



Q1 FY2025

# Financial Results Briefing

August 7, 2024

Securities code : 9302

MITSUI-SOKO HOLDINGS Co., Ltd.

# MITSUMI-SOKO GROUP



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- FY2025 Financial Forecast
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## Q1 FY2025 Results

**Decrease in operating profit due to shrinking freight margins caused by a rise in the unit purchase price of air cargo transportation and temporary vacant floors of the major building in the real estate business**

Operating Revenue	<b>65.6</b> bn yen	QoQ	<b>-0.6%</b>
Operating Profit	<b>3.8</b> bn yen	QoQ	<b>-37.8%</b>

## FY2025 Forecast

**Upwardly revised an operating profit forecast due to the emergence of urgent air transportation caused by fully loaded container ships**

**Progress as planned to lease some floors in the major building in the real estate business**

Operating Revenue	<b>275.0</b> bn yen	Vs. Previous Forecast	—
Operating Profit	<b>15.5</b> bn yen	Vs. Previous Forecast	<b>+3.3%</b>

## Shareholder Returns

**Set up our basic policy of paying dividends linked to business performance based on a payout ratio of 30%  
Set the lower limit of 146 yen for FY2025, taking into account the progress of the medium-term management plan and dialogue with shareholders**

Interim dividend	<b>73</b> yen (Forecast)		
Year-end dividend	<b>73</b> yen (Forecast)		
Annual dividend	<b>146</b> yen (Forecast)	Expected Payout Ratio	<b>41.8%</b>

# C o n t e n t s

Executive Summary

**Q1 FY2025 Financial Results**

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- Main Factors of Changes in Operating Profit
- Cash Flow Status
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## Summary of Q1 FY2025 Financial Results

- International cargo movement remained unchanged due to a lull in customers' inventory adjustment
- Decrease in operating profit due to not only shrinking freight margins caused by a rise in the unit purchase price of air cargo transportation but also temporary vacant floors of the major building in the real estate business

(Unit: 100 mil. yen)

Total Consolidated	Q1 FY2024 (3 months)	Q1 FY2025 (3 months)	Change	Change(%)
Operating Revenue	660	<b>656</b>	-4	-0.6%
Operating Profit	62	<b>38</b>	-24	-37.8%
〔 Operating profit margin	9.3%	<b>5.8%</b>	-3.5pt	—
Ordinary Profit	65	<b>40</b>	-25	-38.8%
Profit attributed to owners of parent	38	<b>30</b>	-8	-21.3%

# Financial Results by Segment

(Unit: 100 mil. yen)

Segment	Q1 FY2024 (3 months)	Q1 FY2025 (3 months)	Change	Change(%)
Operating Revenue	660	<b>656</b>	-4	-0.6%
Logistics business	640	<b>645</b>	+5	+0.7%
Warehousing/Port transportation	307	<b>320</b>	+13	+4.1%
Airfreight forwarding(FWD)	105	<b>90</b>	-15	-14.0%
3PL/LLP	190	<b>199</b>	+9	+4.6%
Land transportation	69	<b>67</b>	-2	-4.0%
Elimination of intra-group transactions	-31	<b>-30</b>	+1	—
Real estate business	22	<b>13</b>	-9	-38.2%
Eliminate/Corporate	-2	<b>-2</b>	-0	—
Operating Profit	62	<b>38</b>	-24	-37.8%
Logistics business	59	<b>46</b>	-13	-21.6%
Warehousing/Port transportation	20	<b>17</b>	-3	-13.9%
Airfreight forwarding(FWD)	20	<b>8</b>	-12	-61.0%
3PL/LLP	15	<b>18</b>	+3	+15.9%
Land transportation	4	<b>5</b>	+1	+3.1%
Elimination of intra-group transactions	-1	<b>-1</b>	-0	—
Real estate business	13	<b>4</b>	-9	-72.8%
Eliminate/Corporate	-11	<b>-12</b>	-1	—

- Increase in revenue due to a rise in freight rates, mainly in America and Europe
- Increase in revenue due to the launch of new high-fashion logistics operations and an increase in handling of e-commerce logistics

- Despite rising freight rates on some routes due to a shift from ocean to air caused by fully loaded container ships, handling of automotive-related cargo remained sluggish.

- Launching cost for a new operations base in Europe, etc.

- Shrinking profit margins amid rising freight rates in the current fiscal year compared with expanding profit margins amid falling freight rates in the previous fiscal year

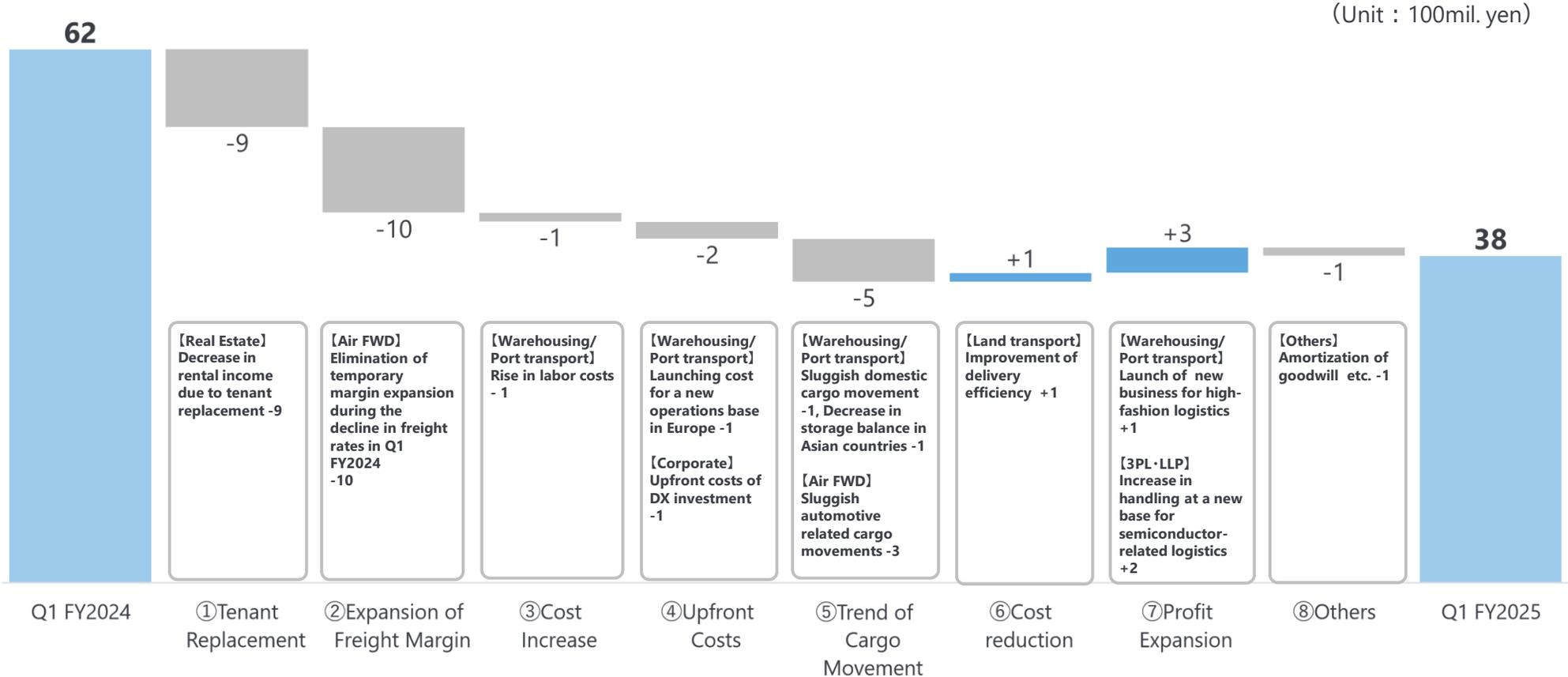
- Increase in handling of semiconductor logistics in the Kyushu region (Southwest Japan)

- Improved loading efficiency, etc.

- Temporary vacant floors due to tenant replacement in the major building

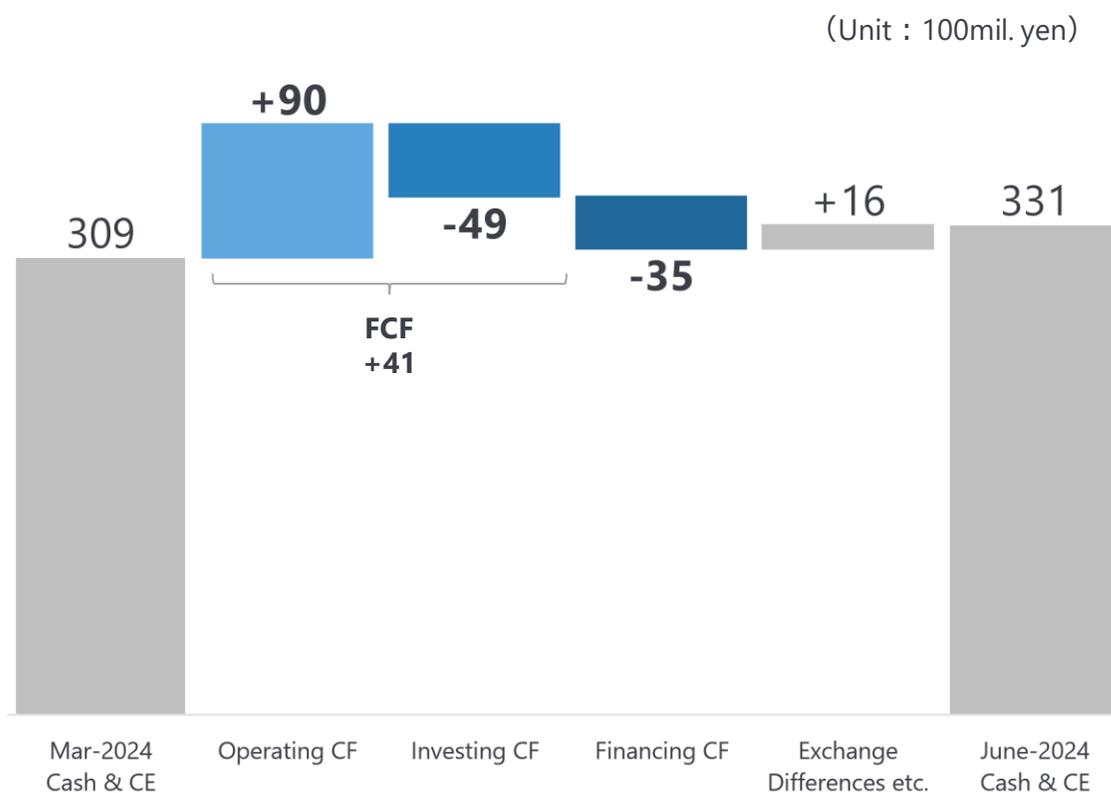
# Main Factors of Changes in Operating Profit

