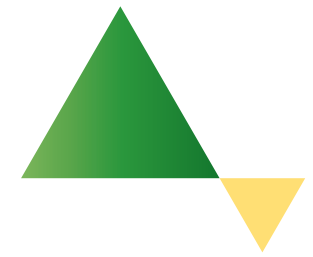


CEO Message



and grows through various learning experiences, our human capital will be strengthened, enabling us to create a happier company. For me, the core of sustainability management is the unwavering commitment to continuous investment in human capital, starting with employee education, for future benefits. If we can further embed the concept of sustainability within the company, each employee will think more deeply about what actions lead to sustainability, engage with existing and new businesses with an eye to the future, and make optimal decisions autonomously on the front lines. When a company becomes a happy workplace, employees naturally want their own children to join as well. To ensure the company thrives for another 100 years and beyond, I'm hoping every employee uses the standard: "Would I want my own child, or my relative, or my close friend to work here?" If I reach retirement in five years, but if my child were to join as a new graduate, they would work together here for about 40 years. Making the workplace better from this medium- to long-term perspective will lead us into the next 100 years.

Valuing face-to-face local business while leveraging the advantages of being a listed company

Our main business is in the core energy industry, where there's little variation in product content or quality. We serve the daily lives of people in each community, operating on the same field as local companies. As a listed company with diverse businesses nationwide, we leverage our strengths to provide value-added products and services – such as our network reach and pricing – that local companies cannot, making us the preferred choice for customers. However, since we operate close to our customers' daily lives, we cannot afford to be arrogant, or we will lose their trust. We must see things from our customers' perspective and

remain humble; otherwise, we risk losing them. That is why we value integrating into and coexisting with local communities. Our Group maintains the stance of "always being here," "listening to your voices," and "providing reassurance through face-to-face interaction." Like the picture book "Swimmy," a large school of small fish comes together to form a large group company. The efficiency gained through scale is reflected in employee treatment, so we can offer a more comfortable working environment than other local companies.

While work style diversification has been promoted in recent years, we have long offered diverse work style options, as we operate both nationwide and within local communities. For example, we have accommodated requests such as "I want to work in Saitama because I live there," "I want to move to Kansai," or "I want to transfer around the country." We also have a "hometown personnel" system, allowing employees to return to Tohoku upon reaching a certain position or to Nagoya at age 50. We offer a wide range of job types – sales, administration, logistics, and more – providing a foundation that accommodates diverse talents. Different work styles bring different values. While sharing our management philosophy and goals, we aim to build an attractive organization that embraces and includes diverse work styles.

Launching internal awareness activities to achieve planetary health

I recently learned from the news that the 2023 catch of Japanese flying squid has dropped to just 3% of its peak. This is due not only to overfishing, but also to drastic changes in their habitat due to sea temperatures from global warming, resulting in eggs not hatching or juveniles not surviving. This is clearly a negative impact on the food

chain caused by humans – a form of ecosystem destruction. The world population, which was 3 billion in 1960, surpassed 8 billion in 2022. It is projected to reach 9 billion around 2037 and 10 billion around 2058. Such a rapid increase in population is indubitably having a negative impact on the health of the planet. At this rate, humanity may have to relocate to Mars in 100 years.

The key theme I would like to focus on here is "planetary health." This concept explores the mechanism by which the health of the planet and human health mutually influence each other. We are an operating company, but I believe we should take the lead in such initiatives. I want to make our company one where every employee can speak about what planetary health means. The first step is to make "what do you know about planetary health?" a common topic in every day conversation – at lunch, after-work gathering, or casual chats around the watercooler. As awareness of "planetary health" spreads, all divisions will begin to balance both planetary and human health in their business activities. As the saying goes, "good causes bring good results" – positive actions create a positive cycle. Conversely, "bad causes bring bad results" – negative actions trigger negative chains, resulting in a vicious cycle. I believe this is the fundamental principle of planetary health. If balance is lost anywhere on the Earth, it can spread like a domino effect. Currently these negative effects have spread throughout the entire planet. We need to stop the domino effect at an early stage, and start a chain of positive actions. In the past, a TV commercial encouraged people to "do one good deed a day." If each of us takes even one positive action daily, the Earth will gradually move toward better health.

In 2002, when I first spoke in front of our employees, my message was simple: "Don't step over litter." I remember saying that while many people pick up litter when others are watching, I want to be the kind of person who picks it up

even when no one is looking. Hearing terms like SDGs and ESG often brings to mind large-scale themes like forest preservation, marine pollution prevention, water resource conservation, and biodiversity conservation, but it's also important to focus on simple, everyday actions we can take and sustain without stress. In the past, cigarette butts and discarded chewing gum were common sights on the roads, but now they are rarely seen. Garbage sorting, which was introduced at one point, has now become a routine practice that people continue effortlessly. I believe the quickest path to planetary health is to start with small good actions, make them routine, and eventually build circular economies and sustainable business models.

