

# Financial Report for the Fiscal Year ended March 31, 2010



**May 10, 2010**  
**MITSUI-SOKO CO., LTD.**



## ■ Contents of Presentation of FY2010 Results

■ Summary of the Financial Report for FY2010 (Year ended March 31, 2010)	1	...	3
■ Detailed Forecast for FY2011 (Year ending March 31, 2011)	4	...	6
■ Concept of Medium-term Management Objectives	7	...	8



# Financial Summary

(Unit: millions of yen; amounts less than one million yen are omitted)

Consolidated Total	FY2009 (Apr.2008- Mar.2009)	FY2010 (Apr.2009-Mar.2010)					Amount of Change	Percentage of Change
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total		
Net revenue	99,826	21,363	21,871	22,886	22,608	88,728	(11,098)	(11.1)%
Operating income	6,307	1,372	1,581	1,852	1,738	6,543	+236	+3.7%
Ordinary income	4,908	1,006	1,170	1,387	1,170	4,733	(175)	(3.6) %
Net income	1,731	374	452	775	258	1,859	+128	+7.4%
Cash flows from operating activities	7,555	3,014	3,334	1,017	2,861	10,226	+2,671	+35.4%
Cash flows from investing activities	(34,277)	(1,092)	(1,660)	(2,937)	(2,848)	(8,537)	+25,740	—
Cash flows from financing activities	33,776	1,370	3,713	(3,423)	(1,430)	230	(33,546)	—
Shareholders' equity	50,530	51,429	51,381	48,220	48,977	48,977	(1,553)	(3.1) %
Total assets	165,999	168,994	173,436	169,319	169,643	169,643	+3,644	+2.2%
Shareholders' equity ratio	30.44%	30.43%	29.63%	28.48%	28.87%	28.87%	(1.57) %	—



(Unit: millions of yen; amounts less than one million yen are omitted)

## ■ Ordinary income and Net income

Consolidated Total	FY2009 (Apr.2008- Mar.2009)	FY2010 (Apr.2009-Mar.2010)			Amount of change	Percentage of change
		1st Half	2nd Half	Total		
Non-operating income (expenses)	(1,399)	(777)	(1,033)	(1,810)	(411)	(29.4)%
Financial balance	(783)	(647)	(655)	(1,302)	(519)	(66.3) %
Ordinary income	4,908	2,176	2,557	4,733	(175)	(3.6) %
Extraordinary gains	785	213	11	224	(561)	(71.5) %
Gain on sales of assets	443	213	11	224	(219)	(49.4) %
Extraordinary losses	1,548	404	805	1,209	(339)	(21.9) %
Loss on disposal (demolition) of fixed assets	184	66	747	813	+629	+341.8 %
Net income	1,731	826	1,033	1,859	+128	+7.4 %

Note: Financial balance: Interest paid is increased by 300 million yen from previous year due to increase in interest-bearing debt.

In accordance with the change in this year's corporate accounting principles, the market value of our real estate for leasing (consolidated) is described in a footnote of Tanshin.

Total market value: 160,600 million yen    Difference from the book value: +114,900 million yen

## ■ Return to shareholders

### ■ Dividend policy

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

### ■ Retirement of own shares

In order to clarify management stance on holding own shares, [15,000,000 shares \(10.7%\)](#) were retired in December, 2009.



## ■ Cash flow

(Unit: millions of yen; amounts less than one million yen are omitted)

Consolidated Total	FY2009 (Apr.2008- Mar.2009)	FY2010 (Apr.2009-Mar.2010)			Amount of change	Percentage of change
		1st Half	2nd Half	Total		
Cash flows from operating activities	7,555	6,348	3,878	10,226	+2,671	+ 35.4%
Depreciation expenses	5,449	2,956	3,084	6,040	+ 591	+ 10.8%
Cash flows from investing activities	(34,277)	(2,752)	(5,785)	(8,537)	+ 25,740	—
Capital expenditure	34,762	2,997	5,746	8,743	(26,019)	—
Cash flows from financing activities	33,776	5,083	(4,853)	230	(33,546)	—
Interest-bearing debt	92,146	97,817	96,205	96,205	+ 4,059	+ 4.4%
Year-end cash balance	14,154	22,960	16,115	16,115	+ 1,961	+ 13.9%
Debt repayment period	12.2	7.7	9.4	9.4	(2.8)	—

## ■ Elements that increased or decreased cash flow

### ■ Cash flows from operating activities

Increased depreciation due to accumulated capital expenditures, reduced corporate tax, etc.

### ■ Cash flows from investing activities

This year's portion of investment in the construction of Ibaraki Records Center and a new building on the premise of Machida Records Center, and acquisition of new office buildings, etc.

### ■ Cash flows from financing activities

Secured funds in advance for future capital expenditure, purchased own shares, and reduced the use of cash reserves (16,115 million yen) from April 2010.



