide safe and high-quality products and services	3 Thorough compliance		Number of IT compliance training sessions	Once a year (for all employees)	Each year
			Number of harassment training sessions	Once a year (for all employees)	Each year
Respect the personality and individuality of employees and create a comfortable and enriched work environment	4 Enhancement of safety and disaster response measures		Number of drills conducted in relation to confirmation of safety	Twice a year (all employees)	Each year
			5 Health-focused management (percentage of all employees for each item)		Rate of receiving regular medical examinations
6 Promotion of diversity <sup>5</sup>		Rate of receiving thorough examinations			90%
				Rate of maintaining proper weight	80%
				Rate of undergoing stress checks	100%
				Rate of smoking	18%
				Rate of regular exercise	40%
				Rate of parental leave taken	Continue to provide 100%
				Ratio of female employees	Target: 33%
				Ratio of female managers	Target: 11%
				Number of diversity training conducted	Once a year for all employees
				Number of career seminars conducted	Once a year for female employees in their late 20s
				Number of maternity leave and parental leave training conducted	Once a year for managers

<sup>1</sup> Scope 1...Direct emissions caused by the business operator itself

<sup>2</sup> Scope 2...Indirect emissions caused by the use of electricity, and heat and steam supplied by other companies

<sup>3</sup> Scope 3...Indirect emissions other than Scopes 1 and 2 (upstream and downstream of supply chain)

<sup>4</sup> Carbon neutral...Virtually zero emissions, calculated by subtracting the amount absorbed by plants, etc., from CO<sub>2</sub> emissions

<sup>5</sup> For training related to "6 Promotion of diversity," we plan to change the theme of training on a yearly basis.

# Stakeholder Engagement

## Basic approach

Guided by the 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 an enriched 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 the 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 communications such as the Business Report (Integrated Report) and Shareholder Correspondence, 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 the Mitsuuroko

Group” and “The Financial Strategy of the Mitsuuroko Group” in the Business Report (Integrated Report), which is published every year.

The Mitsuuroko Group focuses efforts on publishing various reports, which represent important IR communication tools. In FY2021, it issued the Business Report (Integrated Report), which is published once per year, and the Mitsuuroko Report (Shareholder Correspondence), which is published twice per year. Both of 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 will

introduce 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 safely, 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"> <li>● Quality maintenance and improvement activities run primarily by the quality assurance department of each operating company</li> <li>● Protection of personal information through stringent information security management</li> </ul>
	Creation of opportunities for customers to provide feedback on products and services	<ul style="list-style-type: none"> <li>● Provision of value to remain close to our customers’ lives through the Group business websites</li> <li>● Daily business activities</li> </ul>
	Co-creation and innovation in creating value for society	<ul style="list-style-type: none"> <li>● Provision of opportunities for participating in exhibitions and seminars</li> <li>● Suggestions of environmentally-friendly products and services</li> <li>● GPS-based monitoring service, “mitsu-mail Imakoko”</li> </ul>
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"> <li>● General meeting of shareholders</li> <li>● Business Report (Integrated Report) and Mitsuuroko Report (Shareholder Correspondence)</li> <li>● Disclosure of IR information on the corporate site</li> <li>● Responding to surveys by ESG rating providers</li> </ul>
	Support for active participation of diverse human resources	<ul style="list-style-type: none"> <li>● Formulation of diversity and inclusion promotion policy</li> <li>● Introduction of work-from-home system, support of telework</li> </ul>
Employees	Sharing of various information within the Group	<ul style="list-style-type: none"> <li>● Enhancement of various types of training and career support</li> <li>● Communication of the message from the President</li> </ul>
	Labor-management partnerships	<ul style="list-style-type: none"> <li>● Communication and sharing of information via the intranet and groupware</li> <li>● Publication of web company newsletters</li> <li>● Various surveys of employees</li> <li>● Opinion exchange through labor-management consultations</li> <li>● Development of safety promotion system</li> <li>● Stress checks</li> <li>● Healthcare support, establishment of contact point for counselling</li> <li>● Compliance hotline</li> </ul>
	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"> <li>● Declaration of Partnership Building</li> </ul>
Government authorities and local governments	Disaster prevention initiatives	<ul style="list-style-type: none"> <li>● Participation in regional disaster prevention and fire fighting activities</li> <li>● Acceptance of practical training from various organizations and schools</li> </ul>
	Provision of information to solve social issues and promote administrative policy	<ul style="list-style-type: none"> <li>● Cooperation in surveys, including government statistical surveys</li> </ul>
Society and local communities	Understanding opinions and requests	<ul style="list-style-type: none"> <li>● Establishment of inquiries and addressing concerns</li> </ul>
	Protection activities of regional environments	<ul style="list-style-type: none"> <li>● Activities to protect and nurture the forests around water collection sites</li> <li>● Support of basketball and swimming team activities, and professional golfers</li> </ul>
	Contribution to society through sports	<ul style="list-style-type: none"> <li>● Participation in activities, exchange, and events with local communities</li> <li>● Cleanup activities</li> <li>● Fund-raising activities for the Christel Vie Ensemble Foundation (Christel Foundation)</li> </ul>
	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	Director
Liquefied Petroleum Gas Center	Trustee
The Mineral Water Association of Japan	Auditor

# Environment

At the 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.

The Mitsuuroko Group will remain committed to helping each and every one of our customers lead enriched lifestyles as we firmly set our sights on resources and the environment for the sake of our children and our planet.

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- Supply chain 30



### ● Main target management indicators (KPIs) ●

The Company's CO<sub>2</sub> reduction rate

FY2050 target

Carbon neutral\*

Customers' CO<sub>2</sub> reduction rate

FY2050 target

Carbon neutral\*

\* Carbon neutral: Virtually zero emissions, calculated by subtracting the amount absorbed by plants, etc. from CO<sub>2</sub> emissions





## Environmental management

### Basic approach

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

Furthermore, along with "environmental conservation" 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 an enriched and livable society

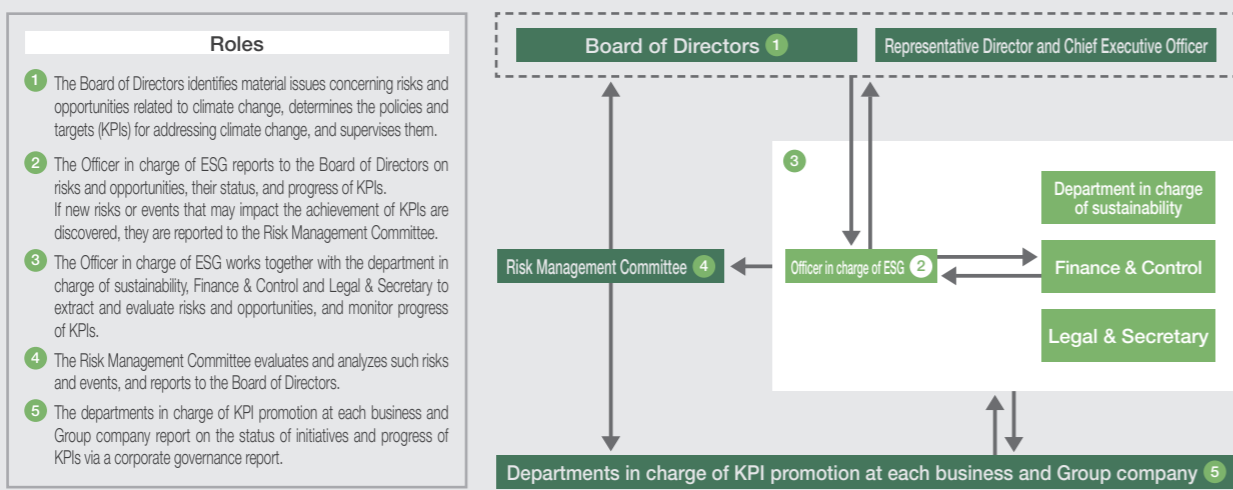
We will be aware that we receive various benefits from the earth, including the resources necessary for our business activities, and that it is our responsibility to preserve the global environment in a better state.

### 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 Officer in charge of ESG 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. In addition, at regularly monthly meetings of the Board of Directors, the Officer in charge of ESG reports the status of initiatives for the policies for addressing climate change and progress of the targets (KPIs) as one of the items in a corporate governance report, and the Board of Directors supervises 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 has a low environmental impact and is portable. We are also promoting the spread of energy products, such as solar power generation systems, lithium-ion batteries, and household fuel cells, that are helpful for people's lives 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 CO<sub>2</sub> 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.

### Water risk initiatives

#### Initiatives to reduce water usage

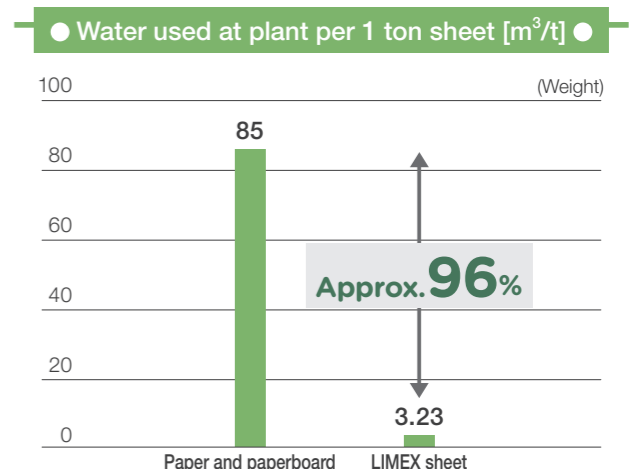
In the wellness business, we are working to reduce bathing water used at "SPA EAS: Yokohama Onsen-Natural Hot-spring" through the use of a recovery tank (tap water and natural spring water) timer system and water-saving devices

installed in all shower heads. We are also reducing other water used at the facility through measures such as the use of grey water and the introduction of water-saving toilets, and employees are also making efforts to save water.

#### Conserving water resources through the use of business cards made primarily from limestone

From the viewpoint of conserving forest 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 conservation of forest 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 22,000 liters of water saved in a year.



\* Calculated values are for reference purposes and are not guaranteed values. Figures may change in accordance with product-specific compositions and production requirements as well as data collection conditions.

### 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, the 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 preferences.

The entire Mitsuuroko Group is engaging in climate change initiatives to achieve a sustainable society through reducing CO<sub>2</sub> emissions, promoting renewable energy, and reducing fuel consumption. For customers who are focused on reducing CO<sub>2</sub>, we offer environmentally-friendly electricity plans that stipulate the use of renewable energy. In addition, we utilize monitoring information obtained by remote automatic meter readings through LPWA connection, and provide a delivery operation streamlining solution that proposes the optimal delivery plans.

### TCFD\*

#### The Mitsuuroko Group's climate change initiatives

The Mitsuuroko Group considers the TCFD recommendations an effective framework for disclosing information and engaging in dialogue with stakeholders in regard to climate change issues. In accordance with the TCFD recommendations, we disclose information on the impact of climate change on the Group's business activities and the measures we are taking in response.

\*Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB), which was established by the G20 Leaders' Summit, having recognized the threat of climate change to the stability of the financial system. TCFD aims to provide clear recommendations to enable corporations and financial institutions to make consistent information disclosures on financial risk and potential impacts related to climate change.

#### 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 Officer in charge of ESG works together with the department in charge of sustainability, Finance & Control, and Legal & Secretary to analyze materiality, extract and evaluate climate change-related risks and opportunities, and identify priority issues concerning such risks.

In addition, the Officer in charge of ESG 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.

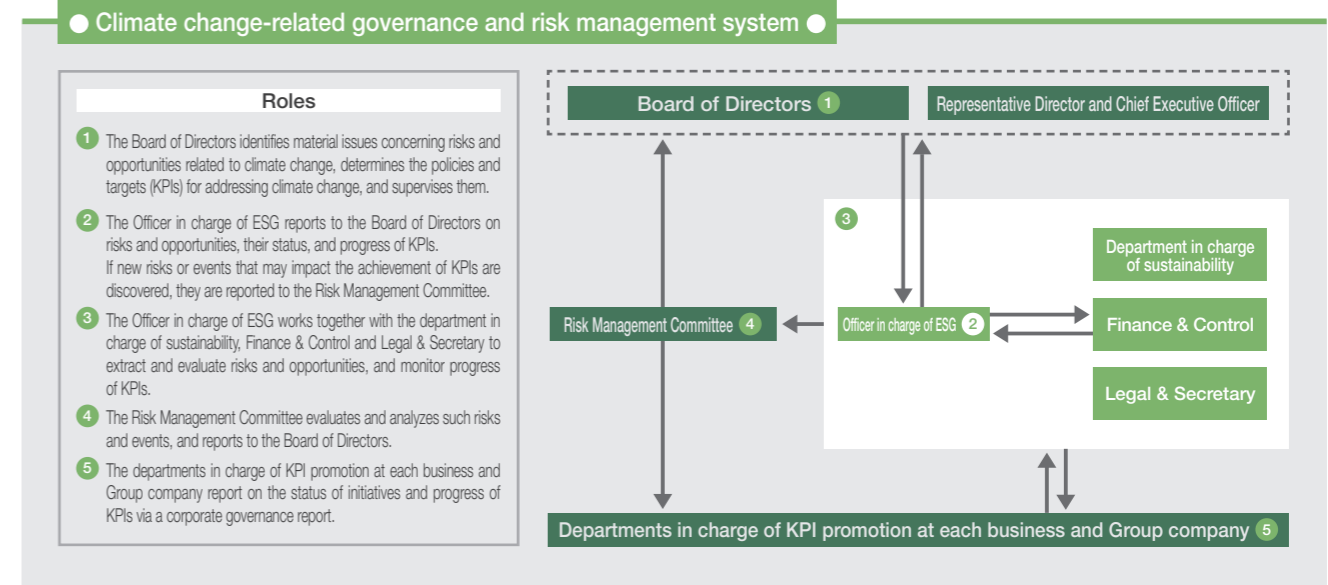
For KPIs determined, each department in charge of KPI promotion reports on the progress in a corporate governance report that is submitted monthly to Finance &

Control, and the department in charge of sustainability and Finance & Control monitor the progress.

