

MITSUMI-SOKO

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**Financial Report for
the Fiscal Year ended
March 31, 2014**

MITSUMI-SOKO CO., LTD.



三井倉庫

May 8, 2014



Contents of Presentation

- Summary of the Financial Report 1 . . . 6
for the Fiscal Year ended March 31, 2014
- Detailed Forecast for FY2015 7 . . . 12
(Year ending March 31, 2015)
- Supplementary Materials (Attachment)



Summary of the Financial Report for FY2014

(1) Performance Overview

Unit : Millions of yen

Consolidated Total	FY2013 (Apr.2012- Mar.2013)	FY2014 (Apr.2013- Mar.2014)	Amount of Change	Percentage of Change
Net revenue	148,241	161,535	+13,294	+9.0%
Operating income	5,362	5,494	+131	+2.5%
Ordinary income	3,746	3,806	+59	+1.6%
Net income	3,166	4,491	+1,325	+41.9%
Cash flows from operating activities	7,141	13,639	+6,497	+91.0%
Cash flows from investing activities	(35,745)	(5,339)	+30,405	—
Cash flows from financing activities	3,139	(24,012)	(27,152)	—
Shareholders' equity	54,766	62,618	+7,851	+14.3%
Total assets	232,872	220,728	(12,144)	(5.2)%
Shareholders' equity ratio	23.5%	28.4%	+4.9%	—



Summary of the Financial Report for FY2014

(2) Net Revenue (comparison with the same period in the previous year)

Unit : Millions of yen

Consolidated Total	FY2013 (Apr.2012- Mar.2013)	FY2014 (Apr.2013- Mar.2014)	Amount of Change	Percentage of Change	Main Factors
Warehouse	45,578	46,606	+1,027	+2.3%	
Domestic port terminal	14,580	15,372	+791	+5.4%	
Overseas logistics	13,695	17,595	+3,899	+28.5%	Impact of currency exchange rate & a full-year contribution of an European subsidiary acquired in FY2013.
International transportation	5,785	6,419	+634	+11.0%	
Air cargo	19,872	23,673	+3,801	+19.1%	A full-year contribution of Mitsui-Soko Express Co., Ltd.
Logistics systems	33,071	37,358	+4,286	+13.0%	Contribution of new business and increase handling of electronics retail store.
BPO	5,923	6,604	+680	+11.5%	
Real estate	11,397	11,050	(347)	(3.0)%	Sale of leasing properties
Elimination and /or corporate	(1,663)	(3,144)	(1,481)	—	
Net Revenue	148,241	161,535	+13,294	+9.0%	



Summary of the Financial Report for FY2014

(3) Operating Income (comparison with the same period in the previous year)

Unit : Millions of yen

Consolidated Total	FY2013 (Apr.2012- Mar.2013)	FY2014 (Apr.2013- Mar.2014)	Amount of Change	Percentage of Change	Main Factors
Warehouse	2,937	2,702	(235)	(8.0)%	Temporary cost for congestion of cargoes
Domestic port terminal	583	905	+321	+55.1%	Effect of cost reduction
Overseas logistics	(95)	212	+307	—	A full-year contribution of an European subsidiary acquired in FY2013 & increased operation income in Southeast Asian region
International transportation	194	217	+23	+12.2%	
Air cargo	1,542	2,099	+557	+36.1%	A full-year contribution of Mitsui-Soko Express Co., Ltd.
Logistics systems	841	1,313	+471	+56.0%	Improvement of cost structural reform
BPO	239	149	(89)	(37.6)%	Temporary cost incurrence for relocation of goods
Real estate	7,080	6,397	(683)	(9.6)%	Sale of leasing properties
Joint company expenses	(7,960)	(8,501)	(540)	—	Increased cost of system intergration & amortization of goodwill
Operating Income	5,362	5,494	+131	+2.5%	



Summary of the Financial Report for FY2014

(4) Net Revenue and Operating Income (4Q comparison with the forecast)

Unit : Millions of yen

Consolidated Total	4Q Net Revenue			4Q Operating Income		
	Estimate released on Feb., 2014	Results	Amount of change	Estimate released on Feb., 2014	Results	Amount of change
Warehouse	12,000	11,416	(583)	800	583	(216)
Domestic port terminal	4,000	3,846	(153)	200	199	(0)
Overseas logistics	5,000	4,784	(215)	100	133	+33
International transportation	1,500	1,585	+85	50	47	(2)
Air cargo	5,500	5,567	+67	350	251	(98)
Logistics systems	8,500	9,871	+1,371	600	646	+46
BPO	1,800	1,679	(120)	100	50	(49)
Real estate	2,800	2,688	(111)	1,600	1,519	(80)
Elimination and /or corporate, Joint company expenses	(1,100)	(714)	+385	(2,200)	(2,077)	+122
Total	40,000	40,725	+725	1,600	1,355	(244)



