



mitsui-soko group
VALUE REPORT
2019



Realizing a Better Society as a “First-Call Company” Trusted by Customers

The Mitsui-Soko Group, for the over 100 years since its founding, has been meeting customers’ logistical issues sincerely in a wide range of business formats and regions. While engaging in transportation within the fields of land, sea, and air that is based on our inherent warehousing business, through M&A and facility investment in recent years, we have reached the point at which we can provide a comprehensive lineup of logistics services that enables us to meet the diversifying needs of our customers.

We have received positive feedback from customers by maintaining high quality through our expertise and versatile facilities, particularly in the handling of cargo requiring specially controlled environments, such as pharmaceutical products, automotive parts, and artwork.

The Mitsui-Soko Group promotes initiatives geared toward the creation of a sustainable society and thereby creates social value as a company that supports an indispensable form of social infrastructure called logistics.

At the same time, in our domestic and overseas corporate activities, we see things from our clients’ perspectives and share value with them. Our aim is for Mitsui-Soko to evolve into a “first-call company,” which is a company that is consulted first by any customer who has logistics improvement needs.

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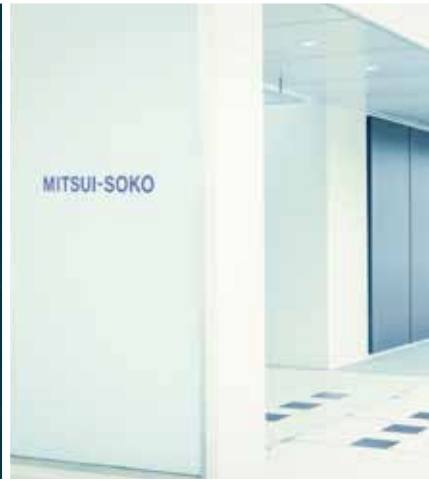
Editorial Policy

This report is a disclosure document that incorporates management strategies for medium- and long-term growth, ESG information that forms the foundation of growth, and information on business performance and financial information for the fiscal year under review. This report is primarily published for investors.

We also cover and post a variety of company information on our website. We hope that readers will deepen their understanding of the Company by looking at this report in conjunction with the website. In the years to come, we will work to edit the content of the report to meet the expectations of our readers.

Disclaimer Regarding Forward-Looking Statements

Those business plans, strategies, prospects, and management-related initiatives regarding the Company’s future performance described in this report that are not historical facts are forward-looking statements and as such are assumptions and judgments based on currently available information. Readers should be aware that actual results may differ from these due to a variety of factors, such as the economic conditions surrounding the Company, demand and product prices, the development and sales of new products, and fluctuations in raw material prices and exchange rates.



VISION

Value beyond Logistics

MISSION

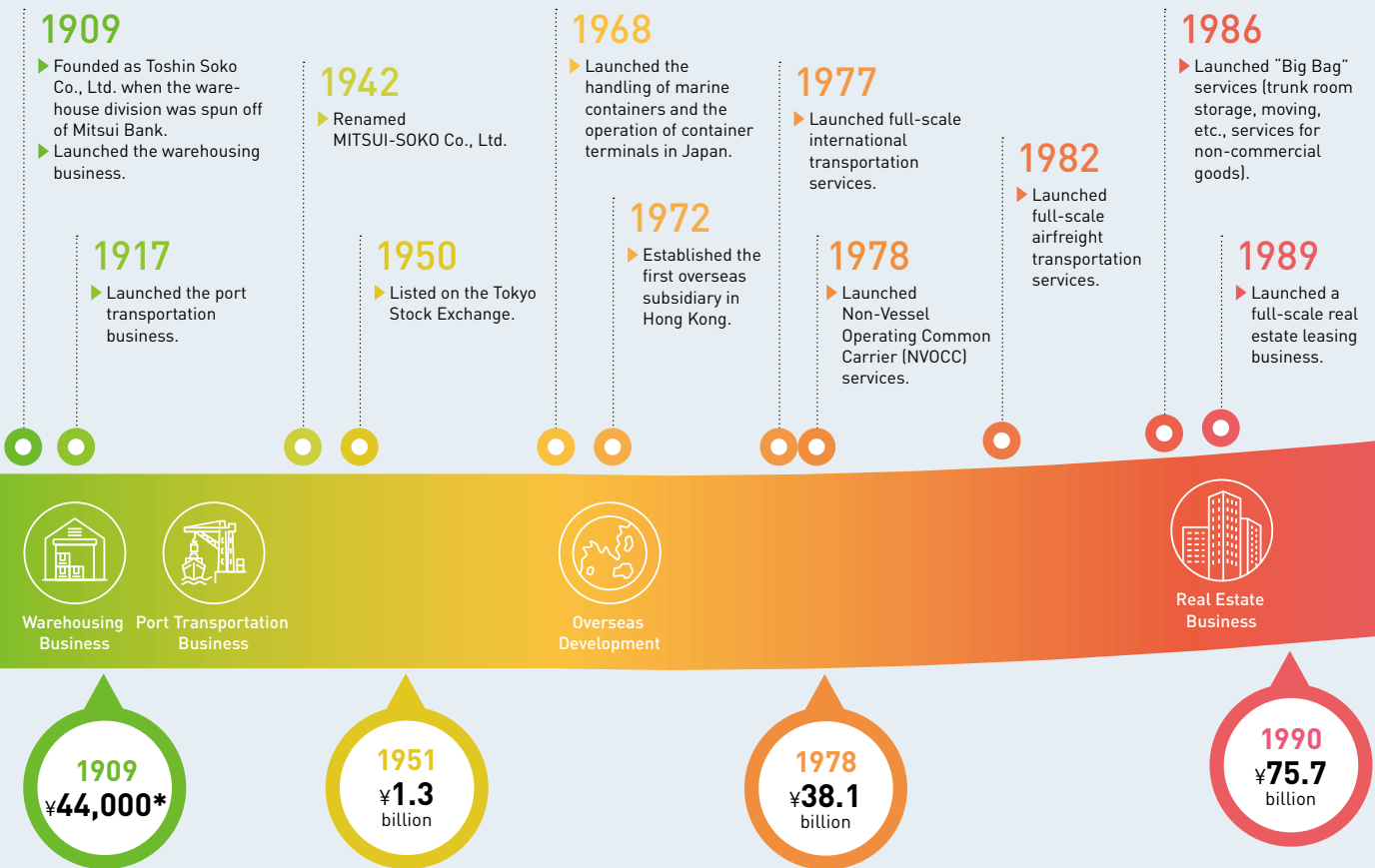
To Become a First-Call Company
Trusted by Customers