At regularly monthly meetings of the Board of Directors, the Officer in charge of ESG 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 manager in charge of department reports on them to the Officer in charge of ESG. The Officer in charge of ESG 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 on 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.



#### 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 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.



### Indicators and targets

The Group's GHG emissions in FY2020 were approximately 5.79 million t-CO<sub>2</sub>eq. 99.6% of the emissions were Scope 3, of which 54.4% was attributed to customer gas, electricity, and product usage and 34.0% 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 <sub>2</sub> reduction target
<b>Scope 1</b>	Gas delivery vehicles and company cars	★ 11,579t-CO <sub>2</sub>	0.2%	2050 Carbon neutral
<b>Scope 2</b>	The Company's electricity usage	★ 14,249t-CO <sub>2</sub>	0.2%	
<b>Scope 3</b>	Energy procurement and customer usage	★ 5,760,604t-CO <sub>2</sub> eq	99.6%	

★ marked indicators are independently assured by KPMG AZSA Sustainability CO., Ltd. For Scope 3 emissions, the Company's category 1 (★638,501 t-CO<sub>2</sub>eq), category 3 (★1,960,081 t-CO<sub>2</sub>eq), category 4 (★28,571 t-CO<sub>2</sub>eq), and category 11 (★3,133,452 t-CO<sub>2</sub>) emissions have each been assured as well as the total of these four categories. (See pages 21–22 for information on the calculation standard)

To reduce the Company's direct CO<sub>2</sub> emissions (Scopes 1 and 2), the Group is automating remotely obtained data meter readings for LPG and working to improve the efficiency of delivery operations (reduction of truck operation time and driving 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 CO<sub>2</sub> emissions in our supply chain (Scope 3), we are expanding our meter readings service powered by Smart OWL®, expanding streamlining delivery operation services, transitioning to high-efficiency water heaters (ECO FEEL, fuel conversion systems, ECO-JOZU, ECO ONE), and promoting the Mitsuuroko Green Plan.



### 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. ¥600 million/year <sup>1</sup> )  (Carbon tax (for developed countries including Japan) is projected to rise to US\$120/t-CO <sub>2</sub> by 2030 and US\$200/t-CO <sub>2</sub> by 2050 <sup>2</sup> )	<ul style="list-style-type: none"> <li>Carbon neutral by 2050</li> <li>Automate remotely obtained data meter readings for LPG</li> <li>Reduce truck operation time and driving distance by improving the efficiency of delivery operations</li> <li>Promote eco-driving activities</li> <li>Change to EVs for all company cars by around 2030</li> <li>Increase amount of renewable energy and environmentally-friendly energy sources handled</li> </ul>
			Opportunity	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 <sup>2</sup> )	
		Risk	Decrease in sales for LPG and petroleum products  (Oil demand in Japan is expected to fall by 74% by 2050 compared to 2020 <sup>2</sup> )		
	Market and technology	Opportunity	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 2020 <sup>2</sup> )	<ul style="list-style-type: none"> <li>Promote natural energy and the installation of energy-saving household equipment</li> <li>Sell natural energy not dependent on traditional fossil fuels and other new energy equipment such as storage cells, and provide services such as the "Mitsuuroko Green Plan"</li> </ul>	
		Risk	Increase in costs to meet the rising expectations of investors and the market in respect to corporate climate change initiatives (Financing costs and communication costs)		
		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		
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"> <li>Establish own plants that utilize the newest developments in renewable energy production technologies and increase amount of renewable energy sources handled</li> <li>Utilize PPA model<sup>3</sup> and increase solar power generation</li> <li>Focus on popularizing EVs and promote the development of 100% renewable energy EV charging infrastructure</li> <li>Expand the installation of storage cells and strengthen ability to adjust electricity supply and demand</li> <li>Focus on transitioning from FIT system to FIP system<sup>4</sup> and launch renewable energy aggregation business</li> </ul>

<sup>1</sup> The cost increase for business operations due to the impact of carbon tax is calculated as below:  
2050 Carbon tax of US\$200/t-CO<sub>2</sub> is based on the International Energy Agency's publication, "World Energy Outlook 2021."  
Group's CO<sub>2</sub> emissions (t) in 2020 × US\$200/t-CO<sub>2</sub> × exchange rate (¥/\$)

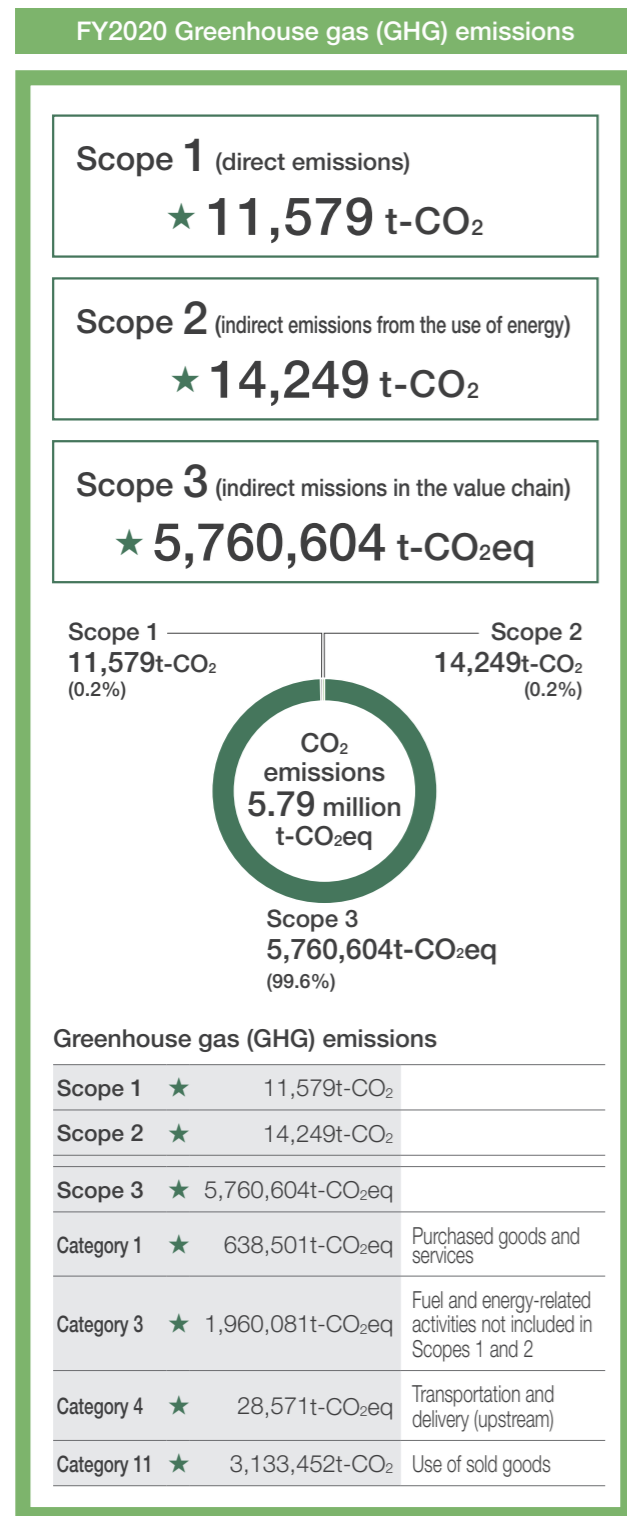
<sup>2</sup> Each estimation is based on the calculations in "World Energy Outlook 2021."

<sup>3</sup> PPA model... A business model in which business operators install, manage, and maintain solar power systems on the roofs of customers' offices free of charge. Consumers then purchase the electricity that is generated.  
PPA stands for Power Purchase Agreement

<sup>4</sup> 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



## CO<sub>2</sub> reduction target

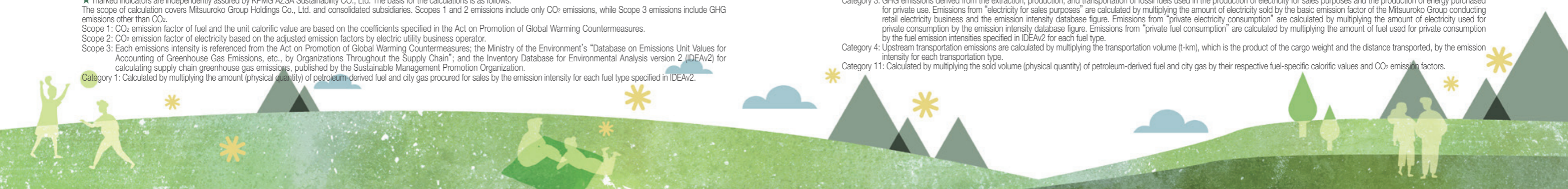


Action plan	Aim
<p><b>Improve delivery efficiency with SmartOWL®</b> Reduce Scope 1 emissions</p>	<p>Efficiency of delivery operations increases through enabling container replacement to take place at the optimal time by analyzing LPG meter data collected daily through LPWA with unique know-how. We achieved an approximately 30% reduction in delivery 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><b>Promote EV for company cars</b> Reduce Scope 1 emissions</p>	<p>We will (i) switch to fuel-efficient vehicles and (ii) promote eco-driving, aiming to change about 700 company cars to EVs by 2030.</p>
<p><b>Promote reducing CO<sub>2</sub> from the use of electricity</b> Reduce Scope 2 emissions Reduce Scope 3 emissions (category 3)</p>	<p>We will reduce CO<sub>2</sub> emissions related to our own electricity consumption and the electricity we sell to our customers through the following two measures:</p> <ul style="list-style-type: none"> <li>(i) FIT electricity + environmental value   We can reduce the adjusted emissions factor by purchasing FIT non-fossil fuel certificates and J-credit equivalent to the amount of electricity used.</li> <li>(ii) 100% non-FIT electricity   Switch to renewable energy (non-FIT electricity).</li> </ul>
<p><b>Eliminate mineral water bottle labels</b> Reduce scope 3 emissions (category 1)</p>	<p>We began selling labelless products in April 2021. Our 550ml 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 footprint.</p>
<p><b>Promoting sales for high-efficiency water heaters</b> Reduce Scope 3 emissions (category 11)</p>	<p>We aim to contribute to the reduction of CO<sub>2</sub> 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 reduce CO<sub>2</sub> 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 heating system with "ECO-JOZU," achieving an approximately 40% reduction in CO<sub>2</sub>.</p>
<p><b>Reduce CO<sub>2</sub> from LPG delivery</b> 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 CO<sub>2</sub> emissions in FY2020. The Group is supporting initiatives to reduce CO<sub>2</sub> emissions from LPG delivery by promoting SmartOWL® delivery operation streamlining solution to LPG delivery businesses throughout all of Japan.</p>

## 2050 Carbon neutral

★ marked indicators are independently assured by KPMG AZSA Sustainability Co., Ltd. The basis for the calculations is as follows:  
 The scope of calculation covers Mitsui Group Holdings Co., Ltd. and consolidated subsidiaries. Scopes 1 and 2 emissions include only CO<sub>2</sub> emissions, while Scope 3 emissions include GHG emissions other than CO<sub>2</sub>.  
 Scope 1: CO<sub>2</sub> 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: CO<sub>2</sub> 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 (IDEA2) 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 IDEA2.

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 the Mitsui 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 IDEA2 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 emission intensity for each transportation type.  
 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 CO<sub>2</sub> emission factors.



## Controlling customer CO<sub>2</sub> emissions

### Promotion of high-efficiency gas equipment

We seek to contribute to the reduction of CO<sub>2</sub> emissions and the prevention of global warming through the promotion of high-efficiency gas systems, proposing and selling efficient products with high added value. Aiming to meet the diversifying needs and preferences of our customers, these products include latent heat recovery-type high efficiency water heaters for domestic use called “ECO-JOZU,” which reduce CO<sub>2</sub> 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 system with ECO-JOZU, achieving an approximately 40% reduction in CO<sub>2</sub>.



Hybrid hot water and heating system “ECO ONE”

### Promotion of household 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 standard homes by partnering with home construction companies. Through these efforts, we will continue to promote the spread of distributed energy systems.



Household 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 integrated power generation storage systems through the installation of storage cells together with solar power generation systems.



### Expanding the energy solutions business

We save energy at a wide range of facilities including factories, commercial buildings, and hospitals through the selection and maintenance of cogeneration systems and 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 CO<sub>2</sub> 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 J-Credit and non-fossil fuel certificates. It offers CO<sub>2</sub> emission factors tailored for customers' needs in two options.

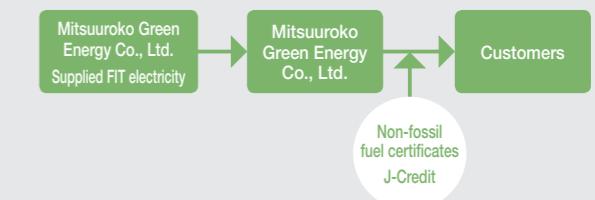
- \* It not only reduces electricity charges, but also enables customers to reduce their CO<sub>2</sub> emission factors.
- \* The plan is available Japan-wide excluding Okinawa and some remote islands.

#### 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 GDP 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 and emission factors and select a plan (emission factor).

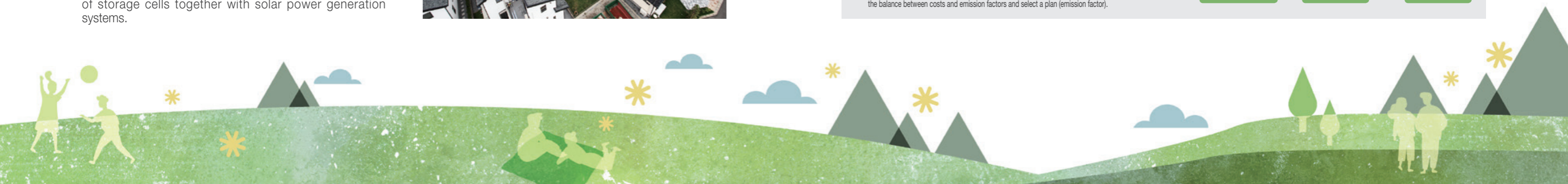
#### 1 FIT electricity + environmental value

FIT electricity + non-fossil fuel certificates or J-Credit Mitsuuroko Green Plan



#### 2 100% non-FIT electricity

Mitsuuroko Green Plan linked to 100% renewable energy



● Key example ●

In April 2021, we began to provide the “Mitsuuroko Green Plan,” which adheres to the “RE100\*,” global initiative on renewable energy, to four facilities of “RE100” member MARUI GROUP CO., LTD. MARUI GROUP CO., LTD. joined “RE100” in 2018 and has set the target of using at least 70%

renewable energy by FY2025 and 100% by FY2030 for the electricity it uses in its business activities. To achieve the RE100 targets, it is gradually switching to electricity that adheres to RE100 standards.

