Leading-Edge Logistics Solutions Provider

Annual Report 2009

Year ended March 31, 2009

MITSUI-SOKO CO., LTD.

Profile

Mitsui-Soko Co., Ltd. (“the Company”) will mark the 100th anniversary of its establishment in October 2009. During the past 100 years, Mitsui-Soko and its consolidated subsidiaries (hereafter “the Group”) have steadily expanded their bases in principal cities across Japan while enlarging warehouse operations. Today, the Group provides a diverse range of logistics services in Japan and overseas, including port terminal operations and overland transportation, as well as a domestic real estate business that specializes in building leasing.

In addition to providing these traditional services, the Group also offers new services based on its corporate vision of a “company which offers optimal logistics solutions.” The new services integrate management of actual logistics for every stage of each customer’s business operations, from production to sales, including the accompanying information.

The Mitsui-Soko Group’s policy is to supply logistics functions that are indispensable to the basic flow of industries such as transportation and storage, while fulfilling its corporate social responsibilities through logistics. Under this policy, the Group continues to manage the business in consideration of corporate value and capital cost and to respond quickly to changes in the corporate environment and business fundamentals.

Leading-Edge Logistics Solutions Provider

CONTENTS

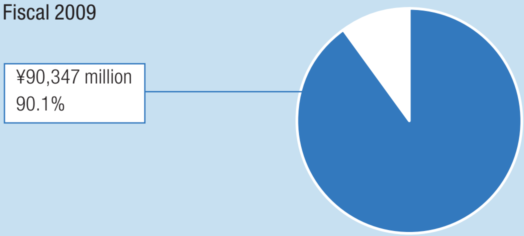
Forward-looking Statements

Forward-looking statements made in this annual report concerning performance or business strategies have been determined according to assumptions and beliefs based on information available to the Company at the time, and contain elements of risk and uncertainty.

Business Lines

Logistics Business

• Net Sales by Business Segment
Fiscal 2009



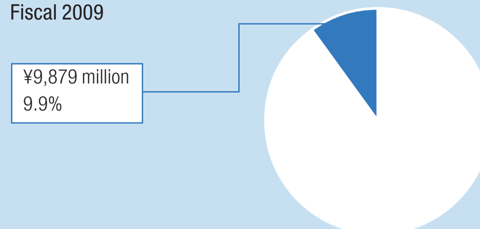
Utilizing its proprietary know-how and information systems, Mitsui-Soko engages in a wide-ranging Logistics business that covers freight storage operations, port terminal operations, overland transportation, value-added operations, international combined transportation, international consolidated transport services and air cargo handling services. The freight storage operations include storage, sorting, customs clearance and delivery. The port terminal operations include loading and unloading container ships, loading freight onto conventional ships and sorting and storing freight at wharfs and warehouses. The overland transportation operations handle items ranging from general merchandise to specialized cargo. The value-added operations include inspection, price-tagging and sorting of delivered goods.

In addition, the Company offers logistics system services that integrate overseas operations, domestic transportation, customs clearance and domestic deliveries into a customized logistics flow. The Company also offers new services that respond closely to the needs of customers, such as business process outsourcing (BPO)*1 and third party logistics (3PL)*2 to support the enhancing of their corporate value.

*1 A more advanced form of outsourcing that provides consultation and services extending to all business processes
*2 Comprehensive services covering the establishment, management and operation of logistics to support customers' supply chain management

Real Estate Business

• Net Sales by Business Segment
Fiscal 2009



Drawing on its extensive know-how about land use cultivated over long years, Mitsui-Soko engages in the redevelopment of urban real estate and presently manages and operates office buildings equipped with advanced information technology. Representative examples are the MSC Center Building in the Tokyo bayside area and the Mitsui-Soko Hakozaki Building.

In addition to these facilities, the Company completed other new bases during the fiscal year. These include the MSC Fukagawa Building No. 2, a state-of-the-art facility featuring a quake-absorbent structure and advanced security that will provide multipurpose space for IT and other companies. The Company also completed the Misato Logistics Center, its largest logistics facility in terms of floor space (71,600 m^2), with excellent logistics access to Japan's capital and northern Kanto regions. In this manner, the Company is striving to diversify its Real Estate business, which utilizes various features that are unique to Mitsui-Soko as a logistics company.

Also, with the aims of bolstering its profit-earning capabilities and diversifying its assets, the Company acquired three office buildings in Tokyo that are expected to provide stable leasing income.

Mitsui-Soko Highlights in Fiscal 2009

Mitsui-Soko formulated a new corporate philosophy for the next 100 years with the approach of the 100th anniversary of the Company's establishment. At the same time, the Company introduced "Medium-Term Plan 2009," a new medium-term management plan that runs through to the fiscal year ending March 31, 2012.

Corporate Philosophy — For the Next 100 Years after Celebrating Mitsui-Soko's Centennial —

• Basic Values

Mitsui-Soko and its Group companies act as one team while respecting group individuality in order to play a substantial role as a member of society. The Group then always behaves sincerely, sets higher targets and does its best in all corporate activities.

• Corporate Vision

1. Company which offers optimal logistics solutions
   With a goal to contribute to society through the primary logistics business, the Mitsui-Soko Group aims at continuously being a company which offers optimal logistics solutions — high quality services most suitable and of value to each customer — in the infrastructure industry which supports global economic activities.
2. Corporate social responsibility
   As a company which offers optimal logistics solutions, the Group continues to explore new opportunities and apply persistent self-reform so as to maximize the interests of stakeholders, such as customers, shareholders, employees, business partners and local communities. At the same time, the Group actively engages in environmental preservation and social contribution activities from a global standpoint to fulfill its corporate social responsibility.

• Code of Conduct — How the Mitsui-Soko Group Should Behave —

1. Corporate group which acts honestly in society
2. Corporate group which continuously provides high quality services
3. Corporate group in which all employees can work enthusiastically

Management Policies

• Business Policies under "Medium-Term Plan 2009"

Mitsui-Soko will proactively make capital investments in projects that can be expected to reliably yield solid returns while maintaining financial soundness. At the same time, the Group will raise the profitability, productivity and efficiency of each business to maximize rates of return. Through these initiatives, the Group aims to achieve growth in the scale of business and expand operating income. To attain these objectives, the Group will implement the following three basic policies.

• Basic Business Policies

1. Ensure sustainable profit increases by reinforcing operating competitiveness
2. Ensure sustainable corporate growth by strengthening corporate foundation
3. Ensure sound financial fundamentals responding to changing market conditions

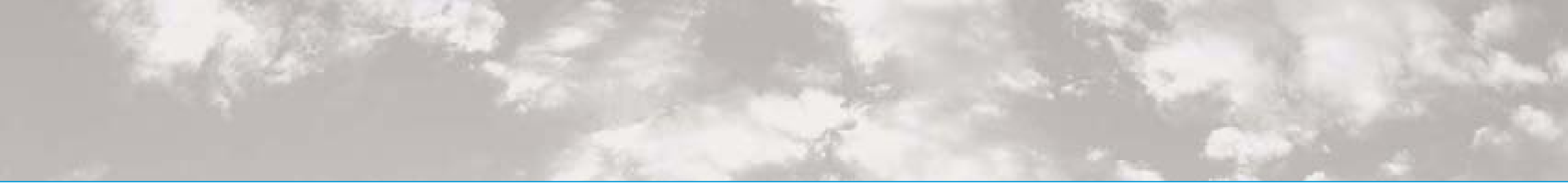
• Numerical targets — Medium-Term Plan 2009 —

Targets for the plan's first fiscal year (ending March 31, 2010)

Operating income	¥7,300 million
Operating margin	6.5%
ROE	4.0%

Targets for the plan's final fiscal year (ending March 31, 2012)

Operating income	¥10,000 million
Operating margin	9.5%
ROE	8.0%



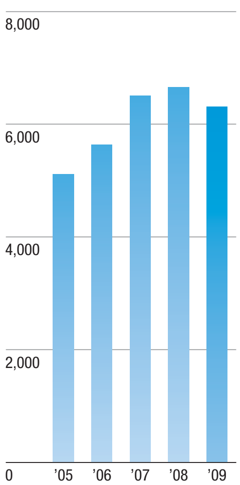
Consolidated Financial Highlights

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

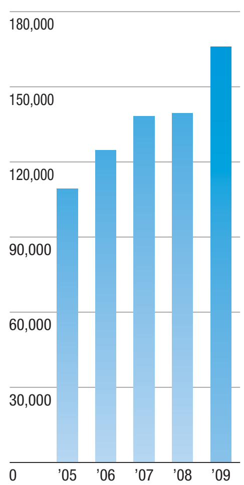
	Millions of Yen					Thousands of U.S. Dollars
	2009	2008	2007	2006	2005	2009
For the year:						
Net sales	¥ **99,827**	¥ 104,371	¥ 102,036	¥ 98,843	¥ 93,638	**$ 1,016,256**
Operating income	**6,308**	6,660	6,504	5,635	5,116	**64,215**
Net income	**1,732**	1,788	3,289	3,234	1,903	**17,630**
Net cash provided by operating activities	**7,556**	8,179	7,641	7,303	8,840	**76,921**
At year-end:						
Total assets	**¥ 166,000**	¥ 139,458	¥ 138,279	¥ 124,632	¥ 109,278	**$ 1,689,910**
Equity	**51,816**	55,127	59,456	60,281	52,872	**527,492**
Per share of common stock (in yen and U.S. dollars):						
Basic net income	¥ **13.03**	¥ 13.33	¥ 23.92	¥ 22.91	¥ 13.36	$ **0.13**
Equity	**380.26**	403.17	429.32	432.23	379.06	**3.87**
Cash dividends applicable to the year	**9.00**	8.00	8.00	7.50	7.00	**0.09**
Ratios:						
Equity ratio (%)	**30.4**	38.4	41.9	48.4	48.4	
Return on equity (%)	**3.3**	3.2	5.6	5.7	3.6	
Interest coverage ratio (times)	**6.6**	9.2	14.5	12.7	13.9	
Price/Earnings ratio (times)	**29.4**	43.0	32.6	29.9	30.2	

Note: The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥98.23 to $1, the approximate rate of exchange at March 31, 2009. (See Note 1 of the Notes to Consolidated Financial Statements)

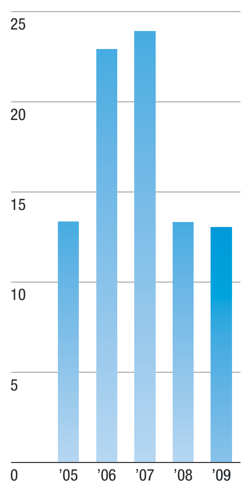
Operating Income
(Millions of yen)



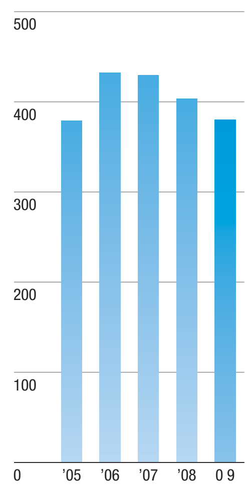
Total Assets
(Millions of yen)



Basic Net Income per Share
(Yen)



Equity per Share
(Yen)



An Interview with the President

Kazuo Tamura
President

Could you describe business conditions in the fiscal year ended March 31, 2009?

