

Mitsubishi Logisnext Co., Ltd.



Mitsubishi Logisnext
SDGs Report 2021



Committed to business practices that contribute to the sustainable development of the planet and society at large

Continuing to strengthen our sustainability management

At the Mitsubishi Logisnext Group, we have long committed to managing our business with a strong focus on sustainability in keeping with our corporate philosophy of “moving the world forward as the leading provider of innovative logistics and material handling solutions.” In fiscal 2020, in order to clearly demonstrate our management posture both inside and outside the company, we formulated policies for supporting the objectives of the sustainable development goals (SDGs, p. 2). Through this initiative, we identified 14 material issues which we are prioritizing as part of our effort to contribute to the emergence of a society committed to sustainable development (p. 3).



Takashi Kubo
President

Furthermore, in fiscal 2021, we established our Sustainability Council to oversee our Group’s initiatives to achieve each material objective, and we are working to develop a promotion system (p. 3) to enhance the effectiveness of these initiatives. In addition, our medium-term management plan “Logisnext SolutionS 2023,” which is currently being implemented, advocates that, as one of our critical challenges, we contribute to the achievement of the SDGs through our business operations.

The challenge of carbon neutrality

The movement to achieve carbon neutrality is accelerating around the world against the backdrop of climate change.

We regard this trend not as a risk but as an opportunity to expand our business; as a result, we intend to promote proactive initiatives in support of this trend. In December 2021, we clarified our policy on carbon neutrality and adopted specific targets for the Group as a whole: to reduce CO₂ emissions by 40% relative to fiscal 2017 levels by 2030; and to achieve Net Zero by 2040. Going forward, our entire Group will continue to take on the challenge of meeting these goals while fully exploiting the technologies and knowledge we have cultivated.

As a comprehensive manufacturer of logistics equipment, we provide a variety of hardware and software logistics solutions that have already contributed to energy conservation in a variety of settings. I am confident, however, that our Group has the potential to contribute even more solutions to environmental and social challenges.

For example, prior to the merger of our four member companies, each company had been developing its own electric forklift technology. Nippon Yusoki, in particular, had accumulated a substantial amount of technology as a Japanese pioneer in this field. By pursuing further business integration and integrating the proprietary technologies and unique expertise of each member company, we aim to develop as a corporate group with a strong presence that can make a substantial contribution to global sustainability.

About Mitsubishi Logisnext

As a comprehensive manufacturer of logistics equipment, we provide forklift trucks, logistics systems, and port cargo handling systems. We support the logistics industry around the world by providing our customers with optimal logistics solutions in both hardware and software form.



Editorial policy:

We have issued this report to clarify to all stakeholders our efforts to support the objectives of the SDGs.

Target period:

This report spans the period from April 1, 2020, to October 31, 2021. Some articles are continuations of previously published material.

Organizational scope: This report covers Mitsubishi Logisnext Co., Ltd., but some articles make reference to other group companies.

Principles

Corporate Philosophy

Logisnext

Logistical Equipment & System Solutions Next

Moving the world forward as the leading provider of innovative logistics and material handling solutions

Management Policy



Policies related to the SDGs

As a comprehensive manufacturer of logistics equipment that supports logistics operations around the world, we support the objectives of the SDGs advocated by the United Nations, offer solutions to societal issues through our business operations, and contribute to the sustainable development of the planet and society at large while helping to build a better future.

1. Conservation of the global environment

We will strive to protect the environment with a global perspective.

2. Development of local communities

We will establish good relationships with stakeholders, offer solutions to societal issues through our business operations, and contribute to the continuous development of local communities.

3. Human resource development

We will respect the human rights, individuality, and creativity of each and every employee, provide a rewarding work environment, support personal growth, and develop personnel who are capable of supporting our global society.

4. Strengthening corporate governance

We will implement an effective corporate governance system to ensure fair and honest business practices while fulfilling our social commitments as a good corporate citizen.

Medium-term management plan

Logisnext SolutionS 2023

We have formulated a medium-term management plan titled “Logisnext SolutionS 2023” that embodies three basic strategies in keeping with our corporate philosophy. Extending from fiscal 2021 through fiscal 2023, this initiative represents the first Medium-term management plan we have implemented since our merger. We have therefore positioned it as an extremely important platform on which our company can take further steps forward.

1 Build up Business Resilience

Strengthen the existing business

In addition to increasing both sales and profits in all territories, we will strengthen our ability to withstand major economic fluctuations by reorganizing our businesses and reducing fixed costs.

Improve variable and fixed cost

In addition to reducing procurement and transportation costs, we will promote comprehensive cost reductions by producing parts in-house and re-examining labor costs.

2 Accelerate Growth Strategy

Expand our solutions portfolio to meet the growing market requirements

In addition to providing manned forklifts, we have expanded our offerings to include solutions to our customers’ logistics challenges in terms of both hardware and software. This approach responds to specific needs in the areas of automation and unmanned vehicles, with a special focus on AGVs/AGFs.

Improve our profitability via enhancements to the distribution networks

We are maximizing the benefits of consolidation by devising regional strategies for Japan, the Americas, Europe, China, and Asia and the Pacific.

Grow market share with an expanded product and service portfolio

Through collaboration with Mitsubishi Heavy Industries, Ltd., we have implemented rapid development of products and technologies.

3 Further develop our global and regional branding strategies

Utilize “Logisnext” brand and improve brand awareness for all of our brands

Taking advantage of the strengths of our category brands*, we aim to raise awareness of Logisnext as a comprehensive manufacturer of logistics solutions.

Create a new corporate culture under “Logisnext”

We will strengthen the sense of unity and the organizational strength of the entire company by focusing on the development of our Group’s human resources. As the driving force behind our sustainable growth, this approach will lead to the strengthening of our corporate culture. We intend to contribute to the achievement of the SDGs while enhancing our corporate value and contributing to the emergence of a society committed to sustainability.

* Mitsubishi Forklift Trucks, Nichiyu Electric Forklift Trucks, Nichiyu Logistics Systems, TCM Forklift Trucks, TCM Specialized Transport Vehicles, and UniCarriers Forklift Trucks

Contributing to Achievement of the SDGs

The sustainable development goals (SDGs) are international development goals that have been identified for achievement by the target year of 2030. These are universal goals that apply equally to all nations.

They include 17 goals comprising 169 targets for a sustainable, diverse and inclusive world.

Through our business operations, we are helping to achieve the objectives of the SDGs.

Our Priority SDGs

We have identified eight material items of particular relevance to our circumstances.

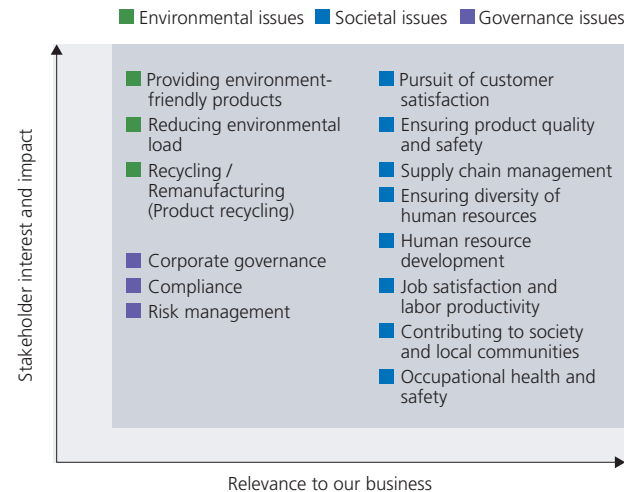


Identifying Material Issues

We have identified 14 material issues in consideration of their relevance to our business and their influence on and interest to our stakeholders.

For each material issue, we have set key performance indicators (KPIs) by which we can evaluate and publicize our performance at the end of each fiscal year. However, we will also introduce initiatives during the period that are difficult to evaluate with KPIs, such as R&D and product-related initiatives.

Issues of Material Interest to Our Group



Establishment of Our Sustainability System

In order to implement our corporate philosophy of “moving the world forward as the leading provider of innovative logistics and material handling solutions,” we believe it is necessary to achieve growth while simultaneously contributing resolutions to various environmental and societal issues.

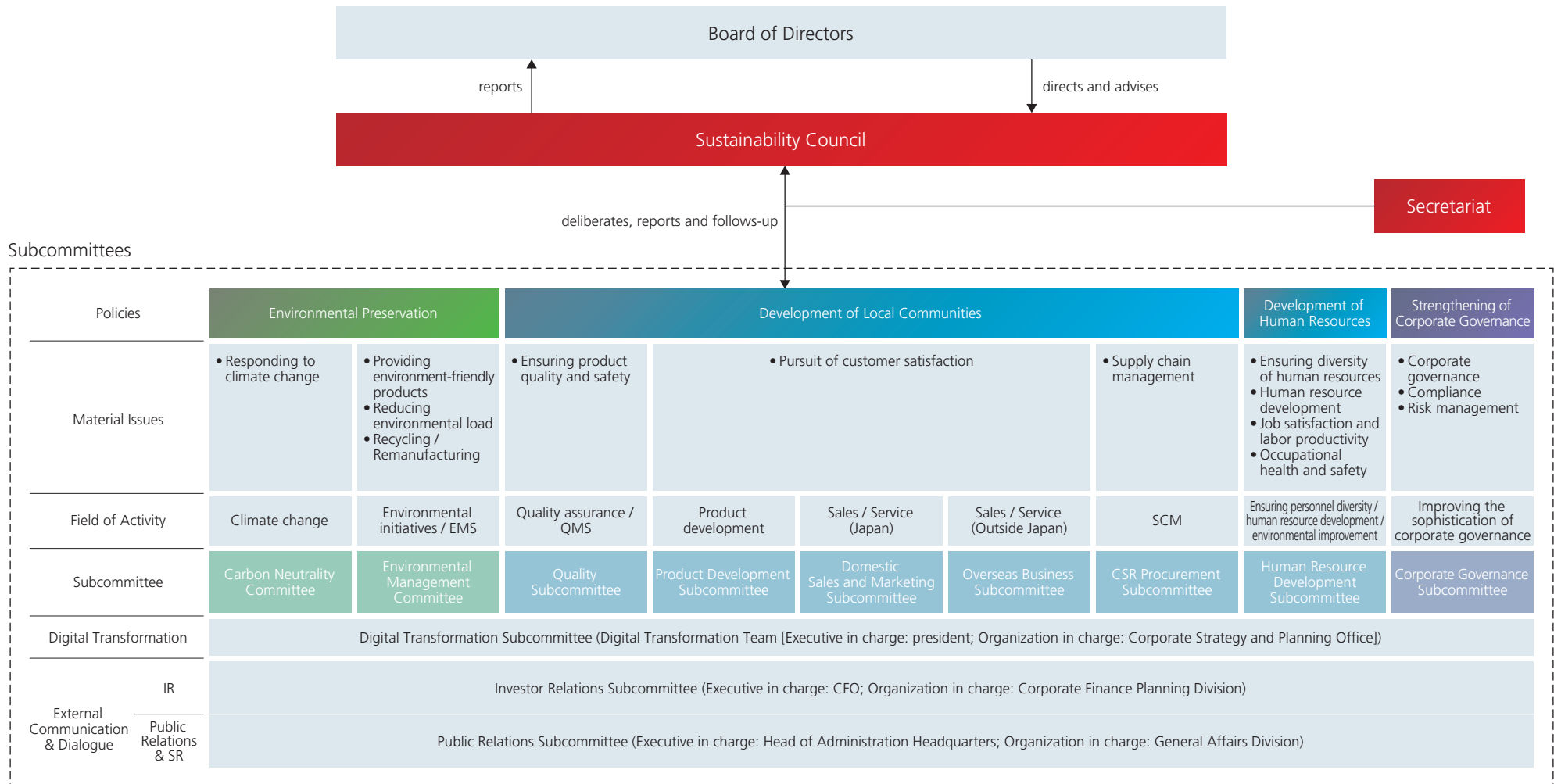
In December 2021, we established our Sustainability Council with the aim of enabling management to oversee sustainability initiatives for the entire company, including challenges that span different departments, which will lead to highly effective initiatives through intensive discussions.