Summary of the Financial Report for FY2014

(5) Ordinary Income and Net Income

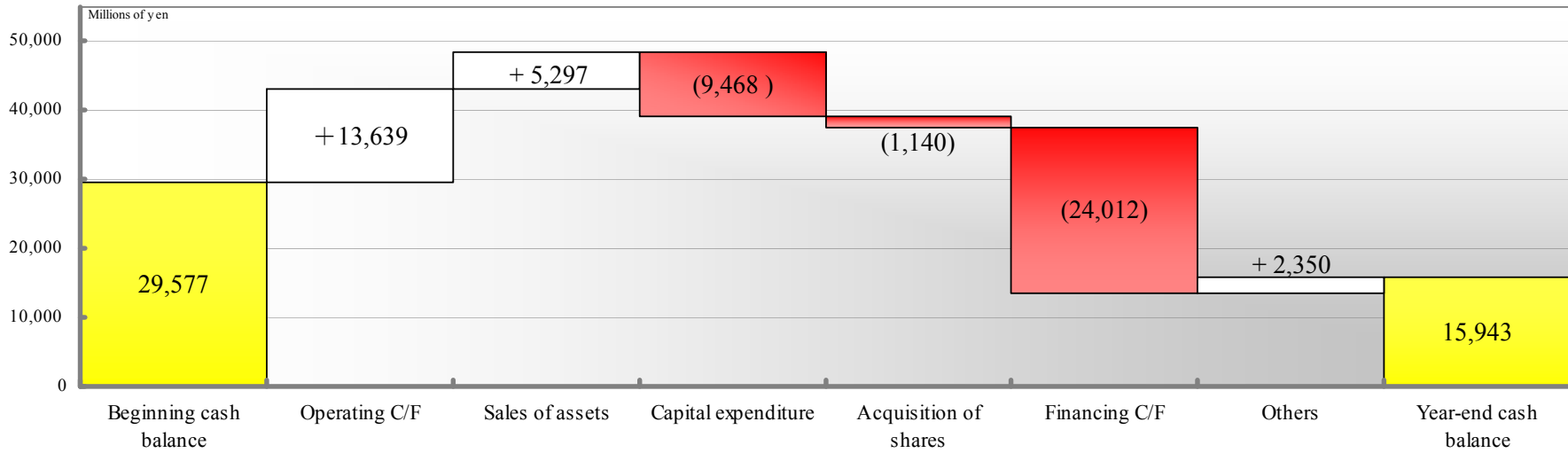
Unit : Millions of yen

Consolidated Total	FY2013 (Apr.2012- Mar.2013)	FY2014 (Apr.2013- Mar.2014)	Amount of Change
Operating income	5,362	5,494	+131
Non-operating income (expenses)	(1,616)	(1,688)	(72)
Financial balance	(1,093)	(812)	+281
Ordinary income	3,746	3,806	+59
Extraordinary gains	6,925	5,146	(1,779)
Gain on sales of properties	6,284	5,113	(1,171)
Extraordinary losses	4,477	875	(3,602)
Impairment loss/ Loss on sales of fixed assets	3,772	—	(3,772)
Net income	3,166	4,491	+1,325



Summary of the Financial Report for FY2014

(6) Cash Flows



Unit : Millions of yen

Consolidated Total	FY2013	FY2014	Amount of Change	Percentage of Change
Cash flows from operating activities	7,141	13,639	+6,497	+91.0%
Depreciation expenses	6,862	7,259	+397	+5.8%
Amortization of goodwill	1,655	1,811	+155	+9.4%
Cash flows from investing activities	(35,745)	(5,339)	+30,405	—
Capital expenditure	23,344	9,468	(13,876)	(59.4)%
Acquisition of shares	26,344	1,440	(24,903)	(94.5)%
Sales of assets	13,219	5,297	(7,921)	(59.9)%
Cash flows from financing activities	3,139	(24,012)	(27,152)	—
Interest-bearing debt	132,148	110,073	(22,075)	(16.7)%
Increased amount for newly consolidated subsidiaries	2,394	—	(2,394)	—
Year-end cash balance	29,577	15,943	(13,634)	(46.1)%



Detailed Forecast for FY2015

(1) Outline of New Business Segment (from April 2014)

<u>< Previous Segment ></u>		<u>< New Segment ></u>		[Net Revenue]	[Operating Income]
Warehouse	----->	Warehouse		47,176	2,131
Domestic port terminal	----->	Port terminal		15,372	893
Overseas logistics	•----->	Global flow		26,693	554
International transportation	•----->				
Air cargo	----->	Global express		23,117	2,061
Logistics systems	----->	Logistics systems		34,457	944
BPO	----->	BPO		6,604	66
Real estate	----->	Real estate		11,050	6,397
Elimination and /or corporate	----->	Elimination and /or corporate		(2,935)	(7,555)

* The amount of net revenue and operating income is from the results of FY2014 (Unit: Millions of yen)