The rapidly spreading global financial crisis triggered by the collapse of a prominent U.S. financial institution in September 2008 exerted a severe impact on the real economy during the second half of the fiscal year, leading to a worldwide economic slowdown engulfing Japan, the United States and Europe as well as emerging countries. In Japan, corporate earnings deteriorated dramatically and stock markets tumbled sharply in the second half of the fiscal year, and there were still no signs of a rebound at the end of the fiscal year.

The logistics industry was not immune to these trends, as the harsh effects of the global recession led to a decline in international freight movements from the third quarter onward, and this was accompanied by sluggishness in domestic freight movements. In the second half of the fiscal year, the logistics handling volume of domestic and overseas freight, excluding storage, contracted sharply.

Within this challenging business climate, the Mitsui-Soko Group continued to implement the basic policies of “Medium-Term Plan 2007” during the plan’s second year. With the overarching aim of raising our profits, these policies focused on maximizing profits by accelerating a qualitative conversion of our existing businesses, maximizing cash returns by enhancing capital efficiency and implementing reliable internal controls.

In keeping with these policies, we began operating six new major facilities in both the Logistics and Real Estate business and these made solid contributions to profits. Nevertheless, the rapid deterioration of the business environment led to a 4.4% decrease in consolidated net sales to ¥99,827 million and a 5.3% decrease in operating income to ¥6,308 million.

During the fiscal year, we recorded gains on sales of property, plant and equipment and sales of investment securities. Alternatively, we recorded an increase in expenses such as real estate acquisition taxes and interest expense accompanying a rise in interest-bearing debt. We also posted a loss on write-down of investment securities and a loss on sales and disposals of property, plant and equipment. As a result of the preceding factors, net income was ¥1,732 million, decreasing by 3.1%.

Could you tell us about your business results by segment?

In our domestic logistics operations, which provides an assortment of logistics services to companies in Japan such as warehouse storage, domestic and international transportation and distribution processing, we recorded higher revenues in our storage service thanks to the opening of the Fukuoka Records Center in July 2008 and the start of operations at our new Atsugi Warehouse in August 2008 and at the Tatsumi Warehouse in February 2009. Nevertheless, sales in the domestic logistics operations decreased due to overall sluggishness in other services, including warehouse freight handling, overland transportation and international marine and air cargo handling that resulted from stagnant freight movements and steep declines in freight volumes in the second half of the fiscal year.

We posted lower net sales in our domestic port terminal operations, which provide port-related work and transportation services to shipping companies, our main customers in this business. This decline is attributable to a sharp drop in freight handled at container terminals as the result of a decrease in export and import freight.

In our overseas operations, in which we utilize our global network of subsidiaries to provide international combined transportation and other logistics services, we posted relatively robust results in Northeast Asia and Eastern Europe. However, net sales declined owing to the worsening of the global economy and the strong yen.

As a result of the factors I have just described, net sales in the Logistics business declined to ¥90,347 million, down by 6.2%.

Turning to the Real Estate business, we increased our leasing floor space by more than 20% by starting operations at the Misato Logistics Center in May 2008, acquiring three office buildings in Tokyo in July 2008 and commencing operations at the MSC Fukagawa Building No. 2 in January 2009. As a consequence, net sales in the Real Estate business increased by 17.0% to ¥9,879 million.

What were the purposes for establishing a new corporate philosophy and medium-term management plan?

Mitsui-Soko has implemented a business strategy focused on proactive capital investments aimed at raising our corporate value. Nevertheless, the prerequisites for our business management have been dramatically altered due to several factors caused by the spillover of the global financial crisis into the real economy, such as a decline in the handling volume of freight, intensified competition and changes in the capital markets and the fund-raising environment.

As these factors unfold in the run-up to our 100th anniversary in October 2009, we decided to formulate a new corporate philosophy as we start our next 100 years. This philosophy clearly indicates we remain committed to realizing our corporate vision, “a company which offers optimal logistics solutions,” while passing down the tradition of the Company’s knowledge and skills nurtured through our long history.

In accordance with our new corporate philosophy, we also established the “Medium-Term Plan 2009” under which we will maintain our financial soundness while proactively making capital investments that can be expected to reliably yield solid returns. In parallel, we will work to raise the profitability, productivity and efficiency of each business to maximize rates of return. By taking these initiatives, we aim to achieve growth in the scale of our business and expand our operating income.

Mitsui-Soko is now preparing for new capital investment. In October 2008, we acquired approximately 7,300 m^2 of land in the Wakasu district of Tokyo’s Koto Ward. Mitsui-Soko has already made notable progress on a redevelopment project in the nearby Fukagawa area that involves rebuilding superannuated warehouses into an office building and a multi-tenant building. The land at Wakasu, which was obtained through a successful bid placed with the city of Tokyo, is an alternative site for this redevelopment project in the Fukagawa area. We plan to build a multi-functional logistics center at the Wakasu site to take advantage of its convenient location near the Shinkiba Interchange of the Metropolitan Expressway Bayshore route, which provides excellent access to a network of principal arterial highways.

Would you explain the “Medium-Term Plan 2009”?

“Medium-Term Plan 2009” emphasizes the implementation of three basic policies, namely, ensuring sustainable profit increases by reinforcing operating competitiveness, ensuring sustainable corporate growth by strengthening our corporate foundation and ensuring sound financial fundamentals responding to changing market conditions.

Let me now talk about each of these policies in more detail. First, to ensure sustainable profit increases by reinforcing operating competitiveness, we focus on four elements. The first one is accelerating a qualitative conversion of our existing businesses by enhancing production efficiency and improving service quality in the Logistics business. The second one is improving our capabilities in terms of our organization, personnel and products and services to expand our share of the third-party logistics (3PL) business market. The third one is establishing business process outsourcing (BPO) as a new domain by expanding the scale of this business. The last element is reinforcing our profit-earning capabilities by diversifying our asset portfolio in the Real Estate business.

Next, to ensure sustainable corporate growth by strengthening our corporate foundation, we will implement an array of measures to build a solid business base. Specifically, we will secure necessary and sufficient personnel for executing our business and provide fair treatment to enhance motivation. We will also upgrade and expand our competitively superior facilities, equipment and information systems by executing appropriate capital investment plans. Additionally, we will ensure prompt responses to the evolving business environment by securing the essential organizational capabilities and management systems and developing necessary human resources.

Finally, to ensure sound financial fundamentals responding to changing market conditions, we will take several measures to further bolster our financial structure. As one of these measures, we will execute a financial strategy that allows us to maintain the optimal financial structure to cope with the changes in the market environment. We will also improve capital efficiency by streamlining assets and optimizing asset use. Then, we will emphasize proper and flexible procurement and allocation of cash and assets to maximize profits and cash returns.

What is the outlook for the fiscal year ending March 31, 2010?

At present, there are still no signs of recovery in the world economy since the rapid deterioration in the latter half of 2008, and the Japanese economy appears to be in a protracted recession. In the logistics industry, sluggishness in export, import and domestic freight is likely to persist over the immediate term along with the stagnation of the world economy.

Amid this environment, we will redouble efforts to achieve the targets of our new “Medium-Term Plan 2009” that runs through to the fiscal year ending March 31, 2012.

For the next fiscal year ending March 31, 2010, in the Logistics business, we are forecasting a ¥96,000 million decline in consolidated net sales, down by 3.8%, due to an expected ongoing slump in the handling volume of freight since last year. Operating income is forecast to grow by 15.7% to ¥7,300 million due to a year-on-year decrease in depreciation expenses and a reduction in overall costs, as well as the full-year contribution of new facilities that went into operation during the fiscal year under review and improved profits from existing real estate properties. Supported by the rise in operating income, we forecast that net income will surge by 27.0% to ¥2,200 million.

Finally, what message do you have for shareholders?

Our fundamental management policy is to enhance corporate value by continually increasing operating income along with an expansion in the scale of our business. Regarding the use of surplus funds, we give priority to new and highly profitable investments expected to expand earnings over the long term. We determine dividends based on performance and make dividend payments equivalent to 30% of “theoretical net income” calculated by consolidated operating income. Moreover, to ensure that dividends are not unduly affected by short-term fluctuations in our business results, we maintain consistent and stable dividends with due consideration of our medium- and long-term profit levels and financial condition.

In accordance with this dividend policy, we currently anticipate distributing in the next fiscal year cash dividends of ¥9.00 per share, including an interim cash dividend of ¥4.50 per share, which is the same as this fiscal year.

In closing, I would like to ask shareholders for their understanding and further support of the management policies I have explained in this report.

