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Last Update: December 23, 2021  
**MITSUI-SOKO HOLDINGS Co., Ltd.**

Hirobumi Koga, President & CEO

Contact: Risk Management

Division

03-6400-8008

Securities code: 9302

<https://msh.mitsui-soko.com/en/>

The corporate governance of MITSUI-SOKO HOLDINGS CO., Ltd. (the "Company") is described below.

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

### 1. Basic Views Updated

- (1) We will aim to increase our corporate value over the medium to long term based on the two concepts of "Vision - Value beyond Logistics" and "Mission - To Become a First-Call Company Trusted by Customers."
- (2) We will fulfill our corporate social responsibility by promoting management in compliance with laws and regulations and realizing fair and lawful business operations.
- (3) We will rationally assess risks, make bold decisions, and constantly challenge new businesses.
- (4) We will engage in appropriate collaboration with shareholders, employees, customers, business partners, and other stakeholders including the communities in which the Group operates.
- (5) We will strengthen the function of the Board of Directors, the Audit and Supervisory Board and internal audits, etc. and, as a holding company, will develop and promote the Group's governance in order to appropriately control the management of each of the Group companies.

With regard to corporate governance, all directors, Audit and Supervisor Board members and employees faithfully perform their duties in order to fully recognize the social mission of the Company and not to harm the interests of shareholders. The Company has established the Board of Directors, the Audit and Supervisory Board, the Management Council, the Sales Promotion Council, the Officers' Council, the Nomination and Remuneration Committee, the Sustainability Committee, the Compliance Committee, the Risk Management Committee, the Information Security Committee, and the Corporate Value Improvement Committee. The Company has introduced the executive officer system that separates business execution and oversight functions and clarifies responsibilities and authority for business execution by directors and executive officers as part of its initiatives for strengthening its corporate governance.

In addition, the Risk Management Division strives to prevent the occurrence of risks, to detect them at an early stage, and to strengthen risk management by promoting standardization and documentation of operations, managing records, and introducing an internal reporting system.

### Reasons for Non-compliance with the Principles of the Corporate Governance Code Updated

The Company complies with the Corporate Governance Code revised in June 2021 that includes requirements for the companies listed on the Prime Market.

### Disclosure Based on the Principles of the Corporate Governance Code Updated

The Company implements the principles of the Corporate Governance Code. The status of implementation of the principles is disclosed in the form of the MITSUI-SOKO HOLDINGS Corporate Governance Guidelines (the "Company's Guidelines") and Related Documents, and is posted on the Company's website.

[https://msh.mitsui-soko.com/en/sustainability/governance/corporate\\_governance/](https://msh.mitsui-soko.com/en/sustainability/governance/corporate_governance/)

For matters to be disclosed pursuant to the Corporate Governance Code, please refer to the following descriptions and the Company's Guidelines and Related Documents mentioned below.

<Principle 1-4> Cross-Shareholdings

Please refer to Related Document "Policy on Cross-Shareholdings and Exercise of Voting Rights."

<Principle 1-7> Related Party Transactions

Please refer to the Company's Guidelines (Prevention of Related Party Transactions against Shareholders' Interests).

<Supplementary Principle 2-4(1)> Ensuring Diversity in Core Human Resources

Please refer to the Company's Guidelines (Ensuring Diversity, Including Active Participation of Women) and the Company's website (<https://msh.mitsui-soko.com/en/company/women/>).

<Principle 2-6> (Roles of Corporate Pension Funds as Asset Owners)

Please refer to the Company's Guidelines (Roles of Corporate Pension Funds as Asset Owners).

<Principle 3-1> Full Disclosure

Please refer to the Company's Guidelines: Group's Basic Views and Policies on Corporate Governance; Policies and Procedures for Determining Remuneration for Directors and Audit and Supervisory Board Members; Policies and Procedures for Determining Candidates for Directors and Audit and Supervisory Board Members; and Explanations of Nomination of Each Candidate for Director and Audit and Supervisory Board Member.

<Supplementary Principle 3-1(2)> Considering the ratio of overseas investors or shareholders, the Company will disclose and provide required information in English.

<Supplementary Principle 3-1(3)> Sustainability Initiatives

Please refer to the Company's Guidelines: Disclosure of Information on Specific Initiatives; Disclosure of Information on Climate Change; "3. Measures to Ensure Due Respect for Stakeholders" in "III. Implementation of Measures Related to Shareholders and Other Stakeholders" of this Report; and the following descriptions.

The Company has established a number of new organizations (Strategic Sales Division, Operation Management Division, ESG Team, and Operations Inspection Team) in line with its current Medium-term Management Plan and is investing appropriate human capital in these organizations in order to realize its management strategies. (As of October 2021, 37 employees belong to these new organizations.)

The Company has recognized that in addition to patents, certifications, and business licenses, standardized operational know-how and procedures in the field of logistics are important intellectual capital and is working to strengthen the GEMBA power as one of the important measures in our management strategies. For details of key performance indicators (KPI) and initiatives related to sustainability, human capital, and intellectual property, please refer to the following:

The Company's website: <https://msh.mitsui-soko.com/en/sustainability/>

Integrated Report (Value Report): <https://msh.mitsui-soko.com/en/ir/library/05>

In addition, the Company supports the TCFD Recommendations, and plans to expand the scope of the information on climate change to be disclosed on the above website and in the Integrated Report (Value Report) based on the TCFD framework.

<Supplementary Principle 4-1-(1)> Scope of Delegation to Management

Please refer to the Company's Guidelines (Roles and Responsibilities of Board of Directors (1)).

<Principle 4-9> Independence Standards and Qualification for Independent Outside Directors

Please refer to Related Document "Independence Standards for Outside Officers."