History

Developing New Business through Overseas Collaboration Over a Century of Seizing Logistics Trends and Expanding



Trends in Consolidated Operating Revenue since Our Foundation

*Recorded as gross profit in the first fiscal period (October to December 1909)

Foundation/Development Period (1909-1988)

Commencement of Warehousing Business against Backdrop of Japan's Modernization

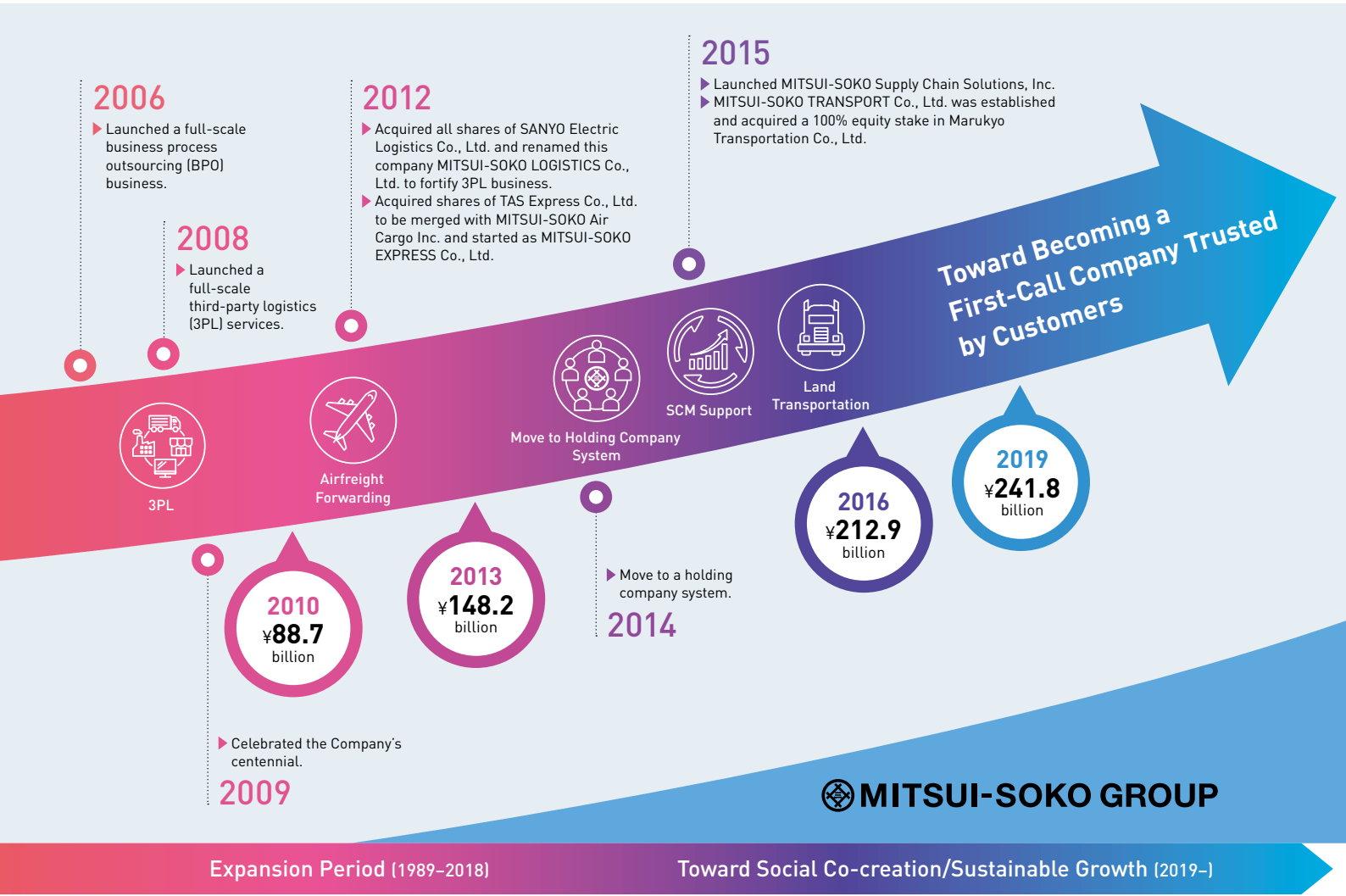
Amid the sudden rise of Japanese modern industry, Toshin Soko Co., Ltd., the predecessor of the Mitsui-Soko Group, was founded in 1909. In 1915, in addition to its warehousing business, Toshin Soko entered the cotton cargo services business and stevedoring services (loading and unloading of cargo at port) and embarked on a move from the warehousing business toward the logistics business. In this way, the corporate culture that leads to the current Mitsui-Soko Group, of closely monitoring trends in logistics and investing in new business formats and new business, is directly inherited from that period. Since the company's founding, the corporate DNA cultivated in the warehousing business, which carefully handles a range of products that support daily life, has been nurtured for over a century.

Development into New Warehousing-Driven Business Entity

MITSUI-SOKO Co., Ltd. expanded its business from the conventional warehousing business of a storage entity to a distribution warehousing business with enhanced delivery capabilities. Thereafter, the significant development in the land transportation business due to contracted container terminal and land transportation work from a U.S. shipping company that was a pioneer in containerization. In the 1970s, following on from land and sea businesses, MITSUI-SOKO Co., Ltd. launched its airfreight transportation business in response to the new era of freight forwarding by air and promoted the expansion of international operations. Seizing the opportunities presented by the changing means of transportation, MITSUI-SOKO Co., Ltd. met new customer needs while expanding business areas, leading to the Mitsui-Soko Group's present wide range of business operations.

and M&A

Business Bases and Industries



Establishment of Systems as a Comprehensive Logistics Company by Proactive M&A and Capital Investment

To beat global competition, the Company undertook concentrated investment in proactive M&A and in growth areas in the Asia-Pacific region. In 2012, MITSUI-SOKO LOGISTICS, which operates 3PL operations, and MITSUI-SOKO EXPRESS, which orchestrates airfreight forwarding operations, were added to the Group as operating companies. They were followed in 2015 by MITSUI-SOKO Supply Chain Solutions, whose mainstay operations are in-plant logistics and sales logistics, and MITSUI-SOKO TRANSPORT, which manages and controls transportation networks. To meet diversifying customer needs, as a globally integrated logistics company Mitsui-Soko Group has established systems that provide optimal logistics services.

