

MITSUI-SOKO

Financial Report for the Fiscal Year ended March 31, 2011

MITSUI-SOKO CO., LTD.

May 9, 2011



Contents of Presentation

■ Summary of the Financial Report for FY2011 (Year ended March 31, 2011)	1	...	9
■ Detailed Forecast for FY2012 (Year ending March 31, 2012)	10	...	14
■ New Growth Strategy @2010	15	...	16



Summary of the Financial Report for FY2011

(1) Performance Overview

1

Unit : Billions of yen

Consolidated Total	FY2010 (Apr.2009- Mar.2010)	FY2011 (Apr.2010- Mar.2011)	Amount of Change	Percentage of Change
Net revenue	88.73	96.76	+8.03	+9.1%
Operating income	6.54	6.54	+0.00	+0.1%
Ordinary income	4.73	4.77	+0.03	+0.8%
Net income	1.86	2.53	+0.67	+36.3%
Cash flows from operating activities	10.22	8.10	(2.12)	(20.7)%
Cash flows from investing activities	(8.54)	(17.91)	(9.37)	+109.7%
Cash flows from financing activities	0.23	11.15	+10.92	—
Shareholders' equity	48.98	49.25	+0.27	+0.6%
Total assets	169.64	184.03	+14.39	+8.5%
Shareholders' equity ratio	28.9%	26.8%	(2.11)	(7.3)%



Summary of the Financial Report for FY2011

(2) Net Revenue and Operating Income

2

Unit : Billions of yen

Consolidated Total	FY2010 (Apr.2009- Mar.2010)	FY2011 (Apr.2010- Mar.2011)	Amount of Change	Percentage of Change
Domestic logistics operations	48.16	50.22	+ 2.06	+ 4.3%
Domestic port terminal operations	10.94	13.22	+ 2.28	+ 20.8%
Overseas logistics operations	12.57	13.44	+ 0.87	+ 6.9%
Other logistics operations	7.68	10.54	+ 2.85	+ 37.2%
Logistics elimination	(2.50)	(2.81)	(0.30)	(12.3)%
Sub total	76.87	84.63	+ 7.76	+ 10.1%
Real estate	12.23	12.53	+ 0.30	+ 2.5%
Elimination and/or corporate	(0.37)	(0.41)	(0.03)	(8.8)%
Net Revenue	88.73	96.76	+ 8.03	+ 9.1%
Domestic logistics operations	3.87	3.74	(0.12)	(3.2)%
Domestic port terminal operations	0.53	1.12	+ 0.59	+ 111.7%
Overseas logistics operations	(0.31)	0.11	+ 0.43	+ 137.3%
Other logistics operations	(0.10)	(0.66)	(0.56)	(539.8)%
Joint logistics expenses	(1.93)	(1.74)	+ 0.19	+ 10.1%
Sub total	2.04	2.58	+ 0.53	+ 26.1%
Real estate	7.60	7.52	(0.08)	(1.1)%
Joint company expenses	(3.11)	(3.55)	(0.44)	(14.4)%
Operating Income	6.54	6.54	+ 0.00	+ 0.1%

Comparison by segment described above are taken from internal materials used for profitability analysis, and are different from "Segment Information" included in the financial report. Please note that they are presented for reference only and not audited by certified public accountants.



Summary of the Financial Report for FY2011

(3) Segment Information

Domestic logistics operations

Unit : Billions of yen

	FY2011	FY11/FY10
Gross Profit	20.01	(0.29)
Storage service	9.14	(0.63)
Loading/Unloading	5.10	+0.48
Warehouse handling services	1.92	+0.07

	FY2011	FY11/FY10
Cost	16.27	(0.16)
Personnel expenses	9.91	(0.24)

	FY2011	FY11/FY10
Operating income	3.74	(0.12)

Domestic port terminal operations

	FY2011	FY11/FY10
Gross Profit	3.57	+0.80
Work at container terminal	3.46	+0.76

	FY2011	FY11/FY10
Cost	2.44	+0.20

	FY2011	FY11/FY10
Operating income	1.12	+0.59

Overseas logistics operations

	FY2011	FY11/FY10
Gross Profit	4.58	+0.32
Inland transport	1.08	+0.20
Warehouse handling services	1.44	(0.01)

	FY2011	FY11/FY10
Cost	4.47	(0.10)