<Supplementary Principle 4-10(1)> Involvement and Advice of Independent Outside Directors in Considering Nomination, Remuneration, etc. of Officers by Establishing Independent Advisory Committee

Please refer to the Company's Guidelines (Policies and Procedures for Determining Candidates for Directors and Audit and Supervisory Board Members) (Policies and Procedures for Determining Remuneration for Directors and Audit and Supervisory Board Members).

<Supplementary Principle 4-11(1)> Views on Total Balance of Knowledge, Experience and Ability, Diversity and Size of Board of Directors, and Skill Matrix; <Supplementary Principle 4-11(2)> Concurrent Positions of Directors and Audit and <Supervisory Board Members; 4-11(3)> Analysis and Self-Evaluation of Effectiveness of Board of Directors as a whole

Please refer to the Company's Guidelines: Policies and Procedures for Determining Candidates for Directors and Audit and Supervisory Board Members (Preconditions for Ensuring Effectiveness of Board of Directors and Audit and Supervisory Board); and the following explanation.

The Company conducts questionnaires and hearings for directors and Audit and supervisory Board Members (including outside officers) to evaluate the effectiveness of the Board of Directors. As a result, the Board of Directors

has been evaluated to be managed generally appropriately, for example, in terms of reviewing the standards for submitting proposals and actively engaging in discussions to improve governance and corporate value through the selection and concentration of topics for deliberation. The Company will continue efforts so that the Board of Directors will deepen discussions with a view to medium- to long-term growth in the Group.

<Supplementary Principle 4-14-(2)> Training Policy for Directors and Audit and Supervisory Board Members  
Please refer to the Company's Guidelines (Training for Directors and Audit and Supervisory Board Members).

<Principle 5-1> Policy for Constructive Dialogue with Shareholders

Please refer to the Company's Guidelines (Policy for Establishing Systems and Initiatives to Promote Dialogue with Shareholders) and Related Document "Basic Policy on Dialogue with Shareholders."

## 2. Capital Structure

Foreign Shareholding Ratio	20% or more and less than 30%
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### Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Custody Bank of Japan, Ltd. (Trust Account)	2,259,100	9.09
TAIJU LIFE INSURANCE COMPANY LIMITED	1,569,200	6.31
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,550,900	6.24
Mitsui Sumitomo Insurance Company, Limited	1,401,000	5.64
Sumitomo Mitsui Banking Corporation	696,950	2.80
MITSUI-SOKO Group Employees' Shareholding Society	542,498	2.18
Takenaka Corporation	496,800	2.00
Sumitomo Mitsui Trust Bank, Limited	437,400	1.76
The Iyo Bank, Ltd.	325,380	1.31
Custody Bank of Japan, Ltd. (Trust Account 5)	308,000	1.24

Name of Controlling Shareholder, if applicable (excluding Parent Company)	---
Name of Parent Company, if applicable	None

### Supplementary Explanation

1. Percentage (of Shares Held) is calculated excluding treasury shares (46639 shares).

## 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Business Sector	Warehousing & Harbor Transportation Services
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 1000
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	¥100 billion or more and less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 or more and less than 100

## 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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## 5. Other Special Circumstances which May have Material Impact on Corporate Governance

None

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board
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#### Directors

Number of Directors Stipulated in Articles of Incorporation	12
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman (excluding those concurrently serving as President)
Number of Directors	9
Election of Outside Directors	Elected
Number of Outside Directors	3
Number of Independent Directors	3

#### Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Taizaburo Nakano	From another company												
Takashi Hirai	From another company												
Maoko Kikuchi	From another company												

\*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business of the Company or a subsidiary
- Person who executes business or a non-executive director of a parent company
- Person who executes business of a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for such person/entity
- Major client of the Company or a person who executes business for such client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
- Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- Person who executes business for an entity receiving contributions from the Company (applies to self only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Independent Officer	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Taizaburo Nakano	○	Mr. Taizaburo Nakano is President and CEO of TIEUP Co., Ltd.	He has served as a director at a beverage company for many years. In light of the fitting advice he has given from wide-ranging insights and based on his rich experience as a corporate manager, he is appointed as an outside director. In addition, the Company has designated him as an independent officer based on the judgment made in accordance with the requirements of the Stock Exchange, etc. that there is adequate independence and no risk of having conflicts of interests with the Company's ordinary shareholders.
Takashi Hirai	○	Mr. Takashi Hirai is Professor at the Graduate School of Business Sciences of MBA Program in International Business, University of Tsukuba, Visiting Professor at the Waseda Business School (Graduate School of Business and Finance), Waseda University, and Outside Director of KITO Corporation.	In addition to his experience in business administration at various companies, he has provided consulting services in a wide range of industries. He is currently conducting research in different graduate schools on corporate strategies and business strategies, and in expectation of the appropriate advice he will provide from his rich experience and insight, he is appointed as an outside director of the Company. In addition, the Company has designated him as an independent officer based on the judgment made in accordance with the requirements of the Stock Exchange, etc. that there is adequate independence and no risk of having conflicts of interests with the Company's ordinary shareholders.
Maoko Kikuchi	○	Ms. Maoko Kikuchi serves as Outside Director of Hitachi Construction Machinery Co., Ltd., and Outside Audit and Supervisory Board Member of KADOKAWA CORPORATION.	Ms. Maoko Kikuchi is qualified to practice as a lawyer in Japan and New York State in the U.S. and was formerly engaged in corporate legal affairs while working at the Public Prosecutors Office and the Japan Fair Trade Commission. We expect that she will provide valuable advice on the soundness and transparency of the Group's governance, leveraging the rich experience and insight gained as a standing Outside Audit and Supervisory Board member of the Company. We therefore nominate her as a candidate for outside director. In addition, the Company has designated him as an independent officer based on the judgment made in accordance with the requirements of the Stock Exchange, etc. that there is adequate independence and no risk of having conflicts of interests with the Company's ordinary shareholders.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson) Updated

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Committee	5	0	2	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation Updated

The Nomination and Remuneration Committee, consisting of five (5) members in total, three (3) outside directors, the President & Group CEO, and the Chairman, has functions as both the Nomination Committee and the Remuneration Committee.