\* “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 issues). 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.

**Provision of the EV Green Plan**

In February 2021, the company was selected as a business operator that provides electric power from renewable energy eligible for EV purchase subsidies designated by the Ministry of the Environment under the “model project for early adoption of a zero carbon lifestyle and workstyle making use of electric power from renewable energy, electric vehicles, fuel cell vehicles, etc.” EV purchase subsidies are a government system for popularizing EVs that enable people to receive a subsidy when buying an EV

if they purchase a “renewable energy power” (electricity contract) provided by the selected retail electricity business operators. Providing the “EV Green Plan,” which combines EVs and renewable energy, we will contribute to the spread of renewable energy and the promotion of a decarbonized society through the mobility industry.

\* From April 2022 (planned), the purchase of “renewable energy power” is no longer required to receive EV purchase subsidies.

● Key example ●

Partnering with Nissan Motor Co., Ltd., we began to sell the “EV Green Plan” to owners of Nissan EVs and new EV buyers in April 2021.

Nissan Motor Co., Ltd. is promoting the spread of EVs to change society, as well as its “Blue Switch” project, which aims to solve regional issues and electrify Japan. As part of these efforts, it is actively working toward using renewable

energy in its EVs. We are also contributing to the spread of renewable energy through the mobility industry and the realization of a decarbonized society through providing the “EV Green Plan,” which combines EVs and renewable energy. Our partnership with Nissan Motor Co., Ltd. grew from the shared ideal of promoting the use of renewable energy.

**Initiatives of operating companies**

As a power generation business operator that produces electricity from renewable energy sources such as wind power, mega solar, and biomass power, Mitsuuroko Green Energy Co., Ltd., the electric power business company of the Mitsuuroko Group, aims to reduce CO<sub>2</sub> emissions, improve energy self-sufficiency, and coexist with local communities.

**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
January 2007	Gumihara Wind Power Station	Higashitoge, Mutsure-cho, Tahara-shi, Aichi Prefecture	1,500kW
Mach 2007	Aduchihshima Wind Power Station	Oshima Village, Hirado-shi, Nagasaki Prefecture	32,000kW
January 2008	Kamisu Wind Power Station	Yanagawa, Kamisu-shi, Ibaraki Prefecture	10,000kW

\* Teshio Wind Power Plant ceased operations in June 2021.

**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 Co., Ltd.	Maekawa, Itako-shi, Ibaraki Prefecture	14,500kW
July 2014	Futtsu Solar Co., Ltd.	Shimokenzaku, Kato, Futtsu-shi, Chiba Prefecture	40,000kW



**Solar power plants with output under two megawatts (municipal solar)**

The Group is working to expand the use of solar power 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 FY2020 was 7,045 thousand kWh.



**Biomass power generation business**

Biomass is an organic resource (excluding fossil fuel) produced by organisms from the inorganic compounds of water and CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub>. This is called “carbon neutral.”



			Total output
January 2006	Mitsuuroko Iwakuni Power Station Co., Ltd.	Iwakuni-shi, Yamaguchi Prefecture	Japan’s first wood chip combustion 10,000 kW power plant

We provide electricity produced at the Mitsuuroko Iwakuni Power Station 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, aiming to start operation in December 2022.

The use of renewable energy power generation facilities for the realization of carbon neutral 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 battery can be used as “adjustment power,” and the charge or discharge control of the storage battery 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\*<sup>1</sup>. In addition, these storage stations can also be used in the control of distributed energy sources 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 business operator\*<sup>2</sup>, 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.

\*1 Power grid  
A system that integrates power generation, substation, power transmission, and distribution to supply power to consumers’ power receiving equipment.  
\*2 Aggregator business operator  
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).



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

			Output
December 2022 (scheduled)	Kitahiroshima No.1 and No.2 Storage Stations	Kitahiroshima-shi, Hokkaido	3,085.6kW

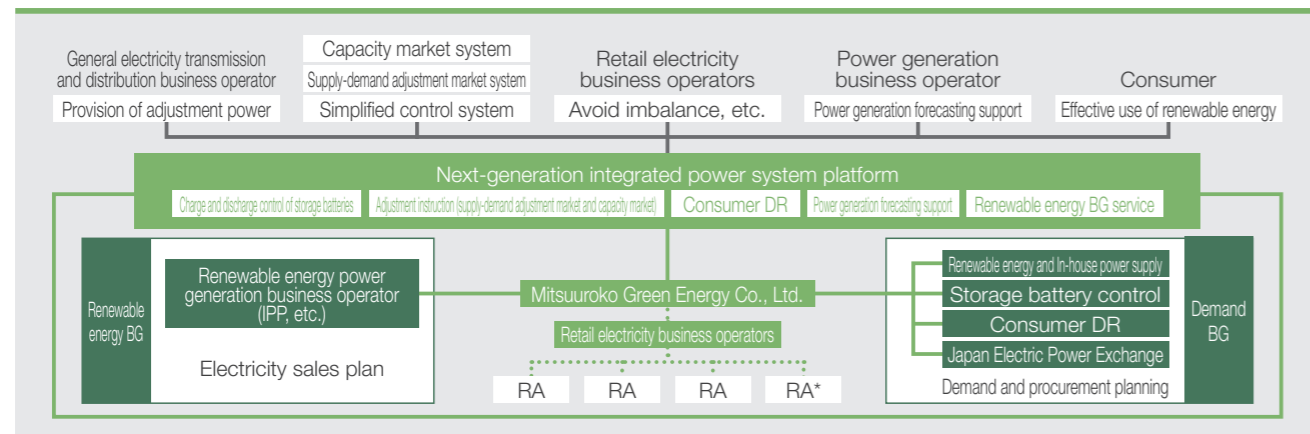
## Initiative for participating in renewable energy aggregation business

To participate in renewable energy aggregation business, Mitsuuroko Green Energy Co., Ltd., has entered into a business alliance agreement with Nippon Koei Co., Ltd. to develop and demonstrate “Integrated Power Control Central” (IPoCC), a next generation system that utilizes distributed energy resources such as storage batteries.

Based on the business alliance agreement, we aim to build “IPoCC,” which is a system creates a stable and efficient balance of power supply and demand through the control of distributed energy resources such as storage batteries and through providing 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 this fiscal year, and the capacity market, which will start in FY2024.

Mitsuuroko Green Energy Co., Ltd. and Nippon Koei Co., Ltd. have labelled “IPoCC” as “epochmaking.” 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.

## Improve 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 business operators to use it.



### ● Reducing environmental impact by improving delivery efficiency

In order to use LPG, it is essential to deliver LPG containers to the homes of consumers by truck, and by streamlining this delivery process, the distance traveled by trucks can be shortened, thereby reducing CO<sub>2</sub> emissions.

### ● Effectiveness has been proven through experiments

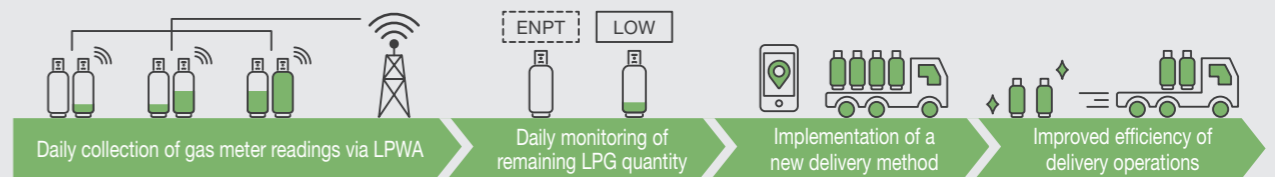
Mitsuuroko Creative Solutions Co., Ltd. conducted an experiment from October 2018 to the end of September 2019 and demonstrated the effects of improving delivery efficiency by utilizing data automatically acquired through LPWA connection.

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 experiment, and the service has been available as “SmartOWL delivery operation streamlining solution” to LPG business operators since October 2021.

### ● Effects of improving delivery efficiency ●

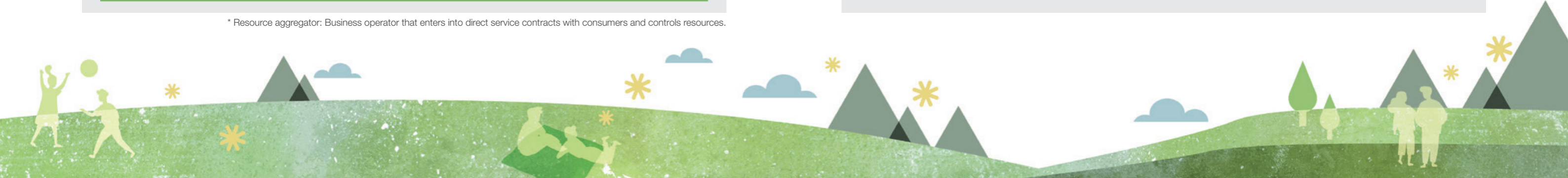
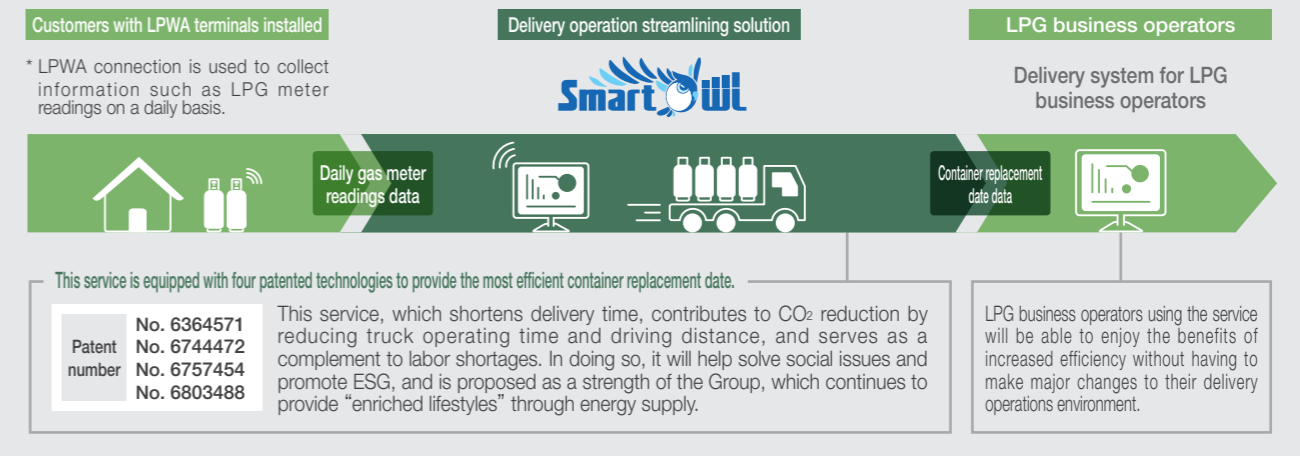
We achieved an approximately 30% reduction in delivery time and an approximately 20% reduction in travel distance in a demonstration test of delivery efficiency improvement using LPWA connection\*.

Shorter travel distance = lower CO<sub>2</sub> 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.

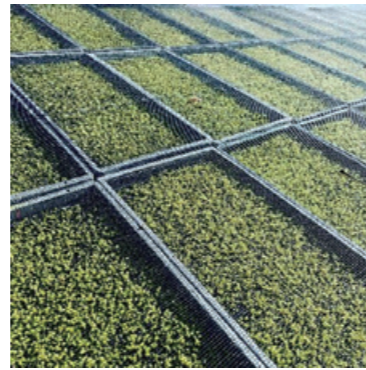
### ● Service overview ●



# Environment

## Moss cultivation business initiatives

We will begin a new moss cultivation business as an initiative to utilize our idle land. Moss is able to absorb CO<sub>2</sub> at a rate of approximately 2 tons per hectare per year, and other key characteristics include that (i) it does not require irrigation (grows with just dew and rain); (ii) does not require fertilizer (sunlight and rainwater are sufficient); (iii) does not require soil (it does not have roots that absorb water and nutrients, absorbing them through its leaves instead); and (iv), does not need to be trimmed (it grows at a maximum length of 1 cm per year, and some types do not change appearance for years). We anticipate that it will mainly be used by railway business operators and factory operators to prevent weed growth.



## 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 cultivate water sources that provide the water essential for producing its products.



### 2 Proactive initiatives toward food safety and the reduction of food loss

The "ZENB Sandwich" was developed in an industry-academia collaboration between the Mizkan Group's ZENB JAPAN Co., Ltd., the Faculty of Agriculture of Tokyo University of Agriculture, and AzabuJuban Mont-Thabor, which is bakery operated by our Group company Sweet Style Co., Ltd. The "ZENB Sandwich" is made from "ZENB PASTE," which is made from whole vegetables, including the parts that are usually discarded. It also uses whole grain wheat, which causes little waste.



### 3 Bread-making with surplus wheat caused by the impact of COVID-19

Sweet Style Co.'s bakery, "AzabuJuban Mont-Thabor," also made and sold bread that utilizes surplus wheat produced by students of Central-Agricultural Senior High School in Kanagawa Prefecture. As a Christmas present, we gave the students who produced the wheat our flagship stollen made from their wheat, thoroughly delighting them.

Due to the impact of COVID-19, the school was unable to sell roughly 2 tons of wheat produced by the students of their food processing club. We were introduced to the school by Mill Power Japan, and in October 2021, we began to sell bread made from the wheat at some of our stores to ensure that it was not wasted.



## Promotion of resource cycle

### Utilizing resources effectively through labelless mineral water

In March 2021, Mitsuuroko Beverage Co., Ltd. introduced new equipment at its Gifu Yoro Plant, and in April 2021, it began selling labelless products. These 550 ml bottles are sold exclusively in boxes and eliminating the labels on the bottles themselves means no labels have to be removed when sorting trash, which also contributes to reducing the environmental footprint and the promotion of the effective utilization of resources.