	FY2011	FY11/FY10
Operating income	0.11	+0.43

Other logistics operations

	FY2011	FY11/FY10
Gross Profit	0.90	(0.05)

	FY2011	FY11/FY10
Cost	1.56	+0.50
Depreciation expenses	0.26	+0.18
Personnel expenses	0.65	+0.21

	FY2011	FY11/FY10
Operating income	(0.66)	(0.56)

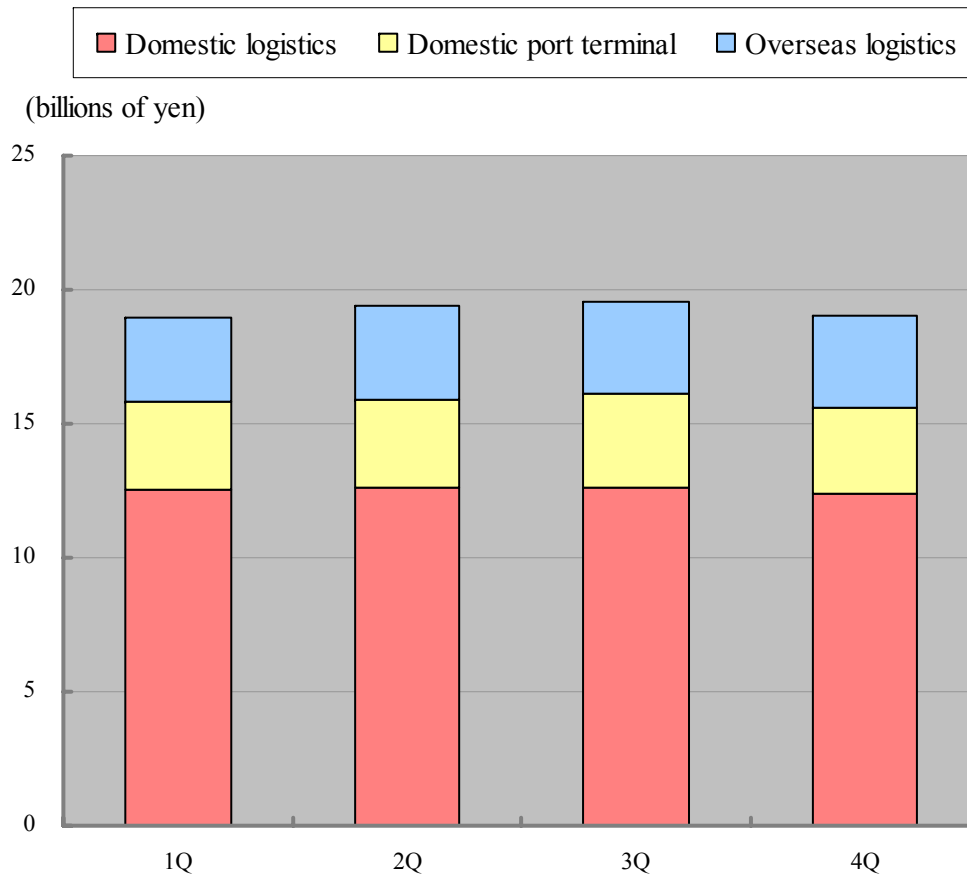
FY2011: year ended March 31, 2011

FY11/FY10: FY2011/FY2010 (year-on-year)