The purpose of the Nomination and Remuneration Committee is to ensure fairness and transparency in nominating directors and Audit and Supervisory Board members of the Company and determining the remuneration, etc. of directors and executive officers of the Company, and deliberates and resolves on the following items presented by the President & Group CEO.

- Appropriateness of candidates of directors and Audit and Supervisory Board members, to be proposed to the general meeting of shareholders (including from the perspective of gender diversity and skills)
- Amount of "Standard Numerical Value" (remuneration for full-time directors) in the Officer Remuneration Standards
- Individual evaluation of each director and executive officer
- Remuneration for each director and executive officer
- Revision, etc. of the officer remuneration system

### Audit and Supervisory Board Member

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit and Supervisory Board Members	4

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The Audit and Supervisory Board members meet regularly with accounting auditors and the Internal Audit Division (Risk Management Division) to exchange information on audit plans and the status of the implementation of audits. In addition, Assistant Staff of the Audit and Supervisory Board are appointed to enhance the efficiency and effectiveness of audits.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	2
Number of Independent Audit and Supervisory Board Members	2

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Osamu Sudoh	Lawyer													
Motohide Ozawa	CPA													

\*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- a. Person who executes business of the Company or a subsidiary
- b. A non-executive director or an accounting advisor of the Company or its subsidiaries
- c. Person who executes business or a non-executive director of a parent company
- d. An Audit and Supervisory Board Member of a parent company of the Company
- e. Person who executes business of a fellow subsidiary
- f. Person/entity for which the Company is a major client or a person who executes business for such person/entity
- g. Major client of the Company or a person who executes business for such client
- h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to self only)
- k. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- l. Person who executes business for an entity receiving contributions from the Company (applies to self only)
- m. Other

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Independent Officer	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Osamu Sudoh	○	Mr. Osamu Sudoh serves as Partner of Sudoh & Partners, Outside Audit & Supervisory Board Member of BANDAI NAMCO Holdings, Inc., Outside Audit & Supervisory Board Member of Keihin Kyuko Electric Railway Co., Ltd., and Outside Audit & Supervisory Board Member of PRONEXUS Inc.	He is a lawyer specializing in corporate transactions and other corporate law-related activities. With his history of providing meaningful advice with respect to the soundness and transparency of the Group's governance based on his insights, the Company has appointed him as outside Audit and Supervisory Board member. In addition, the Company has designated him as an independent officer based on the judgment made in accordance with the requirements of the Tokyo Stock Exchange, etc. that there is adequate independence and no risk of having conflicts of interests with ordinary shareholders.

Motohide Ozawa	○	---	He has been active on the front lines as a certified public accountant for many years, having served as a representative partner at multiple auditing firms and as a member of the Special Committee on Accounting for Retirement Benefits of the Japanese Institute of Certified Public Accountants (JICPA). The Company has appointed him as outside Audit and Supervisory Board member from his track record in having undertaken audit duties for the Group, including overseas affiliates, from the viewpoint of financial soundness and accuracy based on his special expertise in international accounting. In addition, the Company has designated him as an independent officer based on the judgment made in accordance with the requirements of the Tokyo Stock Exchange, etc. that there is adequate independence and no risk of having conflicts of interests with ordinary shareholders.
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### Independent Officers

Number of Independent Directors and Independent Audit and Supervisory Board Members	5
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#### Other Matters concerning Independent Officers

The Company designates all outside officers who qualify as independent officers as Independent Officers.

### Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme
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#### Supplementary Explanation for Applicable Items

The current officer remuneration system is based on the basic remuneration for each position plus a performance-linked portion.

As the indicators for the performance-linked evaluation, the Company adopts consolidated operating profit because it will motivate an increase in corporate value through the improvement of business performance. In addition to this, the Company uses consolidated profit before income taxes, in which the results of investment and loans are reflected. To obtain the performance evaluation for the following fiscal year's officer remuneration, the Company has the framework in which, with regard to these two indicators, the ratio of the target value of the relevant fiscal year to the actual results of the relevant fiscal year and the ratio of the actual result of the relevant fiscal year to the actual result of the previous fiscal year are scored based on the table in the Officer's Remuneration Rules and will be reflected on the amount of remuneration.

Persons Eligible for Stock Options	---
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#### Supplementary Explanation for Applicable Items

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## Director Remuneration

Status of Disclosure of Individual Directors' Remuneration	Individual remuneration is not disclosed.
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### Supplementary Explanation for Applicable Items

The total amount is disclosed separately for internal directors and outside officers (including outside Audit and Supervisory Board members). Remuneration for internal directors: 263 million yen (of which 158 million yen for fixed portion and 105 million for variable portion), Remuneration for outside officers: 46 million yen (46 million yen for fixed portion only)

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof	Established
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### Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

The amount of the officer's remuneration is determined by the Nomination and Remuneration Committee, which is chaired by an outside director and composed of other outside directors and the President & Group CEO and the Chairman of the Company. This will ensure the appropriateness of individual remuneration amounts and the transparency of the decision-making process, and the Company follow the decision of the Committee.

## Support System for Outside Directors and/or Outside Audit and Supervisory Board Members

Assistant staff of Audit and Supervisory Board are appointed to enhance the efficiency and effectiveness of audits.