- One-time decrease in rental revenue due to tenant replacement of the major building in the real estate business
- Import/export and automotive-related cargo movements remained sluggish with temporary margin expansion amid falling freight rates in H1 FY2024 having been eliminated
- Contributed to expand profit in our focused areas due to the launch of new high-fashion logistics operations and an increase in handling of semiconductor-related cargo



## Cash Flow Status

- Operating cash flow (CF) resulted in a net cash inflow of 9.0 bn yen mainly due to net income
- Investment in both the multi-tenanting of the Hakozaki Building and in software based on DX strategy, and acquisition of additional shares in a joint venture in China



### Major Breakdown of Cash Flows

• <b>Operating CF</b>	: <b>+90</b>
Profit before income taxes	: +45
Depreciation/Amortization of goodwill	: +26
Decrease (increase) in trade receivables/ trade payables	: -17
Income taxes paid	: -18
• <b>Investing CF</b>	: <b>-49</b>
Capital investment	: -40
Software investment	: -7
Stock acquisition	: -4
<b>(Subtotal) Free cash-flow</b>	: <b>+41</b>
• <b>Financing CF</b>	: <b>-35</b>
Change in borrowings and bonds (Net)	: 5
Dividends paid	: -20
• <b>Total of Change in Cash and Cash Equivalents</b>	: <b>22</b>

## Balance Sheet Status

- Improved both equity ratio and D/E ratio due to steady accumulation of net income
- Achieved a stable balance sheet with sufficient capacity for future strategic investments

(Unit: 100 mil. yen)

Total Consolidated	Balance as of Mar. 31, 2024	Balance as of June 30, 2024	Change
Total Assets	2,635	<b>2,750</b>	+ 115
Cash and deposits	319	<b>338</b>	+19
Trade receivables	303	<b>316</b>	+13
Tangible and Intangible assets	1,512	<b>1,532</b>	+20
Interest-bearing debt (including Lease obligations)	833	<b>838</b>	+ 5
Borrowings and Bonds	767	<b>773</b>	+6
Lease obligations	65	<b>64</b>	-1
Equity Capital	1,099	<b>1,143</b>	+ 44
Equity ratio	41.7%	<b>41.6%</b>	-0.1
D/E ratio	0.76	<b>0.73</b>	-0.03

• Goodwill +1.0 bn yen

• Reasons for the change in equity capital:  
 Net Income +3.0 bn yen  
 Dividends -2.0 bn yen  
 Exchange differences +2.4 bn yen  
 Unrealized gains on securities +1.0 bn yen

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## Summary of FY2025 Financial Forecast

- Upwardly revised the H1 FY2025 forecast resulting from exceeding the operating profit forecast announced in May (Revised full-year forecast reflects only the higher-than-expected profit in H1 FY2025)
- Strong performance resulting from a rise in freight rates on some routes due to a shift from ocean to air caused by fully loaded container ships
- Increase in handling of semiconductor-related logistics in the Kyushu region (Southwest Japan)
- Progress of measures for appropriate fee collection and efficiency earlier than expected
- Progress as planned to lease some floors of the Hakozaiki Building in the real estate business

(Unit: 100 mil. yen)

Total Consolidated	Q1 FY2025 Actual	H1 FY2025 Previous Forecast	Progress	H1 FY2025 Revised Forecast	Vs. Previous Forecast	FY2025 Revised Forecast	Vs. Previous Forecast
Operating Revenue	656	<b>1,350</b>	48.6%	<b>1,350</b>	—	<b>2,750</b>	—
Operating Profit	38	<b>72</b>	53.2%	<b>77</b>	+5	<b>155</b>	+5
Ordinary Profit	40	<b>67</b>	59.6%	<b>73</b>	+6	<b>148</b>	+6
Profit attributed to owners of parent	30	<b>44</b>	67.6%	<b>46</b>	+2	<b>87</b>	+2

# Financial Forecast by Segment

(Unit: 100 mil. yen)

Segment	Q1 FY2025 Actual	H1 FY2025 Previous Forecast	Progress
Operating Revenue	656	<b>1,350</b>	48.6%
Logistics business	645	<b>1,322</b>	48.8%
Warehousing/Port transportation	320	<b>662</b>	48.3%
Airfreight forwarding(FWD)	90	<b>191</b>	47.1%
3PL/LLP	199	<b>390</b>	50.9%
Land transportation	67	<b>135</b>	49.4%
Elimination of intra-group transactions	-30	<b>-56</b>	—
Real estate business	13	<b>30</b>	44.8%
Eliminate/Corporate	-2	<b>-2</b>	—
Operating Profit	38	<b>72</b>	53.2%
Logistics business	46	<b>89</b>	52.2%
Warehousing/Port transportation	17	<b>35</b>	48.6%
Airfreight forwarding(FWD)	8	<b>16</b>	49.8%
3PL/LLP	18	<b>31</b>	57.2%
Land transportation	5	<b>8</b>	57.3%
Elimination of intra-group transactions	-1	<b>-1</b>	85.9%
Real estate business	4	<b>8</b>	43.9%
Eliminate/Corporate	-12	<b>-25</b>	46.6%

H1 FY2025 Revised Forecast	Vs. Previous Forecast	FY2025 Revised Forecast	Vs. Previous Forecast
<b>1,350</b>	—	<b>2,750</b>	—
<b>1,322</b>	—	<b>2,689</b>	—
<b>662</b>	—	<b>1,354</b>	—
<b>191</b>	—	<b>400</b>	—
<b>390</b>	—	<b>782</b>	—
<b>135</b>	—	<b>268</b>	—
<b>-56</b>	—	<b>-115</b>	—
<b>30</b>	—	<b>66</b>	—
<b>-2</b>	—	<b>-5</b>	—
<b>77</b>	+5	<b>155</b>	+5
<b>94</b>	+5	<b>194</b>	+5
<b>36</b>	+1	<b>79</b>	+1
<b>18</b>	+2	<b>37</b>	+2
<b>33</b>	+2	<b>65</b>	+2
<b>8</b>	—	<b>15</b>	—
<b>-1</b>	—	<b>-2</b>	—
<b>8</b>	—	<b>19</b>	—
<b>-25</b>	—	<b>-58</b>	—

- Curb the impact on cost increases due to the progress of appropriate fee collection earlier than expected

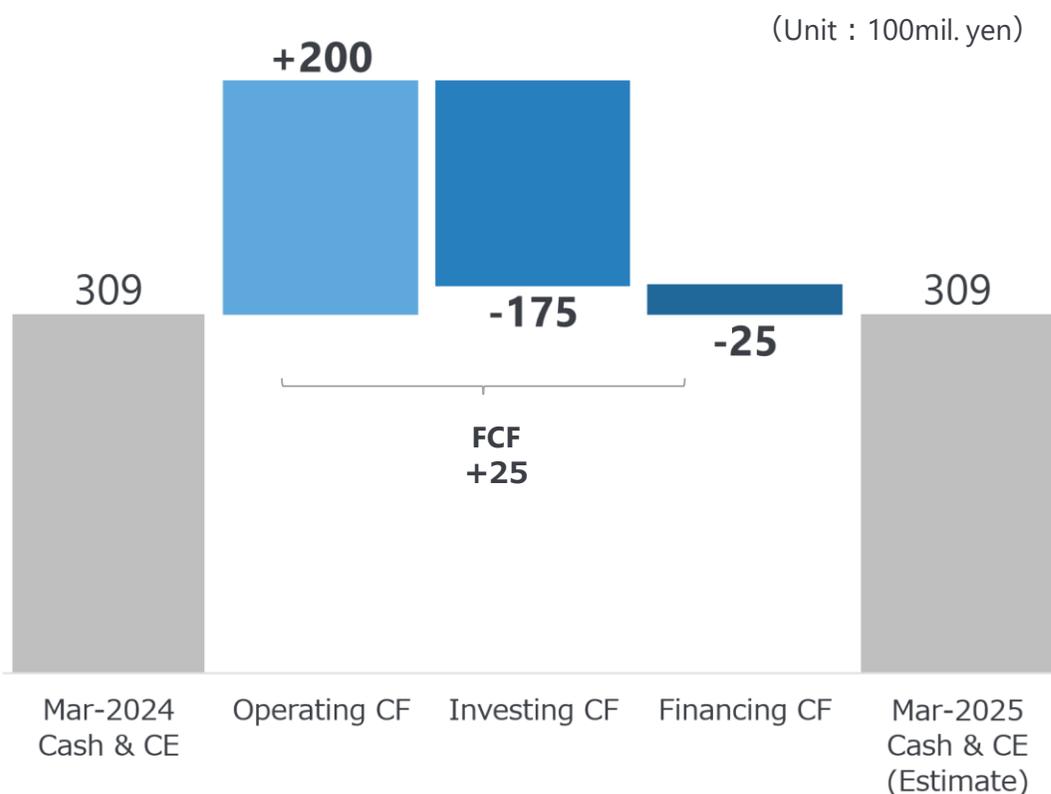
- Shift from ocean to air transportation (caused by fully loaded container ships)

