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August 2, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: MITSUI-SOKO HOLDINGS Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9302
 URL: <https://www.mitsui-soko.com/en/>
 Representative: Hirobumi Koga, Representative Director, President & CEO
 Inquiries: Takeshi Matsuki, General Manager of Finance and Accounting Division
 Telephone: +81-3-6400-8006
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	65,620	(0.6)	3,828	(37.8)	3,993	(38.8)	2,975	(21.3)
June 30, 2023	65,988	(16.0)	6,158	(9.2)	6,521	(8.6)	3,780	(20.8)

Note: Comprehensive income For the three months ended June 30, 2024: ¥7,418 million [(6.8)%]
 For the three months ended June 30, 2023: ¥7,962 million [(4.2)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	119.45	–
June 30, 2023	151.99	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	274,959	124,699	41.6
March 31, 2024	263,543	120,828	41.7

Reference: Equity capital
 As of June 30, 2024: ¥114,279 million
 As of March 31, 2024: ¥109,908 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	67.00	–	79.00	146.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecasts)		73.00	–	73.00	146.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	135,000	2.4	7,700	(35.0)	7,300	(40.2)	4,600	(36.0)	184.57
Fiscal year ending March 31, 2025	275,000	5.5	15,500	(25.3)	14,800	(29.6)	8,700	(28.1)	348.98

Note: Revisions to the earnings forecasts most recently announced: Yes

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company [Company name] MSE China (Beijing) Co., Ltd.

Excluded: –

Note: For details, please refer to “(4) Notes to quarterly consolidated financial statements, Changes in scope of consolidation or scope of application of the equity method” under “2. Quarterly consolidated financial statements and significant notes thereto” on page 11 of the attached materials.

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “(4) Notes to quarterly consolidated financial statements, Notes on changes in accounting policies” under “2. Quarterly consolidated financial statements and significant notes thereto” on page 11 of the attached materials.

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	24,957,602 shares
As of March 31, 2024	24,957,602 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2024	47,651 shares
As of March 31, 2024	46,980 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	24,909,982 shares
Three months ended June 30, 2023	24,874,994 shares

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

- * Proper use of earnings forecasts, and other special matters

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. Regarding earnings forecasts, please refer to “(3) Explanation of earnings forecasts and other forward-looking statements,” under “1. Qualitative information on quarterly financial results,” on page 4 of the attached materials.

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1. Qualitative information on quarterly financial results

(1) Explanation of operating results

The overview of the financial results for the three months ended June 30, 2024 is as follows.

(Millions of yen)

Consolidated total amount	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year comparison	Changes
Operating revenue	65,988	65,620	(367)	(0.6)%
Operating profit	6,158	3,828	(2,330)	(37.8)%
Ordinary profit	6,521	3,993	(2,528)	(38.8)%
Profit attributable to owners of parent	3,780	2,975	(805)	(21.3)%

- Revenues and earnings declined year on year, mainly due to reduced freight margins caused by rising freight-in costs in airfreight forwarding and temporary vacancies due to the conversion of major buildings to multi-tenant facilities in the Real Estate Business.
- In Japan, we focused on acquiring new businesses in the focus fields laid out in our medium-term management plan.

Operating results by segment are as follows.

(a) Logistics Business

(Millions of yen)

Logistics Business	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year comparison	Changes
Operating revenue	64,016	64,490	474	0.7%
Operating profit	5,918	4,631	(1,287)	(21.7)%

Business environment: The business environment surrounding the Company is as follows.

- Although the inventory adjustment phase for raw materials, parts, and other materials experienced by companies since the previous fiscal year has run its course, international transportation cargo movements remain flat.
 - As for the shipping market, freight costs are rising mainly for routes to Europe and the U.S., and the congestion in Asian hub ports is leading to a shortage of marine containers. As a result, in airfreight forwarding, there have been rising freight costs for certain routes and an increase in urgent air transportation due to a shipping capacity shortage.

Operating situation: The situation regarding the operating activities of the Company is as follows.

- Earnings declined year on year due to contracting freight margins caused by rising freight-in costs in airfreight forwarding.
- In Japan, we focused on acquiring new businesses in the focus fields laid out in our medium-term management plan.