With people spending more time at home due to COVID-19 and online sales of cases of drinks increasing, labelless products are becoming increasingly popular as they eliminate the hassle of removing labels and reduce the amount of plastic waste.



## 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 8.8%, reduced fuel consumption by 12.8%, improved fuel efficiency by 4.62%, and reduced CO<sub>2</sub> emissions by 479 tons (CO<sub>2</sub> absorption equivalent to 34,200 cedar trees) in FY2020 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 CO<sub>2</sub> emissions in FY2020.

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 CO<sub>2</sub> 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 CO<sub>2</sub> 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>





# Social

Since the founding, the 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 Earth, and enriched society.

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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 the number of locations in 2021 ( 11 locations)	Contribution to local communities and society (community cleanups, etc.) Yearly target Once a year ( 2 locations)	Number of drills conducted in relation to confirmation of safety Yearly target Twice a year (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 Continue to provide 100%	Ratio of female employees FY2026 Target Target: 33%	Ratio of female managers FY2026 Target 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

80% of LPG is imported from overseas. The Group has entered a procurement agreement with import companies for slightly under 400,000 tons a year. The Group stably procures LPG that meets Japanese Industrial Standards and simultaneously stores approximately 90 days worth of gas at the import company and approximately 30 days worth of gas at the wholesaler 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 by company truck 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 oil transportation companies.



### Stable supply of energy

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 other companies. We have constructed 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 other companies. At the same time, we will utilize multiple systems, such as swaps, futures, and the BL market, etc. 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 strengthening of relationships with power generation business operators and electricity 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).

### 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.

The Logitri Group realizes stable supply of energy through safe, secure, and promote logistics services.

Each year, we 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 services. The delivery skills contest is comprised of the 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, 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 on 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 accident-free and violation-free operations, and to ensure safe driving and reliable delivery operations every day.

### Transportation safety management safety basic policy

#### Slogan

**Taking on the challenge to achieve zero accidents in all areas with the highest priority on safety and security**

- 1 Contribute to society by taking on the challenge of eliminating accidents and disasters
- 2 Safety is prioritized in all operations
- 3 No trust without safety

#### Safety measures

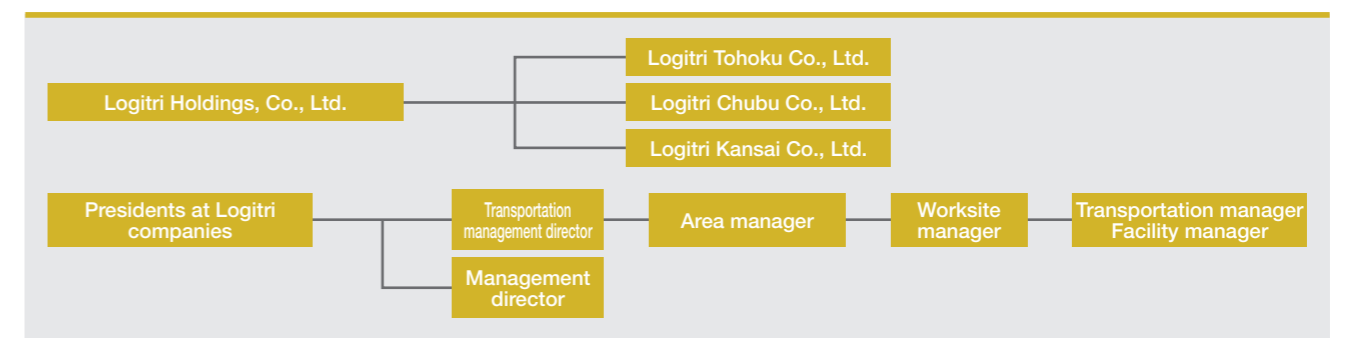
Important safety policies	Details of implemented measures
1 Maintain safety at existing facilities	Implement risk assessment
2 Spread awareness of transportation safety management	1) Secure certified personnel according to law (Transportation managers, construction managers, C-grade chemical managers, health and safety promoters, workplace accident prevention supervisors) 2) Educate on transportation safety management system 3) Implement internal audits 4) Hold open safety conferences
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)
4 Secure safe operations	1) Effectively utilize drive recorders 2) Implement accompanying guidance 3) Educate drivers 4) Implement transportation skills content with nationwide worksite participation
5 Uniformization of container exchange work	1) Implement accompanying guidance 2) Educate drivers
6 Implement health checkups	Implement health checkups Implement regular diagnoses and follow-up checkups
7 Implement aptitude diagnoses	Implement general, initial, age, and specified diagnoses All drivers (implement again in 2 years)
8 Publish and share information	1) Update home pages 2) Utilize internal postings
9 Implement emergency response training	1) Develop manual 2) Implement training
10 No accidents / 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 Eco Project" and implement awards system

#### Targets / achievement status

Targets for this year	Achievement status
1 Reduce vehicle accidents Zero severe accidents Reduce other vehicle accidents by 50% or less compared to previous year	Establish safe driving through implementation of drive recorders
2 Thorough implementation of transportation safety management system Educate employees to spread awareness to all employees	Spread awareness through internal audits and training
3 Acquire and renew G Mark (excellent safety workplace)	Acquired transportation business accreditation at all 38 worksites Tohoku: 10, Chubu: 5, Kansai: 2
4 Implement traffic safety measures meetings 1) Research actual accidents and prevent reoccurrence 2) Report details of meetings to headquarters	Conduct analysis and report to headquarters at safety measures meetings
5 Implement near miss activities 1) Utilize driver reports and drive recorder videos 2) Utilize in accident prediction training	Promote near miss activities
6 Share information 1) Research actual accidents and prevent reoccurrence 2) Report details of meetings to headquarters	Spread awareness by posting annual targets, etc.
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 Implement IT inspection system	Implement at some worksites
9 Participate in "Green-Eco Project" Winning Top Runner award	All business sites in Kansai participate

### Organizational system to secure transportation safety

The Group 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. The Company issues directives promptly and surely.



## Security and quality management for customers

### Basic approach

#### ● Energy ●

The Mitsuuroko 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 are revised over time, we will constantly transmit and support the newest security system strengthening information, heighten awareness of disaster prevention mindsets, and advance voluntary security 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 ●

The Mitsuuroko 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 factory, 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 management.

#### ● Real estate ●

In addition to development and leasing of residential homes, office buildings, and commercial facilities, the Mitsuuroko Group offers proposals to expand the range of people’s living 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 management

#### ● 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 safety management department to the President of Mitsuuroko 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 teams (HACCP) at each factory in the bottled water business, 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,” and in-facility stores and cafeterias, operation of DELICATERIA (delicatessens directly under Mitsuuroko Grocery), a retail cooperative, 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 management 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 implements, 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 ●

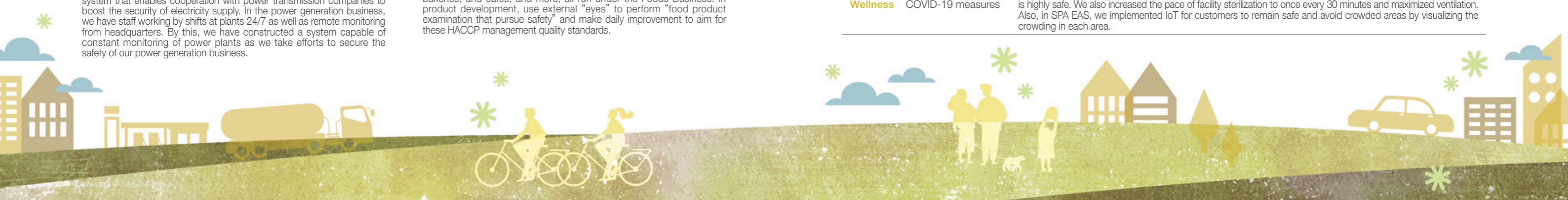
The Company has constructed a structure that can respond to various situations 24 hours a day, 365 days a year in order to ensure the safety of customers. During morning meetings, employees learn to use CPR and AED to prepare for emergencies. In addition to training of hot springs facilities, Company employees and tenant store employees gather twice a year and confirm the evacuation path during emergencies.

At SPA EAS: Yokohama Onsen-Natural Hot-spring, 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. Also, the Company has implemented “Onsen IoT” that can display the status of crowding on a smartphone 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 (changing areas, break areas, restaurants, 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 both giving customers a relaxing experience and preventing the spread of the COVID-19 virus.

### Initiatives for safety / quality management

	Development of strict internal standards (Mitsuuroko 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, the Mitsuuroko 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	The Mitsuuroko 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 wear and tear.
	Measures to eliminate carbon monoxide poisoning accidents	When using gas equipment that has degraded 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 JFS-B certification, an international-level food safety management standard	In the bottled water business department, we have acquired JFS-B certification, an international-level food safety management standard, in our Yamanakako Plant, Narusawa Plant, and Gifu Yoro Plant as we create products with uncompromised quality. * 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 (JFSMA), which was established under the guidance of the Ministry of Agriculture, Forestry and Fisheries.
	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 burger 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 management, and traceability. Beef is produced under the strictest management structure in the world, from ranches to the consumer. 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	Initiatives for customer satisfaction	In order to provide properties with added value that will satisfy many customers, the Group is proactively adding features to both new and existing properties, such as Wi-Fi connectivity, car sharing services in the property 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, adoption of energy-saving products, such as air conditioning equipment that limits energy output, and water-saving toilets. In commercial facilities, the Group collects the opinions of tenants and customers by proactively establishing information sharing and communication opportunities with tenants, such as monthly store director 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 implement 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 perspective.
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 30 minutes and maximized ventilation. Also, in SPA EAS, we implemented IoT for customers to remain safe and avoid crowded areas by visualizing the crowding in each area.



## Disaster prevention measures

### Basic approach

The Mitsuuroko 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 during disasters.

### Disaster-resistant LPG

LPG can be carried by filling canisters. It is known as a “segmented source of energy” that can be used independently and inspected and repaired on an individual basis during disasters.

The Mitsuuroko Group is strengthening disaster countermeasures and established a strong system to minimize the impact of disaster on customer lives.

### Storm and flood measures

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

- 1 Install disaster prevention nets to prevent leakage from platforms and secure lashing belts at LPG canister filling areas.
- 2 Secure double canister chains and promote the attachment of tension-type high-pressure hoses as disaster canister leakage prevention for LPG canisters installed in customer homes.

### Implementation of safety confirmation system (emergency call system)

The Mitsuuroko Group has implemented 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 phone, speedily confirm the safety of employees or their family members, and quickly take action for customer response and business continuation.

### Earthquake countermeasures

LPG is known as an energy that is strong against earthquakes. However, the Group promotes the installation and attachment of safety equipment, including micron 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.

### Development and application of business continuity plan (BCP)

The Mitsuuroko Group has developed a BCP and disaster response manual to prepare against large-scale disasters and the recent spread of the COVID-19 pandemic. 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 during disasters
- 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 during disasters.

## Disaster prevention measures at power plants

Mitsuuroko 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.

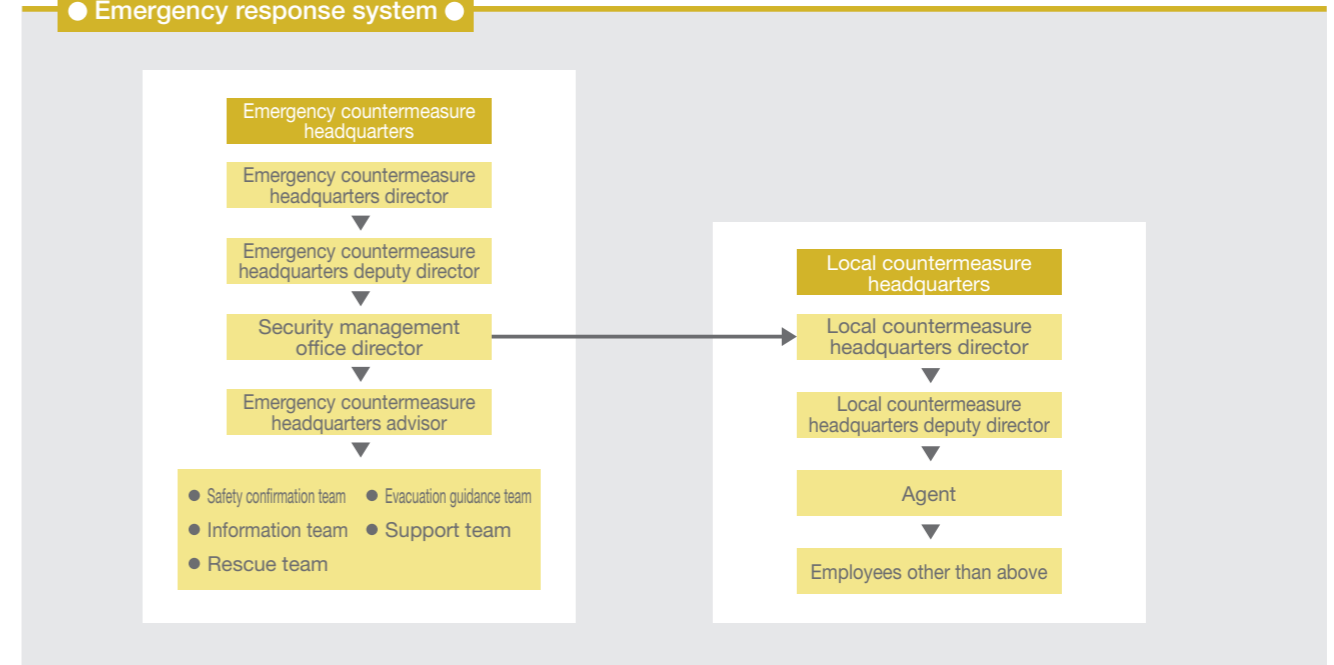
Under the basic policy, in case of a disaster, all Company employees are to come together and take efforts to contribute to local communities, preserve company assets, prevent secondary disasters, quickly restore equipment, and prevent reoccurrence of disasters as well as prioritize saving human lives.