Reaching a New Phase on Way to Sustainable Growth

As a globally integrated logistics company, the Mitsui-Soko Group develops a full lineup of logistics services, from upstream to downstream. Utilizing to full effect the logistics know-how that has been accumulated over more than a century and the Group's comprehensive strengths, while transcending national and regional borders and business format boundaries in working to solve customers' problems, the Mitsui-Soko Group aims to remain a "first-call company trusted by customers." By organically utilizing our global and powerful customer base, varied logistics combinations, and diverse human resources who have a variety of experience and knowledge, we will further expand our comprehensive lineup of logistics services and reach toward a new phase for sustainable growth together with society.



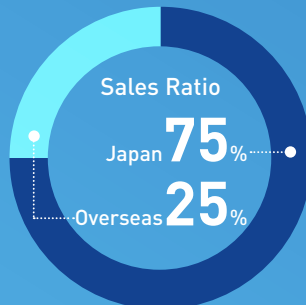
Fields

A Group Presence Covering a Wide Range of Development in Regions and Fields

In addition to having an extensive network that spans the globe, the Mitsui-Soko Group possesses a wide range of know-how associated with supporting a variety of client industries. As a comprehensive player in the logistics industry naturally linking all areas of economic activity, encompassing production, distribution, and consumption, the Mitsui-Soko Group supports the logistics of a wide range of clients, regardless of region and field.

North/South America

Number of business sites	18
Operational floor area	53,490 m ²
Employees	128



Main Value-Added Areas

Related to ISO/AS/JIS-Q and other certifications	14
Healthcare related	14
Business Process Outsourcing (BPO) related	5



Figures are as of March 31, 2019.

Europe, Africa, Middle East

Number of business sites	34
Operational floor area	174,062 m ²
Employees	884

Southeast Asia

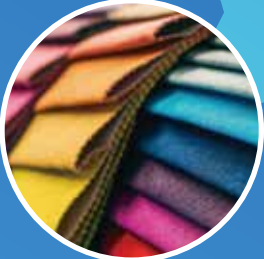
Number of business sites	38
Operational floor area	290,879 m ²
Employees	2,048

Northeast Asia

Number of business sites	48
Operational floor area	132,153 m ²
Employees	665

Japan

Number of business sites	270
Operational floor area	1,571,450 m ²
Employees	5,088



Mail Order

Life Insurance/
Non-life
Insurance

Aerospace
Related



Automotive
Related

Pharmaceuticals/
Medical
Equipment

Retail/Wholesale/
Daily-Use Goods

High-Quality Logistics
Know-How Compatibilities
for a Wide Range of Fields

Educational

Financial
Institutions



Food

Electronics
Related

Industrial
Materials/
Chemicals

Heavy Equipment/
Machinery

Furniture/
Consumer
Electronics





Value Creation Process

Creating Value by Means of a Comprehensive Lineup of

Management Resources

Human Capital

8,813
employees

Human resources possessing extensive know-how

Manufactured Capital

Logistics facilities at
approx. **400**
locations

Intellectual Capital

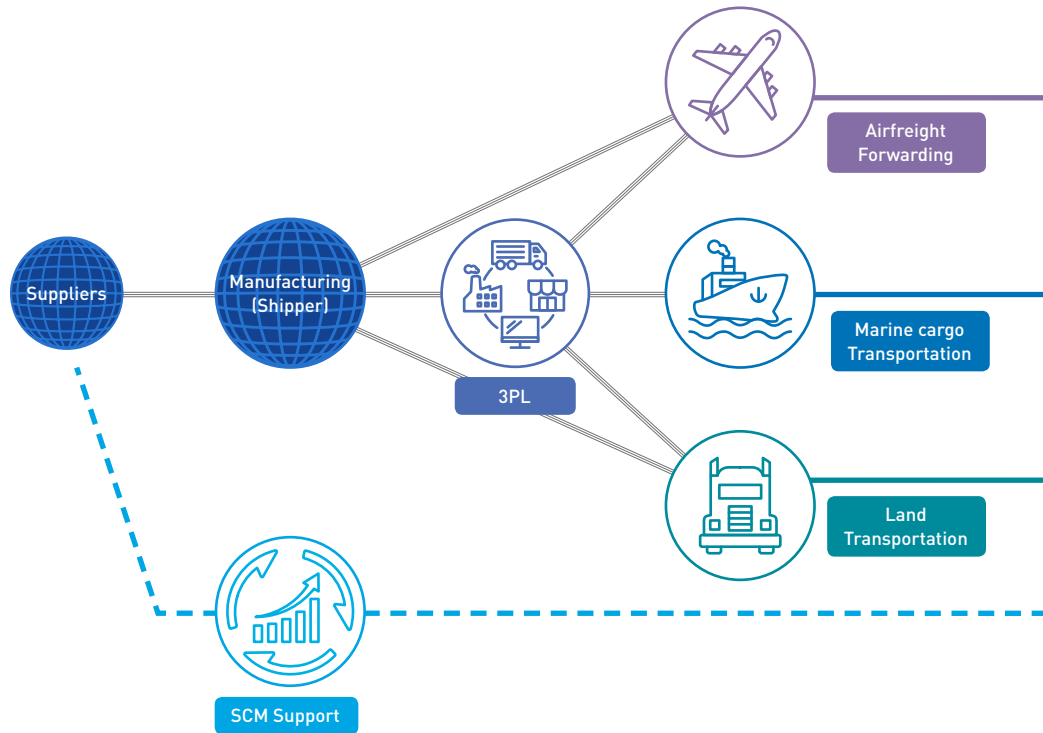
Has acquired **71**
value-added certifications,
patents, and qualifications
in Japan

Social and Relationship Capital

Developing business in
21 countries

Figures are as of March 31, 2019.

