

January 5, 2023

ENEOS Corporation  
Mitsubishi Corporation

## ENEOS and MC launch a Joint Venture for Last One Mile Delivery Business based at Gas Stations

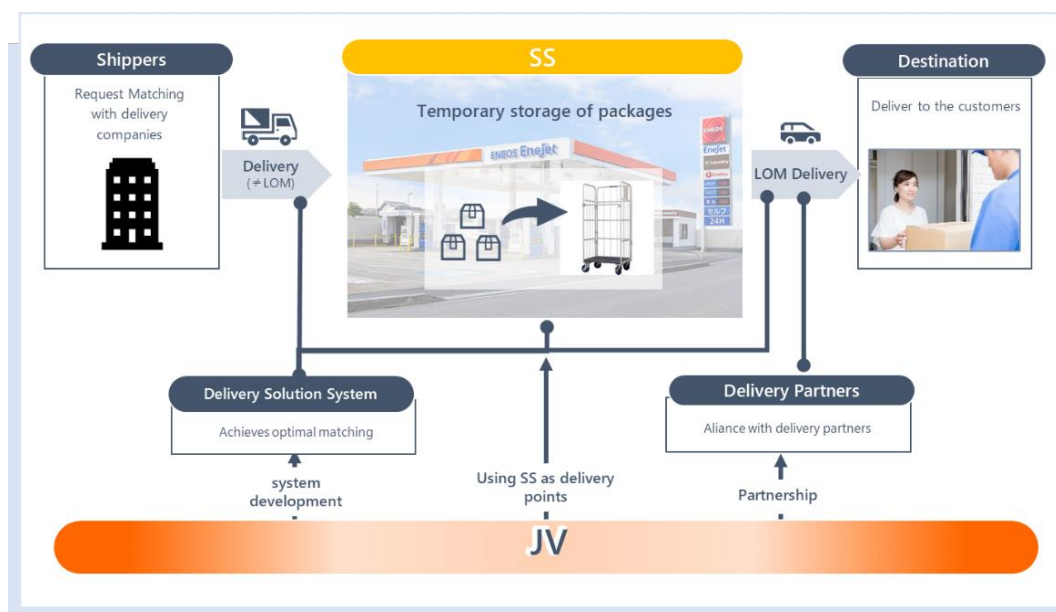
ENEOS Corporation (President: Takeshi Saito, hereinafter "ENEOS") and Mitsubishi Corporation (President: Katsuya Nakanishi, hereinafter "MC") are pleased to announce our agreement to establish a joint-venture company (Hereafter, "JV") aimed at optimizing delivery operations by leveraging gas stations (service stations, hereinafter "SS").

The business shall take advantage of ENEOS's SS network, which spans more than 12,000 locations across Japan, to improve overland shipping throughout the country. With each SS functioning as both a last-mile distribution point and temporary storage facility, this new business promises to shorten the final legs of transport, which is from the final delivery point to the final destination.

The analysis results <sup>\*1</sup> has already shown that using SS as distribution points can reduce the overall mileage of overland deliveries compared to direct delivery from large warehouses, which should also reduce the burden on drivers and delivery costs.

Furthermore, the fact that SS tend to be already optimized to accommodate smooth inbound and outbound traffic makes them ideal logistics hubs. Using ENEOS's existing SS network should also help to minimize any additional costs associated with setting up the delivery points.

<Image of the new Network Business>



In the delivery industry, the growth of online shopping has increased home deliveries, which has led to greater demand for more efficient last-mile services. Meeting that demand will require more final distribution point and flexible logistics frameworks.

ENEOS and MC have been conducting trials that use some of ENEOS's SS as distribution points. We have now agreed to establish a JV with the aim of clarifying the business entities and accelerating the verification of commercialization, and we will conduct demonstration as a JV with shippers (including EC companies, delivery companies) and delivery partners at SS, with the aim of launching the business.

A large-scale demonstration project is now in the works to assess the business's feasibility and scheduled to begin in fiscal year 2023, it shall concentrate on 100 SS located in Tokyo and its surrounding three prefectures, where high demand for home delivery is expected. The plan is to grow the business to cover between 500 and 1,000 SS by fiscal year 2025 and commence work in fiscal year 2026 to expand operations nationwide.

Our joint venture also plans to develop a delivery solutions app, which shall leverage data and expertise gleaned through the trials in connection with delivery-management systems used by shippers to promote smooth last-mile operations. We are confident that successful rollout of this app should help to further ease the burden and raise efficiency throughout the industry.

One of the ENEOS Group's envisioned goals stated in its Long-Term Vision to 2040 is to create value by transforming our current business structure. ENEOS is working to create lifestyle support services and grow nationwide SS network into a platform that provides total services for all needs, according to the customer's stage of life.

MC has made digital transformations (DX) a key objective in Midterm Corporate Strategy 2024. During that time, MC aims to enhance its cross-industry DX functions and parlay real-world DX projects into greater business value. By effectively combining analog and digital operations, MC hopes to develop a wide range of societal solutions, thereby growing industry at large and paving the way to more richly and regionally flavored future communities.

Through this delivery optimization business model using ENEOS's SS network, we are taking an important step towards raising the efficiency of last-mile deliveries, which will also contribute to promote a low-carbon society.

\*1 Analysis by HERE Technologies

< Overview of JV establishment >

Company name	Life Hub Network Co., Ltd. (tentative)
Address	Chiyoda Ward, Tokyo
Date of establishment	Planned to establish in the first half of fiscal 2023
Investment ratio	ENEOS 50%, MC 50%
Business Overview and Business Structure	Last one mile delivery efficiency business based on SS
Timing of service launch	Planned to start in the first half of fiscal 2023