# Detailed Forecast for FY 2011

(Unit: millions of yen; amounts less than one million yen are omitted)

Consolidated Total	FY2010 (Apr.2009- Mar.2010)	FY2011 (Apr.2010-Mar.2011)					Amount of change	Percentage of change
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total		
Net revenue	88,728	23,000	23,000	24,000	23,000	93,000	+4,272	+4.8%
Operating income	6,543	1,600	1,600	1,800	1,700	6,700	+157	+2.4%
Ordinary income	4,733	1,100	1,200	1,400	1,200	4,900	+167	+3.5%
Net income	1,859	500	500	600	900	2,500	+641	+34.5%
Cash flows from operating activities	10,226	2,000	2,500	2,500	3,000	10,000	(226)	(2.2)%
Cash flows from investing activities	(8,537)	(14,000)	(2,000)	(2,000)	(2,000)	(20,000)	(11,463)	+134.3%
Cash flows from financing activities	230	6,000	0	0	(1,000)	5,000	+4,770	—
Shareholder's equity	48,977	49,000	49,000	49,000	50,000	50,000	+1,023	+2.1%
Total assets	169,643	175,000	175,000	175,000	175,000	175,000	+5,357	+3.2%
Shareholder's equity ratio	28.87%	28.00%	28.00%	28.00%	28.57%	28.57%	(0.30)%	—



(Unit: millions of yen; amounts less than one million yen are omitted)

## ■ Ordinary income and Net income

Consolidated Total	FY2010 (Apr.2009- Mar.2010)	FY2011 (Apr.2010-Mar.2011)			Amount of change	Percentage of change
		1st Half	2nd Half	Total		
Non-operating income (expenses)	(1,810)	(900)	(900)	(1,800)	+10	+0.6%
Financial balance	(1,302)	(700)	(600)	(1,300)	+2	+0.2%
Ordinary income	4,733	2,300	2,600	4,900	+167	+3.5%
Extraordinary gains	224	—	300	300	+76	+33.9%
Gain on sales of assets	224	—	300	300	+76	+33.9%
Extraordinary losses	1,209	800	300	1,100	(109)	(9.0)%
Loss on disposal (demolition) of fixed assets	813	800	300	1,100	+287	+35.3%
Net income	1,859	1,000	1,500	2,500	+641	+34.5%

Note: Financial balance: Controlling the increase in the interest-bearing debt will make the increase in the interest paid subtle.

Loss on disposal (demolition) of fixed assets: In preparation for the future redevelopment plan, Toda Warehouse in Saitama and MSC Fukagawa Building No. 3 in Tokyo will be demolished. Start of large-scale repair work of the Mitsui-Soko Hakozaki Building in Tokyo generates loss on disposal.

## ■ 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 profit (theoretical value)

### ■ Repurchase of own shares

Implementation of an agile capital strategy as needed in consideration of profit of shareholders while paying attention to the stock price level and market environment trends



(Unit: millions of yen; amounts less than one million yen are omitted)

## ■ Cash flow

Consolidated Total	FY2010 (Apr.2009- Mar.2010)	FY2011 (Apr.2010-Mar.2011)			Amount of change	Percentage of change
		1st Half	2nd Half	Total		
Cash flows from operating activities	10,226	4,500	5,500	10,000	(226)	(2.2)%
Depreciation expenses	6,040	3,500	3,700	7,200	+1,160	+19.2%
Cash flows from investing activities	(8,537)	(16,000)	(4,000)	(20,000)	(11,463)	+134.3%
Capital expenditure	8,743	16,000	4,000	20,000	+11,257	+128.8%
Cash flows from financing activities	230	6,000	(1,000)	5,000	+4,770	—
Interest-bearing debt	96,205	103,000	102,000	102,000	+5,795	+6.0%
Year-end cash balance	16,115	10,500	11,000	11,000	(5,115)	(31.7)%
Debt repayment period	9.4	11.4	10.2	10.2	+0.8	—

## ■ Elements that will increase or decrease cash flow

### ■ Cash flows from operating activities

Increase of the depreciation along with the recent large capital expenditures and the consumption tax along with the capital expenditure of FY2011.

### ■ Cash flows from investing activities

Capital expenditure of [about 20,000 million yen](#), including the purchase of Misato Logistics Center

### ■ Cash flows from financing activities

[10,000 million yen](#) of unsecured bonds ([7-year bonds: 7,000 million yen](#), [5-year bond: 3,000 million yen](#)) issued in April 2010 will mainly be allocated to this year's capital expenditure.

The use of cash reserves and the amount borrowed will be reduced because major capital spending projects are approaching the end and the financial environment is more stabilized.