## Statuses of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
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Number of Persons Holding Advisory Positions ( <i>Sodanyaku, Komon</i> , etc.) After Retiring as Representative Director and President, etc.	0
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### Other Related Matters

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## 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

### (1) Board of Directors

The Board of Directors consists of nine (9) members, six (6) of which are internal directors and three (3) of which are outside directors. As a general rule, the Board of Directors meets a total of 16 times a year, including 12 regular meetings each month and 4 quarterly meetings of the Board of Directors for accounting settlement purpose. The Board

of Directors determines the basic management policies and important business execution of the Company and the Group in accordance with laws and regulations, the Articles of Incorporation, and internal regulations, and supervises the execution of duties by the President & Group CEO, representative directors, and executive directors. In the 173rd fiscal year, 17 Board of Directors meetings were held, including one extraordinary meeting. Attendance rates were 100% for internal directors, 100% for outside directors, 100% for standing Audit and Supervisory Board members and 100% for outside Audit and Supervisory Board members.

#### (2) Audit and Supervisory Board

The Audit and Supervisor Board consists of four (4) Audit and Supervisory Board members in total, two (2) of which are standing members and two (2) of which are outside members. In addition to them, Assistant staff are appointed from among employees of the Company to support the duties of the Audit and Supervisory Board to enhance the efficiency and effectiveness of audits. Audit and Supervisory Board members attend meetings of the Board of Directors, the Officers' Council, and other important meetings to supervise the status of directors' execution. In addition, in a case where the number of Audit and Supervisory Board members falls short of the number stipulated by laws and regulations, one (1) substitute Audit and Supervisory Board member has been appointed in advance in accordance with Article 329, Paragraph 3 of the Companies Act.

#### 3) Management Council

The Management Council consists of the President & Group CEO, four (4) senior directors, and representative directors of five (5) operating companies, or persons appointed by the President & Group CEO from among persons in equivalent positions (Management Council members). Chaired by the President & Group CEO, the Management Council deliberates or makes resolutions on (i) matters to be submitted to the Board of Directors, (ii) important matters related to overall management, and (iii) matters delegated by directors to the Management Council for execution, with the aim of maximizing the value of the Group, at regular meetings held twice a month.

#### (4) Sales Promotion Council

The Sales Promotion Council is composed of the President & Group CEO, persons appointed by the President & Group CEO from among directors of the Company, and persons appointed by the President & Group CEO from among presidents of five (5) operating companies or persons in equivalent positions and meets periodically once a month to share information that contributes to monthly performance, quarterly forecasts, budget management, business expansion, and cross-business promotion.

#### (5) Officers' Council

The Officers' Council is composed of directors, Audit and Supervisory Board members, and representative directors of five operating companies or persons appointed by the President & Group CEO from among persons in equivalent positions. It meets four (4) times a year to disseminate important matters concerning overall management of the Group and to exchange information for promoting mutual understanding of the situation of the Group.

#### (6) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of five (5) members in total, three (3) of which are outside directors and the President & Group CEO and the Chairman of the Company. The Committee, being chaired by an outside director, enhances the objectivity and transparency of the process for selecting directors and the officers' remuneration decision process, such as by considering the validity and appropriateness of performance-linked remuneration.

#### (7) Sustainability Committee

Chaired by the President & Group CEO, the Sustainability Committee meets in principle once every six (6) months to review "Materiality", "Risks and opportunities", "Priority initiatives", "Climate change response (TCFD, etc.)", "Human rights response", "Disclosure", "Progress in key performance indicators (KPIs)", and "Recommendations for business activities with an emphasis on sustainability" and then reports to the Board of Directors as well as discuss various initiatives required for the sustainable management.

(8) Compliance Committee

Chaired by the President & Group CEO, the Compliance Committee is held once a quarter in principle to discuss measures to be taken in the event of compliance violations or other problems affecting the Group's management, to establish the Group's Corporate Ethics that should serve as a code of conduct for officers and employees, and to establish a compliance system to promote compliance and prevent compliance violations.

(9) Risk Management Committee

Chaired by the director in charge of risk management, the Risk Management Committee meets once a quarter, in principle, for the purpose of mitigating the Group's risks. The Committee appropriately confirms risks in business activities, establishes measures to respond to relevant risks, manages the progress and results of those measures, and prepares and updates manuals to prevent and prepare for the occurrence of those risks.

(10) Information Security Committee

Chaired by the executive director in charge of IT System, the Information Security Committee meets once a quarter, in principle, to develop systems related to the Group's information security management, promote and review relevant activities, and protect personal information and corporate information.

(11) Corporate Value Improvement Committee

The Corporate Value Improvement Committee is an independent organization composed of outside directors, outside Audit and Supervisory Board members, and outside experts. It is intended to eliminate arbitrary decisions by the Board of Directors, make objective decisions for the common interests of shareholders, and make necessary recommendations to the Board of Directors in the event that a proposal that is made to buy a large percentage of shares of the Company could potentially damage the Company's and the Group's corporate value or shareholders' common interest.

**3. Reasons for Adoption of Current Corporate Governance System**

The Company has established the current corporate governance system to promote highly transparent management based on compliance, to pursue economic efficiency, and to fulfill its corporate social responsibility by realizing fair and lawful business operations. This system enables the separation of business execution and supervision, the strengthening of mutual checks and balances, and the checking of outside experts such as outside directors and outside Audit and Supervisory Board members. In addition, the Company has established a system in which Audit and Supervisory Board members, accounting auditors and internal auditors work closely together and conduct regular audits from their respective perspectives in order to prevent the occurrence of risks associated with its business and to identify problems and make improvements as early as possible.