The main roles of the Sustainability Council are to identify material issues, approve policies and responses to these issues, formulate company-wide sustainability initiatives, implement and adhere to initiatives, and report to the Board of Directors. To supplement the three regular meetings held each year, extraordinary meetings are held as necessary.

Under the Sustainability Council, subcommittees are established to handle efforts to address each material issue. Each subcommittee has one individual in a position of responsibility as well as a responsible organization, and the relevant departments serve as the membership.

Policies and targets are adopted for each material issue and each subcommittee, and relevant initiatives are promoted. (A diagram of this system is presented on the next page.)

Diagram of the Sustainability System



E Environmental Issues

Targeting Carbon Neutrality by 2040

The need to achieve carbon-neutrality is a global challenge. Our corporate philosophy is “to move the world forward as the leading provider of innovative logistics and material handling solutions.” Consequently, preserving the global environment, as the very foundation of this philosophy, remains our top priority.

As a member of the Mitsubishi Heavy Industries Group, which boasts a proven track record in decarbonization, we believe it is our mission to take the lead in implementing countermeasures to fight climate change. In order to achieve carbon neutrality by 2040, the goal of the Mitsubishi Heavy Industries Group, we will contribute to the decarbonization, electrification, and enhancement of intelligence across all its businesses, products, and services.



CO2 Emissions Reduction Targets

Target year	Our reduction of CO2 emissions from business activities
2030	- 40% (relative to fiscal 2017)
2040	Net Zero

We intend to reduce our global Scope 1 and 2* CO2 emissions to Net Zero by 2040. As an interim target, we will reduce emissions by 40% by 2030 (relative to fiscal 2017 levels). We are taking this approach to reduce CO2 emissions from our plants and offices in light of our Group’s production-centered business operations.

In addition, we are contributing to our customers’ efforts to reduce their CO2 emissions through our products and services. The Mitsubishi Heavy Industries Group has declared that the entire Group will reduce CO2 emissions throughout its value chain to Net Zero by 2040. We will also take steps to achieve this goal by providing appropriate products and services in the logistics segment.

* Under the GHG Protocol, Scope 1 and 2 emissions are the international standard for calculating and reporting greenhouse gas (GHG) emissions.

Initiatives and Systems for Achieving the Goals

Our initiatives to reduce CO2 emissions associated with our business operations include the following:

1. increasing productivity;
2. promoting energy efficiency; and
3. introducing innovative decarbonization technologies from within the Mitsubishi Heavy Industries Group.

We will develop the following innovations for incorporation into our products and services in order to help reduce our customers’ CO2 emissions:

1. energy-efficient electric forklifts;
2. energy-efficient cargo-handling equipment that contributes to the decarbonization of port logistics; and
3. logistics solutions that improve logistics efficiency.

In addition, as forests are believed to play a key role in achieving carbon neutrality, we will consider additional initiatives to address the need for forest conservation and afforestation.

In order to promote such initiatives, we have established a Carbon Neutrality Committee under the guidance of the president as a climate change subcommittee under the Sustainability Council. Through such efforts, we are working together with our Environmental Management Committee to promote these initiatives with greater urgency.

Focused on Developing Environment-friendly Products

Developing decarbonized and low-carbon products

To contribute to the emergence of a decarbonized society, we are working to improve electricity costs (through reduced energy consumption) and are expanding our lineup of electric forklifts as replacements for our mid-size engine-powered forklifts. This effort is intended to popularize our clean and energy-efficient electric forklifts.

Our new ALESIS electric forklift, launched in 2019, offers expanded capacities of up to 3.5 metric tons as of 2020. This model is now being offered in markets outside Japan.

The series incorporates an environment-friendly Eco mode that contributes to extended operation. By offering reduced power consumption, this innovation contributes to economical and eco-friendly operation.



New ALESIS electric forklift



New FD series engine-powered forklift



Rubber-tired gantry crane

In the European market, where electric forklifts are becoming increasingly popular, we offer the new EDiA XL, a model that boasts best-in-class electricity costs while delivering power and performance sufficient to offer an alternative to engine-powered forklifts.

At the same time, in order to meet the needs of customers who use engine forklifts in a variety of environments, we continue to develop engine-powered forklifts that comply with emissions regulations that are becoming increasingly stringent every year in all our territories. Our new FD series engine-powered forklift, introduced in 2020, is equipped with a urea selective catalytic reduction (SCR) system that significantly reduces the nitrogen oxides present in exhaust gas, thus achieving both higher power and lower emissions.

Decarbonization of cargo-handling equipment in ports and coastal facilities

In the market for carbon-neutral logistics solutions, we have launched an initiative with Mitsubishi Heavy Industries to reduce CO₂ emissions at ports. We are thus contributing to the carbon neutrality of ports by developing new models of cargo-handling equipment and facilitating the use of hydrogen fuel cells for existing equipment with the goal of achieving zero carbon emissions in the future.

Our new rubber-tired gantry crane, scheduled for introduction in the fall of 2022, will meet the emissions regulations (4th standard value) of Japan's Ministry of Land, Infrastructure, Transport and Tourism by reducing the engine displacement and output of diesel generators through optimal and efficient combustion control while maintaining the capacity of storage batteries used in our conventional hybrid models. As a result, emissions of CO₂, nitrogen oxides, and black smoke particulate matter have been reduced, while fuel

efficiency is expected to be improved by more than 15% compared with the previous model. In addition, the new model is being developed with specifications that enable the diesel generator to be replaced with a solid polymer fuel cell. It is predicted that, in the near future, solid polymer fuel cells capable of competing at an equivalent level with diesel generators will be available on the market, opening the door to zero CO₂ emissions once existing generators are replaced with these fuel cells.

In addition, we have developed the first prototype of a fuel cell forklift with a load capacity of 1.75 metric tons. Market testing for practical applications is currently under way.



Fuel cell-powered forklift

Reducing Environmental Load

Establishment of our special environmental groups

Initiatives to reducing environmental load — such as waste reduction, energy efficiency, and the development of products contributing to environmental improvement — entail many cross-organizational activities. Without the entire company, or at least multiple departments, collaborating on these initiatives, tangible progress will be difficult to achieve. Toward this end, we have established four groups — the Environmental Preservation Group, Environmental Products Group, Energy Efficiency Group, and Logistics and Packing Group — to push forward initiatives in support of the implementation plan of our environmental management system (EMS).

Company-wide initiatives of our special environmental groups

The Environmental Preservation Group is engaged mainly in initiatives intend to raise awareness about the environment, such as waste reduction and recycling, as well as community support activities.

The Environmental Products Group focuses on the development of environment-friendly products and green procurement, such as promoting energy efficiency and the management of chemical substances contained in our products.

The Energy Efficiency Group is concerned with enhancing the efficiency of our consumption of energy, water, and raw materials and actively promotes eco-friendly production.

The Logistics & Packing Group is concerned with improving transportation efficiency and reducing the use of packaging materials.

Our “3R” initiatives

We are engaged in a wide variety of environmental impact reduction efforts through the activities of each of these groups.

As part of the 3R initiatives concerned with reducing, reusing, and recycling, all our departments are committed to ensuring that equipment that is surplus to our needs within the company is put to good use elsewhere. We continue to work in the belief that such efforts will reduce the environmental impact of waste incineration and the disposal of waste in landfills while contributing to the emergence of a society committed to recycling and the effective use of resources.

Investments targeting environmental improvements

We have gradually upgraded the mercury and fluorescent lighting in our plants to LED fixtures that offer higher luminous efficiency. Moreover, in fiscal 2020, we reduced CO₂ emissions by about 65 metric tons by upgrading to compressors offering greater energy efficiency.



Plant upgraded with new LED lighting fixtures

Participating in community cleanup campaigns

We participate in regular community cleanup and beautification campaigns as part of our community support initiatives.

Because reeds are useful for the conservation of the water environment, ecosystem, and landscape of Lake Biwa, we participate in the Lake Iba-naiko *Yoshi* Reed-Harvesting project as volunteers in natural conservation to promote the healthy development of the lake. Moreover, we take part in the Oiso Cleanup Initiative by helping to remove accumulated mud, sand, weeds, and other debris while protecting the waterways adjacent to the Azuchi Plant, working hand-in-hand with local residents on a range of tasks. Also, in collaboration with the local community association adjacent to the Shiga Plant, we took part in weeding of the Sammyo River.

The COVID-19 pandemic has put a temporary halt to some of these cleaning and beautification efforts, but we will continue to engage in local activities with an emphasis on getting involved with local communities.



Weeding along the Sammyo River

Recycling / Remanufacturing

Utilizing recycled raw materials

As one measure for reducing the environmental impact of marine transportation, we have switched to reinforced cardboard packaging. This also improves the efficiency of container loading.



Wood packing used before reinforced cardboard



Packing with reinforced cardboard

Sales of used vehicles

With regard to trade-in vehicles and off-lease and rental vehicles, we collaborate with other companies to promote the reuse of resources and are improving the image of recycled products by selling and renting out used vehicles.

In addition, instead of utilizing vehicle appraisers who rely on a wealth of work experience, we are creating a system that employs artificial intelligence to assess used vehicles. These systems use vehicle data as well as past price data. We continue to improve our operational efficiency as we work to establish a system that does not depend on human expertise.



Used forklift sporting an original paint design

Environmental Policy and Environmental Action Guidelines

Environmental Policy

We are committed to protecting the global environment from an international perspective and contributing to the ongoing development of local communities.

Environmental Action Guidelines

Mitsubishi Logisnext Co., Ltd. and its affiliates are committed to proactively implementing the following action guidelines through our business operations, which encompass the development, manufacture, sales, and servicing of forklifts and other industrial vehicles, distribution systems, and logistics products. In keeping with our Environmental Policy, we aim to reduce our environmental impact and improve society on a sustainable basis as an essential part of our business.

- 1. We recognize that preserving the environment and maintaining harmony with the global ecosystem are among the most important management issues, and we shall continue to systematically promote environmental initiatives through our business operations.**
- 2. We shall strive to control environmental pollution and promote environmental preservation activities by accurately monitoring the environment impact of our business operations.**
- 3. We shall strictly comply with all environmental laws, regulations, and ordinances as well as all agreements and other requirements to which we are party; adopt voluntary standards; and takes steps to preserve the environment.**
- 4. In acknowledging the environmental impact of our business operations, we shall adopt the following important initiatives.**
 - (1) We shall manufacture eco-friendly products.**
 - (2) We shall reduce, recycle, and properly dispose of all industrial waste resulting from our business operations.**
 - (3) We shall become more efficient and reduce our consumption of raw materials, fuel, and energy, and we shall promote environmental preservation in our manufacturing activities.**
 - (4) We shall improve the transportation efficiency of our product and parts distribution, reduce the use of packing materials, and decrease our environmental load.**
- 5. We shall implement in-house training sessions and awareness campaigns to inform all our employees and trading partners of our environmental action guidelines and shall disclose them to the public.**

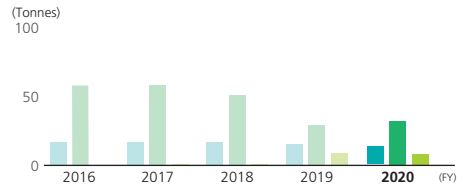
In order to implement the above action guidelines, we shall establish environmental goals and targets within our technical and economic scope and periodically review our progress. We shall remain committed to continuously improving our environmental management system and environmental performance.