As a result of these efforts, the following profit contributions are taking place in our new locations.

- Launch of new operations at our high-fashion distribution hub in the Kanto region
- Increased handling at our EC distribution hub in the Kansai region
- Increased handling at a semiconductor distribution hub in the Kyushu region

(b) Real Estate Business

(Millions of yen)

Real Estate Business	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year comparison	Changes
Operating revenue	2,176	1,345	(831)	(38.2)%
Operating profit	1,289	351	(938)	(72.8)%

Business environment: The business environment surrounding the Company is as follows.

- The average vacancy rates for existing office properties in the Tokyo business district decreased, while average rents increased slightly.

Operating situation: The situation regarding the operating activities of the Company is as follows.

- Revenues and earnings declined year on year from temporary vacancies due to the conversion of major buildings owned by the Company to multi-tenant facilities.

(2) Explanation of financial position
(i) Status of changes in financial position

(Millions of yen)

Consolidated total amount	As of March 31, 2024	As of June 30, 2024	Comparison from March 31, 2024	Changes
Equity capital	109,908	114,279	4,371	4.0%
Total assets	263,543	274,959	11,415	4.3%
Equity ratio	41.7%	41.6%	-0.1 pt	(0.3)%
Interest-bearing debt	83,265	83,787	522	0.6%
D/E ratio	0.76	0.73	(0.02)	(3.2)%

- The increase in equity capital was due to the recording of profit attributable to owners of parent and an increase in foreign currency translation adjustment due to the weak yen.
- The increase in total assets was due to an increase in customs paid in advance, etc. (other current assets).
- The increase in interest-bearing debt was due to an increase in short-term borrowings for the payments of dividends, etc.
- The D/E ratio is kept at below 1.0 level in preparation for the implementation of strategic investment in the future.

(ii) Status of cash flows

(Millions of yen)

Consolidated total amount	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year comparison
Cash and cash equivalents at beginning of period	33,417	30,876	–
Net cash provided by (used in) operating activities	8,164	8,964	800
Net cash provided by (used in) investing activities	(2,271)	(4,850)	(2,579)
Net cash provided by (used in) financing activities	(7,000)	(3,484)	3,515
Cash and cash equivalents at end of period	33,391	33,117	–

The status of cash flows for the three months ended June 30, 2024 is as follows.

- The main items in cash flows from operating activities are profit before income taxes and cash reserves due to recording of depreciation.
- The main items in cash flows from investing activities are payments of construction costs for the conversion of major buildings to multi-tenant facilities in the Real Estate Business.
- The main items in cash flows from financing activities are short-term borrowings and payments of dividends.

(iii) Changes in cash flow-related indicators

	Fiscal year ended March 31, 2023	Three months ended June 30, 2023	Fiscal year ended March 31, 2024	Three months ended June 30, 2024
Equity ratio (%)	36.1	37.2	41.7	41.6
Equity ratio based on market value (%)	37.7	33.3	44.5	43.3
Interest-bearing debt to cash flow ratio	2.9	2.8	3.6	2.3
Interest coverage ratio	37.1	56.8	29.0	68.7

Notes: Equity ratio: Equity capital/Total assets

Equity ratio based on market value: Market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest payments

1. Each of the above indicators is calculated based on consolidated financial figures.
2. Market capitalization is calculated as follows: Final stock price at the end of the period x Total number of issued shares at the end of the period (excluding treasury shares).
3. The figure used for cash flow is “Net cash provided by (used in) operating activities” on the consolidated statement of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet on which interest is paid. Furthermore, regarding the interest payments, the figure for “Interest paid” on the consolidated statement of cash flows is used.
4. The ratio of interest-bearing debt to cash flow is calculated at 4 times for the period under review, since cash flow is converted to an annual amount.

(3) Explanation of earnings forecasts and other forward-looking statements

Although the recovery in international cargo movement has been more gradual than initially expected, the shift from sea transportation to air transportation (a shipping capacity shortage) caused by the Red Sea crisis and the impact of transit restrictions in the Panama Canal, strong semiconductor handling in the Kyushu region, and progress optimizing collection fees in excess of the initial plans to cope with rising costs have led to improvement in the operating profit margin. Because operating profit is now expected to increase more than our previously announced forecast, we have revised our earnings forecasts for the six months ending September 30, 2024.