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



## Respect of human rights

### Basic approach

In the "Charter of Corporate Ethics," the Mitsuuroko Group has established the rule to respect the personality and individuality of employees and create a comfortable and enriched 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, the 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, the 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

The 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 "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 the Mitsuuroko Group. The 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

The Mitsuuroko Group strives to avoid or mitigate the negative impact on the human rights of all stakeholders related to the 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

The 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

The 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.

#### 6 Information disclosure

The 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, the Mitsuuroko Group utilizes expert knowledge related to human rights from independent, external institutions and earnestly holds dialogues and consultations with related stakeholders.

#### 8 Education / training

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

#### 9 Important themes related to human rights in the Mitsuuroko Group

The 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

The 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

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

##### (3) Respect for basic rights of labor

The 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

The 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

The 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

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

## Health-focused management

### Basic approach

Understanding that human resources are our greatest asset, the 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, aim to create workplaces for the autonomous and proactive management of their own health, and support 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 Healthcare Declaration

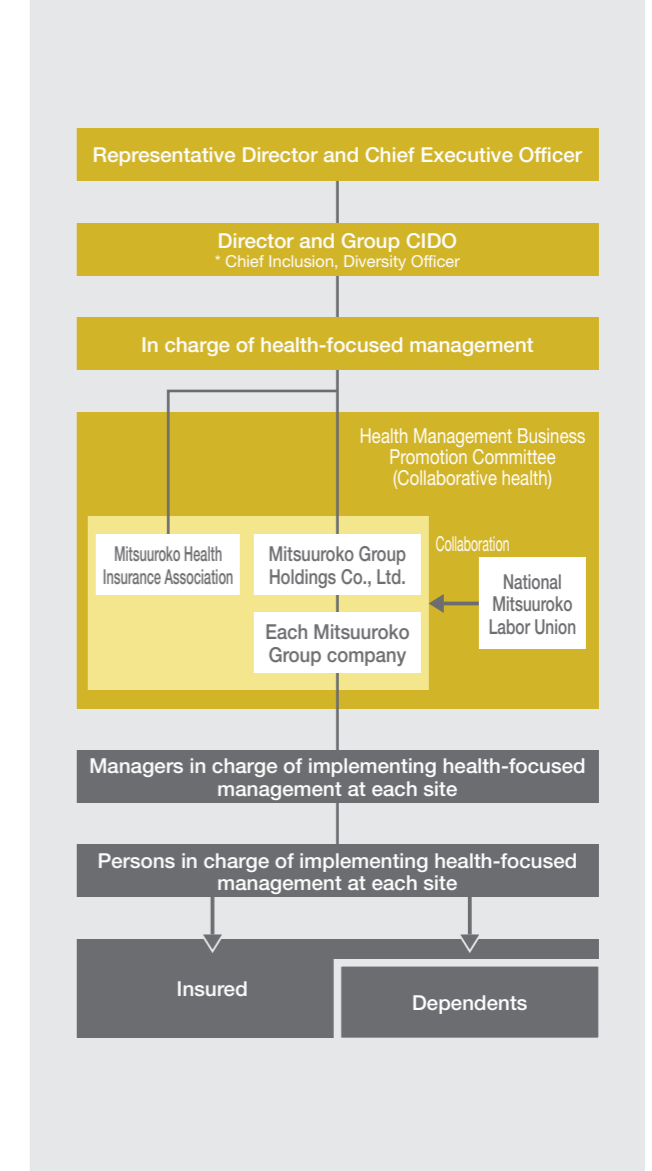
"We, the Mitsuuroko Group, aim to create a workplace where each and every employee can work energetically and vigorously by working on health promotion in order to lead a healthy and cheerful life both mentally and physically."

### Mitsuuroko Group Health Promotion Activities Policy

The Mitsuuroko Group wants to continue to be helpful to customer lives as "a Lifestyle Producer" by supplying stable energy and food and drink and real estate services. The Group also aims to be a company that makes customers feel "Every Day, Special!" with 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. The Mitsuuroko Group will continue to create a workplace environment where each employee and 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

The Mitsuuroko Group is working to ensure that 100% of employees receive health checkups and take post-checkup measures to prevent the onset and 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 achievement in the workplace 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 workstyles and promoted telework that utilized ICT and prioritized safety and health of all stakeholders. Focusing on the mental and physical care during telework, 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 initiatives (from April 2020)

#### (1) Walking campaign

The Group holds a walking campaign this year as well and aims for campaign entrants to walk at least one million steps during the set time period. This campaign aims to promote health by increasing the opportunities to walk.

\* This campaign is suspended in consideration of the spread of the COVID-19 pandemic.

#### (2) 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 implemented.

#### (3) 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.

#### (4) Adult voluntary research (food contest)

Employees made rice balls 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.

#### (5) Radio calisthenics / hand clap

Since FY2021, this has been regularly held online, primarily for female employees. In addressing lack of exercise experienced with increased telework, this also promotes communication through events and exchange.

## Obtained certification as a Health & Productivity Management Outstanding Organization 2022 (White 500)

In March 2022, the Japan Health Council, in collaboration with the Ministry of Economy, Trade and Industry, recognized us as a "Health & Productivity Management Outstanding Organization 2022 (White 500)," which honors companies and corporations that practice particularly excellent health-focused management.

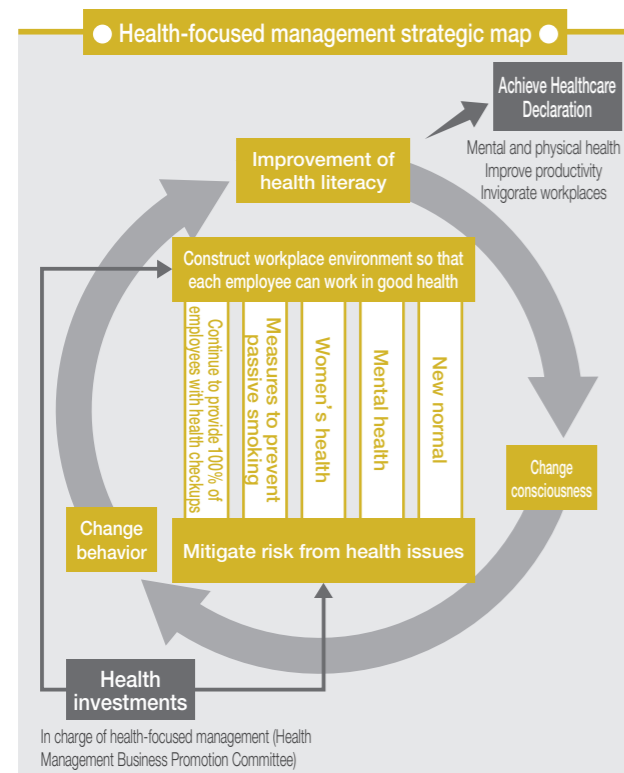
Based on the "Mitsuuroko Group Charter of Corporate Ethics" and the "Mitsuuroko Group Healthcare Declaration," the Group considers the support of the autonomous and proactive health management of employees from a management perspective and is working to promote health-focused management.



## Obtained certification as Sports Yell Company 2022

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." 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.



Indicator	Actual		Target		
	FY2019	FY2020	FY2021	FY2022	FY2023
Rate of receiving regular medical examinations	100%	100%	100%	100%	100%
Rate of receiving thorough examinations	56.50%	56.10%	70%	80%	90%
Rate of maintaining proper weight	62.60%	63.50%	67%	75%	80%
Rate of undergoing stress checks	97.50%	98.60%	100%	100%	100%
Rate of smoking	37.50%	33.40%	30%	24%	18%
Rate of regular exercise	23.20%	25%	30%	35%	40%

\* FY2019 and FY2020 figures are actual results; FY2021 and later are targets.

## 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 cut going into the office by 70%, 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 as well as avoiding going out in non-emergency situations.



## Diversity and inclusion

### Basic approach

In order to provide good services to our customers as “a Lifestyle Producer” in a diverse society, we are promoting diversity and inclusion 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 activities

#### (1) Numerical targets

The Group took efforts to promote women’s activities as we aimed for the targets announced on November 12, 2014. We once against established targets as follows on September 17, 2021.

● Ratio of female employees \*1 \*2 ●

**Target as of March 2027: 33%**

The ratio of female employees across all Group companies as of May 2021 was 29%. The ratio of female employees as of September 2014 was 25%, so this figure clearly increased in the past seven years. The Group will further increase this to 33% by March 2027.

● Ratio of female managers \*1 \*3 ●

**Target as of March 2027: 11%**

The ratio of female managers across all Group companies as of May 2021 was 7.3%. The ratio of female managers as of September 2014 was 4.2%, so this figure clearly increased in the past seven years. The Group will further increase this to 11% by March 2027.

\*1 The calculation of this ratio is based on a figure that excludes dispatched employees, part-time employees, and officers.  
 \*2 Excludes Logitri Tohoku, Logitri Chubu, and Logitri Kansai, which have limitations on female employment due to operations that require carrying heavy loads as an LPG transmission company. Eligible employees as of end-May 2021: 1,433  
 \*3 Calculated as (female managers / total manager positions in consolidated Group (excluding Logitri Tohoku, Logitri Chubu, and Logitri Kansai)) x 100

#### (2) Hold health seminars for women

In FY2020, in cooperation with the Mitsuuroko Health Insurance Association, the Group held “women’s health seminars” titled “My well-being in an age of COVID-19” as training for Group female employees. Based on the theme of “hints to live pleasant days in any situation,” programs were held on body work and self-care that can be done at home, mitigation stress and isolation that comes from remote work due to the COVID-19 pandemic, and women’s health. There was also time to split into small groups and exchange ideas. This became an opportunity for exchange for female employees.

#### (3) Obtained Kurumin as Group company

Mitsuuroko Creative Solutions Co., Ltd. achieved the targets set in its action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children and received “Kurumin” certification in August 2019. We are working to create a workplace environment where employees can balance work and childcare by promoting the use of childcare leave and paid leave and increasing the usage rate by employees.



### New workstyles

The Group aims to establish an environment where employees of differing backgrounds are able to maximize their abilities by realizing “new workstyles” 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 implemented remote work for employees who

are taking care of children or elderly relatives in 2018 and formed a system where the entire Group can work remotely. When COVID-19 began to spread, the Group proactively implemented work from home. We will continue to promote “new workstyles,” 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 meetings through Teams  
Recommend online meetings instead of in-person meetings in order to prevent the spread of COVID-19
- Implement 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
- Implement of hourly paid leave  
Enable paid leave in hourly units to improve work-life balance
- Implement 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.)



## Human resource 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 skill improvement program that aims to improve the skills and motivation of employees. The Group aims to improve the

corporate value of the entire Group by creating an organization with strong individual growth.

Details	Objective	Implementation frequency
New employee training	Training to teach and develop the skills, knowledge, and mindset needed in working through teaching the 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
Leader training	Training aimed at leaders, the central pillar of teams, to expand perspectives, optimize the overall organization, and learn team-building	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
Training related to mental health and women-specific diseases	<b>For managers</b> Training to foster knowledge among managers so that they can take care of their subordinates early without overlooking signs of mental health problems	Once a year
	<b>For female employees</b> Training for female employees to propose care for themselves and, re-examine their own lifestyles by learning about physical changes corresponding with female diseases and age	
Mitsuuroko-style health-focused management e-learning	Training that introduces “new normal in an age of COVID-19” and initiatives for health-focused management in the Mitsuuroko Group, teaches knowledge to live healthy lives in an age of change, and encourage stronger and more flexible lives	Once a year
Overseas training	Dispatch employees to overseas companies and schools to experience different cultures as well as languages, and develop global human resources	Once/twice a year
Incubation system	Foster a corporate culture where employees can freely take on challenges and expand opportunities for new business creation	As needed
MBA acquisition support		Applications received:
Law school support	Support system for acquisition of specialized and advanced knowledge and improvement of skills of employees	Once a year
Correspondence university support		
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
Building service engineer training in Iseesaki	Training to acquire certification as an LNG technician	Twice a year
Technical training for new employees (Conducted only at AzabuJuban Mont-Thabor)	Training to learn the basics about bread. At the fifth training session, a presentation is given on the theme of “inventing new products” and the best entries are developed into products and sold in the store. (Currently not conducted due to the spread of COVID-19)	5 times in 2 years after joining the Company

#### 2 Acceptance of practical training from various organizations and schools

Details of activities on → P.47

## Local communities

### Basic approach

We at the 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 do what we can and what we should do, 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 stores, cafeterias, and restaurants in hospitals and park facilities, as well as in voluntary chain stores operated by Mitsuuroko Provisions Co., Ltd. The Mitsuuroko Group will continue to support the activities of the Christel Foundation in order to save as many lives as possible.

### Participation in the “National Movement to Support Children’s Future” to protect the future of children through charity events

In support of the “National Movement to Support Children’s Future” (Secretariat of the National Movement to Support Children’s Future: Cabinet Office, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, and the Welfare And Medical Service Agency), which aims to connect the desire of each and every one of us citizens to “do something” for children suffering from poverty and turn it into action, we held a charity event through our sponsorship of the YOKOHAMA DeNA BAYSTARS’ title game. A portion of the proceeds from this charity event was donated to the “Children’s Future Support Fund.”

### Together with local communities and society: Service solutions for parents raising children

Mitsuuroko Vessel Co., Ltd. provides service solutions for watching over children and family communication. “Mitsu-mail Imakoko,” a GPS-based watchdog service launched in July 2020, enables parents to check the location of their children simply by holding a dedicated GPS device, and notifies them of the arrival and departure of their children at 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 on the challenge of creating enriched 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 watchdog 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 cultivate water sources in the forests around Narusawa Village in Yamanashi Prefecture (“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 City, Gifu Prefecture, 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.





## 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 environment where the strengths of each member store can be fully demonstrated and they can always take up challenges.

The association is currently comprised of about 1,800 companies, and they are indispensable partners in the provision of our services.

Our mission is to provide opportunities for the companies participating in the “National Mitsuuroko Association” to continuously increase their value. The services we are developing as new businesses will

eventually be rolled out nationwide through the “National Mitsuuroko Association.” It is also a challenge for us to remain a “strong organization” even in a changing external environment.