- Increase in handling of semiconductor logistics
- Progress of our efforts of efficiency improvement

- Tenant replacement in the Hakozaki Building progressing as planned toward an occupancy rate of about 75% at the end of the fiscal year ending March 2025

## Cash Flow Forecast

- Expect Operating cash flow (CF) to be a net cash inflow of 20.0 bn yen
- Expect construction costs on the multi-tenanting of the Hakozaki Building as well as investment in DX and in logistics facilities for newly expanded establishment or maintenance/renewal



### Major Breakdown of Cash Flows (Forecast)

• <b>Operating CF</b>	:	<b>+200</b>
Depreciation/Amortization of goodwill	:	+110
• <b>Investing CF</b>	:	<b>-175</b>
Capital investment	:	-140
Software investment	:	-30
Stock acquisition	:	-5
<b>(Subtotal) Free cash-flow</b>	:	<b>+25</b>
• <b>Financing CF</b>	:	<b>-25</b>
Change in borrowings and bonds (Net)	:	+40
Dividends paid	:	-38
Payment of lease obligations and others	:	-27
• <b>Total of Change in Cash and Cash Equivalents</b>	:	<b>±0</b>

## Balance Sheet Forecast

- Despite an increase in interest-bearing debt, the D/E ratio is expected to remain below 1.0x
- Maintain sufficient investment capacity in preparation for further strategic investment

(Unit: 100 mil. yen)

Total Consolidated	Balance as of Mar. 31, 2024 (Actual)	Balance as of Mar. 31, 2025 (Forecast)	Change
Total Assets	2,635	<b>2,790</b>	+ 155
Cash and deposits	319	<b>330</b>	+ 11
Trade receivables	303	<b>315</b>	+ 12
Tangible and Intangible assets	1,512	<b>1,570</b>	+ 58
Interest-bearing debt (including Lease obligations)	833	<b>870</b>	+ 37
Borrowings and Bonds	767	<b>805</b>	+ 38
Lease obligations	65	<b>65</b>	-0
Equity Capital	1,099	<b>1,180</b>	+ 81
Equity ratio	41.7%	<b>42.3%</b>	+ 0.6
D/E ratio	0.76	<b>0.74</b>	-0.02

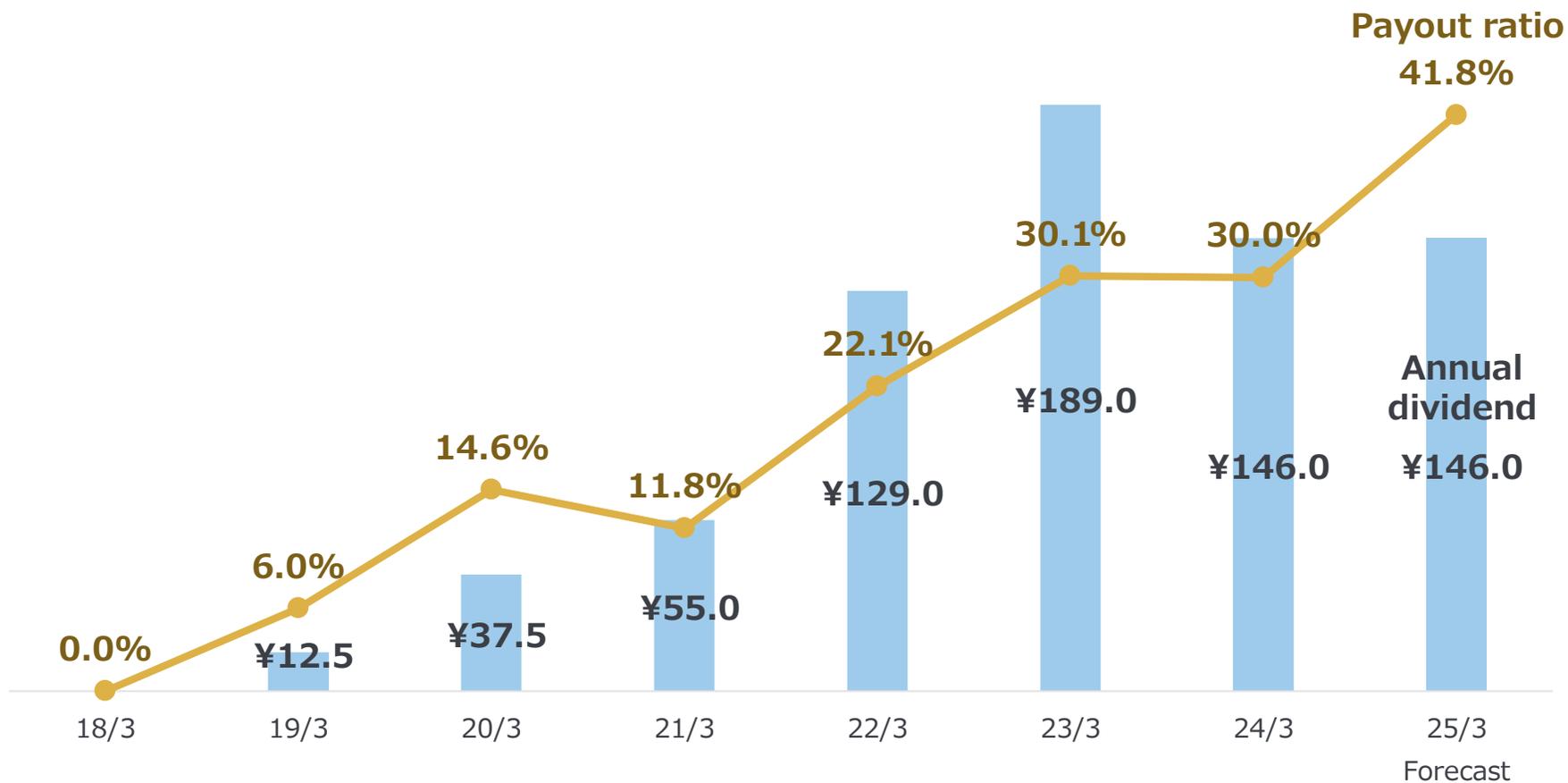
- Expect an increase in tangible assets resulting from spending construction costs on the multi-tenanting of the Hakozaki Building

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## Shareholder Returns

- Continue to strengthen shareholder returns by increasing dividends in line with profit growth  
Dividend policy: Flexible dividends linked to our performance based on a payout ratio of 30%
- Set a minimum annual dividend of 146 yen per share in terms of a stable dividend, although an one-time decrease in profit is expected in FY2025 due to the multi-tenanting of owned real estate



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# Changes in Quarterly Business Performance

Year-ago  
Quarter

Most Recent  
Quarter

(Unit: 100 mil. yen, rounded off to the nearest integer)

Total Consolidated	FY2024					FY2025		
	Q1	Q2	Q3	Q4	Full-year	Q1	YoY	QoQ
Operating Revenue	660	659	656	631	2,606	<b>656</b>	-0.6%	+3.9%
Logistics business	640	636	633	609	2,518	<b>645</b>	+0.7%	+6.0%
Warehousing/Port transportation	307	313	306	303	1,229	<b>320</b>	+4.1%	+5.6%
Airfreight forwarding(FWD)	105	88	81	80	353	<b>90</b>	-14.0%	+13.0%
3PL/LLP	190	196	195	185	766	<b>199</b>	+4.6%	+7.1%
Land transportation	69	70	72	66	277	<b>67</b>	-4.0%	+0.4%
Elimination of intra-group transactions	-31	-31	-20	-25	-107	<b>-30</b>	-3.1%	+17.7%
Real estate business	22	25	25	25	96	<b>13</b>	-38.2%	-45.5%
Eliminate/Corporate	-2	-2	-2	-2	-8	<b>-2</b>	+5.4%	+5.3%
Operating Profit	62	57	51	39	208	<b>38</b>	-37.8%	-0.8%
Logistics business	59	53	47	35	194	<b>46</b>	-21.6%	+31.9%
Warehousing/Port transportation	20	20	21	13	73	<b>17</b>	-13.9%	+30.3%
Airfreight forwarding(FWD)	20	13	6	7	47	<b>8</b>	-61.0%	+20.1%
3PL/LLP	15	17	16	13	61	<b>18</b>	+15.9%	+37.8%
Land transportation	4	3	4	3	14	<b>5</b>	+3.1%	+74.9%
Consolidation adjustment, etc.	-1	-0	-0	0	-1	<b>-1</b>	+21.7%	—
Real estate business	13	15	16	16	59	<b>4</b>	-72.8%	-77.6%
Eliminate/Corporate	-11	-12	-12	-12	-46	<b>-12</b>	+11.0%	-5.0%
Ordinary Profit	65	57	52	36	210	<b>40</b>	-38.8%	+11.7%
Profit attributed to owners of parent	38	34	28	21	121	<b>30</b>	-21.3%	+39.6%

• The total and the sum of the breakdown, the cumulative total and each quarter in the table may not match as the amount of each item is rounded to the nearest unit.