Note that the full-year forecasts has been revised taking into account only the revision to the first-half.

[Consolidated earnings forecasts for the six months ending September 30, 2024 (April 1, 2024 to September 30, 2024)]

	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
(i) Previously announced forecasts	Millions of yen 135,000	Millions of yen 7,200	Millions of yen 6,700	Millions of yen 4,400	Yen 176.69
(ii) Revised forecasts	135,000	7,700	7,300	4,600	184.57
(iii) Changes (ii) – (i)	0	500	600	200	–
(iv) Percentage changes (iii)/(i)	0.0%	6.9%	9.0%	4.5%	–
Reference: Results for the same period of the previous fiscal year (Six months ended September 30, 2023)	131,862	11,843	12,206	7,182	288.54

[Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)]

	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
(i) Previously announced forecasts	Millions of yen 275,000	Millions of yen 15,000	Millions of yen 14,200	Millions of yen 8,500	Yen 341.34
(ii) Revised forecasts	275,000	15,500	14,800	8,700	348.98
(iii) Changes (ii) – (i)	0	500	600	200	–
(iv) Percentage changes (iii)/(i)	0.0%	3.3%	4.2%	2.4%	–
Reference: Results for the same period of the previous fiscal year (Fiscal year ended March 31, 2024)	260,593	20,754	21,010	12,107	486.21

Overview of difference between previously announced earnings forecasts for the six months ending September 30, 2024 and current revision for consolidated operating profit (Billions of yen)

Amount in earnings forecasts for the six months ending September 30, 2024 announced on May 10, 2024	7.2
Shift from sea transportation to air transportation (a shipping capacity shortage)	+0.2
Strong semiconductor handling in the Kyushu region	+0.1
Progress optimizing collection fees in excess of the initial plan.	+0.1
Other (cost reduction, etc.)	+0.1
Revised forecast amount	7.7

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	31,870	33,843
Notes and operation accounts receivable trade, and contract assets	30,262	31,592
Inventories	1,987	2,002
Other	9,496	12,956
Allowance for doubtful accounts	(56)	(41)
Total current assets	73,560	80,352
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	68,374	68,615
Land	57,718	57,936
Other, net	12,692	12,918
Total property, plant and equipment	138,785	139,471
Intangible assets		
Goodwill	1,587	2,588
Other	10,823	11,120
Total intangible assets	12,411	13,709
Investments and other assets		
Investment securities	15,393	16,888
Other	23,780	24,927
Allowance for doubtful accounts	(387)	(390)
Total investments and other assets	38,785	41,425
Total non-current assets	189,983	194,606
Total assets	263,543	274,959

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	16,031	15,387
Current portion of bonds payable	14,000	14,000
Short-term borrowings	716	2,624
Current portion of long-term borrowings	5,091	4,842
Income taxes payable	2,118	965
Provision for bonuses	3,713	2,503
Other	19,480	28,925
Total current liabilities	61,152	69,246
Non-current liabilities		
Bonds payable	11,000	11,000
Long-term borrowings	45,929	44,883
Retirement benefit liability	6,458	6,515
Other	18,174	18,614
Total non-current liabilities	81,562	81,013
Total liabilities	142,715	150,260
Net assets		
Shareholders' equity		
Share capital	11,219	11,219
Capital surplus	5,666	5,666
Retained earnings	71,772	72,780
Treasury shares	(104)	(104)
Total shareholders' equity	88,554	89,561
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,931	7,960
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	9,975	12,419
Remeasurements of defined benefit plans	4,446	4,336
Total accumulated other comprehensive income	21,353	24,717
Non-controlling interests	10,920	10,419
Total net assets	120,828	124,699
Total liabilities and net assets	263,543	274,959