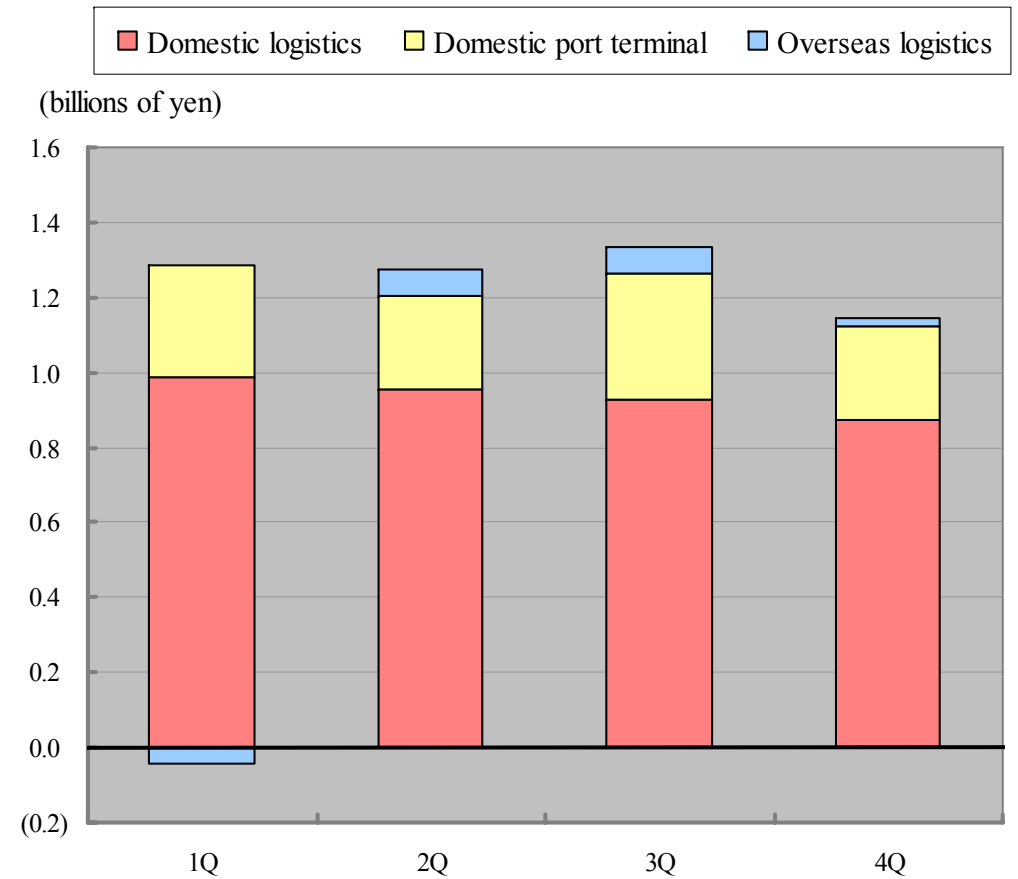


Logistics Division

Net Revenue



Operating Income





Summary of the Financial Report for FY2011

(5) Ordinary Income and Net Income / Return to Shareholders

5

■ Ordinary Income and Net Income

Unit : Billions of yen

Consolidated Total	FY2010 (Apr.2009- Mar.2010)	FY2011 (Apr.2010- Mar.2011)	Amount of Change	Percentage of Change
Non-operating income (expenses)	(1.81)	(1.77)	+0.03	+1.8%
Financial balance	(1.30)	(1.30)	(0.00)	(0.5)%
Ordinary income	4.73	4.77	+0.03	+0.8%
Extraordinary gains	0.22	1.36	+1.14	+509.9%
Gain on sales of assets	0.22	0.89	+0.66	+298.8%
Extraordinary losses	1.20	2.28	+1.07	+88.7%
Loss on disposal (demolition) of fixed assets	0.83	1.24	+0.41	+49.9%
Net income	1.86	2.53	+0.67	+36.3%

Note

Financial balance: Interest received is decreased by 20 million yen. Dividends received is increased by 50 million yen.
Interest paid is increased by 30 million yen from previous year due to increase in interest-bearing debt.

■ Return to Shareholders

➤ Dividend policy

On the basis of 30% of net income (theoretical value), annual dividend of 9 yen is maintained this year, in also consideration of maintaining stable dividend payment.



■ Developing businesses that can be sources of our future growth

- Acquired all shares of JTB Air Cargo (as of March 1, 2011)

Making it our subsidiary as Mitsui-Soko Air Cargo

- ✓ Synergy through integration with the air forwarding business
- ✓ Upgrading and reinforcement of our international cargo transportation business

FY2011 (billions of yen)

Net revenue	12.6
Operating income	0.4
Shareholders' equity	1.8
Total assets	4.5
Number of employees	137

Note: Excluding part-timers and temporary workers

- ✓ Acquisition price: 4.7 billions of yen



■ New Capital Investment

➤ Tama Records Center New Building (Completed in January 2011 / Machida, Tokyo)

