

Financial Report  
for the Six Months  
Ended September 30, 2007



November 9, 2007

**MITSUI-SOKO CO.,LTD.**



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# Results for Interim Period Ended September 30, 2007

## (1) Performance Overview

MITSUI-SOKO

(Millions of yen)

	Interim 2007 (Apr.2006-Sep.2006)	Interim 2008 (Apr.2007-Sep.2007)	Amount of change	Percentage of change
Net Revenue	50,819	51,861	+1,042	+2.1%
Operating income	3,186	3,033	(153)	(4.8)%
Ordinary income	2,956	2,817	(139)	(4.7)%
Net income	1,788	1,272	(516)	(28.9)%
Operating profit margin	6.27%	5.85%	(0.42)%	—

Cash flows from operating activities	4,516	5,059	+543	+12.0%
Cash flows from investing activities	(5,262)	(2,534)	+2,728	—
Cash flows from financing activities	1,117	3,260	+2,143	—

	FY 2007 (Apr.2006-Mar.2007)	Interim 2008 (Apr.2007-Sep.2007)	Amount of change	Percentage of change
Shareholders' equity	57,914	57,596	(318)	(0.5)%
Total assets	138,278	143,594	+5,316	+3.8%
Shareholders' equity ratio	41.88%	40.11%	(1.77)%	—



# Results for Interim Period Ended September 30, 2007

## (2) Non-operating Income (Expense) and Extraordinary Gains (Losses)

MITSUI-SOKO

Non-operating Income (Expense) and Extraordinary Gains (Losses) (Millions of yen)

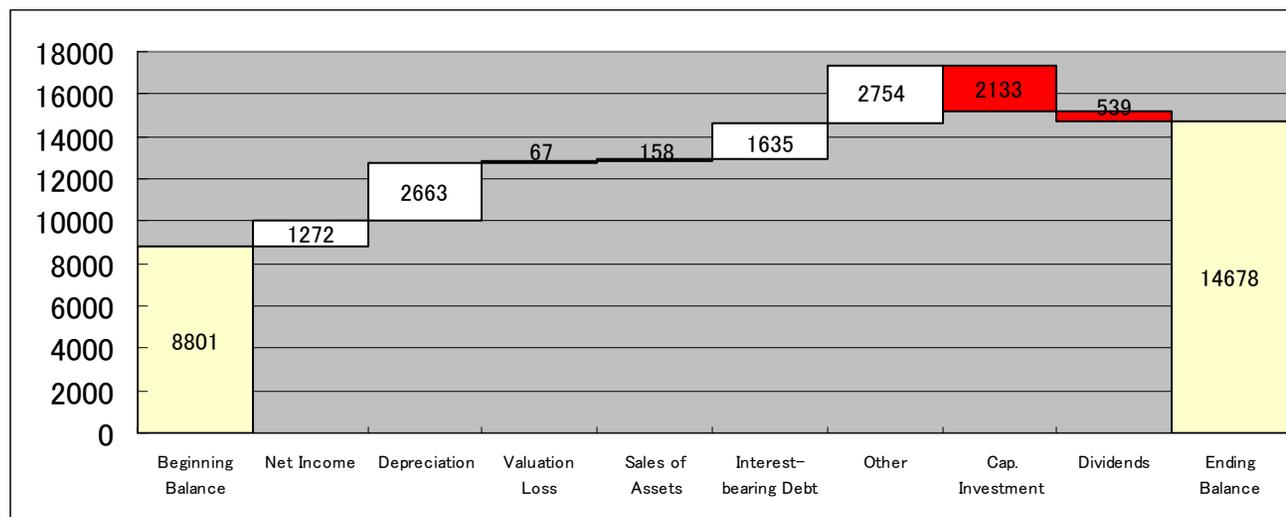
		Interim 2007 (Apr.2006-Sep.2006)	Interim 2008 (Apr.2007-Sep.2007)	Amount of change	Percentage of change
Non-operating income (expense)	Financial balance	(119)	(206)	(87)	(73.1)%
	Other non-operating income (expense)	(111)	(10)	+101	-
Ordinary income		2,956	2,817	(139)	(4.7)%
Extraordinary gains	Gain on sale of assets	79	268	+189	-
	Other extraordinary gains	-	1	+1	-
Extraordinary losses	Disposal of fixed assets	74	174	+100	-
	Other extraordinary losses	35	231	+196	-
Net income		1,788	1,272	(516)	(28.9)%