# Changes in Annual Business Performance

(Unit: 100 mil. yen, rounded off to the nearest integer)

Total Consolidated	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Operating Revenue	2,255	2,332	2,419	2,411	2,536	3,010	3,008	2,606	2,750
Logistics business	2,168	2,248	2,334	2,320	2,446	2,922	2,920	2,518	2,689
Warehousing/Port transportation	1,164	1,139	1,174	1,143	1,152	1,255	1,383	1,229	1,354
Airfreight forwarding(FWD)	228	325	329	304	375	685	568	353	400
3PL/LLP	587	616	653	678	747	868	879	766	782
Land transportation	271	273	278	276	274	277	279	277	268
Elimination of intra-group transactions	-82	-105	-100	-82	-101	-163	-188	-107	-115
Real estate business	94	92	92	98	96	96	96	96	66
Eliminate/Corporate	-7	-8	-7	-7	-7	-8	-8	-8	-5
Operating Profit	58	70	120	118	177	259	260	208	155
Logistics business	45	59	98	91	150	237	239	194	194
Warehousing/Port transportation	20	27	42	37	51	66	89	73	79
Airfreight forwarding(FWD)	23	22	26	23	49	104	78	47	37
3PL/LLP	17	13	31	30	46	63	62	61	65
Land transportation	12	10	12	12	15	13	13	14	15
Consolidation adjustment, etc.	-27	-12	-12	-11	-11	-9	-2	-1	-2
Real estate business	50	50	51	59	58	58	59	59	19
Eliminate/Corporate	-37	-39	-30	-32	-32	-36	-39	-46	-58
Ordinary Profit	37	65	111	105	172	256	265	211	148
Profit attributed to owners of parent	-234	44	52	64	115	145	156	120	87

• The total and the sum of the breakdown, the cumulative total in the table may not match as the amount of each item is rounded to the nearest unit.

## Changes in Balance Sheet and Various Indicators

(Unit: 100 mil. yen, rounded off to the nearest integer)

Total Consolidated	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Current assets	739	684	648	578	634	774	765	736
Non-current assets	1,938	1,948	1,873	1,815	1,750	1,809	1,822	1,900
<b>Total assets</b>	<b>2,677</b>	<b>2,632</b>	<b>2,521</b>	<b>2,393</b>	<b>2,384</b>	<b>2,583</b>	<b>2,587</b>	<b>2,635</b>
Current liabilities	659	755	636	672	637	654	542	612
Non-current liabilities	1,600	1,393	1,362	1,173	1,061	1,042	1,004	816
<b>Total liabilities</b>	<b>2,259</b>	<b>2,148</b>	<b>1,998</b>	<b>1,845</b>	<b>1,698</b>	<b>1,697</b>	<b>1,546</b>	<b>1,427</b>
Equity Capital	377	440	474	497	627	795	933	1,099
Non-controlling interests	41	44	48	51	58	92	108	109
<b>Total net assets</b>	<b>418</b>	<b>484</b>	<b>522</b>	<b>548</b>	<b>685</b>	<b>886</b>	<b>1,041</b>	<b>1,208</b>
<b>Total liabilities and net assets</b>	<b>2,677</b>	<b>2,632</b>	<b>2,521</b>	<b>2,393</b>	<b>2,384</b>	<b>2,583</b>	<b>2,587</b>	<b>2,635</b>
Operating profit margin	2.6%	3.0%	5.0%	4.9%	7.0%	8.6%	8.6%	8.0%
Total assets turnover	0.8	0.9	0.9	1.0	1.1	1.2	1.2	1.0
Equity ratio	14.1%	16.7%	18.8%	20.8%	26.3%	30.8%	36.1%	41.7%
Return on equity (ROE)	-47.1%	10.7%	11.4%	13.2%	20.5%	20.4%	18.1%	11.9%
D/E ratio (times)	4.5	3.6	3.0	2.6	1.8	1.3	1.0	0.8
Earnings Per Share (EPS) (yen)	-943.3	177.4	209.0	257.5	465.0	584.0	628.1	486.2
Book-value Per Share (BPS) (yen)	1,518.3	1,772.3	1,908.7	2,001.3	2,524.4	3,199.3	3,750.2	4,412.1
Payout ratio	-	-	6.0%	14.6%	11.8%	22.1%	30.1%	30.0%
Dividend on equity ratio	0.2%	-	0.7%	1.9%	2.4%	4.5%	5.4%	3.6%

• The total and the sum of the breakdown, the cumulative total in the table may not match as the amount of each item is rounded to the nearest unit.

# Consolidated Financial Results

(Unit: 100 mil. yen)

Total Consolidated	Q1 FY2024 (3 months)	Q1 FY2025 (3 months)	Change
Operating Revenue	660	<b>656</b>	-4
Operating Profit	62	<b>38</b>	-24
Non-operating Profit (Loss)	4	<b>2</b>	-2
Financial Profit/Loss	1	<b>2</b>	+1
Others	2	<b>-0</b>	-2
Ordinary Profit	65	<b>40</b>	-25
Extraordinary Gains	1	<b>5</b>	+4
Extraordinary Losses	—	<b>—</b>	—
Profit before income taxes	67	<b>45</b>	-22
Income taxes	20	<b>9</b>	-11
Profit attributable to non-controlling interests	8	<b>6</b>	-2
Profit attributed to owners of parent	38	<b>30</b>	-8

- Decrease in foreign exchange gains, etc.

- +0.1 bn yen as extraordinary gain on reversal of asset retirement obligations due to acquisition of an existing logistics facility (land interest) in the previous fiscal year
- +0.5 bn yen as extraordinary gain on step acquisition of a Chinese joint venture company as a subsidiary through additional acquisition of its shares in the current fiscal year

# Consolidated Financial Forecast

(Unit: 100 mil. yen)

Total Consolidated	FY2024 Results (‘23.4-‘24.3)	FY2025 Forecast (‘24.4-‘25.3)	Change
Operating Revenue	2,606	<b>2,750</b>	+ 144
Operating Profit	208	<b>155</b>	-53
Non-operating Profit (Loss)	3	<b>-7</b>	-10
Financial Profit/Loss	1	<b>-1</b>	-2
Others	1	<b>-6</b>	-7
Ordinary Profit	210	<b>148</b>	-62
Extraordinary Gains	1	<b>5</b>	+4
Extraordinary Losses	2	<b>—</b>	-2
Profit attributed to owners of parent	121	<b>87</b>	-34

- Expect a rise in interest rates and increase borrowings

- Eliminate positive impact of foreign exchange rates fluctuations
- Expect loss on disposal of fixed assets

- Expect no extraordinary gains or losses after Q2 FY2025

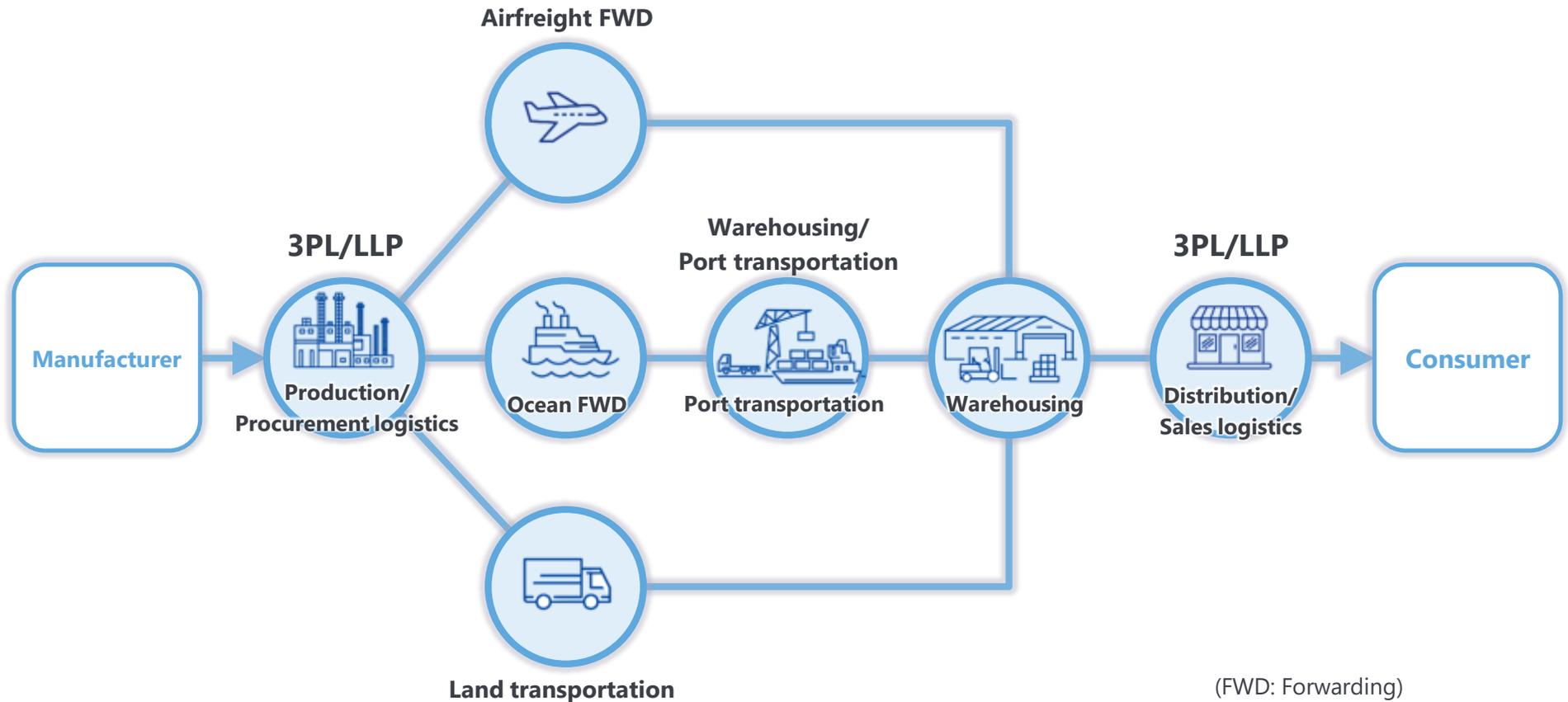
## C o n t e n t s

- Executive Summary
- Q1 FY2025 Financial Results
- FY2025 Financial Forecast
- Shareholder Returns
- Appendix.1 Detailed Financial Data
- Appendix.2 Company Profile**