**III. Implementation of Measures for Shareholders and Other Stakeholders**

**1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights**

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	The Company sends out the notice of convocation of the General Meeting of Shareholders three (3) weeks prior to the date of the meeting. The notice of convocation of the Ordinary General Meeting of Shareholders to be held on June 24, 2021 was posted on the Company's website on May 27, 2021 and sent out on June 3, 2021.
Electronic Exercise of Voting Rights	The Company has introduced an electronic voting system that enables shareholders to exercise voting rights via the Internet on the voting website designated by the Company.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company makes the Electronic Voting Platform operated by ICJ available for exercising voting rights.

Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The Company has prepared an English translation of the Notice of Convocation of the Ordinary General Meeting of Shareholders, etc. (summary), submitted it to the Tokyo Stock Exchange and posted it on the Company's website
Other	The Notice of Convocation of the General Meeting of Shareholders is posted on the Company's website.

## 2. Status of IR-related Activities Updated

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	Disclosure Policy is posted on the Company's website.	
Regular Investor Briefings held for Individual Investors	The Company holds IR briefings for analysts and institutional investors once a quarter.	Held
Online Disclosure of IR Information	The following IR information is available on the Company's website; Financial Report (Q1, Q2, Q3, End of Period) Securities Report (Quarterly Report)(Q1, Q2, Q3, End of Period) Financial Results Briefing Materials (Q1, Q2, Q3, End of Period) Timely disclosure materials other than financial results, and the status of corporate governance Business Report Integrated Report (Value Report)	
Establishment of Department and/or Placement of a Manager in Charge of IR	Mr. Nobuo Nakayama, Representative Director and Senior Managing Director serves as Officer in charge of IR, and Mr. Hirobumi Matsui, General Manager of Finance and Accounting Division is responsible for IR affairs.	

## 3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	Based on the basic approach of "Aiming to help achieve a sustainable society and enhance our corporate value by creating new value as a corporate group that supports logistics, an indispensable form of social infrastructure," the Group strives to "maintain and develop sound and trustworthy relationships through engagement with all of our stakeholders" as mentioned in "Our Approach to Sustainability".
Implementation of Environmental Preservation Activities and CSR Activities, etc.	Owing to growing public interest in ESG, it is important to resolve social issues through business activities, not just through traditional CSR activities. Under these circumstances, the Group regards "Creating new value as a corporate group that supports logistics, an indispensable form of social infrastructure" as the most important aspect of its business operations, and in order to achieve simultaneous achievement of economic, social, and environmental values, the Group has set the following as its materiality (important issues), and is promoting ESG management, including efforts toward the SDGs, in order to achieve these goals: "Provision of Sustainable, Resilient Logistics Services through Co-Creation," "Realization of Safe, Diverse and Rewarding

	<p>Work Environments" and "Contribution to a Low-Carbon, Circular Economy by Actively Reducing Environmental Impact".</p> <p>In order to realize the three values of the economy, society and the environment, the Group has established the following individual policies for matters that are strongly related to the materiality and is working to thoroughly disseminate these policies to the Group companies, officers and employees.</p> <ul style="list-style-type: none"> <li>•Policy on Sustainable and Responsible Procurement</li> <li>•Diversity and Inclusion (D&amp;I) Policy</li> <li>•Occupational Health and Safety Policy</li> <li>•Environmental Policy</li> </ul> <p>The Sustainability Committee, chaired by the President &amp; Group CEO, is held on a regular basis to improve the Group's corporate value through discussions on sustainability strategies and policies of the Group, and the implementation and management of initiatives to address the materiality and target key performance indicators (KPIs). The Committee reports to the Board of Directors and reflects the Board of Directors' opinions and advice in initiatives, and thus the Company has in place a system where the Board of Directors supervises the Committee.</p> <p>Please refer to the following for details of specific initiatives, quantitative ESG data, and numerical targets; The Company's website: <a href="https://msh.mitsui-soko.com/en/sustainability/Integrated%20Report%20(Value%20Report)">https://msh.mitsui-soko.com/en/sustainability/Integrated Report (Value Report)</a>: <a href="https://msh.mitsui-soko.com/en/ir/library/05">https://msh.mitsui-soko.com/en/ir/library/05</a></p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	As a member of society, the Company makes active use of its website to disclose corporate information in an appropriate manner and strives to enhance corporate transparency and accountability.
Other	<p>[Policy on Ensuring Diversity in Core Human Resources] (Basic Policy on Ensuring Diversity)</p> <p>The Group respects diversity and creates systems and environments where diverse talent can flourish regardless of personal attributes or values such as gender identity, age, nationality, physical or mental ability and needs, ideology, faith, culture, career, lifestyle or working style, based on the idea that creating safe, diverse and rewarding work environments for workers also creates value for the Group.</p> <p>(Company's Policy on the Promotion of Women as Core Human Resources)</p> <p>The Group regards the promotion of women's participation as a priority initiative in order to enrich the diversity of its members and strengthen its ability to respond to market changes.</p> <p>In addition to creating an employment environment in which women can play an active role, the Company has formulated an action plan so that women can have a sense of challenge, demonstrate their abilities in various fields, and develop their careers. The Company's efforts, related activities, quantitative results, and targets for active participation of women are posted on the Company's website.</p> <p>&lt;Page for Promotion of Active Participation of Women: <a href="https://msh.mitsui-soko.com/en/company/women/">https://msh.mitsui-soko.com/en/company/women/</a>&gt;</p>