Environmental Initiatives

■ Kyoto Plant ■ Shiga Plant ■ Azuchi Plant

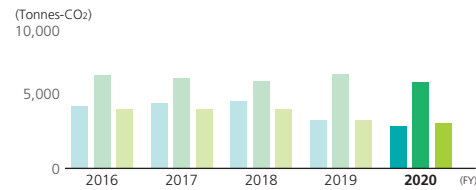
Burnable waste (domestic solid waste) generated

The amounts produced by the Kyoto and Azuchi plants have been on a declining trend as a result of increased telecommuting, but the Shiga Plant is showing a year-on-year increase due to the growing number of employees working at the plant. Extensive sorting rules are in place, and we are focused on reducing the amount of waste in cooperation with individual workplaces.



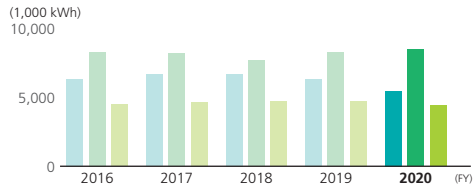
CO₂ emissions

Although additional air conditioners have been installed at the Shiga Plant, CO₂ emissions at all three plants decreased year-on-year due to a decline in production.



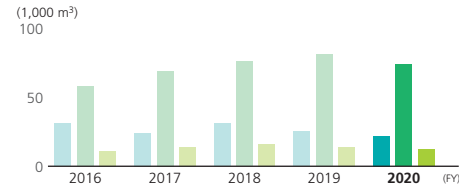
Electricity consumption

At the Kyoto and Azuchi plants, electricity consumption decreased compared to the previous year due to declining production. At the Shiga Plant, the increase was higher than the previous year due to the increased number of air conditioners installed.



Water consumption

Water consumption declined at all three plants year-on-year due to lower production and increased telecommuting.



Summary of environmental impact (fiscal 2020)

Input

Item	Unit	Kyoto Plant	Shiga Plant	Azuchi Plant
Electricity	1,000 kWh	5,467	8,468	4,414
City Gas	1,000 m ³	442	1,204	529
Bunker A	kL	—	44	192
Kerosene	kL	—	21	—
Diesel oil	kL	36	38	—
Gasoline	kL	16	28	—
LPG	m ³	—	5,767	—
Water	1,000 m ³	22	74	12

Output

Item	Unit	Kyoto Plant	Shiga Plant	Azuchi Plant
CO ₂	Tonnes	3,068	6,295	3,287
Chemical substances (emissions under PRTR)	Tonnes	34	79.2	8.7
General waste	Tonnes	13	32	8
Industrial waste	Tonnes	560	794	176
Chemical substances (transferred under PRTR)	Tonnes	37	43.7	10.1

Mitsubishi Logisnext Co., Ltd.

Compliance with Laws and Ordinances

Water quality

At the Shiga and Azuchi plants, we installed wastewater treatment tanks to treat sewage and wastewater from factory processes before it is discharged from the plants. This treated wastewater is discharged into the tributaries of neighboring rivers. At the Kyoto Plant, drainage water is discharged into the drainage system after appropriate treatment.

Plant	Measured item	Unit	Regulated value	Observed value
Kyoto Plant	pH		5 – 9	7.9
	Biochemical oxygen demand (BOD)	mg/L	600	124
	Suspended solids (SS)	mg/L	600	46.4
	N-hexane extracts	mg/L	5	Less than 2.0
	Zinc	mg/L	2	Less than 0.2
Shiga Plant	pH		6.5 – 8.0	7.0
	Biochemical oxygen demand (BOD)	mg/L	30	3.0
	Chemical oxygen demand (COD)	mg/L	30	4.0
	Suspended solids (SS)	mg/L	70	0.6
	Nitrogen	mg/L	12	0.9
	Phosphorus	mg/L	1.2	0.1
	N-hexane extracts	mg/L	3.0	Less than 0.5
Azuchi Plant	pH		6 – 8.5	7.1
	Biochemical oxygen demand (BOD)	mg/L	40	7
	Chemical oxygen demand (COD)	mg/L	40	7.6
	Suspended solids (SS)	mg/L	90	6.3
	Nitrogen	mg/L	12	1.2
	Phosphorus	mg/L	1	Less than 0.1

Measurement dates: January 20, 2021 (Kyoto Plant); March 2, 2021 (Shiga Plant); March 5, 2021 (Azuchi Plant)

Odor

We undertake periodic odor measurements at the site boundary.

Plant	Measured item	Unit	Regulated value	Observed value
Kyoto Plant	Toluene	ppm	10	Less than 0.1
	Xylene	ppm	1	Less than 0.1
Shiga Plant	Toluene	ppm	10	Less than 1
	Xylene	ppm	1	Less than 0.1
Azuchi Plant	Toluene	ppm	10	Less than 1
	Xylene	ppm	1	Less than 0.1

Measurement dates: March 24, 2021 (Kyoto Plant); June 26, 2020 (Shiga Plant); November 13, 2020 (Azuchi Plant)

Noise

We undertake periodic noise measurements at the site boundary.

Plant	Measured item	Unit	Regulated value	Observed value	
Kyoto Plant	Noise	8:00 – 18:00	dB	70	64
		18:00 – 22:00	dB	60	51
Shiga Plant	Noise	8:00 – 18:00	dB	65	65
		18:00 – 22:00	dB	60	—
Azuchi Plant	Noise	8:00 – 18:00	dB	70	53
		18:00 – 22:00	dB	70	49

Measurement dates: March 22, 2021 (Kyoto Plant); January 18, 2021 (Shiga Plant); November 13, 2020 (Azuchi Plant)

Atmosphere

We periodically undertake measurement of the concentrations of particulates in the atmosphere around warm air heating units. We also measure for hazardous substances as stipulated under local ordinances.

Plant	Measured item	Unit	Regulated value	Observed value	
Kyoto Plant	Warm air heating unit (city gas)	Particulate	g/m ³ N	0.10	0.001
		NOx	ppm	150	59
Shiga Plant	Cogeneration power generation equipment	Particulate	g/m ³ N	—	—
		SOx	m ³ Nh	—	—
		NOx	volppm	600	330
	Air conditioning equipment	Particulate	g/m ³ N	0.10	—
	SOx	m ³ Nh	—	—	
	NOx	ppm	150	32	
Azuchi Plant	Warm air heating unit (fuel oil)	Particulate	g/m ³ N	0.20	0.019
		SOx	m ³ Nh	1.2	0.015
		NOx	ppm	180	71

Measurement dates: January 12, 2021 (Kyoto Plant); March 8, 2021, and July 10, 2020 (Shiga Plant); February 4 and 5, 2021 (Azuchi Plant)

S Societal Issues

Pursuit of Customer Satisfaction

Developing unmanned and labor-saving products

Against the backdrop of rapidly growing labor shortages, we are developing safe, eco-friendly, and high-performance automated guided vehicles (AGVs) and automated guided forklifts (AGFs) to meet the need for automation at logistics sites.

The laser guidance technology used in the AGF greatly reduces environmental impacts from unnecessary floor construction. It also enables AGFs to be introduced in locations where modifications to the building are not permitted, such as rented warehouses. In addition, we are developing AGFs offering the same throughput and small turn radius as our manned forklifts. Moreover, we are working to introduce these AGFs at logistics sites where manned forklifts have been the mainstay so far, contributing to the ongoing automation of logistics operations.

In particular, demand for AGFs is increasing at logistics warehouses that are serving the growing e-commerce market in light of the COVID-19 pandemic and the associated increasing need for non-contact operations and automation.

In August 2021, in response to these needs, we introduced the Platter Auto H Type, a product that increases work efficiency to a greater extent than is possible with conventional models. This AGF eliminates the issues associated with conventional manned forklifts, such as slower cargo handling and running speeds, as well as the larger passage width they require for loading and unloading. As a result, this product is designed to play an active role at logistics sites. Safety is a major consideration as well, in light of the need for sites where people and machines work in

close proximity. In addition to the obstacle sensors mounted along the entire circumference of the vehicle, four-color LED lamps display the vehicle status — whether in standby, abnormal stop, or charging or the like — to surrounding workers in an easy-to-understand manner.

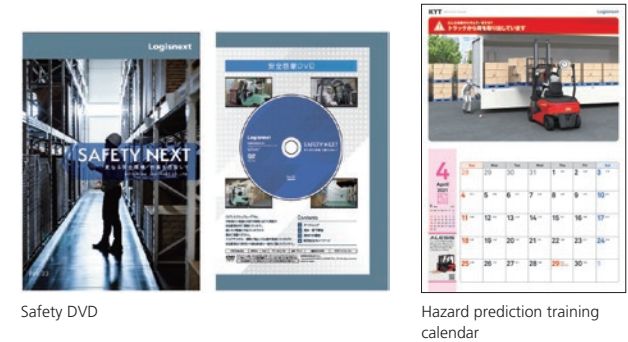
We will continue to add more intelligent features to AGVs and AGFs, such as autonomous induction. We also intend to develop more efficient and flexible AGV and AGF systems to meet the advanced automation needs of logistics sites that are otherwise difficult to automate.



Labor-saving unmanned product

Safety awareness initiatives

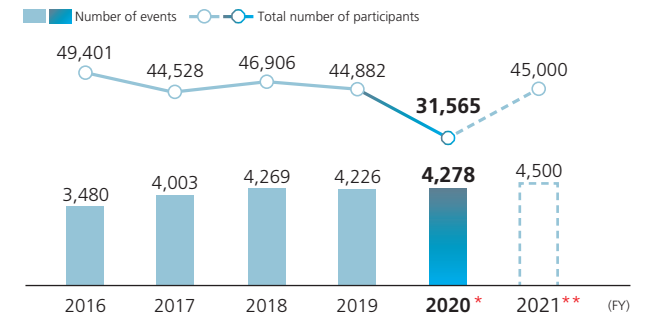
Our sales companies provide safety awareness and safety enhancement training to their customers in order to prevent accidents involving forklifts in industrial settings. We have made available a variety of tools, including safety DVDs we have produced, to promote safety initiatives. In addition, we are working to increase safety awareness throughout society by holding safety seminars tailored to customer needs and distributing safety posters in collaboration with the National Safety Week campaign sponsored by Japan's Ministry of Health, Labour and Welfare.



Safety DVD

Hazard prediction training calendar

Safety seminars held



* Number of participants was reduced on one occasion due to the COVID-19 pandemic
 **Projected

Prioritizing safety through operator training courses

Those engaged in the operation of forklifts with a capacity of 1 tonne are required by the Industrial Health and Safety Act to complete an operator skills course. As a manufacturer of forklifts and shovel loaders that is registered as a training organization under the Director of Japan's Labour Bureau, we hold seminars at two locations in Japan and place the highest priority on driver safety.

Product options offering greater safety

In the belief that all forklift operations can be performed safely and that anyone can easily operate a forklift, we provide forklift trucks and other logistics equipment incorporating product features carefully selected for safety and security.

In fiscal 2022, we will launch the new ERSIS engine-powered forklifts, which exhibit excellent environmental performance. In addition to their low-noise and low-vibration characteristics and powerful performance, they offer increased safety with the addition of several safety options. These include the Good Running System, which reduces vibration and shock during stepped operation, and interlocks that prevent startup and operation when insufficient liquefied propane gas remains, the seat belt is released, or the parking brake is applied.