## Contribution to society through sports

With the launch of the Mitsuuroko Women’s Basketball Team in 2012 and the establishment of the Swimming Team in May 2021, the Company continues to make great strides based on the philosophy of contributing to the revitalization of the local community and interaction through sports more than ever before.

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 professional golfers Shiho Kawasaki, Shi Yuting, and Momoka Miura, 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 in order to enhance the corporate value of the entire Mitsuuroko Group.

## 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 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.



## Installation of co-working spaces

The COVID-19 pandemic has greatly impacted workstyles in society. At SPA EAS: Yokohama Onsen-Natural Hot-spring, we have installed a “co-working space” unique to wide open spa facilities so that users in the local community can relax and refresh in showers, saunas, and hammocks during breaks from work. In a co-working space that frames the co-existence of concentration and relaxation as “going back and forth between hot and cold baths.”



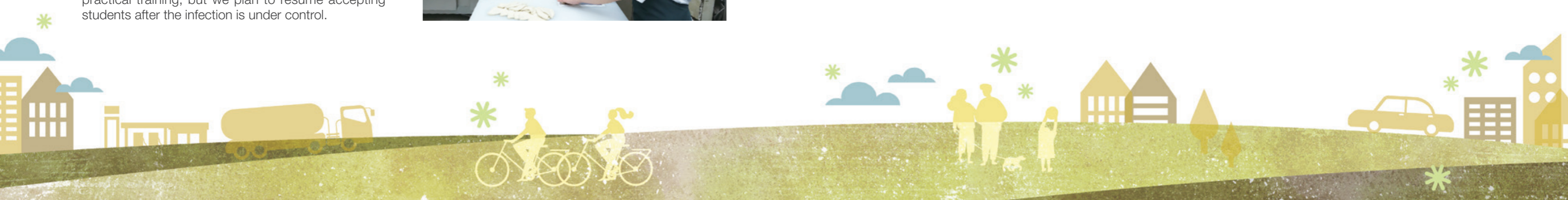
## Yokohama resident discount day

From a desire to maintain the health of all residents by erasing their daily tiredness and refreshing their minds and bodies, SPA EAS made “Yokohama Resident Discount Day” for all Yokohama residents to enter the facility at a discount rate. The Company would like to continue to develop various plans for local residents.



## “Rain-Bowling Project” activities

Employees of HAMABOWL utilize bowling pins ready for disposal and visit local elementary schools and care facilities as part of efforts to “reuse resources” and “contribute to the local community” by doing games and activities with the used pins. Called “Rain-Bowling Project” because of the rainbow colors painted on the pins, this is one of ESG activities.



# Governance

The Mitsuuroko Group aims to improve company 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 auditing 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

The Mitsuuroko Group's basic approach on corporate governance is to ensure that the Group's business is conducted in good faith and with transparency to customers, business partners, and shareholders, etc. 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, 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 Accounting Auditor.

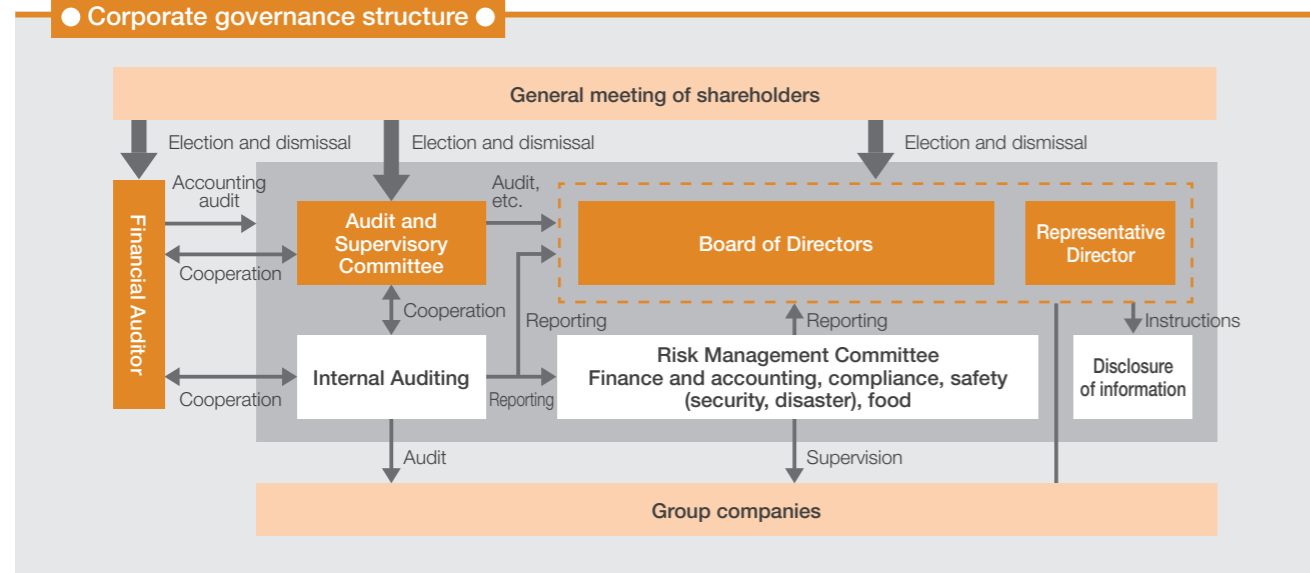
The Company has improved the effectiveness of auditing and supervision through auditing by Directors who are Audit and Supervisory Committee Members with voting rights on the Board of Directors, and further strengthened the supervisory function of the Board of Directors. The Company has strengthened the supervisory function of the Board of Directors for business execution and ensured the appropriateness and transparency of the decision-making

process through the participation of five External Directors, including three Directors who are Audit and Supervisory Committee Members, in management.

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.

In addition, since June 2017, we have had our first foreign Director in the Company, and we are working to build a more advanced governance system that utilizes management from a global perspective and AI and IoT.

### Corporate governance structure



### Areas where Directors are expected to excel in

The Company aims to improve company 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 personnel based on their knowledge, experience, and capabilities as we aim to

accelerate decision-making, strengthen the auditing 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 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 GCIDO *Global Chief Inclusion and 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, doctor	●	●		●	●	●		●
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, etc. 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. and the remuneration, etc. that were 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.

#### 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.

#### 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 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 President and Representative Director, 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 President and Representative Director 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 Stock Benefit Regulations.

### Total amount of remuneration, etc. for FY2020

Officer category	Total amount of remuneration, etc. (Millions of yen)	Total amount by type of remuneration, etc. (Millions of yen)		Number of target Officers (Persons)
		Basic remuneration	Performance-linked stock remuneration	
Directors (excluding Directors who are Audit and Supervisory Committee Members)	317	278	39	9
(External Directors)	(14)	(14)	(—)	(2)
Directors who are Audit and Supervisory Committee Members	21	21	—	4
(External Directors)	(14)	(14)	(—)	(3)
<b>Total</b>	<b>339</b>	<b>300</b>	<b>39</b>	<b>13</b>
(External Directors)	(28)	(28)	(—)	(5)

\*1. The amount of the above remuneration, etc. includes the provisions for share awards of ¥39 million that was recorded in fiscal year ended March 31, 2021.  
 \*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, 2021 was ¥6,250 million, while the actual value was

¥5,291 million. The target value for profit before income taxes in fiscal year ended March 31, 2022 is ¥6,200 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 (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, etc. 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. 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.

### Cross-shareholdings

#### 1 Policy on cross-shareholdings

The Company's policy is to hold shares that contribute to enhancing 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 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.

#### 2 Standard of exercising voting rights of 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 systems, the enhancement 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.

### 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.

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

### Summary of evaluation results for FY2020

According to the results of the questionnaire, the Board of Directors of the Company in FY2020 was evaluated to be effective. Specifically, the Board of Directors was evaluated as having an appropriate membership structure for effective management of the Board of Directors, sharing of management information and exercise of the role of External Directors, appropriate reporting of audit results on the effectiveness of the internal control system as appropriate, and appropriate verification of cross-shareholding. On the other hand, the report recognized the need for more proactive consideration of ESG promotion, and the need for more strategic implementation and confirmation of business portfolio reviews and capital and human resource investments. In response to this evaluation, the Company will continue to promote the appropriate management of the Board of Directors and make improvements to the points raised in order to make the Board of Directors even more conducive to enhancing corporate value.

### Status of the risk management system

The Mitsuuroko 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.



## Compliance

### Basic approach

The Mitsuuroko Group has declared to society that it would give consideration to the global environment, comply with relevant laws and regulations, and enhance security management. We have also advocated the need for ethics by stating in our corporate philosophy that we would always operate our company's business on the right track. 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 conservation and resource saving.

### Mitsuuroko Group Standard of Conduct

The Mitsuuroko 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**  
The Mitsuuroko Group will conduct its corporate activities in accordance with laws and regulations, social norms, and social good sense. In addition, the Mitsuuroko 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 enriched work environment**  
The Mitsuuroko Group will value the initiative and creativity of each and every employee and foster a corporate culture in which they are fully utilized in its corporate activities. The Mitsuuroko 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**  
The Mitsuuroko 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 an enriched and livable society**  
The 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.

### Compliance Handbook

The Mitsuuroko Group publishes the "Compliance Handbook," which is a combination of the "Code of Conduct Casebook," which explains the code of conduct in an easy-to-understand manner, and the "Charter of Corporate Ethics." In order to enhance the understanding of the Charter of Corporate Ethics, we have sought to make it even "easier to understand and read" the actions to be taken by officers and employees by giving specific examples from daily life, and 50 of the 100 cases in the handbook have been converted into 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

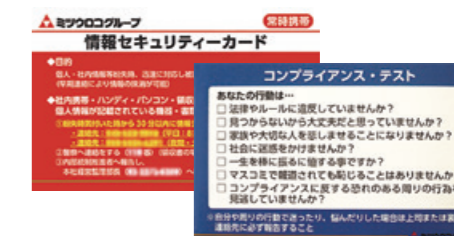
The Mitsuuroko Group regularly conducts compliance training by rank and theme.

Content of training	Target	Frequency/year
IT compliance training	All officers and employees	1 time
Group management compliance training	Management	1 time
Training for supervising officers	Supervising officers	2 times
Group company accounting training	Accounting managers	2 times

Content of training	Target	Frequency/year
Management training for newly appointed managers	Newly appointed managers	1 time
Training for managers in charge of safety	Managers in charge of safety	1 time
Group new employee training	New employees	1 time

### 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 the Mitsuuroko 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.



## Prevention of bribery

Based on our management philosophy and “Charter of Corporate Ethics,” the Group promotes sincere company 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 company 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 the 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.

### Mitsuuroko Group Basic Policy on Prevention of Bribery

#### 1 Basic policy

The 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 the entire 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 company 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 company 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 (hereinafter referred to as “Service Provider”) hired in order to collect and analyze information, secure orders for the Mitsuuroko Group, or otherwise request cooperation for the purpose of promoting business, or to request services for which the 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.

The 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.

### 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 the 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.



## Tax Policy

The Mitsuuroko 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 improve tax governance, we have formulated the “Mitsuuroko 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.

### Mitsuuroko Group Tax Policy

#### 1 Basic policy

The 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.” We recognize that transactions that lack legitimate business purposes or economic rationality hinder tax transparency and may harm 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 experts. They then conduct 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.

#### 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 minimize 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.

## Cyber security

### Basic approach

As an infrastructure business operator that supplies energy and services for everyday life, 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

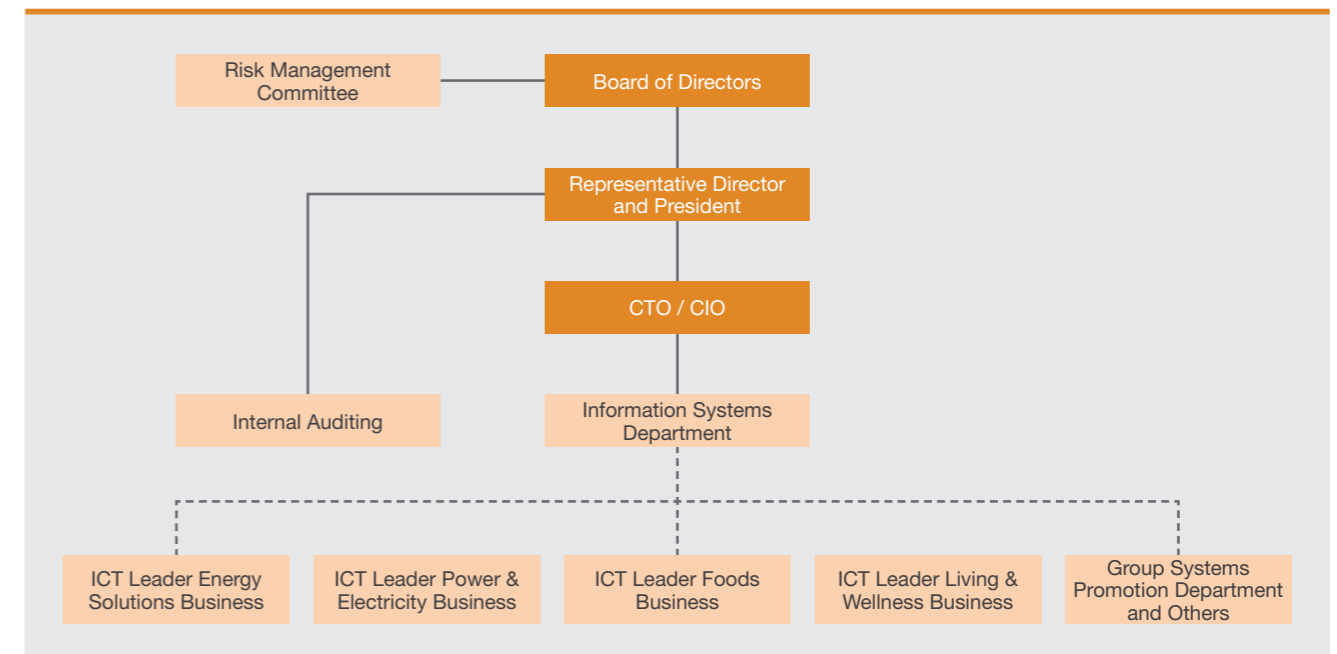
To reduce cyber risk, we maintain defense in depth and detection measures, analyzing and responding to new cyber attack methods through working with external security affiliates that handle cybersecurity. We will

constantly endeavor to reinforce our approach to cybersecurity to provide safer and more secure services to our customers.