Directors, Corporate Auditors and Executive Officers

From left: Jiro Kaeriyama, Yoshimasa Hayashi, Kazuo Tamura, Shinichiro Sasao, Hiromi Sugimoto

Board of Directors

President	Kazuo Tamura
Executive Vice President	Jiro Kaeriyama
Senior Managing Director	Yoshimasa Hayashi
Senior Managing Director	Shinichiro Sasao
Managing Director	Hiromi Sugimoto
Director	Katsumi Namiki
Director	Gengo Kakimi
Director	Shigeru Shiraishi
Director	Soji Takekuma
Director	Eiji Michise
Outside Director	Seiichi Fujita
Outside Director	Yasuhiko Fukatsu

Corporate Auditors

Corporate Auditor	Fujihiro Horiba
Corporate Auditor	Takeshi Namiki
Outside Corporate Auditor	Osamu Nakamoto
Outside Corporate Auditor	Hideki Nakagome
Outside Corporate Auditor	Tetsuo Takeyama

Executive Officers

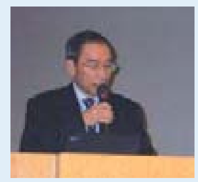
Chief Executive Officer	Kazuo Tamura
Chief Operating Officer, Corporate Administration, Information Operation and Real Estate Business; Chief Financial Officer	Jiro Kaeriyama
Chief Operating Officer, Logistics	Yoshimasa Hayashi
Chief Operating Officer, General Affairs, Human Resources, Risk Management and Compliance	Shinichiro Sasao
Chief Operating Officer, Port Terminal Operations	Hiromi Sugimoto
Senior Executive Officer, BPO	Katsumi Namiki
Senior Executive Officer, International Marketing Operations and Overseas Business Operations	Gengo Kakimi
Senior Executive Officer, Kansai Regional Operations	Shigeru Shiraishi
Senior Executive Officer, Kanto Regional Operations	Soji Takekuma
Senior Executive Officer, Chubu Regional Operations	Eiji Michise
Executive Officer, Corporate Administration and Logisitics Information Technology	Makoto Ikari
Executive Officer, Kansai Regional Operations	Akimasa Noro
Executive Officer, Human Resources and Risk Management	Yukihiro Nakaya
Executive Officer, BPO Promotion	Motome Ikeda
Executive Officer, Domestic Marketing Operations	Koji Yagawa
Executive Officer, 3PL Promotion	Kei Fujioka
Executive Officer, Kyushu Regional Operations	Shunichi Igarashi
Executive Officer, Port Terminal Operations	Makoto Tawaraguchi
Executive Officer, Real Estate Business	Kenji Takato

A Pictorial History

Mitsui-Soko's 100-Year Path of Growth

2009

• New Corporate Philosophy Established to Mark Our Centennial



Mitsui-Soko formulated "Medium-Term Plan 2009," a new medium-term management plan, and also established a new corporate philosophy for the next 100 years.

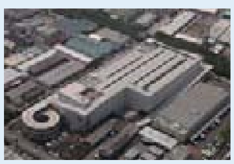
President Tamura announces the new medium-term management plan

2004

• Start of Construction of Strategic Facilities

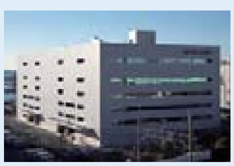
In 2004, Mitsui-Soko opened the Machida Records Center as a dedicated facility for the storage and management of documents and data. The opening of this center marked the start of the successive launch of other strategic facilities, including the Misato Logistics Center, the MSC Fukagawa buildings and the Tatsumi Warehouse.

Machida Records Center



Misato Logistics Center

MSC Fukagawa Building No. 2



Tatsumi Warehouse

1989

• Completion of the Mitsui-Soko Hakozaki Building

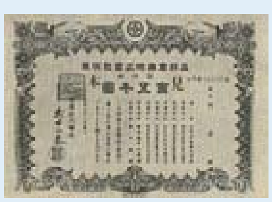
Mitsui-Soko constructed a high-rise office building, the Mitsui-Soko Hakozaki Building, at the original site of the company's founding. With 25 above-ground floors and three underground floors, this building has approximately 135,000 m² of total floor space. The Mitsui-Soko Hakozaki Building is a landmark symbolizing the growth and development of Mitsui-Soko and plays a key role in our Real Estate business.

Mitsui-Soko Hakozaki Building

1950

• Listing on the Tokyo Stock Exchange

To develop new business, Mitsui-Soko listed on the Tokyo Stock Exchange and made a capital increase (¥120 million in new capital). The following year, Mitsui-Soko listed on the Osaka Securities Exchange. Mitsui-Soko subsequently made several additional capital increases for the purpose of upgrading and increasing facilities and expanding business, thereby raising total capital to ¥11,100 million at present.

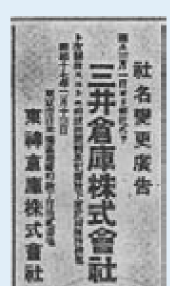


A Company stock certificate at the time of listing

1942

• Corporate Name Changed to Mitsui-Soko Co., Ltd.

Our corporate name was changed to Mitsui-Soko Co., Ltd. in the year following the outbreak of the Pacific War. With various controls being imposed due to the war, Mitsui-Soko's facilities and operations were handed over to a controlling company set up at that time. These were returned to Mitsui-Soko upon the conclusion of the war. After the dissolution of the *zaibatsu* (industrial and financial conglomerates) the following year in 1946, Mitsui-Soko continued to achieve steady growth in moving toward a stock market listing.


社名変更廣告
三井倉庫株式會社
東神倉庫株式會社

Public announcement of our corporate name change

1909

• Establishment

Established under the name of Toshin Soko Co., Ltd., the Company began operations with ¥2 million in capital, 59 employees and three branch offices in Hakozaki, Kobe and Moji. Toshin Soko subsequently made inroads into the port transportation business, beginning with stevedoring operations at Kobe Port in 1917.

Headquarters at the time of establishment (Hakozaki, Tokyo)

Management's Discussion and Analysis

Business Results

Net Sales

During the fiscal year ended March 31, 2009, consolidated net sales in the Logistics business declined ¥5,972 million (6.2%) to ¥90,347 million due to an abrupt deterioration in freight movements from the second half of the fiscal year caused by the global economic slowdown. Net sales in the Real Estate business increased by ¥1,433 million (17.0%) to ¥9,879 million due to a more than 20% increase in leasing floor space.

By geographic region, net sales in Japan declined ¥4,470 million (5.1%) to ¥83,542 million due to the steep drop in Logistics business despite favorable results in the Real Estate business. Looking at other regions, performance in Northeast Asia, a region that encompasses China, was strong. In Europe, the full-year operation of new warehouses launched in the previous fiscal year contributed to sales. Nevertheless, overseas net sales declined ¥440 million (2.2%) to ¥19,586 million owing to the worsening of the global economy and the impact of exchange rates.

Cost of Sales and SG&A Expenses

Cost of sales declined ¥4,394 million (4.8%) to ¥86,677 million along with the decrease in net sales. Cost of sales as a percentage of net sales fell 0.5 percentage point to 86.8%. Selling, general and administrative (SG&A) expenses increased by ¥202 million (3.0%) to ¥6,842 million.

Operating Income

Operating income declined ¥352 million (5.3%) to ¥6,308 million due to the decrease in net sales. Operating income in the Logistics business declined ¥1,030 million (21.5%) to ¥3,764 million. On the other hand, operating income in the Real Estate business increased by ¥729 million (15.1%) to ¥5,537 million.

Other Income (Expenses)

Other expenses—net declined ¥619 million (22.3%) from ¥2,782 million in the previous fiscal year to ¥2,163 million. This reflected such income as the receipt of compensation income related to the construction of the MSC Fukagawa Building No. 2 as well as a gain on sales of property, plant and equipment resulting from the sale of underutilized real estate in addition to a gain on sales of investment securities. The sales of these assets were made in order to raise capital efficiency. On the other hand, we recorded a rise in interest expense accompanying an increase in interest-bearing debt and a rise in real estate acquisition taxes. We also posted a loss on write-down of securities accompanying a decrease in market value, a loss on the sales of property, plant and equipment and a loss on disposals of property, plant and equipment.

Net Income

Income before income taxes and minority interests increased by ¥267 million (6.9%) to ¥4,145 million. Income taxes as a percentage of income before income taxes and minority interests rose by 6.6 percentage points to 58.8% from 52.2% in the previous fiscal year, which is 18.1 percentage points higher than Japan's effective statutory tax rate of 40.7%. This was due in part to a rise in valuation allowance. Net income declined ¥56 million (3.1%) to ¥1,732 million, and net income per share decreased by ¥0.30 to ¥13.03 from last year's ¥13.33.

Financial Position

Assets and Equity

Total assets at the end of the fiscal year increased by ¥26,542 million to ¥166,000 million over the previous fiscal year-end. Despite a decline in the market value of investment securities affected by plummeting stock markets, total assets rose due to an increase in property, plant and equipment along with capital investments for rebuilding and newly constructing logistics facilities and acquiring office buildings in addition to an increase in cash and cash equivalents made in consideration of current economic circumstances.

Although retained earnings increased, equity declined ¥3,311 million from the previous fiscal year to ¥51,816 million due to a decrease in unrealized gain on available -for-sale securities.

Cash Flows

Net cash provided by operating activities declined ¥623 million to ¥7,556 million, reflecting the payment of consumption taxes associated with large-scale investments. Net cash used in investing activities increased by ¥20,678 million to ¥34,278 million due to proactive capital investments. Net cash provided by financing activities amounted to ¥33,776 million, an increase of ¥29,452 million, reflecting the issuance of corporate bonds and proceeds from long-term debt to fund our capital investments.

As a result of these activities, cash and cash equivalents, end of year increased by ¥6,475 million to ¥14,155 million.

Consolidated Balance Sheets

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

ASSETS

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
CURRENT ASSETS:			
Cash and cash equivalents	¥ 14,155	¥ 7,680	$ 144,099
Time and other deposits other than cash equivalents	217	309	2,210
Marketable securities (Note 3)		9	
Receivables:			
Trade notes and accounts	12,333	15,974	125,551
Unconsolidated subsidiaries and associated companies	71	102	722
Other	1,060	932	10,796
Deferred tax assets (Note 8)	784	1,232	7,980
Other current assets	2,554	2,249	26,006
Allowance for doubtful accounts	(45)	(85)	(461)
Total current assets	31,129	28,402	316,903
PROPERTY, PLANT AND EQUIPMENT (Note 4):			
Land	46,883	27,843	477,272
Buildings and structures	136,372	121,542	1,388,294
Machinery and equipment	15,290	14,238	155,654
Other	7,669	7,577	78,073
Construction in progress	4,790	8,504	48,765
Total	211,004	179,704	2,148,058
Accumulated depreciation	(98,042)	(94,659)	(998,087)
Net property, plant and equipment	112,962	85,045	1,149,971
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3 and 4)	11,021	15,362	112,196
Investments in unconsolidated subsidiaries and associated companies	1,356	1,312	13,807
Long-term loans	322	273	3,273
Intangible assets	5,078	5,198	51,694
Prepaid pension cost (Note 5)	817	701	8,320
Deferred tax assets (Note 8)	582	772	5,928
Other assets	2,748	2,405	27,973
Allowance for doubtful accounts	(15)	(12)	(155)
Total investments and other assets	21,909	26,011	223,036
TOTAL	¥ 166,000	¥ 139,458	$ 1,689,910

See notes to consolidated financial statements.