## Business Introduction

- Our Group provides agile logistics services which cover the entire value chain – from upstream to downstream – by effectively combining a comprehensive lineup of logistics service functions for land, sea, and air with a wide-range of expertise/know-how

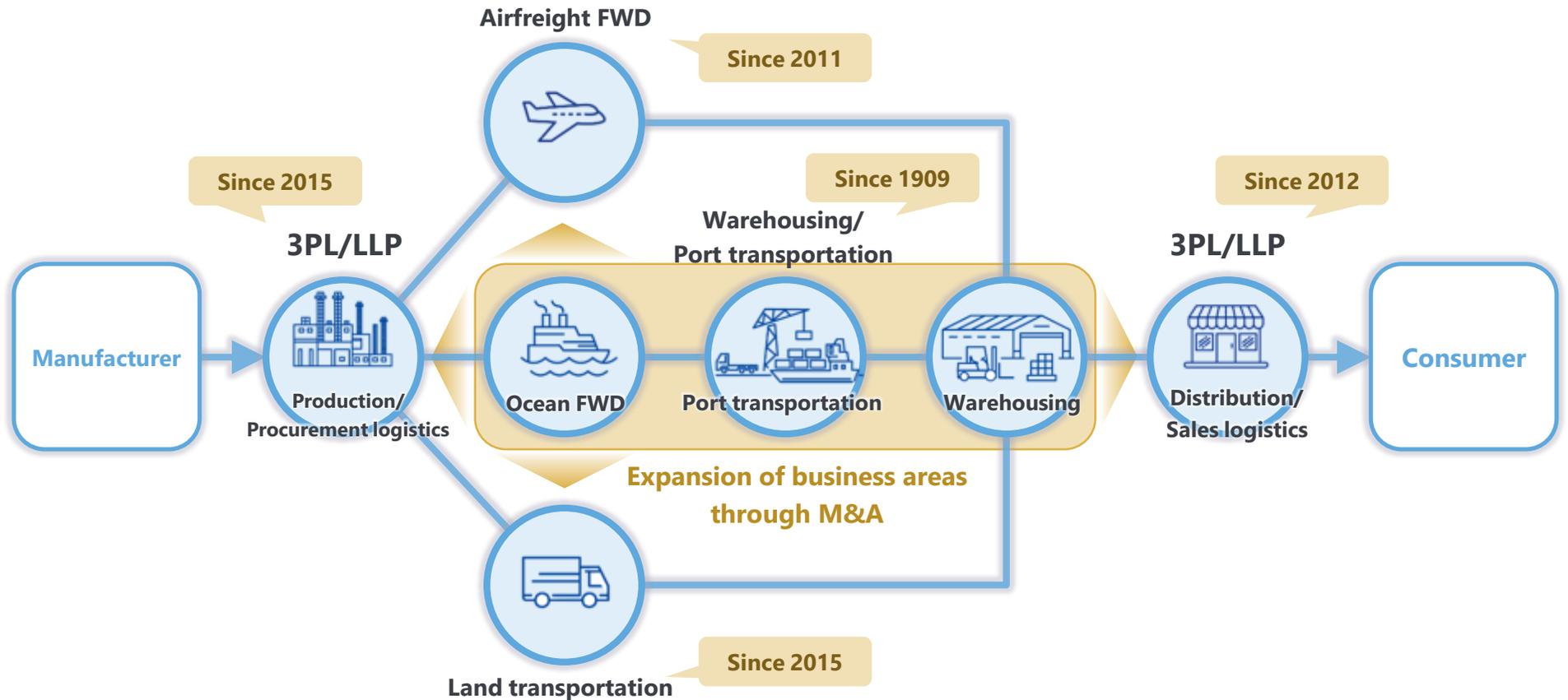
### Mitsui-Soko Group value chain: Comprehensive end-to-end logistics services



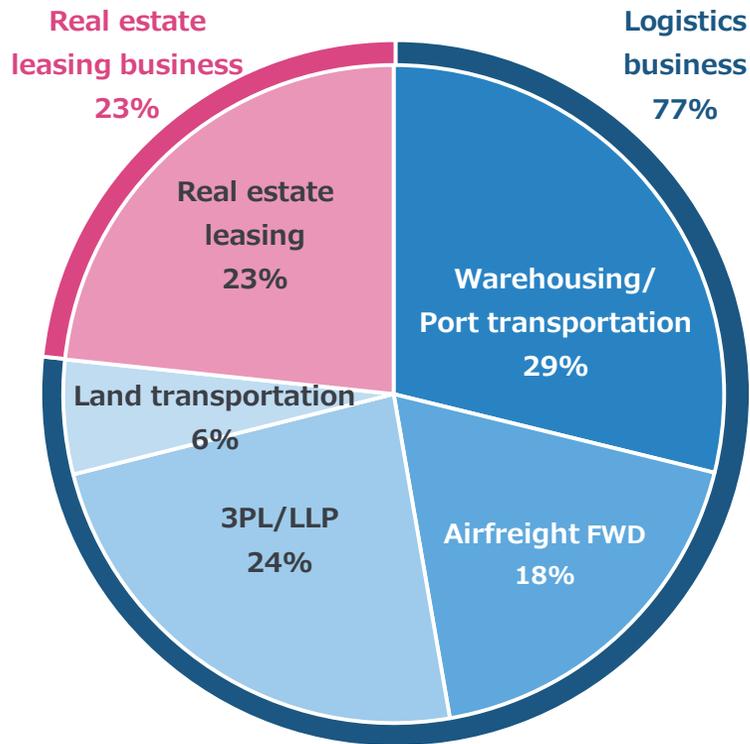
## Business Introduction

- After expanding business areas from warehousing business through M&A, our Group has grown into a comprehensive logistics company with multifaceted expertise
- With a comprehensive lineup of logistics service functions, our Group can provide end-to-end integrated logistic solution services