- Financial balance : Increase of interest expense due to rise in the outstanding interest-bearing debt (¥133 million)
- Other non-operating income (expense): Tentative costs such as real estate acquisition tax in accordance with the operation of the redeveloped facilities (Interim 2007)
- Gain on sale of assets: Securities and underutilized real estates were sold off as a step taken in line in asset efficiency improvement
- Disposal of fixed assets: Loss on removal of unnecessary software following the reconstruction of companywide information system and loss on removal of existing facilities in accordance with commencement of construction for new redevelopment projects
- Loss on liquidation of receivables: Loss on liquidation of long-term receivables at overseas subsidiaries



### Overview of Consolidated Cash Flows

(Millions of yen)



	Interim 2007 (Apr.2006-Sep.2006)	Interim 2008 (Apr.2007-Sep.2007)	Amount of change	Percentage of change
Cash flows from operating activities	4,516	5,059	+543	+12.0%
Cause				
Depreciation expense	2,529	2,663	+134	+5.3%
Cash flows from investing activities	(5,262)	(2,534)	+2,728	+51.8%
Cause				
Capital investment	4,812	2,133	(2,679)	(55.7)%
Cash flows from financing activities	1,117	3,260	+2,143	+191.9%
Cause				
Interest-bearing debt	34,894	54,716	+19,822	+56.8%

•**Cash flow from operating activities:** Increased ¥543 million from last year due to a drop in profit but increase in depreciation expense

•**Capital investment:** Spent ¥2,534 million for maintaining and upgrading of the existing facilities and large-scale repair construction of some leased buildings

•**Interest-bearing debt:** Balance of interest-bearing debt as of March 31, 2007 = ¥50,398 million



# Detailed Forecast for FY 2008

## (1) Overview of Performance Forecasts

MITSUI-SOKO

	FY2007 (Apr.2006-Mar.2007)	FY 2008 (Apr.2007-Mar.2008) Forecast	Amount of change	Percentage of change	(Millions of yen)
Net revenue	102,035	104,000	+1,965	+1.9%	
Operating income	6,503	6,700	+197	+3.0%	
Ordinary income	5,961	5,800	(161)	(2.7)%	
Net income	3,288	3,100	(188)	(5.7)%	
Operating profit margin	6.37%	6.44%	+0.07%	-	
Cash flows from operating activities	7,640	8,000	+360	+4.7%	
Cash flows from investment activities	(18,503)	(9,000)	+9,503	-	
Cash flows from financing activities	13,148	1,000	(12,148)	-	
Shareholders' equity	57,914	59,800	+1,886	+3.3%	
Total assets	138,278	142,000	+3,722	+2.7%	
Shareholders' equity ratio	41.9%	42.1%	+0.2%	-	

[Note regarding forward-looking statements]

This report includes forward-looking statements about Mitsui-Soko's future targets, plans/strategies and forecasts/prospects that are not historical facts. They reflect assumptions and beliefs adopted in light of information currently available. We caution that a number of uncertain factors could cause actual results to differ materially from those discussed in the forward-looking statements. The factors that could affect performance include, but are not limited to: (1) economic trends in the business area, (2) intensified competition, (3) fluctuation of foreign exchange and other changes in the environment overseas, and (4) changes in regulations, such as the tax system.