In addition, our Forklift Operation Management System known as LVS offers as an option that allows for visualization of the work site.

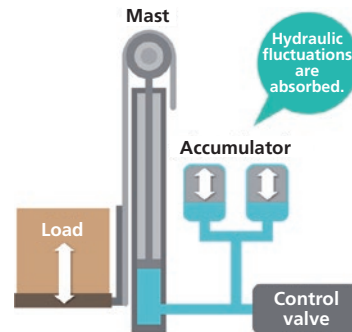


ERSIS engine-powered forklift

Outstanding reduction of shocks and vibration



Vibration and shock absorption rate with Good Running System



Structural diagram of Good Running System

Maintaining good customer communication

As a means of establishing and maintaining good relationships with our customers over the medium and long term, we implement the following initiatives on a regular basis in order to support our sales companies' efforts to maintain open communication with their customers.

- Conducting our Customer Questionnaire
- Publishing monogram, our promotional magazine
- Launching the Logisnext Expo online showroom

Since fiscal 2020, we have been hosting "Logisnext Expo," our online showroom, as a new initiative in response to the situation that has arisen with the COVID-19 pandemic. Visitors no longer have to attend the actual event venue, so this represents a new type of exhibit that people can view in a 360° virtual space on the Internet as they take a virtual walk-around without any risk of infection. This innovation enables us to provide a variety of information about our solutions and services.

Through this and other such efforts to enhance our contact with customers, we remain focused on ensuring customer satisfaction by monitoring market needs in a timely and conscientious manner.



monogram, our promotional magazine



Logisnext Expo online showroom

Ensuring Product Quality and Safety

Quality Policy

In fiscal 2021, we formulated the following four quality policies and made them known to all employees working at our company. In keeping with this policy, we strive to ensure the continual improvement of the quality of all our operations as well as the development and manufacture of our products.

1. We will provide safe and secure products and services to customers and strive to improve customer satisfaction.
2. We will strive to eliminate non-conforming products and will always take prompt and effective action should such an instance arise.
3. We will raise the quality awareness of all our employees and work together with related parties to ensure the highest levels of quality.
4. We will continuously improve our quality management system.

Initiatives for Quality Month

In order to raise awareness of the need for quality and encourage the widespread adoption of quality control initiatives, the month of November has been designated Quality Month nationwide. As part of our quality month activities, we post Quality Month posters and banners and hold Quality Morning Meetings in each department in an effort to raise awareness of quality. November is also the month in which we enhance employee expertise in weighing. In fiscal 2020, we provided instrument workshops and held an instrument skills competition to reacquaint our employees with the basics of manufacturing through training in measuring instruments.

In addition, we held a Defective Parts Exhibition to

provide an opportunity for employees to gain direct knowledge of the current situation and defects associated with market complaints. In addition to our conventional onsite exhibition, we provided a new online version of the exhibition.

At our company-wide quality improvement report meeting, the Quality Management Office introduced the Quality Control Status Report. The content of that report provided an opportunity to stage company-wide quality improvement activities as well as initiatives that contribute to improved performance.

Through our daily quality improvement efforts, we are reminding all departments that this issue is closely linked to our management policy of “pursuing quality.”



Defective Parts Exhibition

Supply Chain Management

Selecting highly rated suppliers and providing guidance on improvements through supplier evaluations

We conduct supplier evaluations annually, and suppliers found to have low evaluations in terms of quality and delivery time are informed of the evaluation results and are given specific requests for improvement. The progress of their improvement efforts is monitored regularly. We also conduct factory audits of suppliers according to uniform global evaluation standards in order to maintain or improve quality levels.

The results of these initiatives are incorporated into our

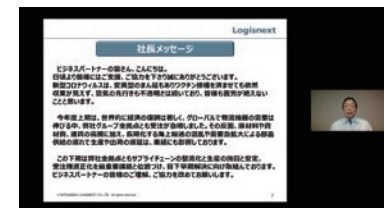
supplier selection criteria when we develop and introduce new models. We consolidate orders among those who are identified as potential core suppliers after they maintain a consistently high evaluation status and successfully complete factory audits.

Recently, supply problems related to semiconductors and electronic components have been occurring with some frequency, which has increased production risks. However, we are taking steps to reduce such risks by sharing information closely with our core suppliers. We will continue to strengthen our collaborations and cooperation efforts with core suppliers in order to respond to the crises that have resulted from the COVID-19 pandemic.

Prioritizing local procurement and supplier audits

At our production facilities outside Japan, we aim to reduce imports from Japan and contribute to the emergence of a society committed to recycling by promoting increased local procurement from local suppliers to achieve “local production for local consumption.” Furthermore, we have harmonized the quality control standards of these suppliers with those in effect in Japan and are promoting double-tracking of the supply chain at a global level by exploiting the advantages of producing identical models in multiple regions. Through these efforts, we aim to build a resilient global supply chain that enables us to maintain stable procurement even in the face of significant geopolitical supply risks.

All our production sites invite our core suppliers, who play a central role in the supply chain, to participate in supplier briefings on a regular basis. Our executives



Supplier briefing session

request increased cooperation with our initiatives by explaining the management situation as well as the economic environment, initiatives, and policies. Although the COVID-19 pandemic prevented us from holding briefing sessions in person, we are working to provide more valuable information in greater detail than ever before through remote meetings and video distribution methods in order to gain the cooperation and agreement of our suppliers.

Ensuring Diversity of Human Resources

In light of Japan’s declining birthrate, aging population, and shrinking working population, companies whose personnel embody diverse perspectives and values as well as different experiences, skills, and attributes benefit from strengths that contribute to the company’s sustainable growth. We are therefore working to achieve greater diversity, which includes an effort to promote the active participation of women.

Percentage of females in all positions and managerial positions

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Percentage of employees who are female	8.8%	9.6%	9.9%	10.2%
Percentage of managerial positions filled by female employees	0.7%	1.2%	1.4%	1.6%
Percentage of employees in managerial positions	16.5%	15.8%	15.7%	16.3%

These figures represent the status as of the end of each fiscal year.

Human Resource Development

In-house training system

We have developed a curriculum that provides rank-based training whenever an employee at any grade is promoted. In addition, since we believe it is important for young people to foster a global mindset at an early stage and accumulate a range of experiences — such as achieving success in a different language, culture, or social system — we have established an overseas trainee system that dispatches employees mainly to facilities outside Japan for a period of about three months. This year, due to the impact of the COVID-19 pandemic, we were unable to provide any international assignments, so we plan to continue this initiative in a virtual manner.

Service workshop

In order to provide our customers with safe, secure, and reliable services, we hold training sessions for our group service technicians. Specifically, the curriculum includes rank-based training targeted to specific careers as well as technical training that coincides with product launches. In addition to holding meetings for the sharing of defect information and countermeasures, we have established a video distribution site for Group companies in order to accommodate the increasing sophistication of technology along with the increasing complexity of vehicle control systems.



Service workshop

Occupational Health and Safety

“Safety is the foundation of all that we do.” represents the Group-wide health and safety philosophy we have established in concert with our three basic policies. In keeping with this philosophy and our policies, we carry out a variety of initiatives with the aim of creating a safe and secure workplace.

In terms of safety, we conduct workplace checks, such as the workplace health and safety patrols we conduct almost every month.

In terms of hygiene, we are particularly focused on mental health, and we monitor the mental health of our employees to reduce absenteeism as much as possible. Likewise, we conduct stress checks through group analysis to improve the workplace environment.

In our mental health training, we introduce examples of workplace improvements and try to implement them through lateral deployment.

Health and Safety Philosophy and Policies

Health and Safety Philosophy of the Mitsubishi Logisnext Group

“Safety is the foundation of all that we do.” We promise the safety of people and our products is the foundation of our success.

Health and Safety Policy of the Mitsubishi Logisnext Group

1. We will make safety awareness a priority. We remain actively engaged in health and safety initiatives and strive to raise safety awareness.
2. We will enforce the policies we have formulated and implement the initiatives we have approved. In addition to complying with laws and regulatory requirements, we will adhere to all internal rules and regulations.
3. We will maintain safe and secure workplaces. We value human health and will remain actively engaged in providing safe and secure workplaces.

Status of occupational accidents

		Fiscal 2018	Fiscal 2019	Fiscal 2020
Kyoto Plant	Accidents with lost time	0	0	0
	Accidents without lost time	2	0	0
Azuchi Plant	Accidents with lost time	0	0	1
	Accidents without lost time	3	2	2
Shiga Plant	Accidents with lost time	1	5	4
	Accidents without lost time	11	9	10

Job Satisfaction and Labor Productivity

We are working to create comfortable workplaces so that employees of all generations benefit from satisfying employment. As one of our initiatives, we will ensure that our employees take five days of paid leave per year as stipulated by law, and that each employee makes plans to take paid leave; we will regularly monitor the take-up rate to ensure it improves. Our policies related to childcare and nursing care exceed the minimums stipulated by law so that our employees can work with greater flexibility. In the future, we plan to formalize a policy on remote work.

Take-up rate for paid leave

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Average number of days taken per company	11.3 days	13.3 days	12.7 days
(Average of all companies according to statistics of the Ministry of Health, Labour and Welfare)	9.3 days	9.4 days	10.1 days
(Average for the manufacturing industry according to statistics of the Ministry of Health, Labour and Welfare)	11.0 days	11.0 days	11.9 days
Take-up rate (%) among employees	55.4%	64.0%	60.2%
(Average of all companies according to statistics of the Ministry of Health, Labour and Welfare)	51.1%	52.4%	56.3%
(Average for the manufacturing industry according to statistics of the Ministry of Health, Labour and Welfare)	58.4%	59.2%	64.1%
Number of employees (labor union members)	1,570	1,520	1,489

Contributing to Society and Local Communities

In addition to our business operations, we engage in a variety of social initiatives with the aim of contributing to social and community development as well as problem solving. In particular, we believe it is our responsibility as a local company to contribute to regional revitalization. We are actively involved in local festivals and in hosting events at our plants and offices. This includes sponsoring the Kyoto Sanga F.C. as well as the Kyoto Philharmonic Chamber Orchestra based in Kyoto, where our head office is located.

Since November 2021, we have been co-sponsoring the Mitsubishi Heavy Industries Sagamihara DynaBoars rugby team as a platinum partner in the interests of promoting participation in sports.

Moreover, as a supporter of “A Dream a Day in Tokyo,” which provides support for children with intractable diseases, we continue to help children dealing with severe health challenges to realize their dreams.



Kyoto Sanga F.C.

We remain dedicated to these initiatives as part of our commitment to social and community development.

For details, please visit our website (www.logisnext.com/sponsorship/).

We also contribute to the education of future generations in the region by contributing to the training of maintenance engineers.

Nissan Automobile Technical College is working on a project to encourage its students to participate as staff members of a professional racing team. The aim of this program is to improve practical skills by offering an opportunity for students to practice what they have learned at school. They are also pushed to encourage, challenge, and learn from one other as they cultivate qualities such as independence, teamwork, sociableness, and gratitude, as these qualities are necessary for a member of society engaging in serious competitions and activities before and after a race. In addition to supporting this initiative as a sponsor, we are contributing to the development of maintenance engineers by supporting collaborations between industry and academia. This includes initiatives such as holding job fairs for students and exhibiting vehicles at school festivals.