### Expansion of business areas through M&A



## Breakdown of operating profit by segment

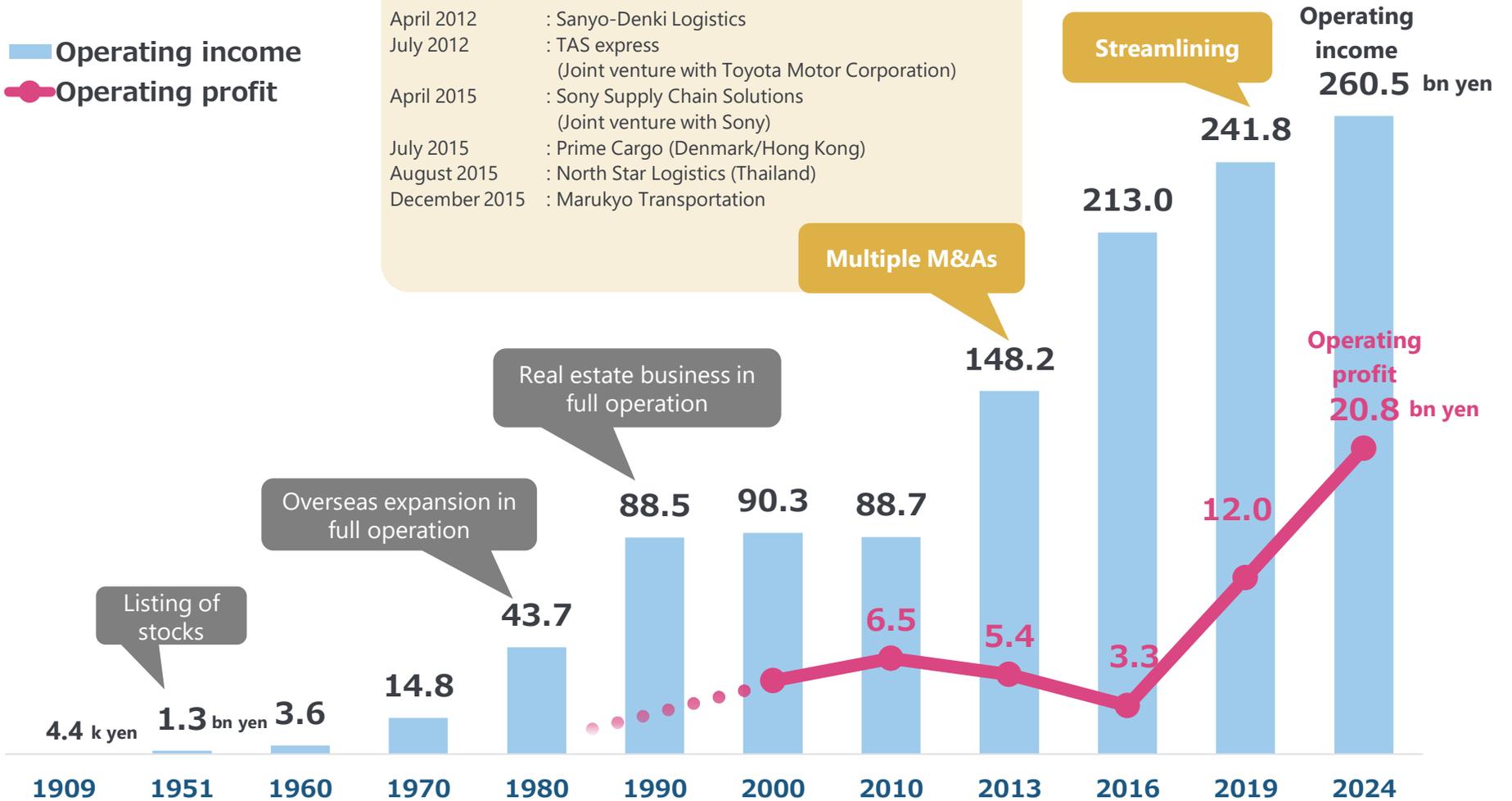


	Details of business segment	Main cargoes
<b>Warehousing/Port transportation</b>	<ul style="list-style-type: none"> <li>Asset-type distribution that utilizes company-owned multifunctional logistics facilities</li> </ul>	<ul style="list-style-type: none"> <li>Handling of food raw materials, pharmaceuticals and medical devices, and highly functional materials</li> </ul>
<b>Airfreight FWD</b>	<ul style="list-style-type: none"> <li>Airfreight forwarding (joint venture with Toyota Motor Corporation)</li> </ul>	<ul style="list-style-type: none"> <li>Handling of automotive parts</li> </ul>
<b>3PL/LLP</b>	<ul style="list-style-type: none"> <li>Logistics consulting, operation/delivery at non-asset logistics centers (including joint venture with Sony)</li> </ul>	<ul style="list-style-type: none"> <li>Handling of home appliances and precision equipment such as semiconductors</li> </ul>
<b>Land transportation</b>	<ul style="list-style-type: none"> <li>Truck transportation and operation of company-owned logistics centers</li> </ul>	<ul style="list-style-type: none"> <li>Handling of daily necessities and non-prescription pharmaceuticals</li> </ul>
<b>Real estate leasing</b>	<ul style="list-style-type: none"> <li>Leasing business with company-owned real estate</li> </ul>	<ul style="list-style-type: none"> <li>Offices/Residences</li> </ul>

## Consolidated earnings

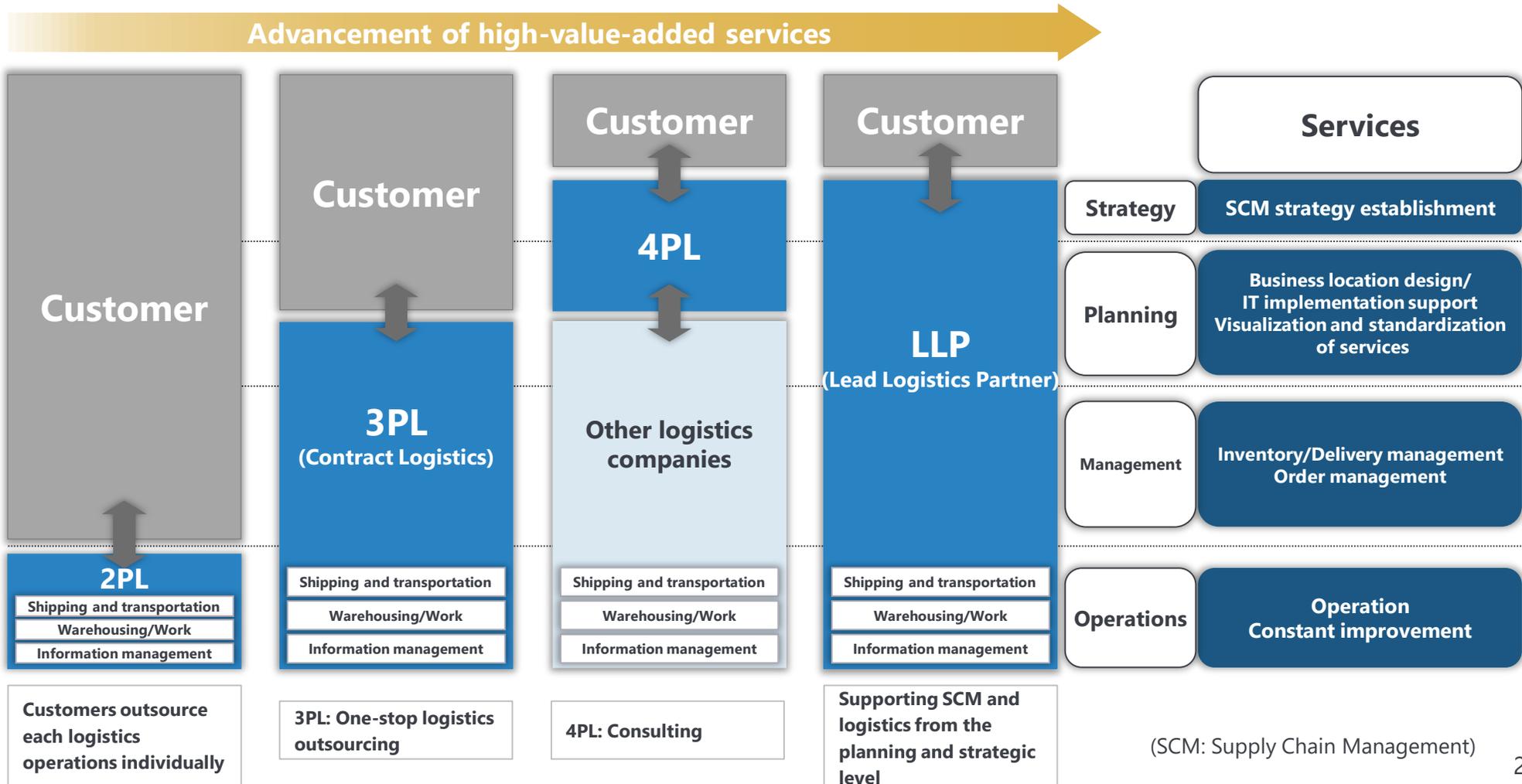
■ Operating income  
● Operating profit

April 2012 : Sanyo-Denki Logistics  
 July 2012 : TAS express  
 (Joint venture with Toyota Motor Corporation)  
 April 2015 : Sony Supply Chain Solutions  
 (Joint venture with Sony)  
 July 2015 : Prime Cargo (Denmark/Hong Kong)  
 August 2015 : North Star Logistics (Thailand)  
 December 2015 : Marukyo Transportation



# High-value-added Logistics Services

- Our Group offers one-stop 4PL/LLP solutions that provide support for a sustainable logistics infrastructure, whether it be planning customer-focused logistics strategies, strengthening planning/management, or providing operations



## Customer Base

- Our Group has continued to support leading Japanese manufacturers such as Toyota and Sony with its high-quality services, and has formed an excellent domestic customer base that includes various companies of the Mitsui Group

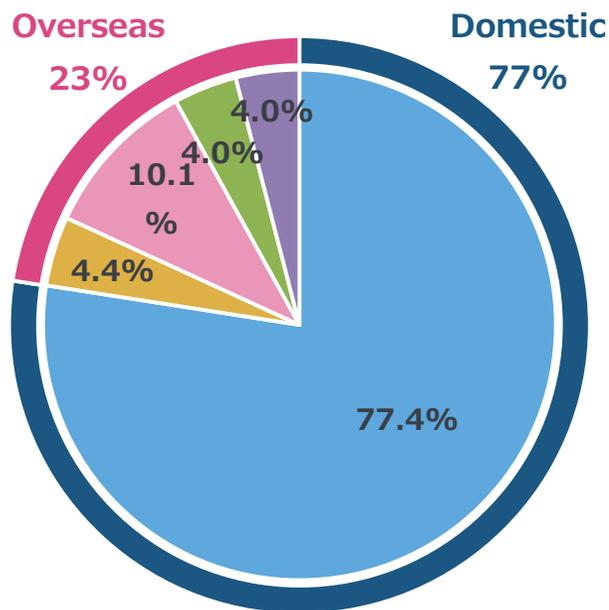
### Main customers

Business segment	Ratio to operating profit	
Warehousing/ Port transportation	29%	General trading companies Textile/Chemical/Daily necessities/Glass/Apparel manufacturers Pharmaceutical/Medical device manufacturers
Airfreight FWD	18%	Automobile/Automotive parts manufacturers General trading companies Chemical manufacturers
3PL/LLP	24%	Electronic/Machine/Home appliance manufacturers Appliance and electronics mass retailers
Land transportation	6%	Consumer goods manufacturers/wholesalers Drugstores Beverage manufacturers
Real estate leasing	23%	IBM Japan etc.

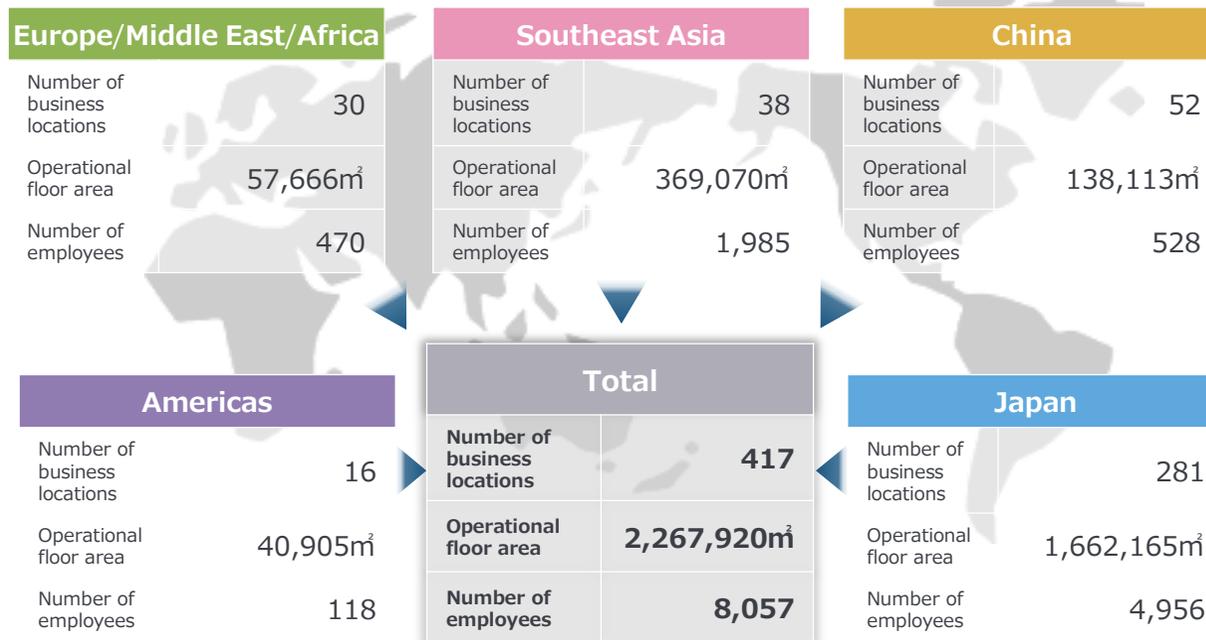
Of the top 100 customers, 73 are listed companies. Our Group has customers across 41 industries of the categories in the industrial classification