Since our company mainly handles fossil fuels like coal, oil, and gas, the good actions we can take right now are to avoid waste, use resources fully, and choose low-carbon options whenever possible. Working with relevant organizations and partners to collect and reuse iron from gas cylinders, we can help establish a recycling-oriented business model. In the food division, this means producing, transporting, and preparing food in environmentally friendly ways and working to eliminate food waste.

Looking ahead, I hope we can also pursue businesses that directly improve the global environment from a new perspective, such as soil improvement using beneficial microorganisms. Going forward, our policy is to accelerate, not slow down, investments that benefit planetary health. One example is the cultivation of coffee beans. We have developed Smart Greenhouses equipped with the latest remote monitoring and control systems. By using LPG as an energy source, these greenhouses help reduce CO₂ emissions by moving away from heavy oil. This initiative brings not only environmental benefits but also social impacts. Many greenhouse farms are family-run and face challenges such as labor shortages and succession issues. Improving operation efficiency is also urgent, so by

supporting both existing and new farmers, we aim to support agriculture and foster coexistence with local communities.

Establishing a Sustainability Committee to further advance sustainability management

In FY2024, we established the Sustainability Committee as part of our efforts to strengthen the structure for promoting sustainability management. Even a snowman begins with a core about the size of a fist. At first, rolling the snowball doesn't make it much bigger, but once it reaches a certain size, it quickly grows larger. The Sustainability Committee serves as the core that gets our sustainability management "snowball" rolling. Just as with the "One Hundred Sacks of Rice" story, human resources development is indispensable in order to thoroughly instill the reasons for pursuing sustainability management and planetary health among employees and group members nationwide. We are willing to invest whatever is necessary to align everyone's mindset. I encourage everyone to make full use of tools like e-learning to see how much we can maximize the capabilities of our entire workforce. I expect the Sustainability Committee to focus on this area for the time being, while working in tandem with our businesses as two wheels driving concrete progress.

Why we focus on KENKO Investment for Health among the six materiality items

Our Group practices sustainability management based on six materiality items: 1) Contribution to the environment, 2) Contribution to local communities, 3) Thorough compliance, 4) Enhancement of safety and disaster response measures, 5)

KENKO Investment for Health, and 6) Promotion of diversity. Contributions to the environment and local communities are addressed at the company and division level. For compliance, we maintain effective and appropriate internal controls, and uphold our legal compliance system through a variety of initiatives. Regarding safety and disaster response, we continuously implement measures based on the premise that natural disasters are inevitable in Japan. To promote diversity, we foster a corporate culture that embraces diversity as a strength, creating an organization that is not constrained by factors such as employment type, nationality, gender, age, religion, or career stage – whether new graduate or mid-career.

Among these six materiality items, I am currently placing particular emphasis on KENKO Investment for Health. Even if there is only one employee in a given area, that employee represents and embodies our company's reputation. If an employee appears unhealthy, it leaves a poor impression on customers. For this reason, I want all employees to maintain both mental and physical health, so that people will say "That's Mitsuuroko quality." Until now, we have promoted basic measures like health checkups, quitting smoking, and walking, but I hope to offer more personalized, tailored health support for each individual employee. I want to create an environment where anyone who joins Mitsuuroko Group and receives an employee number can feel completely secure – about their health and welfare. We aim to create a system where the company supports anyone who has health concerns until their concerns are resolved, so everyone can work here with peace of mind. We set quantitative targets (KPIs) for each of the six materiality items to manage progress and evaluate activities. If any of these are fully achieved or firmly established, we can consolidate or update them as needed. As new challenges arise, we will regularly review our materiality items, continue creating new value with

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diverse stakeholders, and contribute to the building of a sustainable society.

Enhancing stakeholder engagement through participatory initiatives

Our Group has been selected as a constituent of the FTSE Blossom Japan Sector Relative Index, an ESG index. I believe that most investors base their evaluations and decisions on the information we disclose, so we will continue to focus on providing comprehensive and transparent disclosures.

To strengthen engagement with stakeholders, we plan to offer participatory programs and events. For example, we will increase opportunities for stakeholders to experience our business first-hand – such as tours of our coffee farms or Mitsuuroko Foods factories – so they can gain a deeper understanding of our Group. Although still in the planning stage, we hope to start by working with our business partners to plant trees with high carbon absorption capabilities. Like personal bottles of shochu or whiskey at bars, we plan to attach name tags with company names to each planted tree, measure annual CO₂ reduction with monitoring devices, and publicly share each company's contributions.

Both sustainability management and planetary health require someone to take the first step – without action, they cannot be realized. Furthermore, both good and bad actions are contagious – a single person's action can influence the behavior of all 8 billion people worldwide. Our Group will promote sustainability management, beginning with the Sustainability Committee, and will launch initiatives focused on planetary health. As a Lifestyle Producer, we will continue to help realize an environmentally friendly and sustainable society.