# Detailed Forecast for FY 2008

## (2) Cash Flows

MITSUI-SOKO

### Overview of Consolidated Cash Flows

(Millions of yen)

		FY 2007 (Apr.2006-Mar.2007)	FY 2008 (Apr.2007-Mar..2008)			Amount of change	Percentage of change
			1st Half	2nd Half Forecast	Total Forecast		
Cash flows from operating activities		7,640	5,059	2,941	8,000	+360	+4.7%
Cause	Depreciation	5,342	2,663	2,737	5,400	+58	+1.1%
Cash flows from investing activities		(18,503)	(2,534)	(6,466)	(9,000)	+9,503	—
Cause	Capital investment	18,941	2,133	5,867	8,000	(10,941)	(57.8)%
Cash flows from financing activities		13,148	3,260	(2,260)	1,000	(12,148)	—
Cause	Interest-bearing debt	50,398	54,716	—	53,000	+2,602	+5.2%

- Cash flows from operating activities:** ¥8,000 million expects from increased cash in-flow due to increased profit
- Capital investment:** ¥8,000 million expects from ¥6,000 million in new investments and ¥2,000 million in maintenance and repair of existing facilities.
- Cash flows from financing activities:** ¥1,000 million net cash in-flow expects due to increase of interest-bearing debt by ¥2,600 million
- Interest-bearing debt :** An increase of ¥2,602 million to ¥53,000 million is anticipated.



# Medium-term Plan 2007

## (1) Results of Capital Investment in Medium-term Plan 2005

### ■ Results of capital investment

Property	Use	Category	Floor space	Construction cost	
(Tokyo) Machida Record Center	Record center	New (04 / 12)	approximately 22,400sq.m.	¥4.1 billion	
(Osaka) Kita-Osaka Warehouse	Logistics center	Redevelopment (05 / 12)	approximately 29,000sq.m. (expanded 13,200sq.m.)	¥2.6 billion	
(Tokyo) MSC Fukagawa Building	Building for leasing No.1	Redevelopment (06 / 8)	approximately 14,800sq.m. (expanded 11,880sq.m.)	¥2.3 billion	
(Nagoya) Nishiharu Warehouse	Logistics center	Redevelopment (06 / 7)	approximately 29,400sq.m. (expanded 16,830sq.m.)	¥3.3 billion	
(Osaka) Port-Villas Utsubo Park	Rental apartment	Redevelopment (06 / 3)	approximately 5,300sq.m. (108 houses)	¥1.0 billion	
(Taiwan) Taichung Warehouse	Warehouse	New (06 / 2)	approximately 7,900 sq.m.	¥0.2 billion	



# Medium-term Plan 2007

## (2) Scheduled Capital Investments in Medium-term Plan 2007

### Future capital investment plan

Location	Use	Category	Floor space	Construction cost	
(Saitama) Misato Logistics Center	Logistics center	New (08/4)	approximately 71,600 sq. m.	¥8.0 billion	
(Tokyo) Tatsumi Warehouse	Logistics center Record center	New (09 /1)	approximately 31,700 sq. m.	¥5.1 billion	
(Tokyo) MSC Fukagawa NO.2 Building	Building for leasing No.2	Redevelopment (08 /12)	approximately 23,100 sq.m. (expanded 19,800 sq. m.)	¥5.4 billion	
(Kanagawa) Atsugi Warehouse	Logistics center	Redevelopment (08 /7)	Approximately 16,500 sq. m. (expanded 8,600 sq. m.)	¥2.1 billion	

### ◇ Candidates for future projects (scheduled)

- Candidates: Fukagawa Office (tertiary development)

Redevelopment of existing logistics facilities such as Toda Office in Saitama prefecture

- Intended purposes of development:

Highly efficient logistics centers / Highly secured record centers / Buildings for leasing

- Scale of planned redevelopment

Targeted land area: approximately 16,500 sq. m.