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
CURRENT LIABILITIES:			
Payables:			
Trade notes and accounts	¥ 5,858	¥ 8,581	$ 59,632
Unconsolidated subsidiaries and associated companies	251	333	2,560
Other	1,024	1,660	10,423
Short-term bank loans (Note 4)	1,161	3,403	11,826
Current portion of long-term debt (Note 4)	15,260	7,950	155,346
Accrued expenses	2,238	2,425	22,783
Income taxes payable	451	1,272	4,588
Deposits received	3,306	4,121	33,655
Other current liabilities	1,023	712	10,418
Total current liabilities	30,572	30,457	311,231
LONG-TERM LIABILITIES:			
Long-term debt (Note 4)	75,725	46,085	770,892
Liability for retirement benefits (Note 5)	2,494	2,920	25,393
Deferred tax liabilities (Note 8)	1,274	2,598	12,974
Other long-term liabilities	4,119	2,271	41,928
Total long-term liabilities	83,612	53,874	851,187
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 9, 10 and 11)			
EQUITY (Notes 6 and 13):			
Common stock—authorized, 400,000,000 shares; issued, 139,415,013 shares	11,101	11,101	113,007
Capital surplus	5,563	5,563	56,633
Retained earnings	37,590	36,989	382,677
Unrealized gain on available-for-sale securities	2,338	4,747	23,798
Foreign currency translation adjustments	(1,999)	(763)	(20,352)
Treasury stock—at cost, 6,530,000 shares in 2009 and 6,524,043 shares in 2008	(4,062)	(4,060)	(41,351)
Total	50,531	53,577	514,412
Minority interests	1,285	1,550	13,080
Total equity	51,816	55,127	527,492
TOTAL	¥ 166,000	¥ 139,458	$ 1,689,910

Consolidated Statements of Income

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
NET SALES	¥ 99,827	¥ 104,371	$ 1,016,256
COST OF SALES	86,677	91,071	882,391
Gross profit	13,150	13,300	133,865
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	6,842	6,640	69,650
Operating income	6,308	6,660	64,215
OTHER INCOME (EXPENSES):			
Interest and dividend income	421	346	4,289
Interest expense	(1,205)	(854)	(12,265)
Foreign exchange (loss) gain—net	(4)	10	(41)
Gain on sales of investment securities—net	210	158	2,133
Loss on write-down of securities	(927)	(494)	(9,435)
Loss on disposals of property, plant and equipment	(136)	(205)	(1,382)
Gain on sales of property, plant and equipment—net	50	195	508
Loss on liquidation of receivables		(103)	
Termination of real estate contracts		(1,000)	
Other—net (Note 7)	(572)	(835)	(5,828)
Other expenses—net	(2,163)	(2,782)	(22,021)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	4,145	3,878	42,194
INCOME TAXES (Note 8):			
Current	1,469	2,208	14,961
Deferred	966	(184)	9,830
Total income taxes	2,435	2,024	24,791
MINORITY INTEREST IN NET INCOME	(22)	66	(227)
NET INCOME	¥ 1,732	¥ 1,788	$ 17,630

	Yen		U.S. Dollars
	2009	2008	2009
PER SHARE OF COMMON STOCK (Notes 2.p and 12):			
Basic net income	¥ 13.03	¥ 13.33	$ 0.13
Cash dividends applicable to the year	9.00	8.00	0.09

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

		Millions of Yen								
	Outstanding Number of Shares of Common Stock	*Common Stock*	*Capital Surplus*	*Retained Earnings*	*Unrealized Gain (Loss) on Available-for-sale Securities*	*Foreign Currency Translation Adjustments*	*Treasury Stock*	*Total*	*Minority Interests*	*Total Equity*
BALANCE, APRIL 1, 2007	134,896,934	¥ 11,101	¥ 5,563	¥ 36,280	¥ 8,517	¥ (639)	¥ (2,908)	¥ 57,914	¥ 1,542	¥ 59,456
Net income				1,788				1,788		1,788
Cash dividends, ¥8.0 per share				(1,079)				(1,079)		(1,079)
Repurchase of treasury stock	(2,007,432)						(1,153)	(1,153)		(1,153)
Disposal of treasury stock	1,468						1	1		1
Net change in the year					(3,770)	(124)		(3,894)	8	(3,886)
BALANCE, APRIL 1, 2008	**132,890,970**	**11,101**	**5,563**	**36,989**	**4,747**	**(763)**	**(4,060)**	**53,577**	**1,550**	**55,127**
Net income				**1,732**				**1,732**		**1,732**
Cash dividends, ¥8.5 per share				**(1,130)**				**(1,130)**		**(1,130)**
Repurchase of treasury stock	**(11,626)**						**(6)**	**(6)**		**(6)**
Disposal of treasury stock	**5,669**			**(1)**			**4**	**3**		**3**
Net change in the year					**(2,409)**	**(1,236)**		**(3,645)**	**(265)**	**(3,910)**
BALANCE, MARCH 31, 2009	**132,885,013**	**¥ 11,101**	**¥ 5,563**	**¥ 37,590**	**¥ 2,338**	**¥ (1,999)**	**¥ (4,062)**	**¥ 50,531**	**¥ 1,285**	**¥ 51,816**

	Thousands of U.S. Dollars (Note 1)								
	Common Stock	*Capital Surplus*	*Retained Earnings*	*Unrealized Gain (Loss) on Available-for-sale Securities*	*Foreign Currency Translation Adjustments*	*Treasury Stock*	*Total*	*Minority Interests*	*Total Equity*
BALANCE, APRIL 1, 2008	**$113,007**	**$ 56,635**	**$376,555**	**$ 48,324**	**$ (7,765)**	**$ (41,328)**	**$545,428**	**$ 15,775**	**$ 561,203**
Net income			**17,630**				**17,630**		**17,630**
Cash dividends, $0.09 per share			**(11,499)**				**(11,499)**		**(11,499)**
Repurchase of treasury stock						**(59)**	**(59)**		**(59)**
Disposal of treasury stock		**(2)**	**(9)**			**36**	**25**		**25**
Net change in the year				**(24,526)**	**(12,587)**		**(37,113)**	**(2,695)**	**(39,808)**
BALANCE, MARCH 31, 2009	**$113,007**	**$ 56,633**	**$382,677**	**$ 23,798**	**$ (20,352)**	**$ (41,351)**	**$514,412**	**$ 13,080**	**$ 527,492**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 4,145	¥ 3,878	$ 42,194
Adjustments for:			
Income taxes—paid	(2,163)	(2,023)	(22,021)
Depreciation and amortization	5,449	5,414	55,479
Gain on sales of property, plant and equipment—net	(71)	(217)	(724)
Gain on sales of investment securities—net	(210)	(158)	(2,133)
Loss on disposals of property, plant and equipment	57	55	578
Loss on disposals of intangible assets	58	52	587
Loss on write-down of securities	927	494	9,435
Changes in assets and liabilities:			
(Decrease) increase in allowance for doubtful accounts	(25)	20	(258)
Decrease in liability for retirement benefits	(412)	(448)	(4,192)
Decrease in notes and accounts receivable—trade	2,515	877	25,601
(Decrease) increase in notes and accounts payable—trade	(1,962)	50	(19,971)
Other—net	(752)	185	(7,654)
Total adjustments	3,411	4,301	34,727
Net cash provided by operating activities	7,556	8,179	76,921
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(34,156)	(11,494)	(347,715)
Proceeds from sales of property, plant and equipment	1,063	311	10,819
Purchases of intangible assets	(606)	(1,013)	(6,168)
Purchases of investment securities	(826)	(1,111)	(8,410)
Proceeds from sales of investment securities	308	671	3,141
Proceeds from collection of loans	123	144	1,256
Acquisition of subsidiary's stock due to change of consolidation scope		(956)	
Other—net	(184)	(152)	(1,877)
Net cash used in investing activities	(34,278)	(13,600)	(348,954)
FINANCING ACTIVITIES:			
(Decrease) increase in short-term bank loans—net	(2,178)	2,125	(22,174)
Proceeds from long-term debt	44,930	10,660	457,396
Repayments of long-term debt	(7,961)	(6,259)	(81,044)
Dividends paid	(1,130)	(1,079)	(11,499)
Repurchase of treasury stock	(6)	(1,153)	(59)
Other—net	121	30	1,227
Net cash provided by financing activities	33,776	4,324	343,847
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(579)	(24)	(5,903)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,475	(1,121)	65,911
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,680	8,801	78,188
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 14,155	¥ 7,680	$ 144,099

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which MITSUI-SOKO Co., Ltd. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥98.23 to $1, the approximate rate of exchange at March 31, 2009. Such translations should not be construed as representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Certain reclassifications have been made in the 2008 consolidated financial statements to conform to the classifications used in 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. *Consolidation*—The consolidated financial statements as of March 31, 2009 include the accounts of the Company and its 52 significant (53 in 2008) subsidiaries (together, the "Group").

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in 5 associated companies are accounted for by the equity method.

Investments in the unconsolidated subsidiaries and the remaining associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. *Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements*—In May 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Practical Issues Task Force (PITF) No.18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". PITF No.18 prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and 6) exclusion of minority interests from net income, if included. This change is effective on April 1, 2008 but did not affect profits for segment information in the corresponding section as well as the accompanying consolidated financial statements.

c. *Cash Equivalents*—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and certificate of deposits, all of which mature or become due within three months of the date of acquisition.

d. *Marketable and Investment Securities*—Marketable and investment securities are classified and accounted for, depending on management's intent, available-for-sale securities, which are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

e. *Allowance for Doubtful Accounts*—The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the past credit loss experience and an evaluation of potential losses in the receivables outstanding.

f. *Property, Plant and Equipment*—Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed substantially by the declining-balance method based on the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired after April 1, 1998, leased assets of the Company and its consolidated domestic subsidiaries, and all property, plant and equipment of consolidated foreign subsidiaries. The range of useful lives is principally from 3 to 50 years for buildings and from 2 to 15 years for machinery and equipment. The useful lives for leased assets are the terms of the respective leases.

g. *Long-Lived Assets*—The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. *Intangible Assets*—Intangible assets are carried at cost less accumulated amortization, which is calculated by the straight-line method principally over 5 years for software. The useful lives for leased assets are the terms of the respective lease.

i. *Bond Issue Costs*—Bond issue costs are charged to income as incurred.

j. *Retirement and Pension Plans*—The Company and certain consolidated domestic subsidiaries have non-contributory funded defined benefit pension plans and unfunded retirement benefit plans for employees. The Company also has a defined contribution pension plan. Other consolidated domestic subsidiaries have unfunded retirement benefit plans. Certain consolidated foreign subsidiaries have defined contribution pension plans.