Mitsubishi Heavy Industries Sagamihara DynaBoars

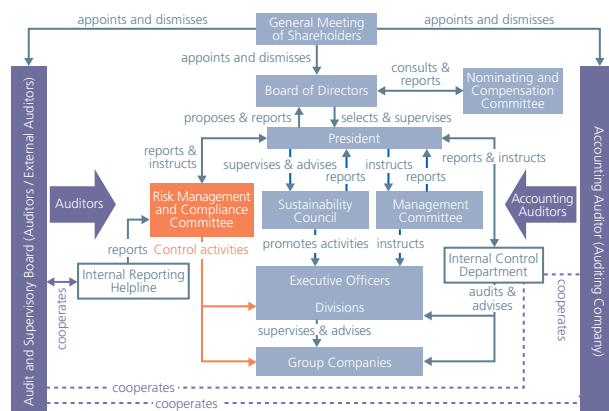
G Governance Issues

Governance Reform

Every fiscal year, we evaluate the effectiveness of the Board of Directors and formulate a policy on addressing issues related to the Board. At the same time, we work to continuously improve the Board's effectiveness.

In the effectiveness assessment undertaken in fiscal 2020, it was noted that the Board of Directors is required to engage in a broader discussion of sustainability as it relates to medium- and long-term strategies and direction as well as the SDGs and ESG issues while meeting the need to further strengthen initiatives. The result was a commitment to recognize that the improvement of minority shareholder protection measures and the involvement of the Nominating and Compensation Committee in the succession plan were important issues to be addressed. In fiscal 2021, we are promoting efforts to address these issues as shown in the diagram below.

Corporate Governance Structure



Specifically, we hold monthly business strategy discussions to devise our business strategy and action plan while addressing governance issues and the like. In addition, we have established a sustainability system as well as a system through which the Board of Directors can supervise sustainability initiatives. The Nominating and Compensation Committee discusses succession plans for the president and senior management and, as of fiscal 2021, this committee has decided to become involved in the succession plan as appropriate.

Introduction of the Electronic Contract System

We have introduced an Electronic Contract System that enables us to conclude contracts with suppliers electronically.

In the past, we signed contracts with suppliers using paper and personal seals, but by digitizing the process we are able to enhance operational efficiency and reduce various costs. By centrally managing contracts in the cloud, we can minimize the loss of documents, omission of updates, falsification, and other tampering with originals, all of which contributes to stronger compliance security.

We will continue to expand the use of our Electronic Contract System while also taking more flexible approaches to work.

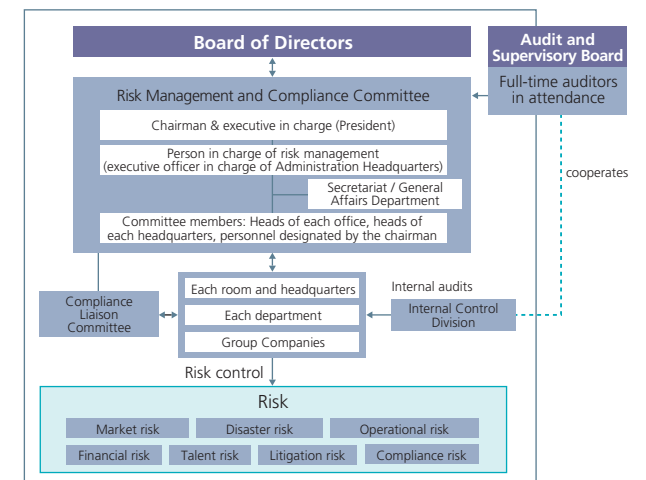
Convening of the Risk Management and Compliance Committee

We established our Risk Management and Compliance Committee as the lead entity responsible for risk management

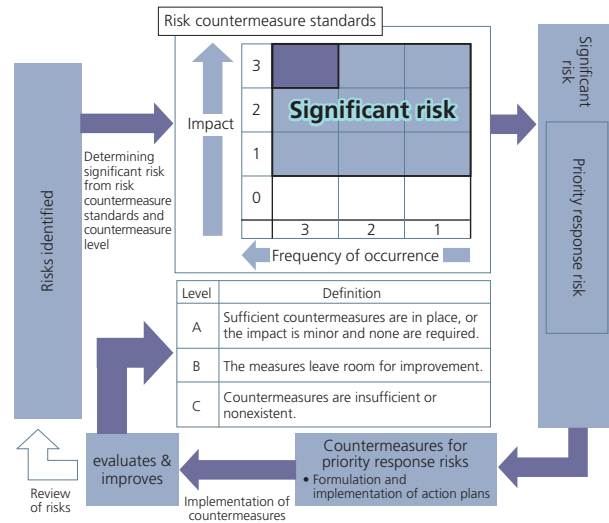
in order to avoid risks with the potential to significantly impact management and to minimize such risks when they become apparent. We established a system to centralize and aggregate risk information and manage it in a uniform manner for the entire Group, as show in the diagram below. Each division identifies risks every six months and analyzes and evaluates these risks to determine which are considered serious. We have prepared an action plan for critical risks that are assigned a particularly high priority and are developing risk reduction initiatives on a daily basis. Each of our Group companies assigns a risk management supervisor to undertake risk management in a process similar to that adopted by the parent company.

The status of these activities is reported to the Risk Management and Compliance Committee, which convenes quarterly, and the status of serious risks and the effectiveness of countermeasures are evaluated; the results are then reported to the Board of Directors, as shown in the diagram on the next page.

Risk Management System



Operational image



Adhering to Our Compliance Guidelines

The Mitsubishi Logisnext Group has established Compliance Guidelines to serve as particularly important standards that all officers and employees can apply in their daily business activities as a means of upholding legal compliance and corporate ethics.

Establishment of Our Internal Reporting Helpline

In order to detect and correct fraud such as violations of laws and regulations and corporate ethics at an early stage and to strengthen compliance management, we have established a helpline that serves as a point of contact for any whistleblowers within the Group. We have also set up whistleblower contact points at all group companies outside Japan.



Poster publicizing the Internal Reporting Helpline

policies and procedures for engaging with competitors and government procurement agencies.

Compliance Checks Related to Order Optimization

In order to prevent inappropriate order acceptance related to government projects inside and outside Japan as well as construction projects, we have established compliance guidelines that apply when project information is submitted and when orders are submitted either successfully or unsuccessfully.

Anti-fraud and Anti-bribery Procedures

In order to prevent fraud and suspected acts of bribery, we have prepared detailed procedures for examining offers of entertainment and gifts, offers of donations, invitations, and appointment of agents and trading companies.

Compliance Training

To ensure all officers and employees carry out their corporate activities in a fair and appropriate manner, we provide regular training intended to impart the necessary knowledge while raising compliance awareness.

Mitsubishi Logisnext Group Compliance Guidelines

1. Relationships with customers

- [1] We should respect the opinions of our customers and treat each customer fairly and honestly.
- [2] We should provide attractive and safe products and services to our customers.
- [3] We should conduct our domestic and overseas business activities in fair competition with other companies in accordance with relevant laws and social norms.

2. Relationships with shareholders and investors

We should communicate with our shareholders and other investors to fairly disclose corporate information for our business activities.

3. Relationships with business partners

- [1] We should maintain fair relationships with our business partners and conduct transactions in accordance with objective principles.
- [2] We should exchange business courtesies, such as gifts, meals, and entertainment, within socially acceptable limits and in a socially acceptable manner.

4. Relationships with employees

- [1] We should respect basic human rights and strive not to take any discriminatory actions.
- [2] We should comply with relevant labor laws and strive to maintain a safe and friendly working environment.
- [3] We should respect the individuality and creativity of every employee and promote employee education, training, and growth.

5. Relationships with law and society

- [1] We should strive to ensure efficient use of resources and to protect the global environment.
- [2] We should comply with relevant laws and standards, including related internal rules, and behave fairly and honestly.
- [3] We should not use inside information, from either internal or external sources, to buy or sell stock or other securities, and we should not disclose inside information to any other persons, including family members and friends.
- [4] We should firmly resist and not enter into engagements with anti-social activities or forces.








6. Acknowledgement regarding compliance








We should remain aware that compliance with the Compliance Guidelines will benefit the company significantly as well as contribute positively to society.

Inquiry and Reporting Procedures for Contacts with Competitors and Government Procurement Agencies

With the aim of ensuring compliance with the Antimonopoly Law and other laws and regulations intended to maintain fair competition, we have established internal rules as well as