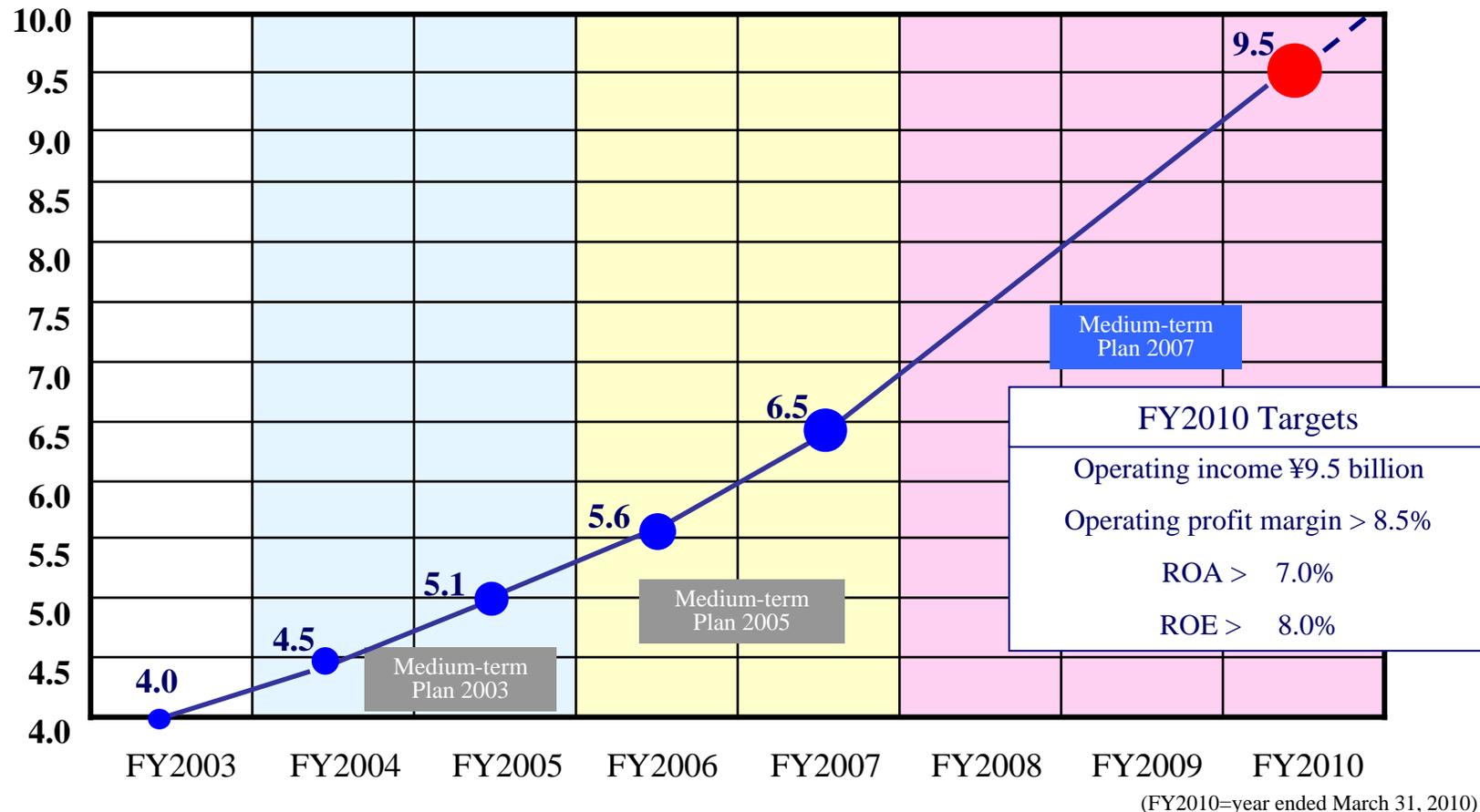
Planned total floor space: approximately 36,300 sq. m. (currently 33,000 sq. m )



# Medium-term Plan 2007

## (3) Medium-term Numerical Targets

Operating income (Billions of yen)



Capital Investment	5.1	5.5	6.2	10.1	18.9	8.0	10.0	7.0
Operating CF	8.1	6.9	8.8	7.3	7.6	8.0	9.0	10.0
Interest-bearing debt	38.5	31.9	29.2	33.2	50.4	—	—	50.0