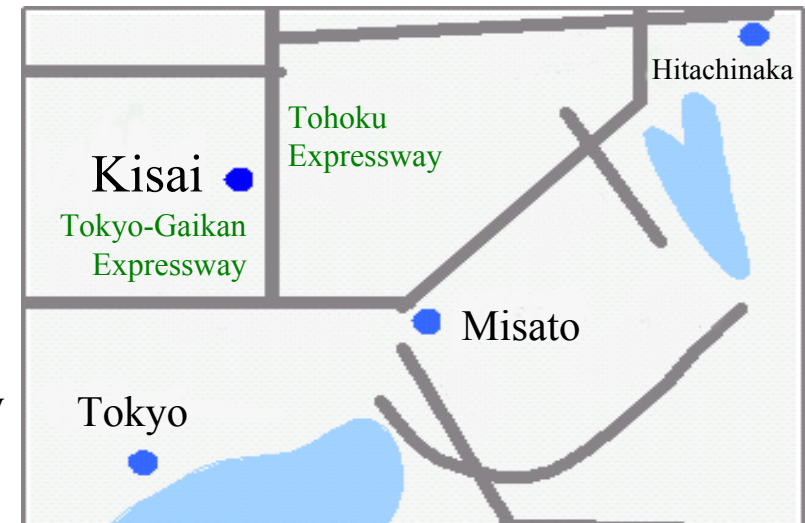


- Highly advanced information storage and processing business
- Secured delivery service
(Main building is primarily for the information and documentation storage service.)
- Reinforced concrete and quake-absorbent structure
7-story building
- Lot: 10,247sq. m.
- Total capital expenditures: about 2.5 billion yen

■ Site to be developed

➤ Kisai Kazo city, Saitama

- Lot: 30,853sq. m.
- About 5 kilometers from the Ken-O Expressway
Shiraoka Shobu Interchange
- About 6 kilometers from the Tohoku Expressway
Kuki Interchange





- Reinforcing the revenue-generating base of existing businesses by way of a shift from conventional methods
 - Consolidation of offices through restructuring
 - ✓ Integrated control of marine container transport operations
Increase in profitability through concentrated and consolidated functions of land transportation subsidiaries
 - ✓ Liquidation of Sanshin (port operations company in Nishi-ku, Osaka)
 - ✓ Liquidation of two subsidiaries in China (Fuzhou and Qingdao)
 - ✓ Liquidation of subsidiary in Poland and reorganization as a local branch of Mitsui-Soko Europe
 - BPO Sendai Center
 - ✓ Concentrated processing of back-office operations for our Group
 - Issuance of B/L
 - Issuance of invoices and incoming payment processing
 - Payment from overseas and money transfers to foreign countries



Summary of the Financial Report for FY2011

(9) Cash Flows

9

■ Overview of Consolidated Cash Flows

Unit : Billions of yen

Consolidated Total	FY2010 (Apr.2009- Mar.2010)	FY2011 (Apr.2010- Mar.2011)	Amount of Change	Percentage of Change
Cash flows from operating activities	10.22	8.10	(2.12)	(20.7)%
Depreciation expenses	6.04	6.90	+0.86	+14.4%
Cash flows from investing activities	(8.54)	(17.91)	(9.37)	(109.7)%
Capital expenditure	8.74	20.49	+11.75	+134.4%
Cash flows from financing activities	0.23	11.15	+10.92	—
Interest-bearing debt	96.20	108.50	+12.30	+12.8%
Year-end cash balance	16.11	17.36	+1.24	+7.7%
Debt repayment period	9.40	13.39	+3.99	—

■ Elements that increased or decreased cash flow

- Cash flows from operating activities
 - ✓ The increase in the payable corporate tax and the consumption tax along with the capital expenditure exceeded the increase in the depreciation.
- Cash flows from investing activities
 - ✓ The large-scale investment including the purchase of Misato Logistics Center and Mitsui-Soko Air Cargo (former JTB Air Cargo) was carried out. On the other hand, the downtown real-estate for leasing and the land of the closed logistic facilities were sold.
- Cash flows from financing activities
 - ✓ Issued 20 billion yen of unsecured bonds in April and September respectively to finance the capital expenditures in FY2011.
(April: 7 billion yen of 7-year bond +3billion yen of 5-year bond / September: 10 billion yen of 6-year bond)