The Group accounts for the liability for employees' retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

k. *Leases*—In March 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that deemed to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. The effect of this change is immaterial to the accompanying consolidated financial statements.

l. *Income Taxes*—The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

m. *Foreign Currency Transactions*—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated income statement to the extent that they are not hedged by forward exchange contracts.

n. *Foreign Currency Financial Statements*—The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate.

Differences arising from such translation were shown as "Foreign currency translation adjustments" in a separate component of equity. Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

o. *Derivatives and Hedging Activities*—The Company uses derivative financial instruments, such as interest rate swaps, to manage its exposures to fluctuations in interest rates. Interest rate swaps are utilized by the Company to reduce interest rate risks. The Company does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows: (a) all derivatives are recognized as either assets or liabilities and measured at fair value, with gains and losses on derivative transactions recognized in the consolidated income statement and (b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting, because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

p. *Per Share Information*—Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

q. *New Accounting Pronouncements*

Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method—The current accounting standard requires to unify accounting policies within the consolidation group. However, the current guidance allows to apply the equity method for the financial statements of its foreign associated company which have been prepared in accordance with generally accepted accounting principles in their respective jurisdictions without unification of accounting policies.

On December 26, 2008, the ASBJ issued ASBJ Statement No.16 (Revised 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments". The new standard requires adjustments to be made to conform the associate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate's financial statements are used in applying the equity method unless it is impractible to determine adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to the financial statements have been incorporated; and 6) exclusion of minority interests from net income, if included.

This standard is applicable to the equity method of accounting for investments effective on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Asset Retirement Obligations—On March 31, 2008, the ASBJ published a new accounting standard for asset retirement obligations, ASBJ Statement No.18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations". Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset.

The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

3. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Current—Government and corporate bonds	¥	¥ 9	$
Non-current:			
Marketable equity securities	¥ 10,985	¥ 15,327	$111,834
Government and corporate bonds	36	35	362
Total	¥ 11,021	¥ 15,362	$112,196

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2009 and 2008 were as follows:

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2009				
Securities classified as available-for-sale:				
Equity securities	¥ 5,021	¥ 4,133	¥ (173)	¥ 8,981
Debt securities	35	1		36
March 31, 2008				
Securities classified as available-for-sale:				
Equity securities	¥ 5,281	¥ 8,213	¥ (198)	¥ 13,296
Debt securities	44			44

	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2009				
Securities classified as available-for-sale:				
Equity securities	$ 51,111	$ 42,075	$ (1,760)	$ 91,426
Debt securities	357	5		362

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2009 and 2008 were mainly equity securities, and the carrying amounts of those equity securities were ¥2,005 million ($20,408 thousand) and ¥2,031 million, respectively.

Proceeds from sales of available-for-sale securities for the years ended March 31, 2009 and 2008 were ¥308 million ($3,141 thousand) and ¥671 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥212 million ($2,155 thousand) and ¥2 million ($22 thousand), respectively, for the year ended March 31, 2009 and ¥158 million and no losses on sales, respectively, for the year ended March 31, 2008.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2009 are as follows:

	Millions of Yen	Thousands of U.S. Dollars
Due after one year through five years	¥ 36	$ 362
Total	¥ 36	$ 362

4. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans at March 31, 2009 consisted of notes to banks. The annual interest rates applicable to the short-term bank loans and bank overdrafts at March 31, 2009 and 2008 ranged from 0.84% to 7.50% and from 1.08% to 8.00%, respectively.

Long-term debt at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
0.8% unsecured bonds due 2010	¥ 5,000	¥ 5,000	$ 50,901
1.53% unsecured bonds due 2012	5,000	5,000	50,901
1.38% unsecured bonds due 2011	3,000	3,000	30,540
1.45% unsecured bonds due 2014	6,000		61,081
1.66% unsecured bonds due 2016	4,000		40,721
Sub total	23,000	13,000	234,144
Loans from banks and other financial institutions, due serially to 2019 with interest rates ranging from 0.50% to 6.25% in 2009 and from 0.40% to 6.25% in 2008			
Collateralized	3,975	4,320	40,467
Unsecured	64,010	36,715	651,627
Total	90,985	54,035	926,238
Less current portion	(15,260)	(7,950)	(155,346)
Long-term debt, less current portion	¥ 75,725	¥ 46,085	$770,892

Annual maturities of long-term debt at March 31, 2009 were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2010	¥ 15,260	$155,346
2011	16,439	167,350
2012	20,118	204,809
2013	9,250	94,168
2014	13,783	140,314
2015 and thereafter	16,135	164,251
Total	¥ 90,985	$926,238

At March 31, 2009, assets of ¥13,176 million ($134,138 thousand) were pledged as collateral for long-term debt as follows:

	Millions of Yen	Thousands of U.S. Dollars
Buildings and structures—net of accumulated depreciation	¥ 12,223	$124,436
Land	953	9,702
Total	¥ 13,176	$134,138

The amount of investment securities pledged as collateral for sales of beneficiary right of trust at March 31, 2009 was ¥36 million ($362 thousand).

5. RETIREMENT AND PENSION PLANS

The Company and certain consolidated subsidiaries have severance payment plans for employees.

The Company and certain consolidated domestic subsidiaries have non-contributory funded defined benefit pension plans and unfunded retirement benefit plans for employees. The Company also has a defined contribution pension plan. Other consolidated domestic subsidiaries have unfunded retirement benefit plans. Certain consolidated foreign subsidiaries have defined contribution pension plans.

The liability for employees' retirement benefits at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Projected benefit obligation	¥ 8,527	¥ 9,022	$ 86,803
Fair value of plan assets	(5,790)	(8,715)	(58,946)
Unrecognized prior service benefits	546	608	5,564
Unrecognized actuarial gain	(1,606)	1,304	(16,348)
Net obligations	1,677	2,219	17,073
Prepaid pension cost	817	701	8,320
Liability for employees' retirement benefits	¥ 2,494	¥ 2,920	$ 25,393

The components of net periodic retirement benefit costs for the years ended March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Service cost	¥ **464**	¥ 527	$ **4,725**
Interest cost	**127**	137	**1,298**
Expected return on plan assets	**(47)**	(43)	**(476)**
Recognized actuarial gain	**(162)**	(351)	**(1,650)**
Amortization of prior service benefits	**(61)**	(61)	**(625)**
Other	**76**	577	**774**
Net periodic retirement benefit costs	¥ **397**	¥ 786	$ **4,046**

"Other" in 2009 and 2008 includes contributions for defined contribution pension plan of ¥75 million ($767 thousand) and ¥79 million, respectively, and prior year contributions to the pension fund for port laborers of nil and ¥382 million, respectively.

Assumptions used for the years ended March 31, 2009 and 2008 were set forth as follows:

	2009	2008
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**2.0%**	2.0%
Recognition period of actuarial gain/loss	**14 years**	14 years
Amortization period of prior service benefits	**14 years**	14 years

6. EQUITY

Since May 1, 2006, Japanese companies have been subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional, paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Companies Act, stock acquisition rights are now presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

7. OTHER INCOME (EXPENSES)

Other income (expenses)—net for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Loss on disposals of software	¥ (50)	¥ (52)	$ (508)
Equity in earnings of associated companies	49	58	501
Taxes and dues	(371)	(187)	(3,783)
Prior year's contributions to the pension fund for port laborers		(382)	
Compensation income	342		3,483
Loss on liquidation of subsidiary	(184)		(1,872)
Other	(358)	(272)	(3,649)
Other (expenses) income—net	¥ (572)	¥ (835)	$ (5,828)

8. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.7% for the years ended March 31, 2009 and 2008.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Deferred tax assets:			
Liability for employees' retirement benefits	¥ 2,847	¥ 3,048	$ 28,987
Accrued bonuses	584	587	5,947
Property, plant and equipment	604	634	6,147
Tax loss carryforwards	1,562	882	15,904
Golf club memberships	86	86	880
Loss on write-down of securities	159	198	1,617
Account payable		407	
Real estate acquisition	107		1,084
Other	819	858	8,340
Less valuation allowance	(1,990)	(935)	(20,257)
Total	4,778	5,765	48,649
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	(1,612)	(3,262)	(16,406)
Gain on contribution of securities to the employee retirement benefit trust	(1,765)	(1,734)	(17,974)
Property, plant and equipment	(783)	(831)	(7,970)
Other	(529)	(533)	(5,388)
Total	(4,689)	(6,360)	(47,738)
Net deferred tax liabilities	¥ 89	¥ (595)	$ 911

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2009 and 2008 were as follows:

	2009	2008
Normal effective statutory tax rate	40.7%	40.7%
Expenses not deductible for income tax purposes	1.2	1.4
Income not taxable for income tax purposes	(2.9)	(3.2)
Per capita portion of inhabitant tax	1.3	1.1
Effect of elimination of dividend income from subsidiaries for consolidation purpose	5.7	11.1
Lower income tax rates applicable to income in certain foreign countries	0.8	0.5
Valuation allowance	13.6	
Tax deduction	(0.9)	
Other—net	(0.7)	0.6
Actual effective tax rate	58.8%	52.2%

At March 31, 2009, certain subsidiaries have tax loss carryforwards aggregating approximately ¥2,571 million ($26,169 thousand), which are available to be offset against taxable income of such subsidiaries in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2010	¥ 23	$ 229
2011	50	508
2012	46	469
2013 and thereafter	2,452	24,963
Total	¥ 2,571	$ 26,169

9. LEASES

The Group, as a lessee, leases certain structures, computer equipment, machinery and other assets.

Total rental expenses for the years ended March 31, 2009 and 2008 were ¥7,393 million ($75,262 thousand) and ¥6,980 million, respectively, including ¥315 million ($3,210 thousand) and ¥347 million of lease payments under finance leases.

As discussed in Note 2.k, the Company accounts for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. Pro forma information of such leases existing at the transition date, such as acquisition cost and accumulated depreciation, obligations under finance leases, depreciation expense, and interest expense, on a "as if capitalized" basis for the years ended March 31, 2009 and 2008 was as follows.