### Cyber security 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.



## 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, we conduct basic security education, e-learning, and targeted email attack training to increase

the awareness of security threats of each officer and employee in the Group, including contract employees and the employees of business partners. We also foster highly specialized human resources, 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 while ensuring security tools and operations meet a certain standard, working to strengthen governance. Regular meetings are also held for the ICT

leaders of each Group company. Through the sharing information on the recent security situation at these meetings, we raise awareness and improve the security of the entire Group.

## Security measures in response to the increase in working from home and remote work

The Group has implemented various measures to respond to the COVID-19 pandemic that began to spread in the beginning of 2020. Since the declaration of the state of emergency in March 2020, we have granted special permission for items that were previously not permitted to be brought outside the Company, such as laptops, to be used for working from home throughout the entire Group. We have also lent laptops and pocket routers to employees

who do not have Wi-Fi in their homes, enabling many of the Group's employees to work from home. Employees have continued working from home since the state of emergency was lifted, and in accordance with the situation of the pandemic and government requirements, we implement flexible work styles such as remote work and working from home based on rules that address security.

- We have also created a new "COVID-19 Response" page in our intranet and thoroughly provide information on rules for IT use and other general security rules and practices.
- As the increase in the number of employees working from home caused the network environment to become unstable, we have strengthened the network to provide a more comfortable and safe working-from-home environment.
- We have also introduced a conferencing tool via a contract with a partner company to enable employees to safely conduct web conferences online, and we communicate precautions for when the conferences are conducted, such as points concerning data exchange.

## 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

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

#### 1 Purpose of use

Each Mitsuuoko Group company acquires and uses the personal information of customers for purposes such as publishing it on official websites or other reasons notified to customers via separate correspondence. Each Mitsuuoko 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 Mitsuuoko 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

Each Mitsuuoko Group Company may share the information below for the purposes described in "1 Purpose of use" or for the purposes of use outlined at the end of this section.

- 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 Mitsuuoko Group Company to customers, and the status of transactions
- 3) Results of various surveys conducted by each Mitsuuoko Group Company
- 4) Details of inquiries from customers

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

Purposes of use

- For proposals and information regarding products, services, campaigns, events, etc. provided by each Mitsuuoko Group company
- For surveys, research and development to improve the quality of products and services provided by each Mitsuuoko Group company
- For the conducting of surveys about the products and services provided by each Mitsuuoko 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 Mitsuuoko 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 Mitsuuoko 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 manager 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.





# Governance

## 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

#### Mitsuroko 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 correctly provide necessary information to our customers whenever they consider the products or services of 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," "financial information," and "occurrences" in a timely and appropriate 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 customers' 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 forth 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

The Mitsuroko 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 "Mitsuroko Group Human Rights Policy." We will continue to carry out business 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 disasters, we will support our business partners by helping them to introduce telework 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 CO<sub>2</sub>, 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 "Mitsuroko Group Human Rights Policy," conducting business that is fair and respectful of human rights.



## GRI Standards table

### General disclosure items

		Disclosed in
1. Organizational profile	102-1	Name of organization <a href="#">SUSTAINABILITY REPORT 2021</a> Mitsuuroko Group Business Areas <a href="#">BUSINESS REPORT 2021</a> Company Information <a href="#">Website</a> Company Information
	102-2	Activities, brands, products, services <a href="#">SUSTAINABILITY REPORT 2021</a> Mitsuuroko Group Business Areas <a href="#">BUSINESS REPORT 2021</a> Business Review <a href="#">Website</a> Business Areas
	102-3	Location of headquarters <a href="#">SUSTAINABILITY REPORT 2021</a> Company information of Mitsuuroko Group Holdings Co., Ltd. <a href="#">BUSINESS REPORT 2021</a> Company Information <a href="#">Website</a> Company Information
	102-4	Location of operations <a href="#">Website</a> Group Companies
	102-5	Ownership and legal form <a href="#">SUSTAINABILITY REPORT 2021</a> Company information of Mitsuuroko Group Holdings Co., Ltd. <a href="#">BUSINESS REPORT 2021</a> Company Information <a href="#">Website</a> Company Information
	102-6	Markets served <a href="#">SUSTAINABILITY REPORT 2021</a> Mitsuuroko Group Business Areas <a href="#">BUSINESS REPORT 2021</a> Business Review <a href="#">Website</a> Mitsuuroko Group Businesses <a href="#">Website</a> Group Companies
	102-7	Scale of the organization <a href="#">SUSTAINABILITY REPORT 2021</a> Company information of Mitsuuroko Group Holdings Co., Ltd. <a href="#">BUSINESS REPORT 2021</a> Financial Data <a href="#">Website</a> Finance & Achievement Highlights <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	102-8	Information on employees and other workers <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	102-9	Supply chain <a href="#">SUSTAINABILITY REPORT 2021</a> Supply Chain Management
	102-10	Significant changes to the organization and its supply chain —
2. Strategy	102-11	Precautionary principle or approach <a href="#">SUSTAINABILITY REPORT 2021</a> Status of the risk management system <a href="#">BUSINESS REPORT 2021</a> Compliance <a href="#">Website</a> Compliance <a href="#">SUSTAINABILITY REPORT 2021</a> Compliance
	102-12	External initiatives <a href="#">SUSTAINABILITY REPORT 2021</a> Announcement of endorsement of the “Task Force on Climate-related Financial Disclosure (TCFD)” recommendations <a href="#">SUSTAINABILITY REPORT 2021</a> Stakeholder Engagement
	102-13	Membership of associations <a href="#">SUSTAINABILITY REPORT 2021</a> Stakeholder Engagement
3. Ethics and integrity	102-14	Statement from senior decision-maker <a href="#">SUSTAINABILITY REPORT 2021</a> Message from the President <a href="#">BUSINESS REPORT 2021</a> Message from the President
	102-15	Key impacts, risks, and opportunities <a href="#">SUSTAINABILITY REPORT 2021</a> Message from the President <a href="#">BUSINESS REPORT 2021</a> Message from the President <a href="#">SUSTAINABILITY REPORT 2021</a> Materiality <a href="#">BUSINESS REPORT 2021</a> Business Review <a href="#">SUSTAINABILITY REPORT 2021</a> TCFD
4. Governance	102-16	Values, principles, standards, and norms of behavior <a href="#">SUSTAINABILITY REPORT 2021</a> Founding Principles <a href="#">SUSTAINABILITY REPORT 2021</a> Management Philosophy <a href="#">SUSTAINABILITY REPORT 2021</a> Mitsuuroko Group Standard of Conduct <a href="#">BUSINESS REPORT 2021</a> Charter of Corporate Ethics <a href="#">Website</a> Compliance
	102-17	Mechanisms for advice and concerns about ethics <a href="#">SUSTAINABILITY REPORT 2021</a> Respect for Human Rights <a href="#">BUSINESS REPORT 2021</a> Compliance <a href="#">Website</a> Compliance <a href="#">SUSTAINABILITY REPORT 2021</a> Compliance
4. Governance	102-18	Governance structure <a href="#">SUSTAINABILITY REPORT 2021</a> Corporate governance <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance
	102-19	Delegating authority <a href="#">SUSTAINABILITY REPORT 2021</a> Corporate governance structure <a href="#">BUSINESS REPORT 2021</a> Corporate governance structure <a href="#">Website</a> Corporate Governance <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental management promotion system <a href="#">SUSTAINABILITY REPORT 2021</a> Climate Change governance system

### Disclosed in

4. Governance	102-20	Executive-level responsibility for economic, environmental, and social topics <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental management promotion system
	102-21	Consulting with stakeholders on economic, environmental, and social topics <a href="#">SUSTAINABILITY REPORT 2021</a> Stakeholder Engagement
	102-22	Composition of the highest governance body and its committees <a href="#">SUSTAINABILITY REPORT 2021</a> Corporate governance <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance Report
	102-23	Chair of the highest governance body <a href="#">SUSTAINABILITY REPORT 2021</a> Corporate governance <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance Report
	102-24	Nominating and selecting the highest governance body <a href="#">SUSTAINABILITY REPORT 2021</a> Corporate governance <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance Report
	102-25	Conflicts of interest <a href="#">SUSTAINABILITY REPORT 2021</a> Corporate governance <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance Report
	102-26	Role of highest governance body in setting purpose, values, and strategy <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental management promotion system
	102-27	Collective knowledge of highest governance body <a href="#">SUSTAINABILITY REPORT 2021</a> Corporate governance <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance
	102-28	Evaluating the highest governance body's performance <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental management promotion system <a href="#">SUSTAINABILITY REPORT 2021</a> Corporate governance <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance
	102-29	Identifying and managing economic, environmental, and social impacts <a href="#">SUSTAINABILITY REPORT 2021</a> Status of the risk management system <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental management promotion system
5. Stakeholder engagement	102-30	Effectiveness of risk management processes <a href="#">SUSTAINABILITY REPORT 2021</a> Status of the risk management system <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental management promotion system
	102-31	Review of economic, environmental, and social topics <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental management promotion system <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance
	102-32	Highest governance body's role in sustainability reporting <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental management promotion system <a href="#">BUSINESS REPORT 2021</a> Corporate governance <a href="#">Website</a> Corporate Governance
	102-33	Communicating critical concerns <a href="#">SUSTAINABILITY REPORT 2021</a> Compliance <a href="#">BUSINESS REPORT 2021</a> Compliance <a href="#">Website</a> Compliance
	102-34	Nature and total number of critical concerns <a href="#">SUSTAINABILITY REPORT 2021</a> Compliance <a href="#">BUSINESS REPORT 2021</a> Compliance <a href="#">Website</a> Compliance
	102-35	Remuneration policies <a href="#">SUSTAINABILITY REPORT 2021</a> Remuneration for Directors <a href="#">Website</a> Corporate Governance Report
	102-36	Process for determining remuneration <a href="#">SUSTAINABILITY REPORT 2021</a> Remuneration, etc. for Directors <a href="#">Website</a> Corporate Governance Report
	102-37	Stakeholders' involvement in remuneration —
	102-38	Annual total remuneration ratio —
	102-39	Percentage increase in annual total remuneration ratio —
102-40	List of stakeholder groups <a href="#">SUSTAINABILITY REPORT 2021</a> Stakeholder Engagement	
102-41	Collective bargaining agreements <a href="#">SUSTAINABILITY REPORT 2021</a> Stakeholder Engagement	
102-42	Identifying and selecting stakeholders <a href="#">SUSTAINABILITY REPORT 2021</a> Stakeholder Engagement	
102-43	Approach to stakeholder engagement <a href="#">SUSTAINABILITY REPORT 2021</a> Stakeholder Engagement	
102-44	Key topics and concerns raised <a href="#">SUSTAINABILITY REPORT 2021</a> Stakeholder Engagement	



		Disclosed in
6. Reporting practice	102-45	Entities included in the consolidated financial statements <a href="#">SUSTAINABILITY REPORT 2021</a> Editing Policy
	102-46	Defining report content and topic boundaries <a href="#">SUSTAINABILITY REPORT 2021</a> Editing Policy
	102-47	List of material topics <a href="#">SUSTAINABILITY REPORT 2021</a> Materiality
	102-48	Restatements of information —
	102-49	Changes in reporting —
	102-50	Reporting period <a href="#">SUSTAINABILITY REPORT 2021</a> Editing Policy
	102-51	Date of most recent report —
	102-52	Reporting cycle <a href="#">SUSTAINABILITY REPORT 2021</a> Editing Policy
	102-53	Contact point for questions regarding the report <a href="#">SUSTAINABILITY REPORT 2021</a> Editing Policy <a href="#">Website</a> inquiries
	102-54	Claims of reporting in accordance with the GRI Standards <a href="#">SUSTAINABILITY REPORT 2021</a> GRI Standards Table
	102-55	GRI content index <a href="#">SUSTAINABILITY REPORT 2021</a> GRI Standards Table
	102-56	External assurance <a href="#">SUSTAINABILITY REPORT 2021</a> Third party assurance
	GRI 103: Management Approach 2016	103-1
103-2		The management approach and its components <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental management promotion system
103-3		Evaluation of the management approach <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental management promotion system

## Economic

		Disclosed in	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed —	
	201-2	Financial implications and other risks and opportunities due to climate change <a href="#">SUSTAINABILITY REPORT 2021</a> Climate change initiatives (TCFD)	
	201-3	Defined benefit plan obligations and other retirement plans —	
	201-4	Financial assistance received from government —	
GRI 202: 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 —	
GRI 203: Indirect Economic Impacts 2016	203-1	<a href="#">SUSTAINABILITY REPORT 2021</a> Stable supply of energy/electricity <a href="#">BUSINESS REPORT 2021</a> Realization of a safe and secure society <a href="#">SUSTAINABILITY REPORT 2021</a> Security and quality management for customers <a href="#">BUSINESS REPORT 2021</a> Corporate governance structure <a href="#">SUSTAINABILITY REPORT 2021</a> Disaster prevention measures <a href="#">SUSTAINABILITY REPORT 2021</a> Local communities	
		203-2	Significant indirect economic impacts —
		204-1	Proportion of spending on local suppliers —
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers —	
	GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption <a href="#">SUSTAINABILITY REPORT 2021</a> Compliance (Prevention of bribery)
		205-2	Communication and training about anti-corruption policies and procedures <a href="#">SUSTAINABILITY REPORT 2021</a> Compliance (Prevention of bribery)
205-3	Confirmed incidents of corruption and actions taken <a href="#">SUSTAINABILITY REPORT 2021</a> No instances of corruption		
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices <a href="#">SUSTAINABILITY REPORT 2021</a> No instances of legal actions	
GRI 207: Tax 2019	207-1	Approach to tax <a href="#">SUSTAINABILITY REPORT 2021</a> Compliance (Tax Policy) <a href="#">Website</a> Tax Policy	
	207-2	Tax governance, control, and risk management <a href="#">SUSTAINABILITY REPORT 2021</a> Compliance (Tax Policy) <a href="#">Website</a> Tax Policy	
	207-3	Stakeholder engagement and management of concerns related to tax <a href="#">SUSTAINABILITY REPORT 2021</a> Compliance (Tax Policy) <a href="#">Website</a> Tax Policy	
	207-4	Country-by-country reporting —	