Detailed Forecast for FY2012

(1) Performance Overview

10

Unit : Billions of yen

Consolidated Total	FY2011 (Apr.2010- Mar.2011)	FY2012 (Apr.2011-Mar.2012)					Amount of Change	Percentage of Change
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total		
Net revenue	96.76	27.5	27.5	28.0	28.0	111.0	+ 14.2	+ 14.7%
Operating income	6.54	1.6	1.7	2.0	2.2	7.5	+ 1.0	+ 14.5%
Ordinary income	4.77	1.3	1.3	1.7	1.8	6.1	+ 1.3	+ 27.8%
Net income	2.53	0.7	0.8	1.0	1.1	3.6	+ 1.1	+ 42.0%
Cash flows from operating activities	8.10	0.8	3.8	0.8	4.6	10.0	+ 1.9	+ 23.5%
Cash flows from investing activities	(17.91)	(0.3)	(1.2)	(0.8)	(0.9)	(3.2)	+ 14.7	+ 82.1%
Cash flows from financing activities	11.15	2.8	(3.4)	(3.8)	(7.6)	(12.0)	(23.2)	(207.6)%
Shareholders' equity	49.25	49.0	50.0	51.0	52.0	52.0	+ 2.8	+ 5.6%
Total assets	184.03	185.0	185.0	180.0	175.0	175.0	(9.0)	(4.9)%
Shareholders' equity ratio	26.8%	26.5%	27.0%	28.3%	29.7%	29.7%	+ 3.0	+ 11.0%



Detailed Forecast for FY2012

(2) Net Revenue and Operating Income Forecasts

11

Unit : Billions of yen

Consolidated Total	FY2011 (Apr.2010- Mar.2011)	FY2012 (Apr.2011-Mar.2012)					Total	Amount of Change	Percentage of Change
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				
Domestic logistics operations	44.25	11.5	11.5	11.5	11.5	46.0	+1.8	+4.0%	
Domestic port terminal operations	13.22	3.5	3.5	3.5	3.5	14.0	+0.8	+5.9%	
Overseas logistics operations	13.06	3.5	3.5	3.5	3.5	14.0	+0.9	+7.2%	
Air cargo operations	2.72	3.0	3.0	3.5	3.5	13.0	+10.3	+377.9%	
Other logistics operations	10.93	3.0	3.0	3.0	3.0	12.0	+1.1	+9.8%	
Real estate	12.53	3.0	3.0	3.0	3.0	12.0	(0.5)	(4.2)%	
Elimination and/or corporate	0.01	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)%	
Net Revenue	96.76	27.5	27.5	28.0	28.0	111.0	+14.2	+14.7%	
Domestic logistics operations	2.81	0.9	0.9	1.0	1.0	3.8	+1.0	+35.2%	
Domestic port terminal operations	0.89	0.2	0.2	0.2	0.3	0.9	+0.0	+1.1%	
Overseas logistics operations	0.11	0.0	0.0	0.1	0.1	0.2	+0.1	+81.8%	
Air cargo operations	(0.03)	0.0	0.1	0.1	0.1	0.3	+0.3	—	
Other logistics operations	(0.29)	0.0	0.0	0.1	0.2	0.3	+0.6	+203.4%	
Real estate	7.52	1.8	1.8	1.8	1.8	7.2	(0.3)	(4.3)%	
Joint company expenses	(4.47)	(1.3)	(1.3)	(1.3)	(1.3)	(5.2)	(0.7)	(16.3)%	
Operating Income	6.54	1.6	1.7	2.0	2.2	7.5	+1.0	+14.5%	

Comparison by segment described above are taken from internal materials used for profitability analysis, and are different from “Segment Information” included in the financial report. Please note that they are presented for reference only and not audited by certified public accountants.

From FY2012, the internal business segments were modified as shown below.

1. Air cargo, which was included in other logistics, is now categorized by itself.
2. Documentation storage business was transferred from the domestic logistics to other logistics (BPO).
3. The method of allocation of logistics elimination and joint logistics expenses was reviewed and consolidated into corporate elimination and joint company expenses.



■ **Logistics Division**

➤ **Domestics logistics operations**

- ✓ The sales will remain almost the same based on the assumption that the amount handled and unit price would be at the level of FY2011.
- ✓ Improvements will be promoted through enhancement of productivity and consolidation of operations currently engaged under the New Growth Strategy @2011.

➤ **Domestics port terminal operations**

- ✓ A strong demand for container terminal operations will continue from the previous year.

➤ **Overseas logistics operations**

- ✓ The business will continue to be solid thanks to the recovery of the global economy.

➤ **Air cargo operations**

- ✓ Mitsui-Soko Air Cargo acquired in March 2011 will contribute to both sales and operating profit throughout the year.