Logistics Value Chain Provided by the Mitsui-Soko



Fundamentals of Value Creation

Corporate Governance

Responses to Risks and Opportunities

Risks

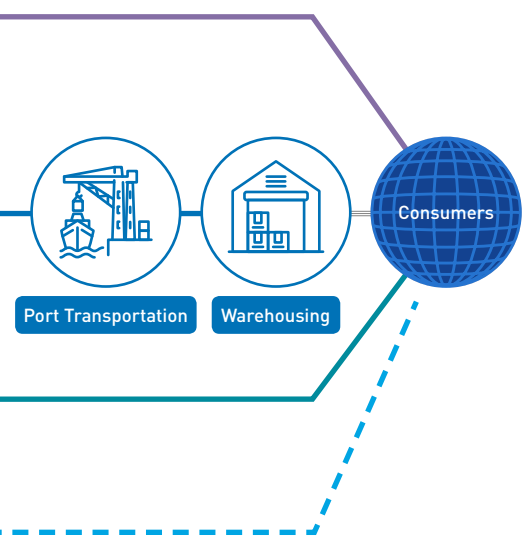
Labor shortage and risks associated with climate change

Impacted by the current decline in the working population, hiring employees will continue being difficult from 2020 onward. The main measures that the Mitsui-Soko Group will promote to counter this situation are the securing of a diverse workforce; the decentralization of modes of transport (for example by modal shift); and labor-saving by means of operational reforms including systemization through a cross-divisional organization that will be responsible for visualizing and standardizing business processes. To address the risk from more stringent environmental regulations, for example those covering the CO₂ and SO_x emissions generated in transportation, the Company will also work to improve energy efficiency through the introduction of environment-friendly vehicles and other measures.

Opportunities

Logistics Services

Group



>> P.15

Corporate Responsibility

>> P.22

Sophistication and diversification of logistics needs through technological innovation

While recent technological innovations, such as those brought about by IoT, AI, and robotics, are filtering down to consumers, logistics needs are becoming more sophisticated with every passing year. We believe we can meet those diversifying logistics needs by making full use of our comprehensive lineup of services that combines each and every function of our logistics value chain (shown above), which represents our management resources. We will take on the challenges of acquiring new business areas by seizing opportunities in order to participate in new markets associated with technological innovation and business promotion through the SDGs.

Provided Value

Logistics services as social infrastructure

Logistics is one of the indispensable infrastructures for society as it is the foundation of industry and daily life that links economic activities, such as production, distribution, and consumption. Because of this, the Mitsui-Soko Group will continue to provide reliable and safe logistics services.

Logistics services as a means to solving client issues

Transcending national and regional borders as well as industry boundaries, the Company develops systems in response to a variety of client logistical issues. We will fill in the gaps that may arise in between the individual logistics services that we provide, as well as proactively anticipate and solve logistics issues of which even the clients themselves will not have been aware.

Logistics services as a means of solving social issues

By providing a range of logistics services, the Mitsui-Soko Group will contribute to improving access to medical care, food, and resources for people all over the world. At the same time, we will work to use energy efficiently and reduce environmental impact while addressing climate change.

Our Direction

The Creation of Social Value

We will grow continuously with society through dialogue with all our stakeholders and by promoting corporate social responsibility. We will also incorporate the concept of the United Nations' Sustainable Development Goals (SDGs) for 2030 and aim to contribute to the sustainable development of society through our business activities.



Value beyond Logistics

Our vision, "Value beyond Logistics," expresses our desire to deliver the value of logistics to many people and to create new value beyond logistics.

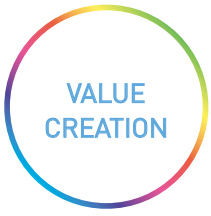
The Creation of Economic Value

As "One Mitsui-Soko," we will work to heighten the Group's comprehensive capabilities, enhance our earnings power, and steadily improve business earnings.

Medium-term Management Plan Numerical Targets (FY2022)

Operating profit	¥10 billion
Balance of interest-bearing debt	¥130 billion
Net D/E ratio	Less than 2.0 times
ROE	Over 9.0%

>> P.09



Aiming to Become a First-Call Company
Trusted by Customers and Building Effective
and High-Quality Frontline Capabilities



President and Group CEO
MITSUI-SOKO HOLDINGS Co., Ltd.

Hirabumi Koga

Progress with Medium-term Management Plan 2017

The Mitsui-Soko Group is making steady progress toward our goal of becoming a “first-call company trusted by customers” by taking full advantage of our comprehensive lineup of logistics services as an integrated logistics provider—and sincerely engaging in the resolving of customer needs that transcend national, regional, and industry boundaries.

In response to the recording of large impairment losses in fiscal 2017, in November 2017 we formulated Medium-term Management Plan 2017: From Reversal to Sustainable Growth, with fiscal 2022 as the final year of the plan.

The period of the plan covers five years, and in the first three years, we are realizing a “reversal” of the current situation. The remaining two years are centered on establishing the foundation for “sustainable growth” by focusing on the three points stated in the basic guidelines for business operations: Reinforcement of the fundamental earnings power of our businesses; Rebuilding of our financial base; and Development of comprehensive solution services based on customers by strengthening Group management.

Following the end of fiscal 2019 (the fiscal year ended March 31, 2019), the second year of the reversal period, we find ourselves in an extremely favorable situation due to the success of a variety of measures and having achieved results at a pace that has exceeded our expectations. Profitability is steadily improving, as evidenced by consolidated operating profit for the period being a record high of ¥11,986 million, exceeding the ¥10,000 million target for the final year of the plan in just the second year, and an ROE of 11.4%. With regard to the balance of interest-bearing debt, we have achieved a reduction of approximately ¥26.0 billion and are expecting to bring interest-bearing debt down further, to around ¥35.0 billion, by the end of fiscal 2020. We are also making solid progress toward achieving our final numerical target value for net D/E ratio, and the stabilization of our financial base is steadily underway.

Among individual measures, the “Challenge 20” cost reduction project has achieved remarkable results. The Company as a whole has been implementing far-reaching, thorough efforts, such as the

establishment of sections dedicated to cost-cutting, reviews of base locations, including offices, the promotion of bulk buying as a Group, and the thorough management of expenses. Having set a cost reduction target of ¥2.0 billion over the five-year duration of Medium-term Management Plan 2017, we expect to achieve a cumulative reduction of ¥2.1 billion by the end of the current fiscal year, the third year of the plan.