	<p>(Company's Policy on Appointment of Mid-career Hires and Foreign Nationals as Core Human Resources)</p> <p>From the viewpoint of ensuring diversity in core human resources of the management, the Group has set quantitative targets for the promotion and development of mid-career hires and non-Japanese as core human resources and is working to achieve these targets.</p> <p>The Group is promoting the human resource development plans that focus on mid-career hires and foreign nationals. As of FY2020, mid-career hires accounted for 30% of the Group's core human resources, while foreign core human resources, including those in overseas subsidiaries, accounted for 26% thereof.</p> <p>The Group will strive to cultivate human resources in accordance with the Group's medium- to long-term plans. "</p>
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#### IV. Matters Concerning the Internal Control System

##### 1. Basic Views on Internal Control System and Status of Development

	<p>(1) System to Ensure that Directors and Employees of Each Group Company Execute Their Duties in Compliance with Laws and Regulations and Articles of Incorporation</p> <p>Each Group company has adopted the Group's Corporate Ethics that covers compliance with laws and regulations, the Articles of Incorporation and social norms, elimination of anti-social forces, environmental conservation efforts, information management, etc. The Group's Corporate Ethics is deemed as the Code of Conduct that all directors and employees of each company in the Group must abide by. In order to raise the awareness of compliance throughout the entire Group, the Risk Management Division of the Company is in charge thereof across the Group and will conduct educational activities and training. The Risk Management Division also audits the Group's compliance. These activities shall be regularly reported to the Compliance Committee, the Board of Directors and the Audit and Supervisory Board. To quickly detect and rectify any violation of compliance, the Group has established and operates a Group-wide Compliance Hotline as a whistleblowing system enabling employees to directly report on violations, and also ensures that the whistleblower receives no disadvantage due to such reporting.</p> <p>(2) Matters concerning Retention and Management of Information on Directors' Execution of Duties of Each Group Company</p> <p>Each Group company records and retains information on the execution of duties by directors in writing or on electromagnetic media (hereinafter referred to as the "documents, etc.") in accordance with laws, regulations and internal regulations. Directors and audit and supervisory board members of each Group company are able to access these documents, etc. at all times.</p> <p>(3) Regulations and Other Systems concerning Management of Risk of Loss at Each Group Company</p> <p>The Risk Management Committee, consisting of risk management supervisors from the Company and major Group companies, is established within the Company to deliberate on the status of risk management for the entire Group and to formulate basic measures and policies.</p> <p>With regard to individual risks related to compliance, environment, disasters, quality, finance, accounting, information security, etc., the divisions in charge of risk management of each Group company are required to establish rules and guidelines, conduct training, and prepare and distribute manuals. The Risk Management Division of the Company is responsible for promoting cross-organizational risk assessment and responses across the Group.</p> <p>(4) System to Ensure Efficient Execution of Duties by Directors of Each Group Company</p> <p>The Board of Directors of the Company formulates the Group's medium- to long-term basic business policies, and the Company centrally manages the Group's budget, fund procurement, fund management and other operations. Operating companies in the Group, which are responsible for business operations in each business domain, conduct business operations in accordance with their policies with the aim of achieving self-reliant growth, including the operation of their subsidiaries and affiliated companies. The Company receives regular reports from operating companies on progress and results and verifies the status of achievement.</p>
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(5) System to Ensure Appropriateness of Business Operations of Group's Companies

The Group complies with the Group's Corporate Ethics and fulfills its responsibilities as a member of society to achieve its goals. The Company gives the authority and responsibility for legal compliance and risk management to the directors and executive officers of each of the Group companies so that they will direct their staff in charge of each executive division to establish internal regulations and systems to ensure the appropriateness of the Group's operations. The Risk Management Division of the Company cross-organizationally promotes and manages these efforts. The Risk Management Division also audits Group companies. Matters relating to finance, funds, brands, intellectual properties, human resources, information assets, real estate, etc. within the Group are managed by the Company in an integrated manner to maintain a basic framework for business operations that meets the Group's objectives.

(6) System for Reporting Matters concerning Execution of Duties by Directors, Executive Officers, Employees, etc. of Subsidiaries to the Company

Having established a policy relating to the Group governance, the Company has clarified the responsibilities and authorities that each company in the Group should have. Important matters of each Group company are subject to approval of or a report to the Board of Directors of the Company. In addition, the Company receives periodic reports from the Group companies on the progress of their business operations and deliberates them at the Board of Directors meeting or other meetings.

(7) System to Ensure Reliability of Financial Reporting

In order to establish a system for ensuring the reliability of financial reporting, the Company has prepared basic documents concerning risk analysis and control of major operations, formulated appropriate procedures, and taken measures to prevent errors. Each Group company is required to periodically check the status of implementation of such procedures and measures, and correct any deficiencies found. In addition, the Risk Management Division of the Company cross-organizationally audits the Group companies and reviews the results of these checks and corrections.

(8) Matters to Ensure Independence from Directors and Effectiveness of Instructions Given to Employees

The Company appoints certain employees as dedicated staff assisting duties of Audit and Supervisory Board members independent from directors as necessary ("Assistant staff of Audit and Supervisory Board"). Audit and Supervisory Board members and the Audit and Supervisory Board shall have the authority to command and order such Assistant staff of Audit and Supervisory Board, and the appointment, dismissal, and performance evaluation of the Assistant staff of Audit and Supervisory Board are decided by the director in charge of Human Resources after consultation with Audit and Supervisory Board members, respecting the results of the consultation.

(9) System for Directors and Employees of Group Companies to Report to Audit and Supervisory Board Members

Directors, executive officers or employees of each Group company are required to report to their audit and supervisory board members or Audit and Supervisory Board members of the Company, matters that have a material impact on their company or the Group, the results of the internal audit, the status of notification via the Compliance Hotline and the details thereof, in addition to the statutory matters. A reporting person will not be treated disadvantageously by reason of reporting to their audit and supervisory board members or Audit and Supervisory Board members of the Company.