	Millions of Yen								Thousands of U.S. Dollars			
	2009				2008				2009			
	Buildings and Structures	Machinery and Equipment	Other	Total	Buildings and Structures	Machinery and Equipment	Other	Total	Buildings and Structures	Machinery and Equipment	Other	Total
Acquisition cost	¥ 249	¥ 439	¥ 1,008	¥ 1,696	¥ 249	¥ 443	¥ 1,159	¥ 1,851	$ 2,534	$ 4,473	$10,259	$17,266
Accumulated depreciation	(183)	(260)	(681)	(1,124)	(177)	(184)	(603)	(964)	(1,863)	(2,656)	(6,928)	(11,447)
Net leased property	¥ 66	¥ 179	¥ 327	¥ 572	¥ 72	¥ 259	¥ 556	¥ 887	$ 671	$ 1,817	$ 3,331	$ 5,819

The above acquisition cost included related interest expense.

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due within one year	¥ 240	¥ 316	$ 2,445
Due after one year	332	571	3,374
Total	¥ 572	¥ 887	$ 5,819

The above obligations under finance leases included related interest expense.

Depreciation expense of finance leases for the years ended March 31, 2009 and 2008, which was not reflected in the accompanying consolidated statement of income and was computed by the straight-line method, was ¥315 million ($3,210 thousand) and ¥347 million, respectively.

Total lease receipts, as lessor, for the year ended March 31, 2009 and 2008 were ¥32 million ($329 thousand) and ¥25 million.

As discussed in Note 2.k, the Company accounts for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. Pro forma information of such leases existing at the transition date, such as acquisition cost and accumulated depreciation, receivables under finance leases, depreciation expense, and interest income, for the years ended March 31, 2009 and 2008 was as follows.

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
	Buildings and Structures	Buildings and Structures	Buildings and Structures
Acquisition cost	¥ 161	¥ 161	$ 1,640
Accumulated depreciation	(41)	(20)	(414)
Net leased property	¥ 120	¥ 141	$ 1,226

The above acquisition cost included related interest income.

Receivables under finance leases:

	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars 2009
Due within one year	¥ 32	¥ 32	$ 329
Due after one year	88	120	893
Total	¥ 120	¥ 152	$ 1,222

The above receivables under finance leases included related interest income.

Depreciation expense for the years ended March 31, 2009 and 2008 was ¥20 million ($206 thousand) and ¥17 million, respectively.

The minimum rental commitments under noncancelable operating leases as a lessee at March 31, 2009 and 2008 were as follows:

	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars 2009
Due within one year	¥ 1,071	¥ 639	$ 10,908
Due after one year	1,016	663	10,343
Total	¥ 2,087	¥ 1,302	$ 21,251

The Group, as a lessor, leases office space.

Total lease revenue for the years ended March 31, 2009 and 2008 was ¥9,632 million ($98,053 thousand) and ¥8,201 million, respectively.

The minimum rental commitments under noncancelable operating leases as a lessor at March 31, 2009 and 2008 were as follows:

	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars 2009
Due within one year	¥ 478	¥ 308	$ 4,868
Due after one year	2,554	850	25,998
Total	¥ 3,032	¥ 1,158	$ 30,866

10. DERIVATIVES

The Company enters into interest rate swap contracts to manage its interest rate exposures on certain liabilities.

All derivative transactions are entered into hedge interest rate exposures incorporated within its business. Accordingly, interest rate risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities.

Because the counterparties to these derivatives are limited to major international financial institutions, the Company does not anticipate any losses arising from credit risk.

The fair value of the Company's derivative financial instruments at March 31, 2009 and 2008 is not disclosed because hedge accounting is applied to all derivative financial instruments entered into by the Company.

11. CONTINGENT LIABILITIES

At March 31, 2009, the Group had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Guarantees of loans	¥ 3,897	$ 39,677
Trade notes endorsed	14	145

12. NET INCOME PER SHARE

Basic net income per share ("EPS") for the years ended March 31, 2009 and 2008 was as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2009	Net Income	Weighted-average Shares	EPS	
Basic EPS:				
Net income	¥ 1,732			
Net income available to common shareholders	¥ 1,732	132,887	¥ 13.03	$ 0.13

	Millions of Yen	Thousands of Shares	Yen
Year Ended March 31, 2008	Net Income	Weighted-average Shares	EPS
Basic EPS:			
Net income	¥ 1,788		
Net income available to common shareholders	¥ 1,787	134,060	¥ 13.33

13. SUBSEQUENT EVENTS

a. Appropriations of Retained Earnings

The following appropriations of retained earnings at March 31, 2009 were approved at the Board of Directors held on May 8, 2009:

	Millions of Yen	*Thousands of U.S. Dollars*
Year-end cash dividends, ¥4.50 ($0.05) per share	**¥ 598**	**$ 6,088**

14. SEGMENT INFORMATION

Information about industry segments, geographic segments and sales to foreign customers of the Company and subsidiaries for the years ended March 31, 2009 and 2008 were as follows:

(1) Industry Segments

a. Sales and operating income:

	Millions of Yen								*Thousands of U.S. Dollars*			
	2009				*2008*				*2009*			
	Logistics	*Real Estate*	*Eliminations/ Corporate*	*Consolidated*	*Logistics*	*Real Estate*	*Eliminations/ Corporate*	*Consolidated*	*Logistics*	*Real Estate*	*Eliminations/ Corporate*	*Consolidated*
Sales to customers	**¥ 90,195**	**¥ 9,632**	**¥**	**¥ 99,827**	¥ 96,170	¥ 8,201	¥	¥ 104,371	**$918,203**	**$ 98,053**	**$**	**$1,016,256**
Intersegment sales	**152**	**247**	**(399)**		149	245	(394)		**1,546**	**2,517**	**(4,063)**	
Total sales	**90,347**	**9,879**	**(399)**	**99,827**	96,319	8,446	(394)	104,371	**919,749**	**100,570**	**(4,063)**	**1,016,256**
Operating expenses	**86,583**	**4,342**	**2,594**	**93,519**	91,525	3,638	2,548	97,711	**881,436**	**44,204**	**26,401**	**952,041**
Operating income	**¥ 3,764**	**¥ 5,537**	**¥ (2,993)**	**¥ 6,308**	¥ 4,794	¥ 4,808	¥ (2,942)	¥ 6,660	**$ 38,313**	**$ 56,366**	**$ (30,464)**	**$ 64,215**

b. Total assets, depreciation and capital expenditures:

	Millions of Yen								*Thousands of U.S. Dollars*			
	2009				*2008*				*2009*			
	Logistics	*Real Estate*	*Eliminations/ Corporate*	*Consolidated*	*Logistics*	*Real Estate*	*Eliminations/ Corporate*	*Consolidated*	*Logistics*	*Real Estate*	*Eliminations/ Corporate*	*Consolidated*
Total assets	**¥ 91,958**	**¥ 48,558**	**¥ 25,484**	**¥ 166,000**	¥ 89,604	¥ 25,885	¥ 23,969	¥ 139,458	**$936,149**	**$494,328**	**$259,433**	**$1,689,910**
Depreciation	**3,586**	**1,726**	**137**	**5,449**	3,535	1,730	149	5,414	**36,504**	**17,577**	**1,398**	**55,479**
Capital expenditures	**10,380**	**24,621**	**25**	**35,026**	10,169	2,349	1	12,519	**105,673**	**250,648**	**249**	**356,570**

Notes: 1. "Logistics" consists of warehousing, port terminal operation, overland transportation and international combined transportation.

2. "Real estate" consists substantially of leases of real estate.

3. Operating expenses of ¥2,993 million ($30,464 thousand) in 2009 and ¥2,942 million in 2008, which are included in "Eliminations/Corporate," consist of the expenses incurred by the administrative section of the Company.

4. Total assets of ¥25,489 million ($259,479 thousand) in 2009 and ¥23,973 million in 2008, which are included in "Eliminations/Corporate," consist substantially of corporate cash and investment securities and the assets of the administrative section of the Company.

(2) Geographical Segments

The geographical segments of the Company and its subsidiaries for the years ended March 31, 2009 and 2008 are summarized as follows:

	Millions of Yen								*Thousands of U.S. Dollars*			
	2009				*2008*				*2009*			
	Japan	*Others*	*Eliminations/ Corporate*	*Consolidated*	*Japan*	*Others*	*Eliminations/ Corporate*	*Consolidated*	*Japan*	*Others*	*Eliminations/ Corporate*	*Consolidated*
Sales to customers	**¥ 82,511**	**¥ 17,316**	**¥**	**¥ 99,827**	¥ 86,585	¥ 17,786	¥	¥ 104,371	**$ 839,979**	**$ 176,277**	**$**	**$1,016,256**
Interarea transfer	**1,031**	**2,270**	**(3,301)**		1,427	2,240	(3,667)		**10,488**	**23,113**	**(33,601)**	
Total sales	**83,542**	**19,586**	**(3,301)**	**99,827**	88,012	20,026	(3,667)	104,371	**850,467**	**199,390**	**(33,601)**	**1,016,256**
Operating expenses	**74,398**	**19,429**	**(308)**	**93,519**	78,640	19,796	(725)	97,711	**757,387**	**197,791**	**(3,137)**	**952,041**
Operating income	**¥ 9,144**	**¥ 157**	**¥ (2,993)**	**¥ 6,308**	¥ 9,372	¥ 230	¥ (2,942)	¥ 6,660	**$ 93,080**	**$ 1,599**	**$ (30,464)**	**$ 64,215**
Total assets	**¥135,695**	**¥ 8,683**	**¥ 21,622**	**¥ 166,000**	¥109,045	¥ 11,008	¥ 19,405	¥ 139,458	**$1,381,394**	**$ 88,397**	**$ 220,119**	**$1,689,910**

Notes: 1. "Others" consists substantially of the United States of America, Singapore, Malaysia, Hong Kong and Europe.

2. Operating expenses of ¥2,993 million ($30,464 thousand) in 2009 and ¥2,942 million in 2008, which are included in "Eliminations/Corporate," consist of the expenses incurred by the administrative section of the Company.

3. Total assets of ¥25,489 million ($259,479 thousand) in 2009 and ¥23,973 million in 2008, which are included in "Eliminations/Corporate," consist substantially of corporate cash and investment securities and the assets of the administrative section of the Company.

(3) Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2009 and 2008 amounted to ¥18,691 million ($190,273 thousand) and ¥18,509 million, respectively.

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
MITSUI-SOKO Co., Ltd.:

We have audited the accompanying consolidated balance sheets of MITSUI-SOKO Co., Ltd. and consolidated subsidiaries (the "Company") as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MITSUI-SOKO Co., Ltd. and consolidated subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 15, 2009

Member of
Deloitte Touche Tohmatsu

Corporate Governance

Basic Policy

Cognizant of the Company's social mission, Mitsui-Soko's directors, corporate auditors and employees are dedicated to performing their responsibilities faithfully in order to protect shareholders' interests. In addition to establishing various organizational entities for decision-making and oversight, the Company is working to strengthen its corporate governance, for example, by separating business execution and management supervision functions through the introduction of an executive officer system.