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**Quarterly consolidated statement of income
[For the first three months]**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Operating revenue		
Warehousing fee income	9,545	9,682
Stevedoring income	7,972	8,720
Port terminal fee income	4,228	4,061
Transportation income	31,881	30,796
Real estate income	1,972	1,130
Other	10,388	11,229
Total operating revenue	65,988	65,620
Operating costs		
Direct operation expenses	29,216	29,344
Rent expenses	5,152	5,641
Depreciation	1,958	2,018
Salaries and allowances	9,571	9,919
Other	9,156	9,603
Total operating costs	55,055	56,527
Operating gross profit	10,932	9,093
Selling, general and administrative expenses	4,773	5,265
Operating profit	6,158	3,828
Non-operating income		
Interest income	121	165
Dividend income	200	238
Foreign exchange gains	229	49
Share of profit of entities accounted for using equity method	77	31
Other	111	110
Total non-operating income	741	594
Non-operating expenses		
Interest expenses	200	198
Other	177	231
Total non-operating expenses	378	429
Ordinary profit	6,521	3,993
Extraordinary income		
Gain on reversal of asset retirement obligations	139	–
Gain on step acquisitions	–	509
Total extraordinary income	139	509
Profit before income taxes	6,661	4,503
Income taxes	2,039	888
Profit	4,622	3,614
Profit attributable to non-controlling interests	841	638
Profit attributable to owners of parent	3,780	2,975

Quarterly consolidated statement of comprehensive income
[For the first three months]

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	4,622	3,614
Other comprehensive income		
Valuation difference on available-for-sale securities	852	1,028
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	2,358	2,659
Remeasurements of defined benefit plans, net of tax	(39)	(109)
Share of other comprehensive income of entities accounted for using equity method	167	224
Total other comprehensive income	3,340	3,804
Comprehensive income	7,962	7,418
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,863	6,339
Comprehensive income attributable to non-controlling interests	1,098	1,079

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	6,661	4,503
Depreciation	2,372	2,510
Amortization of goodwill	37	61
Gain on reversal of asset retirement obligations	(139)	–
Loss (gain) on step acquisitions	–	(509)
Increase (decrease) in allowance for doubtful accounts	(23)	(15)
Increase (decrease) in provision for bonuses	(1,409)	(1,239)
Increase (decrease) in retirement benefit liability	(22)	33
Interest and dividend income	(322)	(403)
Interest expenses	200	198
Share of loss (profit) of entities accounted for using equity method	(77)	(31)
Loss (gain) on sale of property, plant and equipment	(13)	(14)
Loss on retirement of non-current assets	41	31
Decrease (increase) in accounts receivable - trade, and contract assets	1,864	(748)
Increase (decrease) in trade payables	(1,288)	(986)
Other, net	4,094	7,124
Subtotal	11,976	10,513
Interest and dividends received	448	403
Interest paid	(143)	(130)
Income taxes paid	(4,116)	(1,821)
Net cash provided by (used in) operating activities	8,164	8,964
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,900)	(2,185)
Proceeds from sale of property, plant and equipment	26	28
Purchase of intangible assets	(763)	(650)
Proceeds from sale of intangible assets	0	0
Purchase of investment securities	(3)	(3)
Loan advances	(6)	(8)
Proceeds from collection of loans receivable	16	8
Payments into time deposits	(0)	(0)
Proceeds from withdrawal of time deposits	359	298
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(440)
Other, net	–	(1,896)
Net cash provided by (used in) investing activities	(2,271)	(4,850)
Cash flows from financing activities		
Proceeds from short-term borrowings	7,600	12,400
Repayments of short-term borrowings	(7,600)	(10,500)
Repayments of long-term borrowings	(1,369)	(1,393)
Dividends paid	(2,910)	(1,967)
Dividends paid to non-controlling interests	(2,374)	(1,832)
Other, net	(345)	(190)
Net cash provided by (used in) financing activities	(7,000)	(3,484)
Effect of exchange rate change on cash and cash equivalents	1,081	1,611
Net increase (decrease) in cash and cash equivalents	(25)	2,240
Cash and cash equivalents at beginning of period	33,417	30,876
Cash and cash equivalents at end of period	33,391	33,117

(4) Notes to quarterly consolidated financial statements**Notes on premise of going concern**

Not applicable.

Notes when there are significant changes in amounts of shareholders' equity

Not applicable.

Changes in scope of consolidation or scope of application of the equity method**(1) Significant changes in the scope of consolidation**

MSE China (Beijing) Co., Ltd. was included in the scope of consolidation from the first quarter ended June 30, 2024, due to additional acquisition of interests.