★★★ : Succeeded ★★ : Will soon succeed ★ : Doing all we can






Category	Material Issue	Activity	Objective	Fiscal 2020 Initiatives	Achievement Rating	Fiscal 2020 Results	Fiscal 2021 Initiatives	Corresponding SDGs
	Providing environment-friendly products	Development and provision of decarbonized and low-carbon products	<ol style="list-style-type: none"> To develop electric forklifts offering lower electricity consumption To expand the lineup of electric forklifts to replace engine-powered forklifts To develop of engine-powered forklifts in compliance with emissions regulations 	<ol style="list-style-type: none"> To grow sales of the new ALESIS electric forklift outside Japan To develop new electric forklifts To develop models in compliance with local emissions regulations 	<ol style="list-style-type: none"> ★★★ ★★★ ★★★ 		<ol style="list-style-type: none"> To grow sales of the new ALESIS electric forklift outside Japan To develop new electric forklifts To develop models in compliance with local emissions regulations 	
		Development of carbon-neutral rubber-tired gantry cranes	<ol style="list-style-type: none"> To help achieve the carbon-neutral ports policy being promoted by the Ministry of Land, Infrastructure, Transport and Land To reduce CO₂ emissions attributable to ports 		—		<ol style="list-style-type: none"> To participate in a study group to form a carbon-neutral port hosted by the Ministry of Land, Infrastructure, Transport and Infrastructure and local governments To develop and order rubber-tired gantry cranes equipped with diesel generators in compliance with the fourth emissions regulation targeting the future replacement of fuel cells (CO₂ reduction rate of 15%/vehicle) 	
E	Reduction of environmental load	Initiatives of the our special environmental groups and the entire company	To address issues identified in internal environmental audits within the Group	To harmonize environmental management methods at our Kyoto, Shiga, and Azuchi plants	★	The environmental management methods have not been harmonized, and the system is insufficient to supervise, manage, and promote environmental initiatives throughout the company.	To harmonize environmental management methods at our Kyoto, Shiga, and Azuchi plants	      
		To upgrade the environmental initiatives of Group companies	To comply with laws or regulations and avoid receiving improvement guidance from competent authorities	★★★	No projects have been the subject of official guidance calling for improvements. Domestic sales companies are drawing up a list of environmental laws and regulations.	To comply with laws or regulations and avoid receiving improvement guidance from competent authorities		
		To improve our waste and emissions intensity	To achieve a 3% improvement in waste and emissions intensity (excluding resources and wastepaper) relative to fiscal 2017 levels	★	Worsened by 14% relative to fiscal 2017 levels.	To improve the waste and emissions intensity (excluding resources) by 0.5% relative to the results for fiscal 2020		
		To increase our recycling rate	To achieve a recycling rate exceeding 97.5% (The amount that cannot be recycled is the weight at the time of discharge.)	★	Kyoto Plant 96.1% Shiga Plant 94.1% Azuchi Plant 97.6%	To improve the recycling rate relative to the results for fiscal 2020		
		To improve our VOC emissions intensity	To achieve a 3% improvement in VOC emissions intensity relative to fiscal 2017 levels	★★★	Achieved a 32.9% improvement relative to fiscal 2017 levels	To improve the VOC emissions intensity relative to the results for fiscal 2020		
		To ensure the costs of environmental protection are calculated and clearly disseminated in-house	To disclose environmental protection costs internally	★	Understanding of environmental accounting and its penetration was insufficient; this was not disclosed in internal publications.	To ensure the costs of environmental protection are appropriately calculated and published in-house		
		To reduce CO ₂ emissions from forklift vehicles in development	To achieve a 5% reduction in CO ₂ emissions from vehicles in development compared to the previous model; to formally standardize a method for calculating the contribution to CO ₂ reduction	★★★	A 5% reduction was achieved with some models, while other models have not improved. But calculation of CO ₂ emissions reductions in development vehicles in fiscal 2020 has been implemented.	To establish methods and standards for calculating the reduction in CO ₂ emissions attributable to product use		
		To reduce CO ₂ emissions from logistics solution vehicles in development	To achieve a 5% reduction in CO ₂ emissions from vehicles in development compared to the previous model; to formally standardize a method for calculating the contribution to CO ₂ reduction	★★	<ol style="list-style-type: none"> Although a 5% reduction could not be achieved, calculation of CO₂ emissions reductions in development vehicles in fiscal 2020 has been implemented. Calculation of CO₂ emissions reductions in development vehicles in fiscal 2019 has not been implemented. 	To establish methods and standards for calculating the reduction in CO ₂ emissions attributable to product use		
		To reduce the amount of environmentally hazardous substances contained in products	To identify target parts and the amounts of environmentally hazardous substances utilized and substitute the parts incorporating these substances	★	The target parts were identified but the amounts in use have not been determined.	To identify target parts and the amounts of environmentally hazardous substances utilized and substitute the parts incorporating these substances		
		To comply with REACH regulations and strengthen support for our suppliers	<ol style="list-style-type: none"> To visualize the implementation rate of the survey on substances of very high concern (SVHCs) and provide guidance on implementation To provide guidance on submission of declarations of non-use or non-inclusion of prohibited substances and reflect them in our supplier evaluations To provide suppliers with guidance on the acquisition of EMS certification; to incorporate this process in our supplier evaluations 	★★★	<ol style="list-style-type: none"> Six suppliers failed to submit an SVHC survey. One supplier has not yet submitted a non-use/non-inclusion declaration. Out of the top 70 companies in terms of trading volume, guidance was provided to the five suppliers that have not yet acquired EMS certification. 	To strengthen compliance with laws and regulations in each country and provide support for suppliers		
		To improve our energy intensity	<ol style="list-style-type: none"> To improve energy intensity by 3% relative to fiscal 2017 levels To convert the reduction in labor hours into an equivalent reduction in CO₂ emissions 	★★★	Manufacturing intensity <ol style="list-style-type: none"> The Kyoto Plant was 21.5% below the target value. The Shiga Plant was 4% above the target value. The Azuchi Plant was 5.4% below the target value. All three plants in total were 4.7% below the target value. 	To improve energy intensity by 1% relative to fiscal 2020 levels		
To reduce water intensity	<ol style="list-style-type: none"> To improve water intensity by 3% relative to fiscal 2017 levels To repair leaks 	★	<ol style="list-style-type: none"> Water intensity <ol style="list-style-type: none"> The Kyoto Plant's consumption was 10.0% above the target value. The Shiga Plant's consumption of groundwater was 19.7% above the target value. The Azuchi Plant's consumption was 10.3% above the target value. Water leaks at the Kyoto Plant were repaired in August 2020. 	To improve water intensity by 0.5% relative to fiscal 2020 levels				








Category	Material Issue	Activity	Objective	Fiscal 2020 Initiatives	Achievement Rating	Fiscal 2020 Results	Fiscal 2021 Initiatives	Corresponding SDGs
E	Reduction of environmental load	Initiatives of the our special environmental groups and the entire company	To reduce VOC emissions	To consider capital investments	★	No plan	To devise measures to reduce VOC emissions intensity	      
			To reduce wood pallet waste	To reduce wood pallet waste intensity at the Shiga Plant by 1% compared to fiscal 2019 levels	★★★	Achieved the goal of reducing the amount of wood pallets discarded.	To reduce pallet waste intensity by 1% compared to fiscal 2020 levels	
			To reduce the weight of packaging material purchased per unit of sales	To reduce the amounts of packaging materials purchased to no more than 18.18 kg/million yen	★	18.81 kg/million yen	To reduce the weight of packing materials purchased for parts shipment to the fiscal 2020 level or less	
			To improve the usage rate for returnable containers	To achieve a returnable container return rate of 4.8%	★★	Introduced returnable containers for some engines produced in Japan. Prepared for the introduction of reinforced corrugated cardboard in collaboration with suppliers. (See "Utilization of Returnable Pallets.")	To promote the adoption of returnable containers	
			To determine product shipments (by tonne-kilometer) and maintain or improve management methods	To determine product shipments (by tonne-kilometer) in an appropriate manner and maintain the status quo regarding transportation energy intensity	★★★	Improved relative to the result for fiscal 2019.	To determine product shipments (by tonne-kilometer) and reduce energy intensity related to transportation	
		3 R initiatives	1. To ensure effective use of resources by reusing surplus items 2. To reduce waste disposal volume	To promote timely internal notification to ensure surplus items end up at departments in need	★★★	To be implemented on an ongoing basis	To promote timely internal notification to ensure surplus items end up at departments in need	
		Environmental investment	To reduce CO ₂ emissions through energy efficiency	To reduce CO ₂ emissions by 46.4 tonnes/year 1. To introduce LED lighting at the Kyoto Plant (26.9-tonne/year reduction) 2. To update the air conditioner in the Product Planning Office (0.1-tonne/year reduction) 3. To improve compressor operation in Building F at the Shiga Plant (18.2-tonne/year reduction) 4. To update LED lighting in the powder coating area in the machinery area of the Azuchi Plant (1.2-tonne/year reduction)	★★★	Reduced CO ₂ emissions by 65.4 tonnes/year. Six initiatives were added during the period in addition to those listed at left. 1. LED lighting installed on the first floor of the Azuchi Plant Office (10.1-tonne/year reduction). 2. Improved compressor operation and installed an inverter for exhaust fans in Building F of Shiga Plant (2.3-tonne/year reduction). 3. Improved the efficiency of Shiga Plant frame exhaust fan (0.4-tonne/year reduction). 4. Installed an inverter for the compressor in Building J at the Shiga Plant (9.3-tonne/year reduction). 5. Electrified the air booster at the Shiga Plant (2.5-tonne/year reduction).	<ol style="list-style-type: none"> To update the air conditioner (gas heat pump) in the cafeteria (0.9-tonne reduction). To update the air conditioner (gas heat pump) in the Kyoto Plant (2.0-tonne reduction). To install LED lighting at the Kyoto Plant (9.8-tonne reduction). To update the compressors (1.9-tonne reduction). To update the sheet shutters at the Azuchi Plant (3.2-tonne reduction). To convert to LED lighting on the 2nd floor of the Office Building of the Azuchi Plant (9.8-tonne reduction). To update the steam boiler (8.2-tonne reduction). To purchase a compressor for Shiga Plant No. 1 Assembly Unit (7.1-tonne reduction). To install an inverter for the mast booth exhaust fan (4.6-tonne reduction). To convert the air hoists to electric models (3.5-tonne reduction). To convert the heavy oil compressors to electric models (6.0-tonne reduction). 	
		Zero waste movement	1. To cooperate in local government initiatives (530 campaign) 2. To contribute to a society in which everyone seeks to take ownership of the waste issue by cultivating the practice of picking up waste and not littering	Waste collection events were canceled to prevent spread of the COVID-19 pandemic.	–		To hold waste collection events twice annually in spring (May) and autumn (October).	
		Participation in community cleanup activities	1. To increase the environmental awareness of employees 2. To promote environmental conservation in local communities	1. To participate in the Lake Iba-naiko <i>Yoshi</i> Reed-Harvesting project 2. To participate in the Oiso Cleanup Initiative 3. To participate in weeding of the Sammyo River	★★	1. Discontinued to prevent spread of the COVID-19 pandemic. 2. Discontinued to prevent spread of the COVID-19 pandemic. 3. July 5: 2 people participated.	<ol style="list-style-type: none"> To participate in the Lake Iba-naiko <i>Yoshi</i> Reed-Harvesting project To participate in the Oiso Cleanup Initiative To participate in weeding of the Sammyo River To participate as Shiga Prefecture Forest Maintenance Volunteers. 	
		Encouraging use of returnable pallets	1. To reduce the use and disposal of wood packaging materials 2. To improve loading efficiency by pallet stacking and reducing the number of containers used	To begin mass production and full-scale adoption of returnable pallets	★★	The adoption of returnable pallets (steel pallets) was delayed. We are considering a shift to corrugated cardboard packaging.	<ol style="list-style-type: none"> To switch from wooden frame packing to corrugated cardboard packing. To reconsider the adoption of returnable pallets. 	
Recycling / Remanufacturing	Used car sales	1. To improve the image of recycled products 2. To promote the reuse of resources	★★★	We narrowed down the list of items that affect the assessment value in order to improve accuracy of the AI assessment system for used vehicles.	To introduce the AI assessment system for used vehicles in order to speed up assessments in cooperation with used vehicle purchasing websites			