## Environmental

		Disclosed in
GRI 301: Materials 2016	301-1	Materials used by weight or volume —
	301-2	Recycled input materials used <a href="#">SUSTAINABILITY REPORT 2021</a> Promotion of resource cycle
	301-3	Reclaimed products and their packaging materials —
GRI 302: Energy 2016	302-1	Energy consumption within the organization <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	302-2	Energy consumption outside of the organization <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	302-3	Energy intensity <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	302-4	Reduction of energy consumption <a href="#">SUSTAINABILITY REPORT 2021</a> CO <sub>2</sub> reduction target <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	302-5	Reductions in energy requirements of products and services —
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource <a href="#">SUSTAINABILITY REPORT 2021</a> Environmental risk management (Water risk initiatives)
	303-2	Management of water discharge-related impacts —
	303-3	Water withdrawal —
	303-4	Water discharge —
	303-5	Water consumption —
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas <a href="#">SUSTAINABILITY REPORT 2021</a> Local communities (Activities to protect and nurture the forests around water collection sites) <a href="#">BUSINESS REPORT 2021</a> Coexistence with the community <a href="#">Website</a> Environment initiatives
	304-2	Significant impacts of activities, products, and services on biodiversity —
	304-3	Habitats protected or restored <a href="#">SUSTAINABILITY REPORT 2021</a> Local communities (Activities to protect and nurture the forests around water collection sites) <a href="#">BUSINESS REPORT 2021</a> Coexistence with the community <a href="#">Website</a> Environment initiatives
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations —
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions <a href="#">SUSTAINABILITY REPORT 2021</a> Climate change initiatives <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	305-2	Indirect (Scope 2) GHG emissions <a href="#">SUSTAINABILITY REPORT 2021</a> Climate change initiatives <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	305-3	Other indirect (Scope 3) GHG emissions <a href="#">SUSTAINABILITY REPORT 2021</a> Climate change initiatives <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	305-4	GHG emissions intensity —
	305-5	Reduction of GHG emissions <a href="#">SUSTAINABILITY REPORT 2021</a> Climate change initiatives <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	305-6	Emissions of ozone-depleting substances (ODS) —
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions —
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts —
	306-2	Management of significant waste-related impacts —
	306-3	Waste generated —
	306-4	Waste diverted from disposal —
	306-5	Waste directed to disposal —
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations <a href="#">SUSTAINABILITY REPORT 2021</a> No instances of non-compliance with laws and regulations
GRI 308: 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 <a href="#">Website</a> Supply Chain Management



## Social

			Disclosed in
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	<a href="#">SUSTAINABILITY REPORT 2021</a> Data
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
	401-3	Parental leave	<a href="#">SUSTAINABILITY REPORT 2021</a> Data
GRI 402: Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	—
	403-1	Occupational health and safety management system	<a href="#">SUSTAINABILITY REPORT 2021</a> Health-focused management <a href="#">BUSINESS REPORT 2021</a> Health-focused management <a href="#">Website</a> Employee Health & Welfare initiatives
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">SUSTAINABILITY REPORT 2021</a> Status of the risk management system
	403-3	Occupational health and safety services	<a href="#">SUSTAINABILITY REPORT 2021</a> Health-focused management <a href="#">BUSINESS REPORT 2021</a> Health-focused management <a href="#">Website</a> Employee Health & Welfare initiatives
	403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">SUSTAINABILITY REPORT 2021</a> Data
	403-5	Worker training on occupational health and safety	<a href="#">SUSTAINABILITY REPORT 2021</a> Data
	403-6	Promotion of worker health	<a href="#">SUSTAINABILITY REPORT 2021</a> Health-focused management <a href="#">BUSINESS REPORT 2021</a> Health-focused management <a href="#">Website</a> Employee Health & Welfare initiatives
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">SUSTAINABILITY REPORT 2021</a> Data
	403-8	Workers covered by an occupational health and safety management system	<a href="#">SUSTAINABILITY REPORT 2021</a> Data
	403-9	Work-related injuries	<a href="#">SUSTAINABILITY REPORT 2021</a> Data
	403-10	Work-related ill health	<a href="#">SUSTAINABILITY REPORT 2021</a> Data
	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee
404-2		Programs for upgrading employee skills and transition assistance programs	<a href="#">SUSTAINABILITY REPORT 2021</a> Human resource development
404-3		Percentage of employees receiving regular performance and career development reviews	—
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	<a href="#">SUSTAINABILITY REPORT 2021</a> Diversity and inclusion <a href="#">SUSTAINABILITY REPORT 2021</a> Data
	405-2	Ratio of basic salary and remuneration of women to men	—
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	<a href="#">SUSTAINABILITY REPORT 2021</a> Respect for Human Rights
GRI 407: 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	—
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	—

			Disclosed in
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	—
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	—
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	<a href="#">SUSTAINABILITY REPORT 2021</a> Respect for Human Rights <a href="#">SUSTAINABILITY REPORT 2021</a> Supply Chain Management
	412-2	Employee training on human rights policies or procedures	<a href="#">SUSTAINABILITY REPORT 2021</a> Respect for Human Rights
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">SUSTAINABILITY REPORT 2021</a> Stakeholder Engagement
	413-2	Operations with significant actual and potential negative impacts on local communities	—
GRI 414: 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	<a href="#">SUSTAINABILITY REPORT 2021</a> Supply Chain Management
GRI 415: Public Policy 2016	415-1	Political contributions	<a href="#">SUSTAINABILITY REPORT 2021</a> No instances of political contributions
GRI 416: Customer Health and Safety 2016	416-1	Assessments of the health and safety impacts of product and service categories	<a href="#">SUSTAINABILITY REPORT 2021</a> Security for customers <a href="#">BUSINESS REPORT 2021</a> Realization of a safe and secure society <a href="#">SUSTAINABILITY REPORT 2021</a> Disaster prevention measures
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">SUSTAINABILITY REPORT 2021</a> No incidents of non-compliance
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	<a href="#">SUSTAINABILITY REPORT 2021</a> Appropriate Information Disclosure <a href="#">Website</a> IR Policy
	417-2	Incidents of non-compliance concerning product and service information and labeling	<a href="#">SUSTAINABILITY REPORT 2021</a> No incidents of non-compliance
	417-3	Incidents of non-compliance concerning marketing communications	<a href="#">SUSTAINABILITY REPORT 2021</a> No incidents of non-compliance
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<a href="#">SUSTAINABILITY REPORT 2021</a> Cybersecurity <a href="#">SUSTAINABILITY REPORT 2021</a> Personal Information Protection <a href="#">Website</a> Privacy Policy
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	<a href="#">SUSTAINABILITY REPORT 2021</a> No instances of non-compliance with laws and regulations



## Environmental data (FY2020)

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

Sales volume		
Electricity sales volume by energy source	Solar power	7,045 thousand kWh
	Wind power	55,807 thousand kWh
	Biomass power	60.741 thousand kWh
Product sales volume	Solar panels (kW basis)	4,907 kW
	Storage cells (kW basis)	13,209 kW
	Energy farm	229 units

Greenhouse gas (CO <sub>2</sub> ) emissions		
Scope 1+Scope 2	Total	25,828t-CO <sub>2</sub>
	Scope 1	★ 11,579t-CO <sub>2</sub>
	Scope 2	★ 14,249t-CO <sub>2</sub>

Greenhouse gas (GHG) emissions		
Scope 3	Total	★ 5,760,604t-CO <sub>2</sub> eq
Category 1	Purchased goods and services	★ 638,501t-CO <sub>2</sub> eq
Category 3	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	★ 1,960,081t-CO <sub>2</sub> eq
Category 4	Upstream transportation and distribution	★ 28,571t-CO <sub>2</sub> eq
Category 11	Use of sold products	★ 3,133,452t-CO <sub>2</sub>

### Conversion factors, etc.

CO <sub>2</sub> emissions factors		
City gas		2.23 t CO <sub>2</sub> /thousand Nm <sup>3</sup>
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.	
Thermal	Steam (excluding steam for industrial use), hot water, cold water	0.057tCO <sub>2</sub> /GJ
	Steam for industrial use	0.060tCO <sub>2</sub> /GJ
Other fuel	Heavy oil A	2.71tCO <sub>2</sub> /kl
	Light oil	2.58tCO <sub>2</sub> /kl
	Heating oil	2.49tCO <sub>2</sub> /kl
	Gasoline	2.32tCO <sub>2</sub> /kl
	LPG	3.00tCO <sub>2</sub> /t

★ 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 consolidated subsidiaries. Scope 1 and 2 emissions include only CO<sub>2</sub> emissions, while scope 3 emissions include emissions from GHG other than CO<sub>2</sub>.  
 Scope 1: CO<sub>2</sub> 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: CO<sub>2</sub> 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 the 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 emission intensity for each transportation type.  
 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 CO<sub>2</sub> emission factors.

## Social data

### Employee overview

	Male		Female		Total	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Number of employees by gender	9	1,180	8	395	17	1,575

\* As of March 31, 2021

	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	2	262	8	352	6	534	1	418	0	9	17	1,575

\* As of March 31, 2021

	Male		Female		Total / average	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Average age by gender	39	44	39	37	39	42
Average years of service by gender	4	12	7	9	5	11
Total number of employees in management	3	417	5	26	8	443
General manager or higher	3	83	2	3	5	86
Section manager or higher (excluding general managers)	0	334	3	23	3	357

\* As of March 31, 2021

	Master's / Bachelor's graduate				Vocational school graduate		High-school graduate				Total	
	Male		Female		Male	Female	Male		Female		Non-consolidated	Consolidated
	Non-consolidated	Consolidated	Consolidated	Non-consolidated	Consolidated	Consolidated	Non-consolidated	Consolidated				
Recruitment status (new graduates)	0	0	12	6	0	1	0	0	1	1	0	21

\* As of FY2020

	Male		Female		Total	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Recruitment status (mid-career)	1	63	0	18	1	81

\* As of FY2020

Number registered	
Number of employees with disabilities	16

\* As of June 1, 2021

	Childcare leave				Nursing care leave			
	Number of leave takers		Number of leave takers		Number of leave takers		Number of leave takers	
	Non-consolidated		Consolidated		Non-consolidated		Consolidated	
Childcare / nursing care leave system usage	2		23		0		0	

\* As of FY2020

	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	23	100%	17	0	0	2	0	15

\* As of FY2020

	Total number of retired employees (total)	Number of retirees reemployed		
		HD	Subsidiaries, etc.	Total
Reemployed retiree status	36	0	33	33

\* As of FY2020

	Male (turnover rate)		Female (turnover rate)		Average (turnover rate)	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Turnover rate	0.0%	5.1%	0.0%	5.0%	0.0%	5.0%

\* As of FY2020

	Contract employees			Temporary employees	Total
	Total	Male	Female		
Number of temporary employees and contract employees	2,203	566	1,637	24	2,227
* As of March 31, 2021					
Average number of paid annual leave days taken					
Average number of paid annual leave days taken	10.2 days				
* As of FY2020					
Average annual training time					
Average annual training time	14 hours				
* As of FY2020					
All employees					
Average annual salary	5,210,242 yen				
* As of FY2020					
	Master's / Bachelor's graduate		High-school graduate		
	233,000 yen * Mitsuuroko Vessel Co., Ltd. major career track		-		
New graduate starting salary					
* As of FY2021					

### Occupational health and safety management

Annual average of total hours worked per employee	1,848 hours	Rate of receiving regular medical examinations	100%
Monthly average of overtime hours worked per employee	17.7 hours	Rate of smoking	33.4%
		Rate of regular exercise	25%
* As of FY2020		* As of FY2020	

### Status of implementation of education on occupational health and safety

	Level based health and safety / safety awareness training		Foreman education (statutory)	Newly appointed safety manager training (statutory)	Health manager workshop	Traffic and driving safety training (new drivers / drivers who have been in accidents, etc.)	Escorted instruction on safe driving using a drive recorder	Seminar on health promotion
	Seminar education for new employees	Newly appointed manager health and safety training						
Status of implementation of education on health and safety	○	○	○	○	○	○	○	○
* As of FY2020								

### Summary of accidents and disasters

	Number of work-related accidents	Number of traffic accidents	Frequency rate of lost-worktime injuries	Severity rate
Number of work-related accidents / Number of traffic accidents / Frequency rate of lost-worktime injuries / Severity rate	15	0	0.34	0.008
* As of FY2020				

## Governance data

### Composition of the Board of Directors (As of March 31, 2022)

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
Number of Board of Directors meetings held	14	12	12
Number of Audit and Supervisory Committee Meetings held	12	12	12

### Director remuneration (FY2020)

	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)	317	278	39	9
(External Directors)	(14)	(14)	(—)	(2)
Directors who are Audit and Supervisory Committee Members	21	21	—	4
(External Directors)	(14)	(14)	(—)	(3)
Total	339	300	39	13
(External Directors)	(28)	(28)	(—)	(5)

### Compliance-related consultations

Compliance consultations	FY2019	FY2020
Number of consultations	17	12

### Meetings of the Risk Management Committee

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

## Independent Assurance Report

### Independent Assurance Report

To the Representative Director, President and CEO 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, 2020 to March 31, 2021 included in its Sustainability Report 2021 (the “Report”) for the fiscal year ended March 31, 2021.

#### 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.
- Making inquiries and reviewing materials including documented evidence of the Gifu Yoro Plant of Mitsuuroko Beverage Co., Ltd. and HAMABOWL EAS of Mitsuuroko Co., Ltd. selected on the basis of a risk analysis, as alternative procedures to site visits.
- 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 Control

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 Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

/s/ Kazuhiko Saito  
 Kazuhiko Saito, Partner,  
 KPMG AZSA Sustainability Co., Ltd.  
 Tokyo, Japan  
 November 29, 2022

Notes to the Reader of Independent Assurance Report:  
 This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

Chibi Maruko-chan  
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