(10) System to Secure Expenses Required for Execution of Duties by Audit and Supervisory Board Members and to Ensure that Audit and Supervisory Board Members Conduct Audits Effectively

If the Audit and Supervisory Board or Audit and Supervisory Board member intends to seek investigation, advice, etc. from outside experts in order to conduct an audit, the Company shall bear expenses as long as such expenses are reasonable. Audit and Supervisory Board members shall formulate an annual audit plan as much as possible in advance and notify each company or division in charge, while the company and division in charge shall cooperate with Audit and Supervisory Board members to ensure efficient audits. Based on the results of the audit, Audit and Supervisory Board members of the Company shall exchange opinions in a timely manner with representative directors, audit and supervisory board members, accounting auditors, and the internal audit division and related divisions of each Group company.

## 2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

The Group's basic policy is to achieve fair and lawful business operations, fulfill its social responsibilities through its business activities, and aim for highly transparent corporate management that is committed to compliance. To achieve this, the Company has established the Group's Corporate Ethics as a basic code of conduct that all officers and employees must abide by.

### (1) Approaches to Anti-Social Forces in the Group's Corporate Ethics

- 1 As a member of society, the Group resolutely confronts anti-social forces.
- 2 The Group never gives any benefits to anti-social forces and excludes them from the Group's business.
- 3 The Group strives to eliminate anti-social forces in cooperation with the industry and local communities it belongs to.
- 4 The Group acts in close cooperation with relevant administrative organs such as the police and lawyers.

### (2) Development of Internal Systems

- 1 Division in charge of dealing with anti-social forces: Legal and General Affairs Division
- 2 Liaising with External Specialist Organizations: The Group strives to effectively eliminate special violence against the Group by maintaining a close relationship with the police station that has jurisdiction over the location of the headquarters and joining a local Special Violence Prevention Measures Council.
- 3 The Group makes efforts to collect and manage information on anti-social forces through participation in the regular meetings of the Special Violence Prevention Measures Council and monthly news distributed to its members and collects information to build a database. At the same time, the Group exchanges information on how to deal with special violence through regular meetings, etc. of a group composed of general affairs personnel from companies in the same industry to prevent damage through cooperation by sharing information.

#### 4 Development of Manuals

The Company has prepared a manual for dealing with anti-social forces and has distributed and disseminated it throughout the Group.

#### 5 Implementation of Training Activities

The Company promotes activities to raise awareness and efforts to eliminate violence among those in charge of dealing with anti-social forces by having them participate in regular training sessions, lectures, and roundtable discussions hosted by the Special Violence Prevention Measures Association within the jurisdiction of Tokyo Metropolitan Police Department.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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#### Supplementary Explanation for Applicable Items

With respect to the basic policy for dealing with a takeover bid to acquire an amount of shares that can control the Company's management policies, the Company believes that whether or not to accept such takeover bid is ultimately up to the shareholders' decision. Therefore, at present, the Company does not plan to introduce so-called anti-takeover measures, including the pre-issuance of stock acquisition rights. If an attempt is made to acquire the Company by a person who is not suitable in terms of securing or enhancing the corporate value of the Company or the common interests of its shareholders, the Board of Directors of the Company will take appropriate measures to prevent such an attempt from having an adverse effect on many shareholders or investors because it has the responsibility for shareholders to do so. In such cases, the Corporate Value Improvement Committee (composed of outside directors and outside Audit and Supervisory Board members of the Company, etc.) will be established in the Company to carefully study and examine, from an independent standpoint, the impact of such purchase or proposal on the Company's corporate value and the common interests of shareholders, based on the acquirer's business content, future business plan and past investment behavior. Based on this result, the Board of Directors will sufficiently discuss the matter to reach a conclusion on the best policy for shareholders from the perspective of corporate value and the common interests of shareholders.



## 2. Other Matters Concerning the Corporate Governance System Updated

The Company's internal system for the timely disclosure of corporate information is as follows.

### (1) Person and Division in charge of Timely Disclosures

Mr. Nobuo Nakayama, Representative Director and Senior Managing Director, has been appointed as the Responsible Person in charge of Timely Disclosures of the Company. Finance and Accounting Division is the department in charge of timely disclosures.

(2) The Responsible Person in charge of Timely Disclosures and the division in charge collect information on the status of the internal system on timely disclosures in cooperation with the Board of Directors and the Management Council, relevant divisions in the Company and each Group company, and disclose important corporate information in a timely and appropriate manner.

1 Information on decisions In accordance with laws and regulations, the Articles of Incorporation, corporate regulations, etc., the Company makes important management decisions at a regular meeting of the Board of Directors held once a month (extraordinary meetings of the Board of Directors are held as necessary) or at a meeting of the Management Council held twice a month. The Company promptly discloses important matters judged as needing timely disclosure as soon as they are determined.

#### 2 Information on occurred facts

If there is an event that may fall under an important matter and requires timely disclosure at the Company or its subsidiaries companies, the information manager of each division of the Company who first learns of such event immediately notifies Mr. Nobuo Nakayama, Representative Director and Senior Managing Director, who is the Responsible Person for Information Management, in accordance with the provisions of the Insider Trading Management Regulations. The Responsible Person for Information Management shall contact the information handling managers as well as the President & Group CEO, and related divisions to confirm the facts and consider countermeasures. At the same time, the Responsible Person in charge of Timely Disclosure determines whether it is an important matter that requires timely disclosure and, if confirmed, discloses the matter as soon as it is so confirmed. The Risk Management Division conducts an internal audit to determine whether actions have been taken in accordance with predetermined rules, and if any point is found to require improvement, it will be immediately corrected.

3 The Company endeavors to disclose its financial results as soon as possible and currently releases the results in approximately 35 days from the end of the term.