(2) Significant changes in the scope of application of the equity method

Since MSE China (Beijing) Co., Ltd. was included in the scope of consolidation from the first quarter ended June 30, 2024, due to additional acquisition of interests, it was excluded from the scope of application of the equity method.

Notes on changes in accounting policies**Application of Accounting Standard for Current Income Taxes**

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Previously, calculated amounts of corporate taxes, inhabitants taxes and enterprise taxes on earnings, etc. ("current income taxes") were recorded in profit or loss in accordance with laws and regulations. Moving forward, current income taxes on earnings will be recorded in profit or loss, shareholders' equity, or other comprehensive income according to the transaction, etc. from which those taxes were incurred. Concerning current income taxes recorded in accumulated other comprehensive income, when a transaction, etc., which is the reason for said current income taxes to be applied, is recorded in profit or loss, the corresponding amount of tax will be recorded in profit or loss. Additionally, if the transaction, etc. subject to taxation is related to shareholders' equity or other comprehensive income in addition to profit or loss, and it is difficult to calculate the amount of current income taxes to be applied to shareholders' equity or other comprehensive income, the amount of such taxes will be recorded in profit or loss.

Furthermore, regarding the temporary difference inherent in the consolidated financial statements associated with the monetary differences caused by changes in the parent company's equity stake, where a capital surplus is recorded as deferred tax assets or deferred tax liabilities as a partner account, for the reversal of the deferred tax assets or deferred tax liabilities when the temporary difference is eliminated through the sale of the investment in the subsidiary in question, etc., the corresponding amount had previously been recorded as income taxes - deferred, but here the capital surplus has been reversed as a partner account.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022, and these revisions have no impact on our quarterly consolidated financial statements.

Furthermore, regarding the handling of the tax impact where the gain or loss on sales resulting from sales of shares of the Company's subsidiaries among consolidated companies is deferred for tax purposes, in the financial statements of the company selling shares of the subsidiaries in question,

where deferred tax assets or deferred tax liabilities are recorded on the temporary difference associated with the gain or loss on sale in question, in the past the Company has not revised the amount of the deferred tax assets or deferred tax liabilities associated with the temporary difference in question in the consolidated accounting procedures, however here the deferred tax assets or deferred tax liabilities associated with the temporary difference in question have been reversed.

Regarding the amendments related to revisions of the handling in the consolidated financial statements where the gain or loss on sales resulting from sales of shares of the Company's subsidiaries among consolidated companies is deferred for tax purposes, the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) has been applied from the beginning of the first quarter of the fiscal year ending March 31, 2025, and the impact of these revisions on our quarterly consolidated financial statements is minimal.

Notes on segment information, etc.

[Segment information]

I Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1. Information on amounts of operating revenue and profit (loss) by reportable segment

	Reportable segment		Total	Adjustment (Note 1)	(Millions of yen)
	Logistics Business	Real Estate Business			Amount recorded in the quarterly consolidated statement of income (Note 2)
Operating revenue					
(1) Operating revenue from external customers	64,016	1,972	65,988	—	65,988
(2) Intersegment revenue or transfers	—	203	203	(203)	—
Total	64,016	2,176	66,192	(203)	65,988
Segment operating profit	5,918	1,289	7,208	(1,050)	6,158

Notes: 1. Segment profit adjustment of ¥(1,050) million is expenses associated with the administrative department of the Company.

2. Segment operating profit is adjusted to operating profit in the quarterly consolidated statement of income.

II Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on amounts of operating revenue and profit (loss) by reportable segment

	Reportable segment		Total	Adjustment (Note 1)	Amount recorded in the quarterly consolidated statement of income (Note 2)
	Logistics Business	Real Estate Business			
Operating revenue					
(1) Operating revenue from external customers	64,490	1,130	65,620	–	65,620
(2) Intersegment revenue or transfers	–	214	214	(214)	–
Total	64,490	1,345	65,835	(214)	65,620
Segment operating profit	4,631	351	4,983	(1,154)	3,828

Notes: 1. Segment profit adjustment of ¥(1,154) million is expenses associated with the administrative department of the Company.