## Customer Base

- Our Group boasts a global network with about 280 offices in Japan and about 400 offices all over the world, and the operational floor area of about 2.26 million square meters
- Our Group has expanded overseas business to 20 countries, mainly in Asia, and now about 23% of the operating revenue is attributable to our overseas businesses



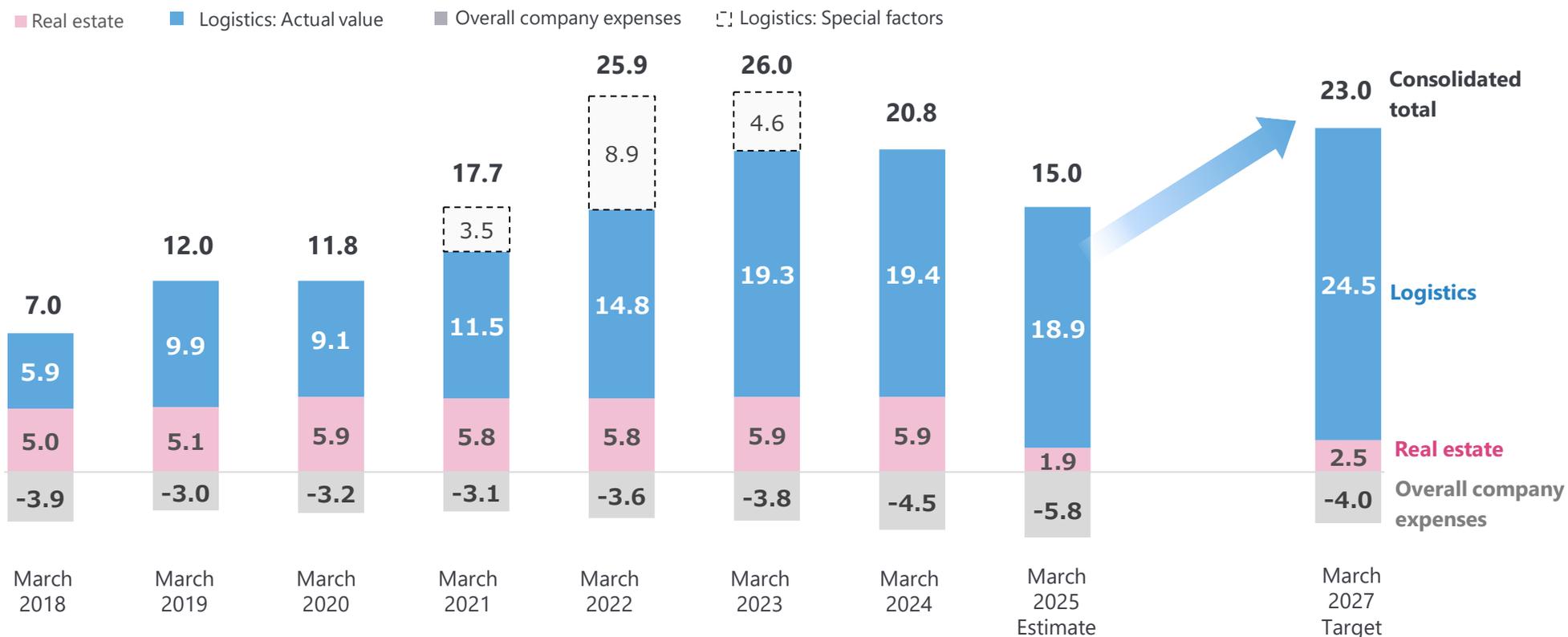
Japan	77.4%
China	4.4%
Southeast Asia	10.1%
Europe/Middle East/Africa	4.0%
Americas	4.0%



# Organic Growth

- Our Group plans to grow our operating profit to 23 billion yen for FY2027, the final year of the mid-term management plan
- Our Group aims to achieve this by increasing the handling of high-value-added freight relating to healthcare and orders for LLP solutions

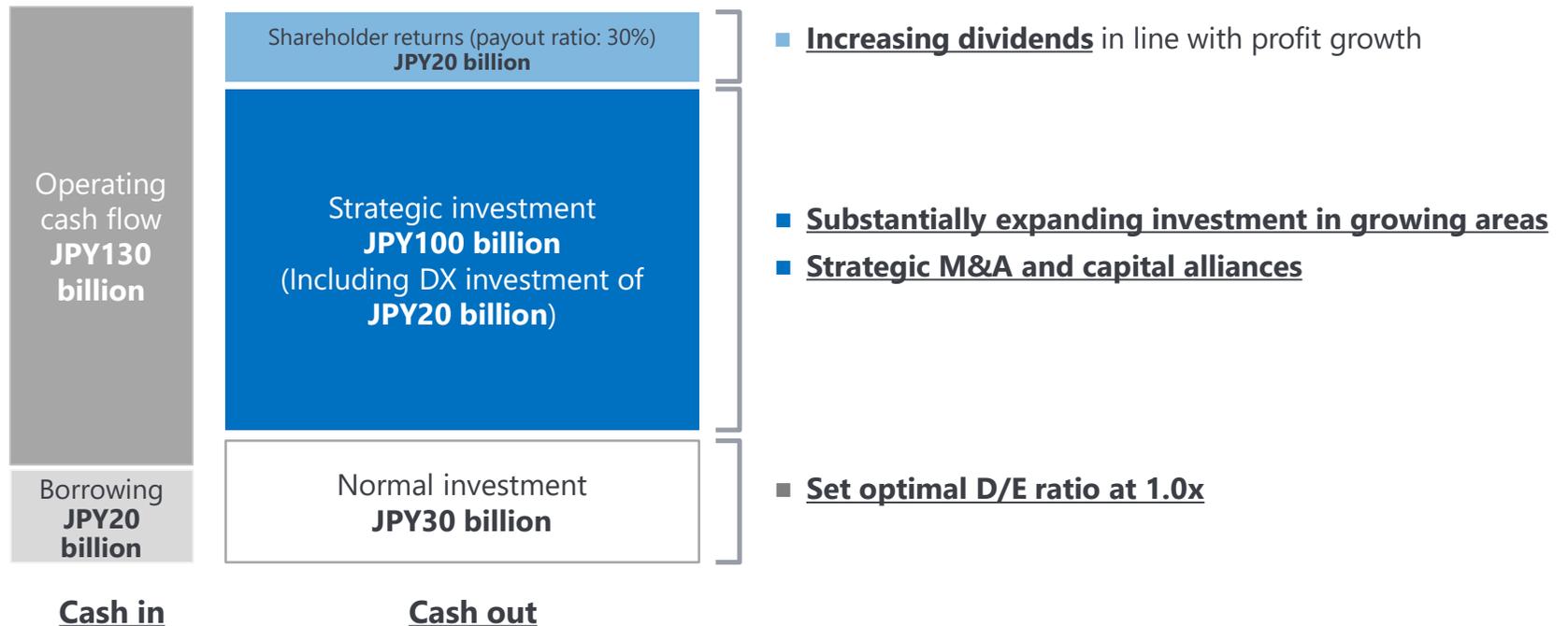
## Growth of operating profit (JPY Bn)



## ☑ Funding and Allocation

- Our Group has adopted a cashflow/allocation policy that balances proactive investment and shareholder returns enhancement