The Company collects necessary information from external parties, the Group companies, and each division of the Company, tabulates and scrutinizes it, and prepares financial results information. For this, the Company has established relevant procedures for collecting and scrutinizing information in advance, and requires attachment of supporting documents such as vouchers or receipts to enhance the accuracy and truthfulness of the information, as well as the speed and effectiveness of the scrutiny. In addition, the Company has applied the same format of disclosure items in its Financial Reports as those specified in the Ordinance for Enforcement of the Companies Act, the Ordinance on Accounting of Companies, and the Ordinance on Consolidated Financial Statements under the Financial Instruments and Exchange Act. The financial statements, and major portions of its Securities Report (Quarterly Report) are subject to audit by a certified public accountant prior to disclosure, thereby enhancing the legality and appropriateness of its Financial Reports.

### (3) Management of Important Corporate Information

The Company shall commence managing information as follows upon recognizing and confirming such information needs timely disclosure in accordance with the Insider Trading Management Regulations (hereinafter referred to as "important information").

1 The Responsible Person for Information Management is responsible for the compilation and management of important information on financial results, corporate decisions and occurred facts.

2 Upon receiving advice from the General Manager of the Finance and Accounting Division, the Responsible Person in charge of Timely Disclosure judges whether it falls under the scope of corporate information requiring timely disclosure and reports the results to the President & Group CEO.

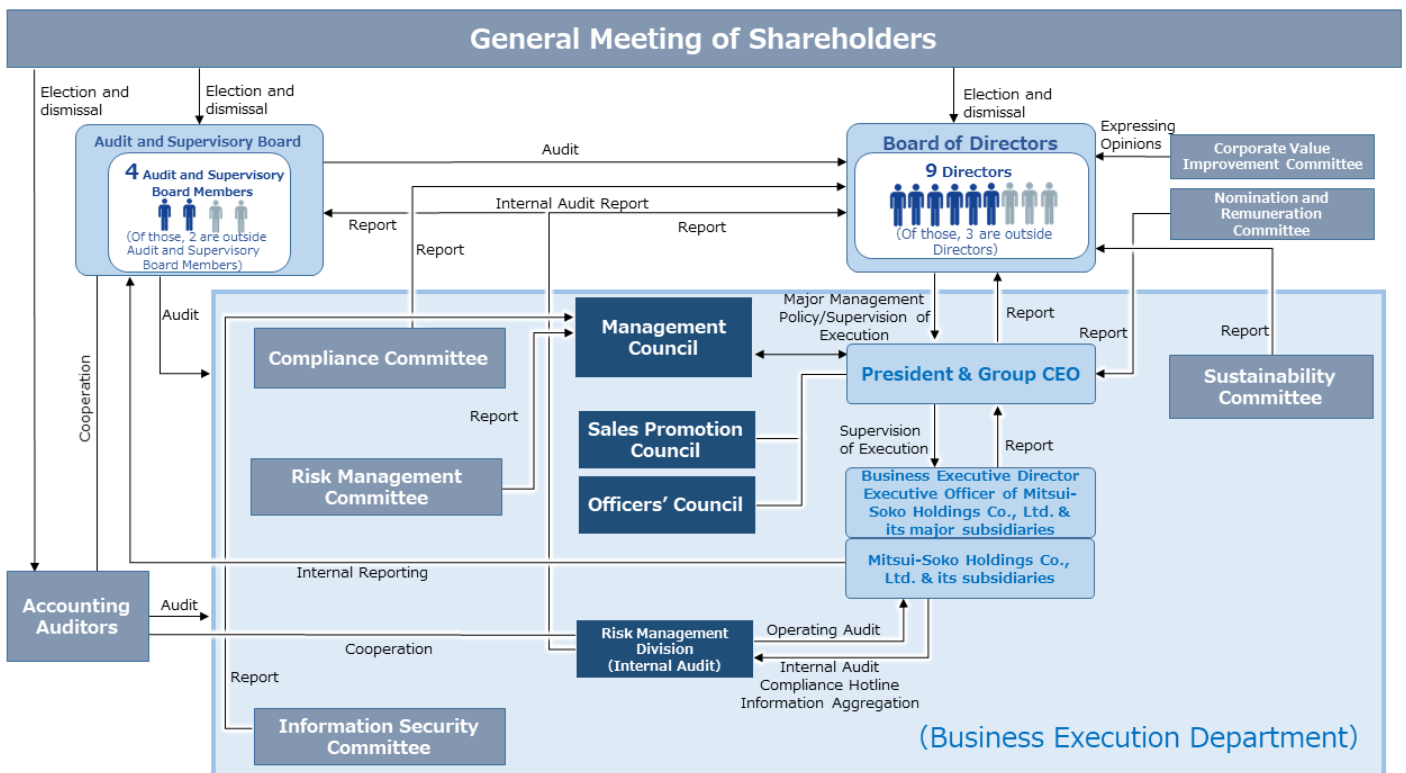
3 The Responsible Person for Information Management records the designated date, scheduled disclosure date and time of publication, etc. of the important information judged to require timely disclosure in the Important Information Management Ledger and manages it as important information thereafter.

(If the information does not fall under the category of corporate information that requires timely disclosure, the Responsible Person for Information Management shall record such fact in the management ledger and notify the relevant persons thereof.)

4 Officers and employees are prohibited from transmitting important information obtained in the course of business to others except when it is necessary in performing business. When it is necessary to transmit such information for business, the recipient of the information is informed that the information is important and is asked to strictly manage its confidentiality.

5 When the important information becomes no longer important owing to disclosure or other reason, the Responsible Person for Information Management notifies the relevant persons thereof and takes any other necessary measures.

6 The Company takes the same measures as those mentioned above with respect to other companies' important information.



END