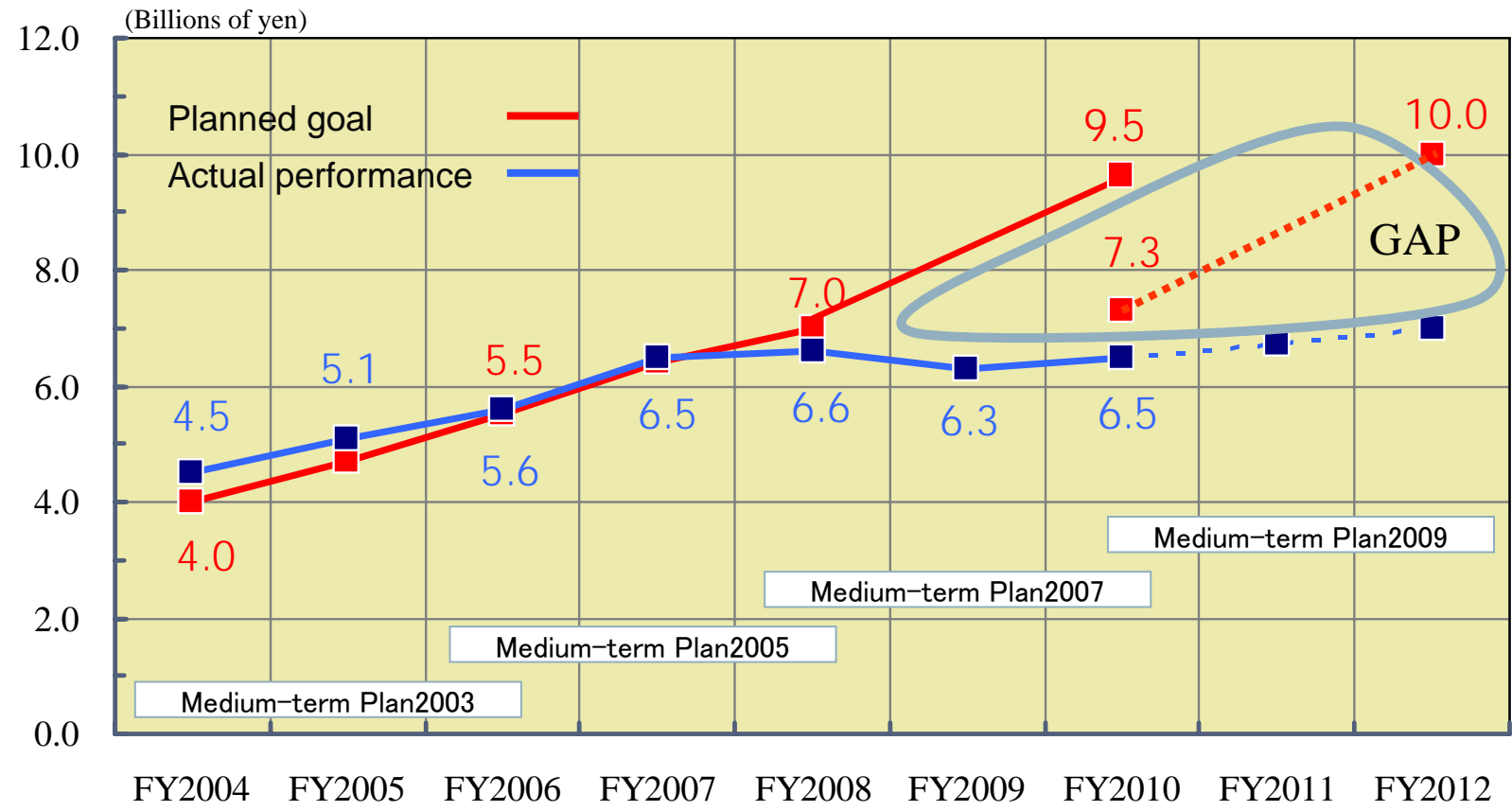




## ■ Gap between targeted values and actual performance

The goal could not be achieved even in the first year of Medium-term Plan 2009, which is a downward revision of the Medium-term Plan 2007.

In order to fill the gap from the planned figures, drastic changes in the conventional management and business strategies are required.



FY2012: year ending March 31, 2012



## ■ New Growth Strategy @2010 Project

A new management plan is currently being prepared and will be completed by the end of July 2010. The information on this plan will be released as soon as it is determined.

## ■ Key Indicators

### ■ Corporate growth indicators

Corporate scale indicator: Revenues, operating profit ... Setting achievable targeted figures

Business quality indicator: Operating profit margin ... Item that comes before scale expansion

Capital efficiency indicator: Return on equity (ROE) ... Adding a certain degree of asset market values

Financial structure indicator: Debt repayment period ... Leverage within the scope of cash flow

### ■ Indicators that measure how the business structure has been changed

Business scale indicators: Revenues of each business unit, share of operating profit ... Indication of balance shift from stability to growth

Business description indicator: Profit margin on sales of each business unit ... Indicator to aim at enhancing product value in every business

## ■ Capital Policy

### ■ Corporate value and financial balance

Maximizing the speed to enhance corporate value with the help of leverage

Assuring financial safety and financing ability that enable maintaining a certain level of rating

Maximizing profit for shareholders while maintaining the optimal financial structure that enables achieving these two opposing objectives