2. Segment operating profit is adjusted to operating profit in the quarterly consolidated statement of income.

Business combinations

Business combination by acquisition

The Company's consolidated subsidiary MITSUI-SOKO EXPRESS Co., Ltd. acquired an additional stake in equity method affiliated MSE China (Beijing) Co., Ltd., making it a consolidated subsidiary.

1. Outline of business combination

(1) Name of acquired company and its business content

Name of acquired company: MSE China (Beijing) Co., Ltd.

Description of business: Logistics business

(2) Main reason for business combination

We are working to further expand our air transportation business foundation in China to maximize Group profits.

(3) Date of business combination

April 1, 2024

(4) Legal form of business combination

Acquisition of interests in consideration for cash

(5) Name of company after business combination

No change

(6) Ratio of voting rights acquired

Ratio of voting rights before acquisition: 50.0%

Ratio of voting rights additionally acquired: 50.0%

Ratio of voting rights after acquisition: 100.0%

(7) Main reason for deciding the acquiring enterprise

The Company is the acquiring enterprise as its consolidated subsidiary acquired the interests in consideration for cash.

3. Supplemental information

Reference materials on the financial results for the three months ended June 30, 2024

1. Overview of operating results (Consolidated) (Millions of yen)

	Three-month period (from April 1 to June 30)				Full year (from April 1 to March 31)			
	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025	Changes		Results for the fiscal year ended March 31, 2024	Forecasts for the fiscal year ending March 31, 2025	Changes	
			Monetary amount	Percentage (%)			Monetary amount	Percentage (%)
Operating revenue	65,988	65,620	(367)	(0.6)	260,593	275,000	14,406	5.5
Operating profit	6,158	3,828	(2,330)	(37.8)	20,754	15,500	(5,254)	(25.3)
Ordinary profit	6,521	3,993	(2,528)	(38.8)	21,010	14,800	(6,210)	(29.6)
Profit attributable to owners of parent	3,780	2,975	(805)	(21.3)	12,107	8,700	(3,407)	(28.1)

2. Financial position (Consolidated) (Millions of yen)

	As of March 31, 2024	As of June 30, 2024	Changes	
			Monetary amount and others	Percentage (%)
Equity capital	109,908	114,279	4,371	4.0
Total assets	263,543	274,959	11,415	4.3
Equity ratio	41.7%	41.6%	-0.1 pt	(0.3)
D/E ratio	0.76	0.73	(0.02)	(3.2)

3. Status of depreciation (Consolidated) (Millions of yen)

	Same period of the previous fiscal year	Three months ended June 30, 2024	Changes	Fiscal year ended March 31, 2024
Depreciation	2,372	2,510	138	9,707

4. Balance of interest-bearing debt (Consolidated) (Millions of yen)

	As of March 31, 2024	As of June 30, 2024	Changes
Bonds payable	25,000	25,000	—
Borrowings	51,738	52,349	611
Lease liabilities	6,526	6,437	(89)
Total	83,265	83,787	522

5. Segment information (Consolidated)

<Operating revenue>

(Millions of yen)

	Results for the same period of the previous fiscal year	Results for the three months ended June 30, 2024	Forecasts for the fiscal year ending March 31, 2025	Results for the fiscal year ended March 31, 2024
Logistics Business	64,016	64,490	268,900	251,817
Real Estate Business	2,176	1,345	6,600	9,592
Total	66,192	65,835	275,500	261,410
Adjustment	(203)	(214)	(500)	(816)
Amount recorded in the consolidated statement of income	65,988	65,620	275,000	260,593

<Operating profit>

(Millions of yen)

	Results for the same period of the previous fiscal year	Results for the three months ended June 30, 2024	Forecasts for the fiscal year ending March 31, 2025	Results for the fiscal year ended March 31, 2024
Logistics Business	5,918	4,631	19,400	19,422
Real Estate Business	1,289	351	1,900	5,942
Total	7,208	4,983	21,300	25,365
Adjustment	(1,050)	(1,154)	(5,800)	(4,610)
Amount recorded in the consolidated statement of income	6,158	3,828	15,500	20,754

A breakdown of performance in the Logistics Business by business category is presented in the Fact Sheet on the Company's IR website.