➤ **Other logistics operations**

- ✓ For the BPO business, the operating profit will be a surplus thanks to the full-capacity operation of Ibaraki Records Center and start of operations of urban-type facilities, although there is an increase in the depreciation burden for Tama Records Center New Building.
- ✓ For the logistics system business, a surplus operating profit is expected due to the start of the new global service.

■ **Real estate Division**

- Revenues and profits will be reduced because the downtown real-estate property for leasing was sold at the end of last fiscal year.



Unit : Billions of yen

■ Ordinary income and Net income

Consolidated Total	FY2011 (Apr.2010- Mar.2011)	FY2012 (Apr.2011-Mar.2012)			Amount of Change	Percentage of Change
		1st Half	2nd Half	Total		
Non-operating income (expenses)	(1.77)	(0.7)	(0.7)	(1.4)	+0.4	+20.9%
Financial balance	(1.30)	(0.6)	(0.6)	(1.2)	+0.1	+7.7%
Ordinary income	4.77	2.6	3.5	6.1	+1.3	+27.8%
Extraordinary gains	1.36	2.0	0.0	2.0	+0.6	+47.1%
Gain on sales of assets	0.89	2.0	0.0	2.0	+1.1	+124.7%
Extraordinary losses	2.28	2.0	0.0	2.0	(0.3)	(11.4)%
Loss on disposal (demolition) of fixed assets	1.24	1.5	0.0	1.5	+0.3	+22.6%
Net income	2.53	1.5	2.1	3.6	+1.1	+42.0%

■ Return to shareholders

➤ Dividend policy

4.5 yen for interim, 4.5 yen for year-end, and 9 yen for annual based on 30% of the net income (theoretical value)



■ Overview of Consolidated Cash Flows

Unit : Billions of yen

Consolidated Total	FY2011 (Apr.2010- Mar.2011)	FY2012 (Apr.2011-Mar.2012)			Amount of Change	Percentage of Change
		1st Half	2nd Half	Total		
Cash flows from operating activities	8.10	4.6	5.4	10.0	+1.9	+23.5%
Depreciation expenses	6.90	3.5	3.7	7.2	+0.3	+3.6%
Cash flows from investing activities	(17.91)	(1.5)	(1.7)	(3.2)	+14.7	+82.1%
Capital expenditure	20.49	2.4	1.6	4.0	(16.5)	(80.5)%
Cash flows from financing activities	11.15	(0.6)	(11.4)	(12.0)	(23.2)	(207.6)%
Interest-bearing debt	108.50	108.0	98.0	98.0	(10.5)	(9.7)%
Year-end cash balance	17.36	20.0	12.0	12.0	(5.4)	(30.9)%
Debt repayment period	13.39	12.0	10.0	10.0	(4.0)	—

■ Elements that increased or decreased cash flows

- Cash flows from operating activities
 - ✓ The cash-in of 10 billion yen is expected mainly result from an increased profit.
- Cash flows from investing activities
 - ✓ The cash-out of 3.2 billion yen is expected result from maintenance and repair of existing facilities and from large-scale renewal works for the large leasing building.
- Cash flows from financing activities
 - ✓ Financial structure will be sounder due to completion of major capital expenditure projects and reduction of interest-bearing debt.
 - ✓ As operating environment is uncertain due to the disaster, front-loaded financing is implemented for this fiscal year to maintain adequate liquidity in hand.



Business Policy	Specific Measures
Reinforcing the revenue-generating base of existing businesses by way of a shift from conventional methods	<ul style="list-style-type: none">• Expanding the revenue source through diversification of services for the domestic logistics operations and port terminal operations• Sustaining and strengthening a competitive edge through improved efficiency and productivity by consolidating operations into an offshore business processing center
Developing businesses that can be sources of our future growth	<ul style="list-style-type: none">• Reinforcing the global logistics system service business• Expanding the BPO business through further upgrading of the service menu
Thoroughly implementing “selection and concentration” for allocation of management resources	<ul style="list-style-type: none">• Continuous resource allocation in the logistics business which should be the stable revenue-generating base• Concentrated resource allocation in areas which have potential of growth• Withdrawing from unprofitable businesses or areas
Ensuring sound financial fundamentals responding to changing market conditions	<ul style="list-style-type: none">• Ensuring financial balance which can maintain a certain rating and ability to raise future funds• Accelerating the implementation of the growth strategy through investment in the logistics business using leverage



Operating income (billions of yen)