From the perspective of the reinforcement of the fundamental earnings power of our businesses, we are thoroughly managing income and expenditure by project to ensure an appropriate level of profit and going ahead with a shift to provide high value-added services, including the optimization of fees received. As a result, our operating profit margin has improved from 2.6% in fiscal 2017 to 5.0% in the fiscal year under review.

With regard to the strengthening of Group management, we newly established the Strategic Sales Division as an organization that possesses Group-wide solutions and is working to expand new transactions in unexplored fields by bridging the inter-business gaps. I think we are seeing the effect of the Group’s collective strengths combining to become “One Mitsui-Soko,” by which we steadily accumulate results by proactively making proposals that utilize our land, sea, and air logistics functions.

We recognize that the current fiscal year—ending March 2020, the last of the three-year period that was positioned as a reversal period under Medium-term Management Plan 2017—is of significance and also represents an important year in terms of solidifying our foundation toward future sustainable growth. Without relaxing our diligence because of the current steady progress, we will continue various improvement activities aimed at achieving our numerical targets.

Effective and High-Quality Frontline Capabilities for Sustainable Growth

Logistics has traditionally been said to be a prime example of a labor-intensive industry, but I believe that there will be further advances in labor-saving and automation with the evolution and expansion of next-generation technologies, such as IoT, AI, and

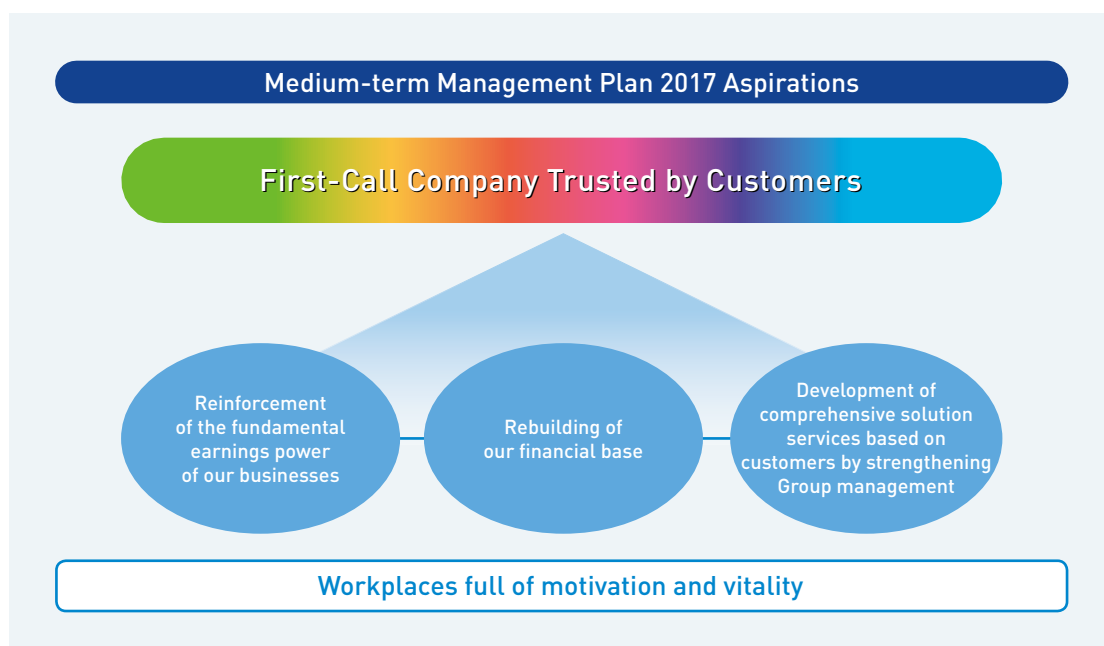
robotics, and that there will be further developments in the industrialization of equipment. As a result of such changes, the basic operations that make up logistics, such as transportation, storage, and packing, are also undergoing commoditization, and the barriers that have up to now separated us from other industries will gradually decrease. In this way, the business environment surrounding the Group is constantly changing, and to overcome the competition and survive we must offer added value to the market through our logistics services.

Based on this situation, we are working to build effective and high-quality frontline capabilities as an important issue with the goal of sustainable growth. Specifically, our policy involves working on standardization, efficiency, labor-saving, and improvements in the quality of the logistics services that we provide, by introducing and utilizing information and communications technology (ICT). In April 2019, we established the Operating Management Division as a Group-wide organization for that purpose.

On the other hand, for the very reason that we are in a high-tech era, I think that it is important to further improve the "low-tech" skills that steadily support our frontline capabilities. We possess know-how that we have cultivated over the 100 years since our founding in 1909, and we should not let the use of those valuable assets pass us by. It is by working to

bring about a high-level fusion of high- and low-tech, cultivating the frontline capabilities unique to the Group and responding to various needs that we will set ourselves apart from other companies and become the one chosen by customers. In other words, I believe that the key to future business growth is to become a "first-call company," whereby we are the first to be asked for consultations by customers.

Due to the business characteristics of logistics, new business acquisition is always about narrow windows of opportunity, but business chances are always created through developments such as the further spread of electric vehicles, or when companies reach a certain development stage, including the expansion of customer bases, or the establishment or relocation of factories. To seize those chances, it is important to build relationships with clients while improving solution proposal capabilities and problem-solving capabilities and continuing to make proposals in a forthright manner. These can be said to be another of our frontline capabilities. Possessing the advantage of providing land, sea, and air logistics functions, we are steadily accumulating results by proposing diverse and flexible business models, such as integrated solutions that link production, distribution, and sales, which undertake everything from the procurement of materials and parts to the sale and distribution of products.



Changing the Corporate Culture with the Goal of Making Further Leaps Forward

Indispensable to the realization of effective and high-quality frontline capabilities are human resources. In addition to being able to change the Group in response to changes in the external environment, it is essential to develop and retain highly motivated human resources who proactively take on their tasks. To that end, we must first change our current corporate culture.