Category	Material Issue	Activity	Objective	Fiscal 2020 Initiatives	Achievement Rating	Fiscal 2020 Results	Fiscal 2021 Initiatives	Corresponding SDGs
S Customers	Pursuit of customer satisfaction	Development of labor-saving and unmanned products	<ol style="list-style-type: none"> To reduce the environmental impact of AGVs/AGFs To improve the safety of AGVs/AGFs To increase the throughput of AGVs/AGFs To promote the introduction of AGFs to manned forklift sites To promote autonomous control systems for AGVs/AGFs 	To develop a laser guidance method for AGFs	★★★		To develop a laser guidance method for AGFs	
		Safety awareness initiatives	<ol style="list-style-type: none"> To increase our customers' safety awareness To raise awareness of and prevent occupational accidents 	<ol style="list-style-type: none"> To present safety seminars (3,780 seminars with 38,000 participants) Note: With arrangements in consideration of COVID-19 pandemic protocols To distribute safety awareness DVDs: 5,000 copies To distribute safety awareness posters: 25,000 copies To distribute KYT hazard prediction training calendars: 10,000 copies 	★★	<ol style="list-style-type: none"> Safety seminars presented: 4,278 seminars with 31,565 participants Note: The number of participants in attendance was restricted as a COVID-19 mitigation measure. Distribution of safety awareness DVDs: 3,131 copies Distribution of safety awareness posters: 25,000 copies Distribution of KYT hazard prediction training calendars 9,409 copies 	<ol style="list-style-type: none"> To hold safety seminars: 4,500 seminars with 45,000 participants To distribute safety awareness DVDs: 3,500 copies To distribute safety awareness posters: 26,000 copies To distribute KYT hazard prediction training calendars: 10,000 copies 	
		Operator qualification training for forklifts, shovel loaders, etc.	Ensuring the safety of operators of forklifts and shovel loaders	<ol style="list-style-type: none"> Number of scheduled sessions Shiga Plant: 40 sessions / On-site training center: 20 sessions Estimated number of participants at the Shiga Plant: 330 	★★	<ol style="list-style-type: none"> Number of sessions held Shiga Plant: 38 sessions / On-site training center: 6 sessions Number of participants: Shiga Plant: 331 / On-site training center: 91 	<ol style="list-style-type: none"> Number of scheduled sessions Shiga Plant: 37 sessions / On-site training center: 14 sessions Estimated number of participants Shiga Plant: 370 / On-site training center: Not specified 	
		Offering product options (safety equipment) and special features	<ol style="list-style-type: none"> To provide forklifts and other logistics equipment with product capabilities focused on safety and security To offer a variety of options for safety equipment To strengthen support for special features to meet special-order requests from customers 	<ol style="list-style-type: none"> To prepare the following for installation in new vehicles under development <ol style="list-style-type: none"> Good running system Tilt horizontal support Simple load cell Rear blue warning light LVS (Forklift Operation Management System) Orange seat belts To offer support for special features <ol style="list-style-type: none"> Worker detection system (Rear obstacle sensor sounds a buzzer when a rearward obstacle is detected.) (Model: Alesis) Cargo handling travel interlock (Requires that operator be seated and that seat belt be fastened before vehicle can travel while laden.) (Models: GRENDA, FX, and others) Cargo handling operation interlock during travel (Requires that operator depress brake pedal before vehicle can travel while laden.) (Model: Platter) 	★★★		<ol style="list-style-type: none"> To prepare for installation in new vehicles under development To include optional equipment in published catalogs and sales manuals and to launch a marketing campaign to highlight the safety equipment to the market Support for special specifications <ol style="list-style-type: none"> Good Finder (FD120 to 310) Lift-interlocked buzzer (Platter, GRENDA) Lift-interlocked rotating light (Platter, GRENDA) Lift-interlocked driving speed limit (Platter, GRENDA) Speed alarm: Turns on the rotating light and sounds buzzer at or above a set speed (INOMA/FX) 	
		Customer questionnaire	To visualize the degree of customer satisfaction and dissatisfaction through testimonials for rapid response and case sharing	To conduct the questionnaire three times a year	★★	Questionnaire conducted in February and in July 2020.	To conduct the questionnaire in July 2021	
		Publication of the promotional magazine monogram	To provide examples of optimal logistics solutions provided by the Company as well as information on logistics topics and the like	To publish a web version as well in response to the COVID-19 pandemic <ul style="list-style-type: none"> To publish Vol. 10 in April 2020 and distribute 80,000 copies free of charge To publish Vol. 11 in October 2020 and distribute 45,000 copies free of charge as well as publish a web edition 	★★★	Achieved	To also publish a web version in response to the COVID-19 pandemic <ul style="list-style-type: none"> Vol. 12 in April 2021 Vol. 13 in October 2021 	
		Staging of the Logistics Solutions Fair	<ol style="list-style-type: none"> To provide customers with solutions, tips, and knowledge to improve logistics To revitalize communication with customers with whom we cannot follow-up at any of the international logistics exhibitions and similar events 	To consider events that reflect the circumstances of the COVID-19 pandemic	★★★	Held the Logisnext EXPO as an online event.	To hold the Logisnext EXPO as an online event <ul style="list-style-type: none"> March 2021 August 2021 	



Category	Material Issue	Activity	Objective	Fiscal 2020 Initiatives	Achievement Rating	Fiscal 2020 Results	Fiscal 2021 Initiatives	Corresponding SDGs
S	Customers	Pursuit of customer satisfaction						
		FMS analysis proposal	<ol style="list-style-type: none"> To listen to customer needs To collect and analyze vehicle data through on-site surveys To visualize operation status To recommend and implement site optimization, such as models, number of units owned, operation, etc. 	To survey 30 users/year Note: Limited in consideration of the impact of the COVID-19 pandemic.	★★★	To survey 33 users/year		
	Ensuring product quality and safety	Sale of LE products	<ol style="list-style-type: none"> To improve logistics quality To improve storage efficiency To improve work efficiency (to reduce long working hours) To improve safety of cargo handling work To popularize eco-friendly logistics systems by improving vehicle fuel efficiency and adopting paperless practices 	<ol style="list-style-type: none"> To promote sales through the proposal method To incorporate demonstration methods To adopt initiatives to commercialize products offering enhanced efficiency by utilizing the latest technologies such as AI and IoT 	★★	Although the target for orders was not met, we exceeded the results for fiscal 2019. 1. Logistics system solutions were put forth amid the COVID-19 pandemic. 2. Logistics systems were introduced to new users.	<ol style="list-style-type: none"> To increase sales through comprehensive proposals To raise awareness by utilizing digital content 	 
		Strengthening weak points through reciprocal implementation of plant process audits	To identify the quality level at each plant and implement improvements	To devise a plan to conduct a process audit at each plant and then conduct reciprocal audits	★★★	Expanded the scope of audits at the manufacturing departments of the Shiga and Kyoto plants.	To increase quality through expansion of audit areas and repetition	
		Implementing Quality Month initiatives (Company-wide Quality Improvement Report Meeting, Defective Parts Exhibition, etc.)	<ol style="list-style-type: none"> To raise awareness of quality To recognize the company's quality status To introduce our quality control initiatives To promote quality improvements by reflecting on our own work 	To prevent the spread of the COVID-19 pandemic, the Defective Parts Exhibition was published on the web in parallel with the physical exhibition.	★★★	A permanent exhibition was published on the company website in response to requests in the questionnaires to be able to view web exhibitions at times other than Quality Month.	Based on the results of the questionnaire during Quality Month, we will consider initiatives to improve our quality status as well as our quality control activities.	
		Utilizing the Quality Dojo for recurrence prevention activities	<ol style="list-style-type: none"> To establish a quality culture To visualize quality data by posting it To implement quality training 	To use it as a platform for quality education (held on Metrology Day during Quality Month) <ol style="list-style-type: none"> To provide training in measuring instrument skills (50 people in manufacturing departments) To present the Defective Parts Exhibition 	★★★	Contributed to raising awareness and improving initiatives in the manufacturing departments of the Shiga Plant.	<ol style="list-style-type: none"> To establish a Quality Assurance Center and relocate the Quality Dojo To hold quality morning meetings (beginning in September) To post various key performance indicators To provide measuring instrument skills training and a measurement skills competition (November) To stage the Defective Parts Exhibition (November) 	
Suppliers	Supply chain management	Providing improvement guidance through supplier evaluations and identification of highly rated suppliers	<ol style="list-style-type: none"> To undertake supplier evaluations regarding delivery date, quality, and price To submit improvement requests and provide support for suppliers with low evaluations in terms of quality and delivery times To undertake factory audits of suppliers To build a strong supply chain by consolidating orders among suppliers that have passed factory audits and achieved high evaluations 	<ol style="list-style-type: none"> To undertake supplier evaluations To follow-up regularly on the implementation status of improvements To consolidate orders among suppliers that have achieved high evaluations 	★★★	The supplier evaluation scheme has taken hold and has been visualized on a list. Individual improvement requests are submitted to suppliers with low evaluations in terms of quality and delivery time.	<ol style="list-style-type: none"> To monitor the ratio of orders to core suppliers of existing models and further promote consolidation of orders To review the division of duties and summarize the entire ordering process, including "logistics, indirect materials, and auxiliary parts" 	 
		Promotion of local procurement	<ol style="list-style-type: none"> To minimize shipping from Japan by promoting local production for local consumption To establish a global supply chain by promoting local procurement To explain our local procurement promotion approach to domestic suppliers in Japan 	To accelerate the switch to local procurement	★★★	Monitored the progress of local procurement at all production sites outside Japan and followed up at regular meetings.	<ol style="list-style-type: none"> To follow up on local procurement at all production sites outside Japan To promote efforts to expand local procurement along with the launch of new models 	
		Holding supplier briefings	<ol style="list-style-type: none"> To hold supplier briefings for core suppliers To share information through business overview presentations by executives To strengthen the supply chain by requesting cooperation with our initiatives 	To hold briefing sessions about our response to the COVID-19 pandemic	★★★	Disseminated information through remote meetings and video distribution.	<ol style="list-style-type: none"> To distribute explanatory videos from executives in addition to materials from briefing sessions To strengthen trust by communicating with suppliers through remote meetings 	

Category	Material Issue	Activity	Objective	Fiscal 2020 Initiatives	Achievement Rating	Fiscal 2020 Results	Fiscal 2021 Initiatives	Corresponding SDGs
Employees	Ensuring diversity of human resources	Participation by females	To hire employees, retain them, and increase employee motivation by creating a workplace environment in which female employees can continue to work while developing their skills	To maintaining a minimum ratio of 20% female employees in personnel recruitment efforts	★★★	Ratio of females relative to all employees: 21.9% (7/32)	To maintaining a minimum ratio of 20% female employees in personnel recruitment efforts	    
		Diversity training	1. To secure personnel in an aging society with a declining birth rate by promoting the active participation of a diverse range of personnel 2. To strengthen our ability to respond to diversifying market needs and varied risks	To hold irregular training for managers and female employees on women's participation and advancement in the workforce	★★	Although not provided for managers and female employees, related videos and other materials were distributed as part of a harassment prevention training effort in March 2021.	To provide training in female empowerment initiatives for managers and female employees	
		Promoting employment of people with disabilities	To create an environment in which anyone can live an independent life by finding employment suitable to their abilities and aptitudes, regardless of whether or not they have a disability	To achieve the statutory employment rate of at least 2.3% for people with disabilities as of the end of fiscal 2020	★★★	The ratio of people with disabilities to all employees at the end of fiscal 2020: 2.38%	To achieve the statutory minimum employment rate of 2.3% for people with disabilities as of the end of fiscal 2021	
	Human Resource Development	Overseas trainee system	To foster personnel who can communicate both inside and outside Japan in a world of rapid progressing globalization	Cancelled because of the COVID-19 pandemic.	-		To examine the training system in light of the COVID-19 pandemic	
		In-house training (rank-specific training)	1. To train personnel to achieve the company's vision by filling the role expected by the company 2. To raise the status of the entire company and improve motivation	To expand and enhance rank-specific training	★★★	Established the following rank-specific training 1. Skilled leader training: November 2020 to March 2021 2. Class 5 training of promoted employees: March 2021	To expand and enhance rank-specific training	
		Service workshop	1. To improve maintenance technology for service technicians 2. To improve the user-response skills of service technicians 3. To improve product knowledge 4. To share information on defects	1. To train new service technicians 2. To implement a forklift mechanic certification system 3. To implement user-response training 4. To convene a service support exchange meeting 5. To convene a large forklift reach stacker technical liaison committee	★★	1. New service technician training: 3 sessions with 30 participants 2. Forklift mechanic certification system Note: Cancelled because of the COVID-19 pandemic. 3. User-response training Note: Cancelled because of the COVID-19 pandemic. 4. Service support exchange meeting: 2 meetings with 171 participants 5. Large forklift reach stacker technical liaison committee: 2 sessions with 174 participants	1. To train new service technicians 2. To implement a forklift mechanic certification system 3. To implement user-response training 4. To convene a service support exchange meeting 5. To convene a large forklift reach stacker technical liaison committee	
		Conducting stress checks	1. To raise awareness of stress and ways of dealing with it 2. To foster a safe and comfortable working environment 3. To improve the workplace environment by conducting group analysis	1. To conduct online stress checks to reduce the load on employees 2. To achieve a 1-point decrease in the rate of high stressors (13.5%) 3. To improve the acceptance rate (98%)	★★★	1. Implemented 2. Rate of high stressors: 13.5% 3. Acceptance rate: 98.5%	1. To conduct online stress checks 2. To decrease the rate of high stressors to less than the fiscal 2020 rate 3. To increase the examination rate	
	Occupational health and safety	Conducting health and safety patrols	To improve safety, hygiene, and the "5 S" principle	1. To have the health and safety committee members conduct patrols 9 times a year according to a monthly theme 2. To have labor and management executives conduct "5 S" patrols twice a year	★★★		1. To have the health and safety committee members conduct patrols 9 times a year according to a monthly theme 2. To have labor and management executives conduct "5 S" patrols twice a year	
		Providing mental health training	1. To encourage employees to become aware of their own state and learn appropriate response measures 2. To encourage managers to acquire knowledge and coping methods related to mental disorders 3. To improve the workplace based on results of group analysis	The live workshop was canceled due to the COVID-19 pandemic. Alternatively, we will explain the results of group analysis for managers on a workplace-by-workplace basis and hold interviews on workplace care 21 times a year.	★★	An explanation of the results of group analysis was not provided.	To provide the following training online: 1. Self-care training 2. Line care training 3. Workplace care manager training 4. Executive briefing session 5. Workplace revitalization interviews	
		Providing counseling rooms	To improve mental health care capabilities	To be implemented on an ongoing basis	★★★	Mental health consultations and interviews with external professional counselors have been conducted at the Azuchi, Kyoto and Shiga plants since 2015.	To be implemented on an ongoing basis	