The Company's IR website URL: <https://www.mitsui-soko.com/en/ir/library/information> (in English)

Independent Auditor's Interim Review Report on the Quarterly Consolidated Financial Statements
(Translation)

August 2, 2024

To the Board of Directors of MITSUI-SOKO HOLDINGS Co., Ltd.
KPMG AZSA LLC
Tokyo office

Designated Engagement Partner	Certified Public Accountant	Koji Yoshida
Designated Engagement Partner	Certified Public Accountant	Reiji Kobayashi
Designated Engagement Partner	Certified Public Accountant	Mayuka Katsuki

Auditor's Conclusion

We have conducted an interim review of the quarterly consolidated financial statements, namely, the quarterly consolidated balance sheet, the quarterly consolidated statement of income, the quarterly consolidated statement of comprehensive income, the quarterly consolidated statement of cash flows, and notes thereto, for the first quarter ended June 30, 2024 (April 1, 2024 to June 30, 2024) and for the three months ended June 30, 2024 (April 1, 2024 to June 30, 2024), which are included in the attached materials to the Consolidated Financial Results for the Three Months Ended June 30, 2024 of MITSUI-SOKO HOLDINGS Co., Ltd.

In the interim review we conducted, we found no matter that would lead us to believe that the above quarterly consolidated financial statements have not been prepared in any material respect in accordance with Article 4, paragraph (1) of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards generally accepted in Japan for quarterly financial statements (however, the omissions set forth in Article 4, paragraph (2) of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied).

Basis for Auditor's Conclusion

We conducted our interim review in accordance with interim review standards generally accepted in Japan. Our responsibilities under the standards for interim reviews are described in "Auditor's Responsibilities for Interim Review of Quarterly Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained evidence to form the basis for expressing a conclusion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, paragraph (1) of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards generally accepted in Japan for quarterly financial statements (however, the omissions set forth in Article 4, paragraph (2) of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied); this includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, as required in accordance with Article 4, paragraph (1) of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards generally accepted in Japan for quarterly financial statements

(however, the omissions set forth in Article 4, paragraph (2) of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied), matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for Interim Review of Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the interim review report based on the interim review we conducted.

In accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review. We also:

- Make inquiries, primarily of management and other persons responsible for financial and accounting matters, and perform analytical procedures and other interim review procedures. Interim review procedures are more limited in scope compared with an audit of annual financial statements conducted in accordance with auditing standards generally accepted in Japan.
- Determine whether there is significant uncertainty regarding events or circumstances that give rise to significant doubts regarding matters related to the going concern assumption. If significant uncertainty exists, we will make a conclusion, based on the evidence obtained, as to whether there are any matters that lead one to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, paragraph (1) of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards generally accepted in Japan for quarterly financial statements (however, the omissions set forth in Article 4, paragraph (2) of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied). In addition, if significant uncertainties regarding the going concern assumption are recognized, the interim review report is required to draw attention to the notes to the quarterly consolidated financial statements, or, if the notes to the quarterly consolidated financial statements regarding significant uncertainties are not appropriate, to express a qualified or adverse conclusion on the quarterly consolidated financial statements. Although our conclusion is based on the evidence obtained up to the date of the interim review report, future events or circumstances may cause the Group to be unable to continue as a going concern.
- Evaluate whether there are any matters that lead one to believe that the presentation and notes of the quarterly consolidated financial statements have not been prepared in accordance with Article 4, paragraph (1) of Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange Inc. and the accounting standards for quarterly financial statements that are generally accepted in Japan (however, the omissions set forth in Article 4, paragraph (2) of the Standards for Preparation of Quarterly Financial Statements, etc. are applied).
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries that forms the basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for directing, supervising and inspecting the interim review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board on the scope and timing of the planned interim review, and any significant findings from the interim review.

We shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board that we have complied with the provisions related to professional ethics in Japan regarding independence and any matters that could reasonably be considered to affect our independence, and any measures taken to eliminate impediments or safeguards applied to reduce impediments to an acceptable level, if any.

Conflicts of Interest

Our firm and the designated engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

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- Notes: 1. The original copy of the above interim review report is kept separately by the Company (the company disclosing the quarterly financial statements).
2. XBRL data and HTML data are not included in the scope of the interim review.