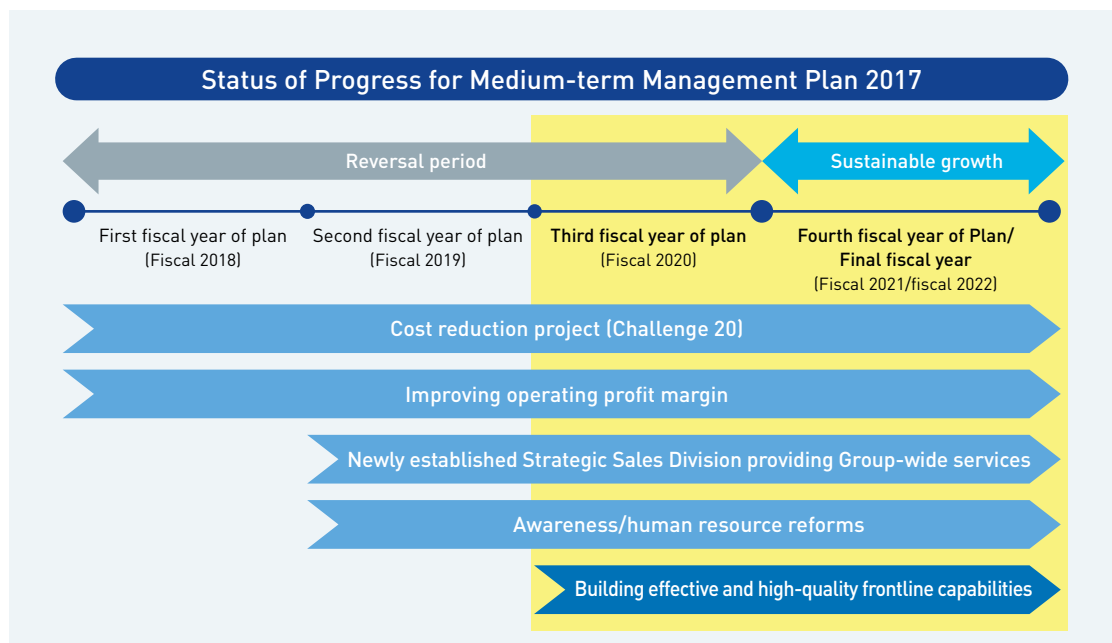
Having started out as a warehousing business that focused on the assured handling of clients' products and assets, it can be said that an attitude of defense has been with us since our founding and that a steady corporate culture remains an advantage. However, survival as a global logistics company in a harsh business environment requires not only an attitude of "defense" but also "offense," and I think we will work to raise awareness of this point throughout the Group. To back up the three basic guidelines under Medium-term Management Plan 2017 mentioned earlier, we are working to create workplaces full of motivation and vitality, and have initiated various measures designed to bring about awareness and human resource reforms.

Since taking office as president and Group CEO, I have been regularly visiting each of our business sites. From listening to what employees have to say I get the impression that the atmosphere of workplaces and the awareness levels of Group employees are slowly but surely changing.

Promotion of ESG Management as a Company Responsible for the Important Social Infrastructure of Logistics

Having taken firm root primarily in developed countries, such as the United States and in Europe, the concept of corporate social responsibility (CSR) has been expanding into Japan since 2000, but the idea of contributing to society and fulfilling social responsibility has traditionally been a part of the Japanese company DNA for a great many years. Based on our corporate philosophy of contributing to society through our logistics business, we have contributed to the development of society by resolving a variety of issues in each era for more than 100 years. We believe that this also connects to the Sustainable Development Goals (SDGs).

On the other hand, as a logistics operator, we conduct our business by utilizing public infrastructure,



“Under our Medium-term Management Plan 2017, the rebuilding of our financial base has been steadily advanced, and dividends have been resumed.”



and logistics is a business that by its very nature has a major environmental impact.

In other words, as a company responsible for the social infrastructure of logistics, we bear a huge social responsibility. We are very much aware of the risk of being excluded from society were we not to promote safety and environmental initiatives. As such, we will promote activities in management that encompass environmental, social, and governance (ESG) elements. Each Group employee is aware of the concept of ESG and we are forming an organizational culture in which ESG can be naturally incorporated into daily tasks. I would like us to make proposals in a frank manner, not only by balancing combined deliveries and modal shift but also by proposals that provide the optimal balance between storage and transportation and that show consideration for environmental impact.

We will disclose information with regard to these activities in an appropriate manner and engage in activities geared toward new value creation while engaging in dialogue with our clients and society.

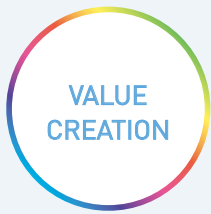
To All Our Shareholders

It is to our great regret that, as a result of having recorded large impairment losses in fiscal 2017, we have not paid any dividends since the end of that year. As mentioned earlier, however, various measures in Medium-term Management Plan 2017 are progressing as planned and we have judged that even if dividends are resumed it will be possible for us to achieve the plan's financial targets, including those related to the balance of interest-bearing debt and net D/E ratio. We thus resumed the year-end dividend in fiscal 2019 and paid a dividend of ¥12.5 per share.

The dividend policy for the coming years will be decided based on the prospects for achieving the financial targets stated in the Medium-term Management Plan 2017 while continuing to monitor the plan's progress. For the current fiscal year (fiscal 2020), we are planning a full-year dividend of ¥25 per share.

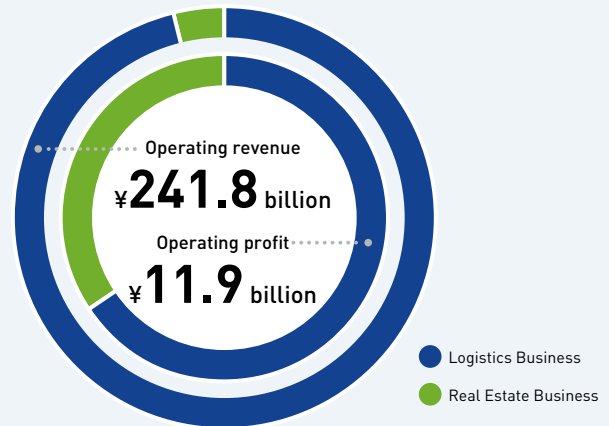
Fiscal 2020 marks the culmination of the reversal period, in which we are working to rebuild our financial base by further accumulating profits and reducing interest-bearing debt. As "One Mitsui-Soko" we will always place our customers first and deploy a variety of growth strategies throughout the Group to firmly establish a foundation for sustainable growth.