Category	Material Issue	Activity	Objective	Fiscal 2020 Initiatives	Achievement Rating	Fiscal 2020 Results	Fiscal 2021 Initiatives	Corresponding SDGs
Employees	Job satisfaction and labor productivity	Increasing the take-up rate of paid leave	To establish a comfortable workplace and promote a healthy work-life balance	To ensure a minimum take-up rate of five days a year	★★★	All eligible employees took advantage of their five days per year	To achieve a paid leave take-up rate of 70%	    
		Implementing a childcare leave system / Reducing working hours for those providing childcare	1. To promote continuous work for employees providing childcare 2. To promote employee welfare	To be implemented on an ongoing basis	★★★	1. Employees taking childcare leave: 24 (including 3 male employees) 2. Employees who applied for reduced working hours for childcare purposes: 28	To achieve a childcare leave take-up rate of 9.4% among male employees (Double the rate of fiscal 2018–2020)	
		Implementing a nursing care leave system / Reducing working hours for those providing nursing care	1. To promote continuous work for employees providing nursing care 2. To promote employee welfare	To be implemented on an ongoing basis	–	No record of achievement	To be implemented on an ongoing basis	
		Formulating and implementing an action plan for work-style reforms	To improve employee job satisfaction and purposeful living and maximize work output while improving customer satisfaction	To be implemented on an ongoing basis	★★★	Conducted employee awareness surveys from October to November 2020	To implement on an ongoing basis in each department based on the results of the fiscal 2020 employee awareness survey (Interim report to be submitted at the end of September, final report at the end of December.)	
S Community	Community and social contribution	Sponsorship of the Mitsubishi Heavy Industries Sagamihara DynaBoars	1. To promote sports 2. To contribute to society by supporting the sound development of young people		–		To provide sponsorship as Platinum Partner	
		Sponsorship of the Kyoto Sanga F.C.	1. To pursue regional revitalization through sports 2. To contribute to society by supporting the sound development of young people	1. To post advertisements in the home stadium in Kameoka, Kyoto prefecture 2. To sponsor matches 3. To host parent and child soccer classes	★★★	Due to the impact of the COVID-19 pandemic, items 2 and 3 were canceled. Instead, field LED ads were posted behind the goals.	To continue our sponsorship by advertising at the home stadium in Kameoka, Kyoto prefecture	
		Sponsorship of the Kyoto Philharmonic Chamber Orchestra	1. To pursue regional revitalization through music 2. To promote cultural and artistic initiatives	To support the orchestra as a corporate sponsor	★★★	Implemented.	To continue our participation as a corporate sponsor	
		Supporting the hospitality guesthouse of “A Dream a Day in Tokyo”	1. To donate to the project to support children with intractable diseases 2. To invite children with intractable diseases and their families to travel 3. To provide support for travel through volunteer activities	1. To support the cause through donations 2. To participate in volunteer efforts to facilitate travel	★★★	We submitted donations, but travel was cancelled due to the COVID-19 pandemic.	To continue supporting the cause through donations	 
		Sponsorship of the Super GT (Nissan Automobile Technical College)	To provide training for maintenance engineers by supporting student development projects at the Nissan Automobile Technical College	1. To participate as a race sponsor 2. To provide employment guidance	★★	We only distributed information to prevent the spread of the COVID-19 pandemic.	1. To participate as a race sponsor 2. To participate in employment guidance	
		Offering workplace experience to junior high school students	1. To support local school education 2. To promote career training	To host junior high school students for workplace experiential learning	–	This initiative was discontinued to prevent the spread of the COVID-19 pandemic.	The initiative was discontinued to prevent the spread of the COVID-19 pandemic.	

Category	Material Issue	Activity	Objective	Fiscal 2020 Initiatives	Achievement Rating	Fiscal 2020 Results	Fiscal 2021 Initiatives	Corresponding SDGs
G	Corporate governance, compliance, and risk management	Governance reform	<ol style="list-style-type: none"> To improve the effectiveness of the Board of Directors To reform the Board of Directors To promote diversity To enhance discussions on business strategies To provide information to external officers To strengthen supervisory functions 	<ol style="list-style-type: none"> To enhance discussions on business strategy, corporate governance, internal controls, and risk management systems To strengthen information provision to external officers To enhance executive training To secure advance preparation time for the Board of Directors and improve the quality of materials 	★★★	Implemented	<ol style="list-style-type: none"> To enhance discussions on medium- and long-term strategies, including sustainability To develop measures to protect minority shareholders To improve the quality of the management methods employed by the Board of Directors To enhance information provision to external officers and regular exchanges between external directors and members of the Management Council To involve the Nominating and Compensation Advisory Committee in succession plans 	
		Introduction of an electronic contract system	<ol style="list-style-type: none"> To digitize procedures for concluding various contracts that have been undertaken conventionally with paper media To reduce various expenses previously incurred to conclude contracts and to increase operational efficiency To strengthen compliance and security To support various new work styles, such as teleworking, and to improve employee motivation 	<ol style="list-style-type: none"> To examine the introduction of the Electronic Contract System (cloud signature) and identify associated issues To introduce the system To prepare manuals related to the use of the system 	★★★	Increased the level of convenience for internal users by linking the existing legal consultation system with the Electronic Contract System described at left.	<ol style="list-style-type: none"> To promote the use of the Electronic Contract System To hold in-house briefing sessions To respond to inquiries from internal users To provide explanations to suppliers 	
		Convening of the Risk Management and Compliance Committee	<ol style="list-style-type: none"> To ensure the permanent development of our business operations by establishing a risk management system and continuously implementing risk management activities To minimize risk by identifying serious risks To minimize risk, recover quickly, and prevent any recurrence To avoid harming the interests of customers, society, shareholders, officers, and employees To improve the risk awareness and risk management capabilities of officers and employees to respond to societal needs 	<ol style="list-style-type: none"> To identify, analyze, and evaluate risks every six months and identify serious risks To develop an action plan for serious risks that have been accorded a particularly high priority To appoint risk management managers at each Group company To report to the quarterly meeting of the Risk Management and Compliance Committee, evaluate the status of serious risks and the effectiveness of countermeasures, and report the results to the Board of Directors. To convene a compliance liaison meeting comprising all general managers on a quarterly basis 	★★★	Implemented	<p>To add the following to the fiscal 2020 initiatives</p> <ol style="list-style-type: none"> To formulate a manual for initial disaster response To review risk assessment standards to strengthen Group risk management To share risk assessments of Group companies To conduct risk surveys at major sites To launch an initiative to formulate a business continuity plan 	
		Establishment of an Internal Reporting Helpline	To ensure prompt discovery of compliance violations	<ol style="list-style-type: none"> To accept reports and consultations regarding acts that violate laws, regulations, and corporate ethics To accept reports from external stakeholders 	★★★	Implemented	<ol style="list-style-type: none"> To accept reports and consultations regarding acts that violate laws, regulations, and corporate ethics To accept reports from external stakeholders 	
		Inquiry and reporting procedures regarding contact with competitors and government procurement agencies	To comply with the Anti-Monopoly Law and competition laws	To have the company and Group companies compile a monthly report on the content of and number of contacts with competitors and government procurement agencies and submit it to the department in charge	★★★	Implemented	To have the company and Group companies compile a monthly report on the content of and number of contacts with competitors and government procurement agencies and submit it to the department in charge	
		Compliance check related to order optimization	To ensure appropriate order acceptance	To have the company and Group companies compile a monthly report on the content of and number of compliance checks conducted and submit it to the department in charge	★★★	Implemented	To have the company and Group companies compile a monthly report on the content of and number of compliance checks conducted and submit it to the department in charge	
		Anti-fraud procedures	To prevent bribery and fraudulent conduct	To undertake examinations and various other procedures each time a targeted gift is proffered and submit it to the head of the department in charge for approval	★★★	Implemented	To undertake examinations and various other procedures each time a targeted gift is proffered and submit it to the head of the department in charge for approval	
		Compliance training	To increase awareness of compliance	<ol style="list-style-type: none"> New employee training: Offered annually for 40 participants. Promotion training for managers: Offered annually for 20 participants. Discussion training: Offered annually for 6,051 officers and employees of our Group companies in Japan. e-learning training: Offered annually for 6,017 officers and employees of all Group companies in Japan. 	★★★	Implemented	<ol style="list-style-type: none"> New employee training: Offered once a year for 32 employees of the company and 25 employees of Group companies in Japan. Training for promoted managers: Offered once a year for 23 employees of the company. e-learning training: Offered twice a year for 6,117 officers and employees of all Group companies in Japan. 	



Company Name

Mitsubishi Logisnext Co., Ltd.

Head Office

1-1, 2-Chome, Higashikotari, Nagaokakyo-shi, Kyoto 617-8585 JAPAN

Establishment

August 1937

Representative

Takashi Kubo, President

Capital

4,913 million yen (as of March 31, 2021)
(Listed on the First Section of the Tokyo Stock Exchange)

Net Sales

391,496 million yen (as of March 31, 2021)

Employees

11,000 (as of March 31, 2021)

Scope of business

Development, design, manufacture and sale of logistics system products such as electric forklifts, engine-powered forklifts, container carriers, transfer cranes, transport robots, automated warehouses, and warehouse management systems (WMS).

Locations

Head Office and Kyoto Plant, Shiga Plant, Azuchi Plant, East Japan Head Office, On-site Training Center, Hanyu Plant
Sales & service: Service depots at more than 400 locations across Japan
International locations: U.S.A., Netherlands, Finland, Sweden, Spain, China, Thailand, and Singapore

Directors and Audit and Supervisory Board Members

Representative Director and Chairman	Takashi Mikogami	Executive Vice President, President and CEO, Logistics, Thermal & Drive Systems, Mitsubishi Heavy Industries, Ltd.
President	Takashi Kubo	
Director	Hirokazu Watanabe	
Director	Shinji Fujita	
Director	Masayuki Suematsu	Senior Vice President, Head of Business Strategy Office, Mitsubishi Heavy Industries, Ltd.
External Director	Ken Okochi	
External Director	Osamu Ando	President, Shimadzu Access Corporation
External Director	Kyoko Kobayashi	Lawyer, Partner at Irokawa Legal Professional Corporation, External Auditor, Kawakami Paint Manufacturing Co., Ltd., External Director, Nippon Pillar Packing Co., Ltd.
Audit and Supervisory Board Member	Koji Baba	
Audit and Supervisory Board Member	Shinji Ichihara	
External Audit and Supervisory Board Member	Masahide Kuragaki	
External Audit and Supervisory Board Member	Yasuyuki Fukuoka	
External Audit and Supervisory Board Member	Shigeru Yoshimura	

Networks (as of December 1, 2021)

● Production bases ● Major sales bases