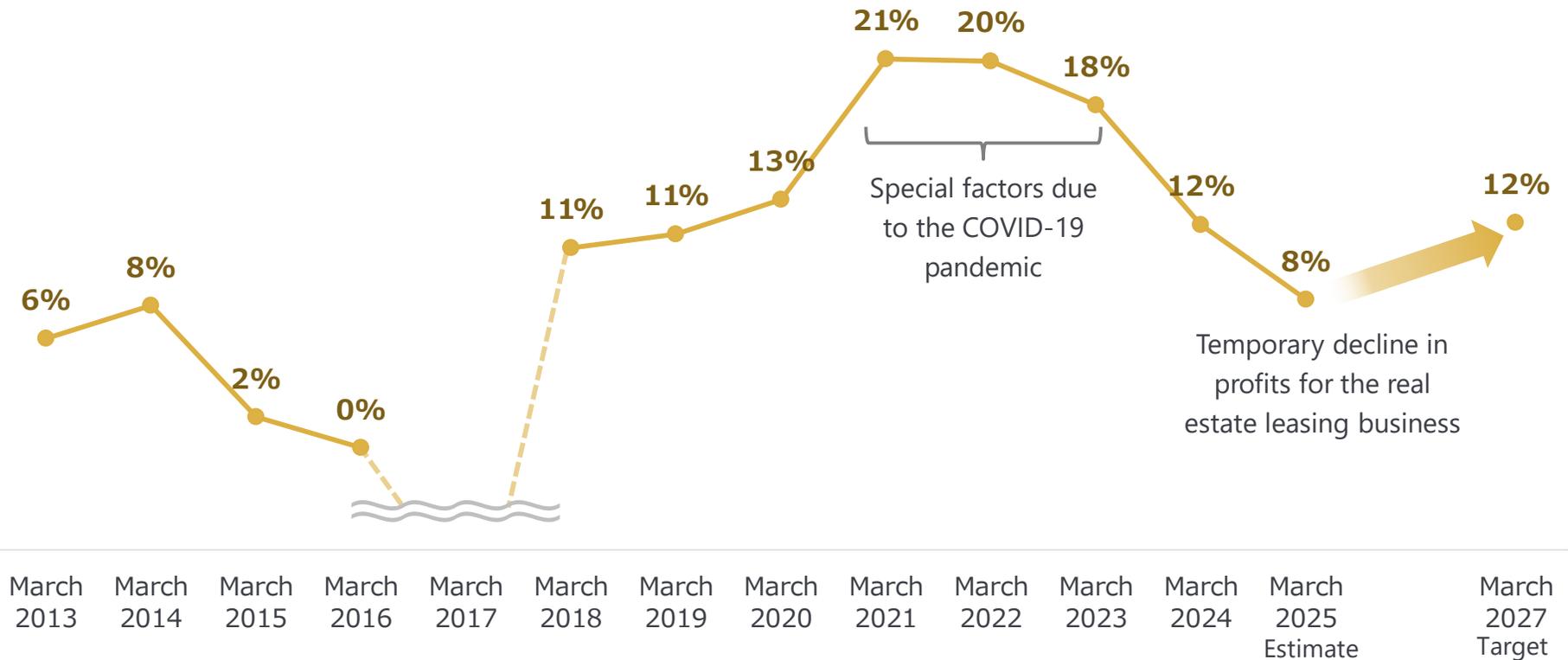
**Funding and allocation** (5-year cumulative total: FY2023 to FY2027)



## ROE Target (FY2027: 12%)

- Our Group conducts business management that emphasizes maintaining a high level of capital efficiency
- Our Group has set an ROE target of more than 12% for the final fiscal year of the medium-term management plan

### ROE levels



**Customers' situation: Facing rapid changes in business due to rapid environmental changes**

**Customers' issues : Establishment of logistics has not kept up with business changes**

✓ **The Mitsui-Soko Group, providing optimal logistics solutions, resolves customer issues**

### Industries especially with drastic environmental changes: Our Group's focus domain

Building of new supply chains of batteries and semiconductors for electric vehicles

**Mobility**

Market expansion of regenerative medicine and gene therapy due to more sophisticated medical treatment

**Healthcare**

Change in distribution channels aimed at capturing synergies between store and e-commerce sales

**B2B2C  
consumer  
goods**

### Our strengths

- Our specialist knowledge in logistics relating to parts of automobiles and electrical appliances due to its Toyota and Sony lineage
- Know-how to support the building of supply chains based on the manufacturer's perspective
- Providing high value-added logistics services from manufacturing to sales by having established a system in accordance with GMP\* and obtaining business licenses (pharmaceutical manufacturing license, etc.) in-house under the Pharmaceutical and Medical Devices Act
- Know-how in logistics design to optimize logistics operations for both stores and e-commerce
- Our experience in technical logistics, including operating home appliance distribution centers, the delivery, installation, and maintenance of home appliances

\*Good Manufacturing Practice(GMP): Standards for the manufacture and quality control of pharmaceuticals, etc.

## ✓ Strategic M&A and Capital Alliances

- Our Group is exploring business opportunities with customers in sectors it currently does not have existing transactions with, and is also assessing the potential for conducting M&As and forming capital alliances with the aim of securing competitive positions in logistics functions that we have yet to provide

### Mitsui-Soko Group's major logistics areas

Areas with existing transactions

Areas with no transactions

Industry	Value chain	Raw materials/Materials/Parts			Finished goods			Distribution		
		Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Sales logistics	
Healthcare		Areas with no transactions		Areas with existing transactions			Areas with no transactions			
Automotive		Areas with existing transactions					Areas with no transactions			
Home appliances		Areas with existing transactions								
Precision equipment/Machinery		Areas with existing transactions						Areas with no transactions		
Consumer goods		Areas with existing transactions								
Interior/Furniture		Areas with no transactions				Areas with existing transactions			Areas with existing transactions	
Food & beverage		Areas with existing transactions			Areas with existing transactions		Areas with existing transactions			
Apparel		Areas with no transactions		Areas with existing transactions			Areas with existing transactions			
Paper/Pulp		Areas with existing transactions		Areas with no transactions		Areas with existing transactions		Areas with no transactions		
Chemicals		Areas with existing transactions								

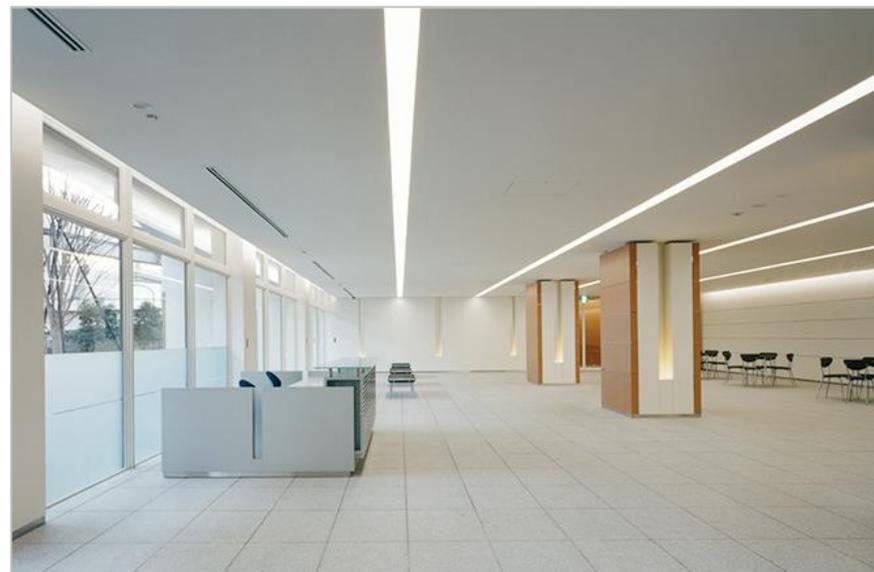
## ☑ Revenue Structure (real estate leasing business)

Our Group monetizes and manages land that is no longer suitable for logistics use due to changes in the surrounding environment as office/apartment buildings

- Property list by use

Use	Area	Property name	Floor area
Rental offices	Tokyo	MSH Nihonbashi Hakozaki Building	135,887m <sup>2</sup>
		MSC Center Building	32,507m <sup>2</sup>
		MSC Onarimon Building	10,516m <sup>2</sup>
		MSC Fukagawa Building	14,199m <sup>2</sup>
		MSC Fukagawa Building No. 2	22,046m <sup>2</sup>
Total		Five properties	215,155m <sup>2</sup>

Use	Area	Property name	Rental units
Rental apartments	Tokyo	Hakozaki River & Tower	99
		Park Axis Onarimon	52
	Osaka	Port Villa Utsubo Park	108
Total		Three properties	259



## ☑ Revenue Structure (real estate leasing business)

**Our Group is renovating the MSH Nihonbashi Hakozaki Building into a multi-tenant office building and enhancing the property's value to strengthen the revenue base of its real estate business**

- Conclusion of a multi-year lease contract with IBM Japan, the building's main tenant, for 10 floors of the building
- Strengthening of the revenue base for our group's real estate business by conducting value-enhancement work and renovating the building into a multi-tenant office building
- Renovation of the building to a multi-tenant office building since FY2025, and full utilization is estimated to be reached during FY2027

### Stacking plan

Floor 25   Floor 16	IBM Japan (10 floors)
Floor 15   Floor 9	<b>Multi-tenant office (7 floors)</b>
Floor 6-8	Mitsui-Soko Group head office (3 floors)
Floor 5	Common cafeteria/Meeting rooms
Floor 3-4	<b>Multi-tenant office (2.5 floors)</b>
Floor 2	
Floor 1	Entrance hall (1.5 floors)

- Previously, 25 floors were leased altogether. The leased space is reduced to 10 floors from FY2025
  - **Leasing begins from FY2025**
  - **Full utilization is estimated to be reached during FY2027**
- 
- **Leasing begins from FY2025**
  - **Full utilization is estimated to be reached during FY2027**



Address	19- 21 Nihonbashihakozaki-cho, Chuo-ku, Tokyo
Stories	25 stories above ground, 3 stories under ground
Floor area	135,887㎡ (41,105 tsubo)
Standard floor areas	3,400㎡ (1,029 tsubo)
Construction completed	March 1989

# Empower society, encourage progress

## MITSUI-SOKO HOLDINGS CO., LTD.

### Finance and Accounting Division (in charge of IR)

- Various inquiries, Application for IR interviews

E-mail : [msc\\_ir\\_cacp@mitsui-soko.co.jp](mailto:msc_ir_cacp@mitsui-soko.co.jp)

WEB Form : <https://www.mitsui-soko.com/en/contact/>

- Various IR materials and Video distribution of financial results briefings

WEB : <https://www.mitsui-soko.com/en/ir/>

- This material is to provide information regarding our company, and are not intended as a solicitation for investment.
- Figures for the forecasts, outlooks, and targets described in this report that are not historical facts are calculated based on the currently available information and uncertain factors that may have an effect on future performance. The actual results may differ from the forecasts.

## YouTube "Official MITSUI-SOKO GROUP Channel"

(※ Please click the link below for our YouTube)



<https://www.youtube.com/@mitsuisokohd>

- We distribute video content such as various services of the Group and introduction of the Company.