We look forward to the continued and unwavering support of our shareholders and all our stakeholders in the years ahead.



Business Overview

The Mitsui-Soko Group consists of MITSUI-SOKO HOLDINGS Co., Ltd., 88 subsidiaries, and 11 affiliates. The Group operates a logistics business, providing clients with various logistics services in an organic and efficient manner, the operations of which include warehousing and cargo handling, port-related work and operations to shipping companies, overseas logistics services, multimodal forwarding, third-party logistics (3PL), supply chain management support services, and land transportation. The Group's real estate business is centered on building leases.



Fiscal 2019 Highlights

Logistics Business

MITSUI-SOKO Co., Ltd.

MITSUI-SOKO EXPRESS Co., Ltd.

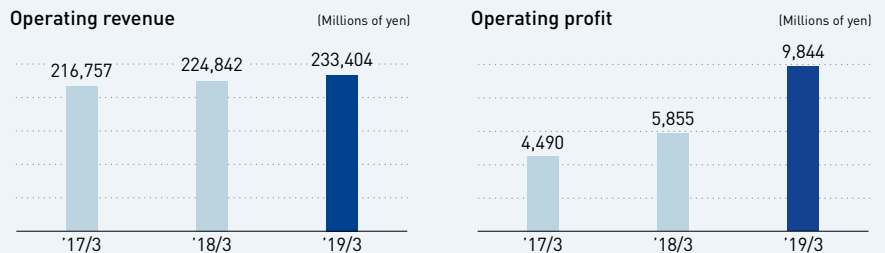
MITSUI-SOKO LOGISTICS Co., Ltd.

MITSUI-SOKO Supply Chain Solutions, Inc.

MITSUI-SOKO TRANSPORT Co., Ltd.

Business solid overall, record highs for operating revenue and operating income

Under its Medium-term Management Plan 2017, the Mitsui-Soko Group worked to implement a variety of measures, including the reduction of SG&A expenses and the implementation of those designed to improve operating gross profit with the aim of fundamentally enhancing profitability in its logistics business. In addition to implementing these measures, there were strong performances in the domestic and overseas forwarding business, expansion in the handling of warehousing business for healthcare cargo—a current focus area—and an increase in handling volume in the transportation and delivery business for consumer electronics stores. Due to these factors, in fiscal 2019 operating revenue in the logistics business increased ¥8,561 million compared with the previous fiscal year to ¥233,404 million, and operating profit increased ¥3,988 million year on year to ¥9,844 million.

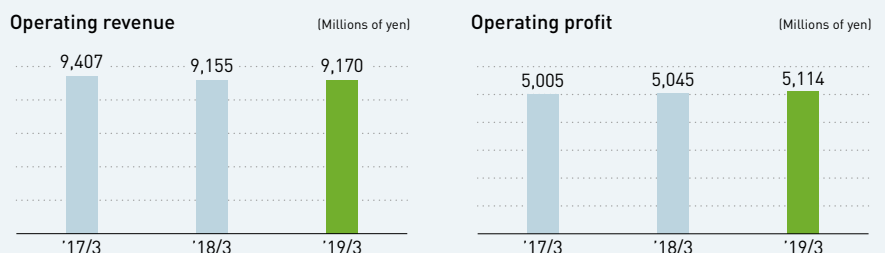


Real Estate Business

MITSUI-SOKO HOLDINGS Co., Ltd.

Both operating revenue and operating profit in line with the previous fiscal year

In fiscal 2019, operating revenue in the real estate business edged up ¥14 million compared with the previous fiscal year to ¥9,170 million, and operating profit increased ¥69 million year on year to ¥5,114 million.



Notes:

- Operating revenue includes intersegment revenue or transfers, and operating profit is the figure before adjustment for expenses associated with the administrative department.
- Figures are shown rounded down to the nearest million yen.



Warehousing

Port Transportation

Overseas Logistics Services

mitsui-soko

Hiroshi Kino

President
MITSUI-SOKO Co., Ltd



Business Areas

MITSUI-SOKO Co., Ltd comprises three business divisions that form the roots of the Mitsui-Soko Group: domestic logistics, port transportation, and overseas logistics.

In our domestic logistics business, we provide a variety of logistics services, such as warehouse storage, transportation, and distribution processing. We own logistics facilities throughout Japan and provide logistics services optimized for all types of businesses and products, from import/export customs clearance to delivery to our customers, based on storage and cargo handling know-how accumulated over 100 years.

In our port transportation business, we operate container terminals that connect sea and land distribution in the major domestic ports of Tokyo, Yokohama, Nagoya, Yokkaichi, Osaka, Kobe, and Moji. We offer various services, such as ship arrival and departure procedures, ship agency operations that include issuing cargo certificates, and conventional shipping tasks such as proposing the optimal handling for any type of cargo.

To support the supply chains of clients that extend across the globe and clients' global businesses, our overseas logistics business provides optimal solutions adapted to the local conditions in each country and centered on our logistics bases around the world.

Business Overview and Future Development

In fiscal 2019 (the fiscal year ended March 31, 2019), there were solid results recorded in all three business divisions.

In the domestic logistics business, business performance was solid due to the expansion of healthcare logistics handling, the implementation of operating gross profit improvement measures and proactive cost reductions. As future developments, we will build high-quality logistics services, work to expand our expert, high value-added handling of imported food ingredients, work on further acquisitions for healthcare logistics, and strengthen profitability.

In the port transportation business, our business performance was solid due to the increased efficiency of our container terminal operations. In addition to promoting the previously mentioned initiatives in the years to come, we will undertake preparations for the relocation of business bases and the launching of new container terminals as we look ahead to the commencement of operations at Tokyo Port Container Terminal Y2 (Outer District of Central Breakwater Foreign Trade Container Wharf), which is scheduled to open in 2020.

In the overseas logistics business, business performance was solid due to the acquisition of equipment transportation operations in Asia and the implementation of measures to improve the balance of income by country. In the years ahead, we will build high value-added logistics services that utilize our extensive overseas network, including in the Asian region, which has recently expanded its base network. Deploying overseas the know-how of the Group's operating companies, we will aim to expand local sales channels for healthcare, e-commerce, and advanced material logistics.