Detailed Forecast for FY2015

(2) Performance Overview

Unit : Millions of yen

Consolidated Total	FY2014 (Apr.2013- Mar.2014)	FY2015 (Apr.2014- Mar.2015)	Amount of Change	Percentage of Change
Net revenue	161,535	175,000	+13,464	+8.3%
Operating income	5,494	7,300	+1,805	+32.8%
Ordinary income	3,806	6,000	+2,193	+57.6%
Net income	4,491	2,400	(2,091)	(46.6)%
Cash flows from operating activities	13,639	13,000	(639)	(4.7)%
Cash flows from investing activities	(5,339)	(16,000)	(10,660)	—
Cash flows from financing activities	(24,012)	(2,000)	+22,012	—
Shareholders' equity	62,618	64,000	+1,381	+2.2%
Total assets	220,728	225,000	+4,271	+1.9%
Shareholders' equity ratio	28.4%	28.4%	+0.1%	—



Detailed Forecast for FY2015

(3) Net Revenue

Unit : Millions of yen

Consolidated Total	FY2014 (Apr.2013- Mar.2014)	FY2015 (Apr.2014- Mar.2015)	Amount of Change	Percentage of Change	Expected Factors
Warehouse	47,176	49,000	+1,823	+3.9%	Increase in health related products & freight inward and outward
Port terminal	15,372	16,000	+627	+4.1%	
Global flow	26,693	33,000	+6,306	+23.6%	Contribution of Asian region
Global express	23,117	26,000	+2,882	+12.5%	Increased volume of certain projects
Logistics systems	34,457	35,000	+542	+1.6%	
BPO	6,604	8,000	+1,395	+21.1%	Increase in file archiving and in volume as to educational and financial institution.
Real estate	11,050	10,800	(250)	(2.3)%	
Elimination and /or corporate	(2,935)	(2,800)	+135	—	
Net Revenue	161,535	175,000	+13,464	+8.3%	



Detailed Forecast for FY2015

(4) Operating Income

Unit : Millions of yen

Consolidated Total	FY2014 (Apr.2013- Mar.2014)	FY2015 (Apr.2014- Mar.2015)	Amount of Change	Percentage of Change	Expected Factors
Warehouse	2,131	3,000	+ 868	+ 40.7%	Cost reduction by operational efficiency
Port terminal	893	1,000	+ 106	+ 11.9%	
Global flow	554	700	+ 145	+ 26.2%	Growth especially in Asian region
Global express	2,061	2,100	+ 38	+ 1.8%	
Logistics systems	944	2,100	+ 1,155	+ 122.4%	Continuing effect of cost structural reform
BPO	66	700	+ 633	+ 959.1%	Sales increase & cost reduction
Real estate	6,397	5,500	(897)	(14.0)%	Effect of large-scale repairing and re-equipping
Joint company expenses	(7,555)	(7,800)	(244)	—	
Operating Income	5,494	7,300	+ 1,805	+ 32.8%	



Detailed Forecast for FY2015

(5) Ordinary Income and Net Income

Unit : Millions of yen

Consolidated Total	FY2014 (Apr.2013- Mar.2014)	FY2015 (Apr.2014-Mar.2015)			Amount of Change
		1st Half	2nd Half	Total	
Operating income	5,494	4,000	3,300	7,300	+1,805
Non-operating income (expenses)	(1,688)	(800)	(500)	(1,300)	+388
Financial balance	(812)	(400)	(400)	(800)	+12
Ordinary income	3,806	3,200	2,800	6,000	+2,193
Extraordinary gains	5,146	100	—	100	(5,046)
Gain on sales of properties	5,113	—	—	—	(5,113)
Extraordinary losses	875	50	350	400	(475)
Net income	4,491	1,300	1,100	2,400	(2,091)



Detailed Forecast for FY2015

(6) Financial Forecast

Unit : Millions of yen

Consolidated Total	FY2014 (Apr.2013- Mar.2014)	FY2015 (Apr.2014-Mar.2015)			Amount of Change	Percentage of Change
		1st Half	2nd Half	Total		
Cash flows from operating activities	13,639	6,500	6,500	13,000	(639)	(4.7)%
Depreciation expenses	7,259	3,500	4,000	7,500	+240	+3.3%
Amortization of goodwill	1,811	900	900	1,800	(11)	(0.6)%
Cash flows from investing activities	(5,339)	(8,000)	(8,000)	(16,000)	(10,660)	—
Capital expenditure	9,468	7,500	8,000	15,500	+6,031	+63.7%
Acquisition of shares	1,440	500	—	500	(940)	(65.3)%
Sales of assets	5,297	—	—	—	(5,297)	(100.0)%
Cash flows from financing activities	(24,012)	(0)	(2,000)	(2,000)	+22,012	—
Interest-bearing debt	110,073	110,000	110,000	110,000	(73)	(0.1)%
Year-end cash balance	15,943	14,500	11,000	11,000	(4,943)	(31.0)%