Key Entities and Their Responsibilities

Chaired by the president, the Board of Directors meets monthly to make important decisions and oversee the performance of company operations under the supervision of executive officers as defined by applicable law, the Company's articles of incorporation, and its internal rules and regulations.

The Board of Corporate Auditors is composed of full-time corporate auditors and outside corporate auditors. An auditing staff assists the Board of Corporate Auditors in fulfilling its responsibilities.

The Managing Council meets weekly to discuss and render decisions regarding matters entrusted to it by the Board of Directors and important operational matters as defined by company rules and regulations.

Under the Company's operational management structure, the president exercises overall control as the chief executive officer, while other representative directors play a subordinate role as chief operating officers with control over individual departments.

Establishment of an Internal Control System

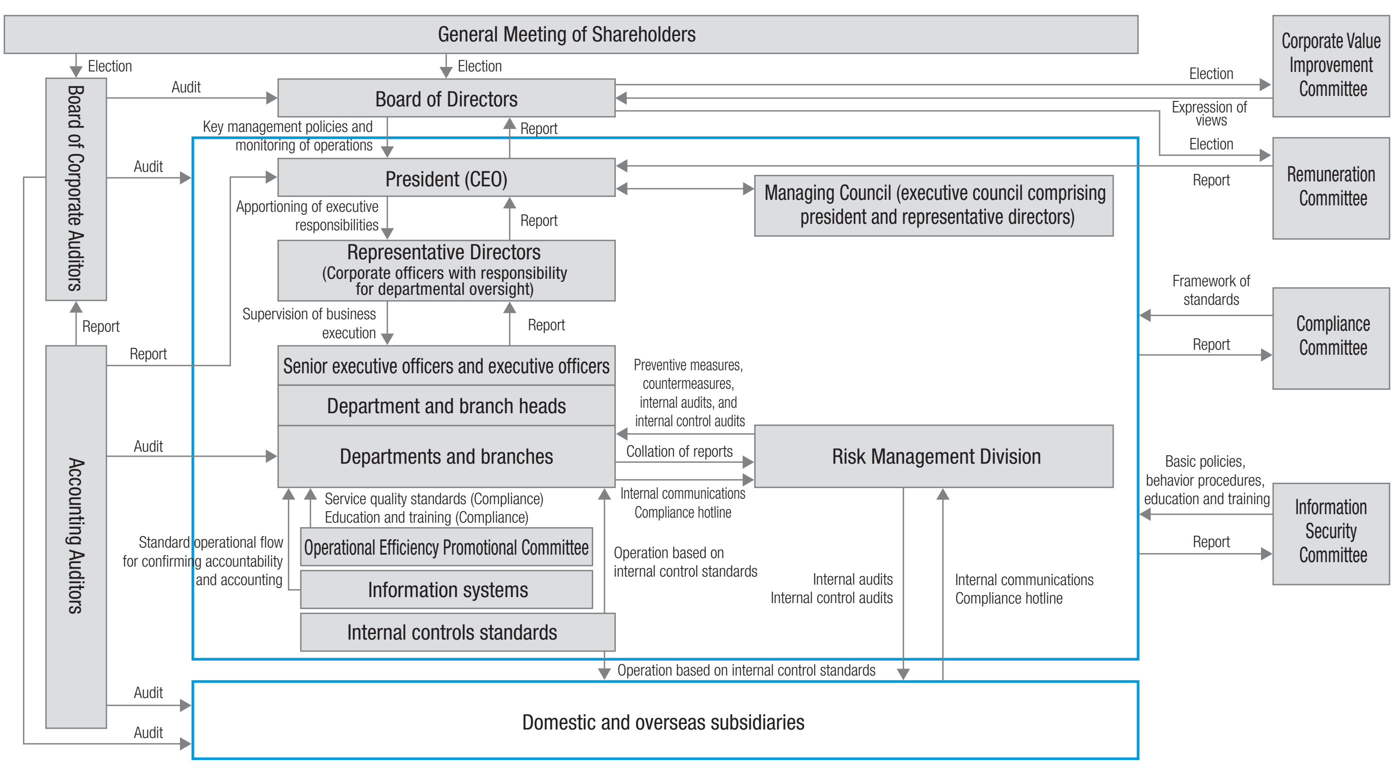
The Company has put in place internal controls to ensure that the execution of duties by directors conforms with laws and the Company's articles of incorporation as well as to ensure the appropriateness of other operations carried out by the Company. We have also established rules and regulations associated with our compliance structures, for example, Corporate Ethical Standards, to serve as a code of conduct to help directors and employees ensure that their actions are consistent with applicable law such as the Company's articles of incorporation and social norms. To ensure that these rules and regulations are properly observed, the Risk Management Division exercises cross-sectional control of compliance initiatives and carries out education and training activities, and the internal auditing department monitors compliance. The results of these activities are reported regularly to the Board of Directors and to the Board of Corporate Auditors.

The Company also maintains a compliance hotline that is available for all Group employees to directly provide information about legally questionable activities.

Risk Management Structure and Internal Auditing

Working under the supervision of the chief operating officer with responsibility for risk management, the Risk Management Division strives to reduce corporate risk by preventing risk, preparing and revising countermeasure manuals, and conducting internal audits.

In addition to working with associated operational departments to develop countermeasure manuals for high-priority risks, verifying the implementation of preventive measures and sharing results throughout the Company, the division orchestrates a continuous review process. Other responsibilities include conducting internal audits to assess whether Company operations are being carried out in keeping with the established procedures and rules, verifying results, examining and implementing improvement plans, and reviewing procedures. The division then provides the results of these activities to the Board of Corporate Auditors and accounting auditors as appropriate.



Corporate Information

As of March 31, 2009

MITSUI-SOKO CO., LTD.

Date of Establishment:

October 11, 1909

Paid-in Capital:

¥11,100,714,274

Head Office

MSC Center Bldg., 22-23, Kaigan 3-chome,
Minato-ku, Tokyo 108-0022
Phone: +81-3-6400-8000
Fax: +81-3-6400-8079

Kanto Branch

- Tokyo Regional Office

MSC Center Bldg., 22-23, Kaigan 3-chome,
Minato-ku, Tokyo 108-0022
Phone: +81-3-6400-8300
Fax: +81-3-6400-8349

- Yokohama Regional Office

1, Ota-machi 1-chome, Naka-ku,
Yokohama 231-0011
Phone: +81-45-201-6901
Fax: +81-45-201-4866

Chubu Branch

- Nagoya Regional Office

19-12, Marunouchi 3-chome, Naka-ku,
Nagoya 460-0002
Phone: +81-52-972-0311
Fax: +81-52-972-0408

Kansai Branch

- Osaka Regional Office

4-9, Tosabori 2-chome, Nishi-ku,
Osaka 550-0001
Phone: +81-6-6443-1521
Fax: +81-6-6443-3744

- Kobe Regional Office

2-16, Hamabe-dori 6-chome,
Chuo-ku, Kobe 651-0083
Phone: +81-78-232-2210
Fax: +81-78-232-2350

Note: The Kyushu Branch is not listed as it only conducts management operations.

Number of Employees:

3,259 (consolidated basis)

727 (non-consolidated basis)

Common Stock:

Authorized — 400,000,000 shares
Issued — 139,415,013 shares

Stock Exchange Listings:

Tokyo, Osaka (#9302)

Trading Unit:

1,000 shares

Shareholder Register Agent:

The Chuo Mitsui Trust and Banking Company, Limited
Stock Transfer Office
(The company's Stock Transfer Agency Department)
8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063

Investor Information

As of March 31, 2009

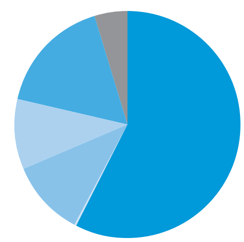
Major Shareholders

	Thousands of Shares	%
Japan Trustee Services Bank, Ltd. (Trust Account)	22,472	16.9
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,161	7.6
Mitsui Life Insurance Company, Ltd.	9,807	7.4
Mitsui Sumitomo Insurance Company, Ltd.	7,697	5.8
The Chuo Mitsui Trust and Banking Company, Ltd.	5,214	3.9
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	4,199	3.2
Sumitomo Mitsui Banking Corp.	3,484	2.6
Juniper	3,210	2.4
Y.K. Algarve	3,000	2.3
J.P. Morgan Clearing Corp-Sec	3,000	2.3

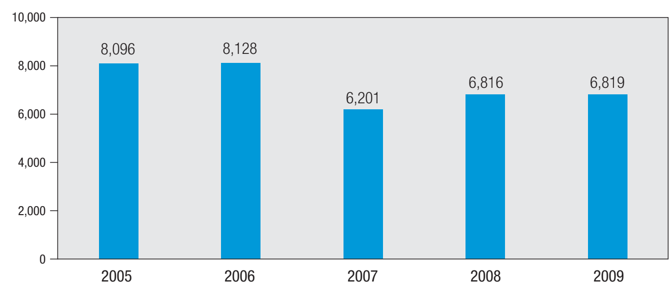
Note: Shares of less than 1,000 are rounded down.
Treasury stock have been excluded from investment ratio calculation.

Composition of MITSUI-SOKO's Shareholders

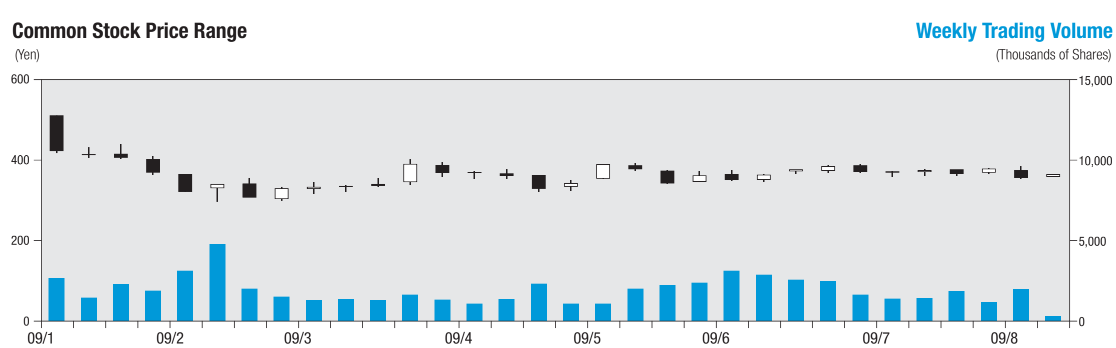
	Thousands of Shares	%
Financial Institutions	80,265	57.6
Securities Companies	717	0.5
Other Corporations	15,009	10.8
Foreign Companies	13,944	10.0
Individual and Others	22,948	16.5
The Company (Treasury Stock)	6,530	4.7



Number of Shareholders



Common Stock Price Range



Mitsui-Soko Group Network

As of March 31, 2009

Consolidated Subsidiaries and Affiliates

Domestic

- Mitsui-Soko Air Freight Co., Ltd.
  Tokyo
  Air cargo transport and handling services
- Hokkaimitsui Warehouse Co., Ltd.
  Hokkaido
  Warehousing / Cargo forwarding
- Sanso K.K.
  Tokyo
  Warehouse cargo handling
- IM Express Co., Ltd.
  Tokyo
  Overland cargo transport / Cargo forwarding
- M·S Logistics Co., Ltd.
  Saitama
  Warehouse management and operations
- Toko Maruraku Transportation Co., Ltd.
  Kanagawa
  Seaport operations / Cargo forwarding
- MSC Logistics East, Inc.
  Tokyo
  Overland cargo transport / Warehousing
- Mitsui-Soko Business Partners Co., Ltd.
  Tokyo
  BPO business / Data management services
- Sanso Kouun Co., Ltd.
  Aichi
  Warehouse cargo handling / Seaport operations
- Sanko Trucking Co., Ltd.
  Aichi
  Overland cargo transport / Cargo forwarding
- Meikyo Service Co., Ltd.
  Aichi
  Warehouse cargo handling
- Sanei K.K.
  Mie
  Warehouse cargo handling / Seaport operations
- Mitsui Warehouse Terminal Serivce Co., Ltd.
  Osaka
  Seaport operations / Overland cargo transport / Cargo forwarding
- Sanshin Co., Ltd.
  Osaka
  Warehouse cargo handling
- Sanyu Service Co., Ltd.
  Osaka
  Warehouse cargo handling
- Mitsunori Corporation
  Fukui
  Warehousing / Overland cargo transport / Cargo forwarding
- Kobe Sunso Koun Co., Ltd.
  Hyogo
  Warehouse cargo handling / Seaport operations
- MK Services Co., Ltd.
  Hyogo
  Distribution processing
- Sun Transport Co., Ltd.
  Hyogo
  Overland cargo transport / Cargo forwarding
- Mitsui Soko Kyushu Co., Ltd.
  Fukuoka
  Warehousing / Seaport operations / Cargo forwarding
- Seiyu Koun Co., Ltd.
  Fukuoka
  Warehousing cargo handling / Seaport operations
- Hakata Sanso-Butsuryu Co., Ltd.
  Fukuoka
  Warehouse cargo handling / Overland transport
- Mitsui-Soko Facilities Co., Ltd.
  Tokyo
  Insurance / Building management and operation
- Sun Capital and Accounting Co., Ltd.
  Tokyo
  Financial and accounting services
- Logisitics Systems and Solutions Co., Ltd.
  Tokyo
  Information systems design and development
- Tokyo Sanshin Service K.K.
  Tokyo
  Insurance
- Itabashi-Shouji Co., Ltd.*
  Kanagawa
  Overland cargo transort / Cargo forwarding
- Morikichi Tsuun Co., Ltd.*
  Aichi
  Overland cargo transport / Cargo forwarding

Overseas

- Mitsui-Soko (U.S.A.) Inc.
  USA
  International combined transport / Warehousing / Cargo forwarding
- Mitsui-Soko (Europe) B.V.
  Holland
  International combined transport / Warehousing / Cargo forwarding
- Mitsui-Soko (Europe) B.V. <Branch>
  Germany
  International combined transport / Warehousing / Cargo forwarding
- Mitsui-Soko (Europe) B.V. <Branch>
  Czech
  International combined transport / Warehousing / Cargo forwarding
- Mitsui-Soko (Poland) Sp. z o.o.
  Poland
  International combined transport / Warehousing
- Mitsui-Soko (Belgium) N.V.
  Belgium
  International combined transport / Warehousing
- Mitsui-Soko International Pte. Ltd.
  Singapore
  Overall management of subsidiaries in the Southeast Asia region / Warehouse leasing
- Mitsui-Soko (Singapore) Pte. Ltd.
  Singapore
  International combined transport / Warehousing / Cargo forwarding
- Mitsui-Soko Air Services(S) Pte. Ltd.
  Singapore
  Air cargo transport and handling services
- Mitsui-Soko (Malaysia) Sdn. Bhd.
  Malaysia
  International combined transport / Warehousing / Cargo forwarding
- Mitsui-Soko Agencies (Malaysia) Sdn. Bhd.
  Malaysia
  Customs clearance
- Integrated Mits Sdn. Bhd.
  Malaysia
  Warehousing
- Mitsui-Soko (Thailand) Co., Ltd.
  Thailand
  International combined transport / Warehousing / Cargo forwarding
- Mitsui-Soko (Chiangmai) Co., Ltd.
  Thailand
  International combined transport / Warehousing / Cargo forwarding
- MITS Logistics (Thailand) Co., Ltd.
  Thailand
  Warehousing
- MITS Transport (Thailand) Co., Ltd.
  Thailand
  Cargo fowarding
- PT Mitsui-Soko Indonesia
  Indonesia
  Warehousing / Seaport operations / Cargo forwarding
- Mitsui-Soko (Philippines), Inc.
  Philippines
  International combined transport / Warehousing / Cargo forwarding
- Nantong Sinavico International Logistics Co., Ltd.
  China
  Warehousing / Distribution processing / Cargo forwarding
- Mitex Logistics (Shanghai) Co., Ltd.
  China
  Warehousing / Distribution processing
- Fuzhou Mitex Logistics Co., Ltd.
  China
  International combined transport / Warehousing / Cargo forwarding
- Mitex Shenzhen Logistics Co., Ltd.
  China
  International combined transport / Warehousing/ Distribution processing
- Mitex Qingdao Logistics Co., Ltd.
  China
  International combined transport / Warehousing / Distribution processing
- Mitex Inernational (Hong Kong) Ltd.
  Hong Kong
  International combined transport / Warehousing / Cargo forwarding
- Mitex Multimodal Express Ltd.
  Hong Kong
  Cargo fowarding
- Noble Business International Ltd.
  Hong Kong
  Cargo fowarding
- Mitsui-Soko (Taiwan) Co., Ltd.
  Taiwan
  International combined transport
- Mitsui-Soko (Korea) Co., Ltd.
  Korea
  International combined transport
- Syarikat Rtnz Sdn. Bhd.*
  Malaysia
  Bonded warehouse operations
- AW Rostamani Logistics L.L.C.*
  United Arab Emirates
  International combined transport / Warehousing / Overland cargo transport
- Shanghai Hua He International Logistics Co., Ltd.*
  China
  Warehousing / Cargo forwarding / Distribution processing

*Equity-method affiliates

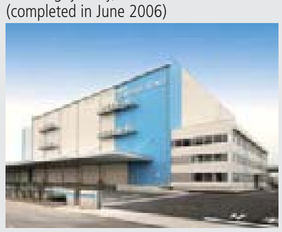
Mitsui-Soko Group Strategic Facilities

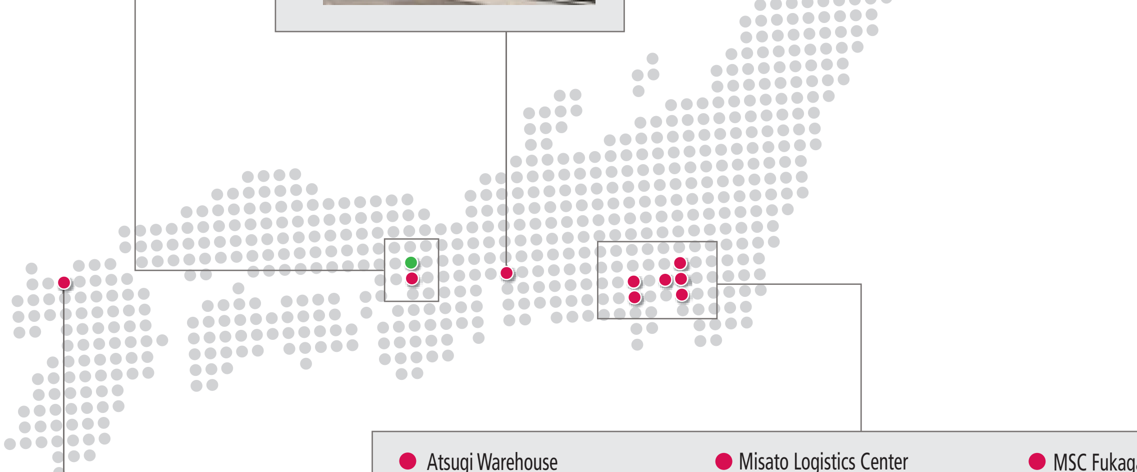
Kita Osaka Warehouse
Settsu City, Osaka
(completed in December 2005)

Ibaraki Records Center (artist's conception)
Ibaraki City, Osaka
(scheduled for completion in January 2010)

Hokkai Mitsui-Soko Records Center
Kitahiroshima City, Hokkaido
(completed in November 2007)

Nishiharu Warehouse
Kita-Nagoya City, Aichi
(completed in June 2006)





Fukuoka Records Center
Fukuoka City, Fukuoka
(completed in June 2008)

Atsugi Warehouse
Atsugi City, Kanagawa
(completed in August 2008)

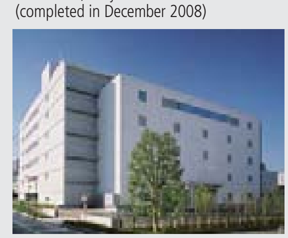
Misato Logistics Center
Soka City, Saitama (completed in April 2008)

MSC Fukagawa Building
Koto Ward, Tokyo (completed in July 2006)

Machida Records Center
Machida City, Tokyo
(completed in November 2004)

Tatsumi Warehouse
Koto Ward, Tokyo
(completed in January 2009)

MSC Fukagawa Building No. 2
Koto Ward, Tokyo
(completed in December 2008)



● Already operational
● Under construction

MITSUI-SOKO CO., LTD.

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