For more details of business areas please visit:
<https://www.mitsui-soko.com/en/company/group/msc/>



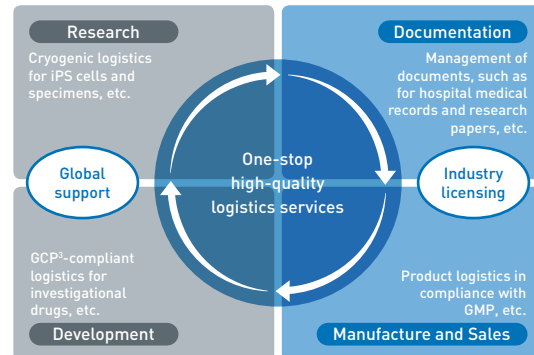


Further Strengthening of High Value-Added Services in Healthcare Logistics

With "Pharma & Medical Innovation" as its business theme, and "innovation, rapidity, and security" as its motto, the healthcare logistics services of the domestic logistics business provide logistics innovation services for such items as pharmaceuticals, medical devices, and investigational new drugs. Having at its disposal highly functional in-house logistics facilities that are in compliance with GMP¹ and QMS², this service provides storage and transportation in each temperature setting: room temperature, constant temperature, refrigerated, frozen, and cryogenic.

Highly competitive in obtaining approvals for pharmaceuticals among domestic logistics companies, the company is working to further strengthen its high value-added transportation services in healthcare logistics.

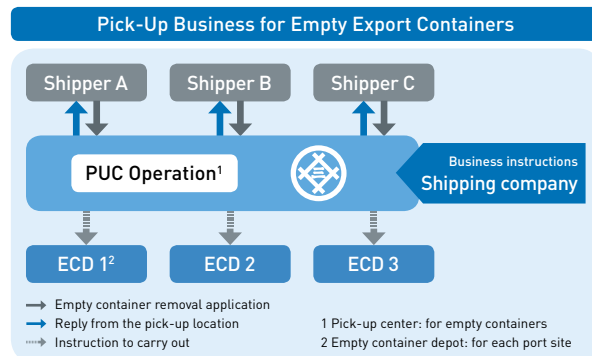
1. Good manufacturing practices: standards for the manufacture and quality control of pharmaceuticals, etc.
2. Quality management system: management system to direct and manage an organization with respect to quality.
3. Good clinical practice: standards to be adhered to when conducting management and clinical trials related to pharmaceutical clinical trials.



Providing New Value from Port Transportation Business Operations Know-How

With regard to the container terminal operations that form the core of the company's port transportation business, we are focusing on improvements in operational productivity centered on reviews of operational procedures. While utilizing the operational know-how cultivated over many years in this field, we are also providing new value. Over the past few years, for some administrative tasks, we have been integrating processing bases and procedures and undergoing centralization so that IT system support works more effectively. For example, in the pick-up business for empty export containers, which we have started to provide to major companies operating ocean-going container ships, we have achieved major successes—such as the renewal of IT systems and operating procedures, reductions in workloads, and the facilitation of cooperation with cargo shippers—based on the experience developed at this central facility.

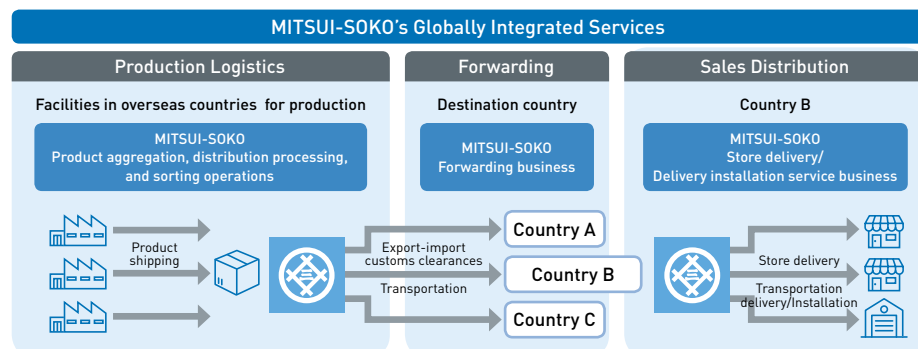
In the years to come, we will continue to go beyond providing cargo handling operations alone and provide new value based on the appeal of "port transportation business operations know-how."



Multilaterally Supporting Optimal Logistics Strategies for Global Business

In the overseas logistics business, we provide the same high-quality logistics services as in Japan but across national borders, providing multifaceted support for logistics strategies that are optimal for our clients' global businesses. For example, in China we are developing a global distribution center (DC) business. Products purchased by multiple Japanese retailers from multiple suppliers in China are aggregated in our local warehouses for distribution processing and sorting, and we provide buyer's consolidation* services that sort the products by destination.

In addition, we provide store delivery in the destination country and delivery installation services for the end consumer. We provide a comprehensive logistics service on a global scale, from production logistics to forwarding to destinations and sales distribution.



*Aggregating products purchased from multiple production bases by retailers, etc., into single locations, consolidating them in containers, and transporting them to their destinations



Airfreight Forwarding/Multimodal Forwarding

MITSUI-SOKO EXPRESS

Takanobu Kubo

President
MITSUI-SOKO EXPRESS Co., Ltd.



Business Areas

MITSUI-SOKO EXPRESS Co., Ltd. was created as a joint venture between MITSUI-SOKO HOLDINGS Co., Ltd. and Toyota Motor Corporation in July 2012. Utilizing knowledge and experience cultivated in logistics for a wide range of fields, such as chemicals, automobile parts, apparel, and household relocation services, and our worldwide network, we provide high-quality, comprehensive forwarding services by both air and sea. We will strive to realize optimal logistics by proposing safe, low-cost and efficient transportation plans that meet the diverse needs of our clients and match characteristics of the cargo.

Business Overview and Future Development

In fiscal 2019, domestic and international air forwarding service operations were favorable and business performance was robust due, for example, to large transportation projects.

Amid the period of major changes that the logistics industry is entering, we have honed our skills in integrated transportation including collection of cargo, packing, customs clearance and local deliveries. We have also strengthened collaboration with Mitsui-Soko Group companies, such as in the healthcare business, as part of building logistics services for next-generation growth industries. We will endeavor to provide services that earn loyal customers for MITSUI-SOKO EXPRESS by contributing to the reduction of their logistics costs through improved methods of supply chain management, such as Zendama Air®.

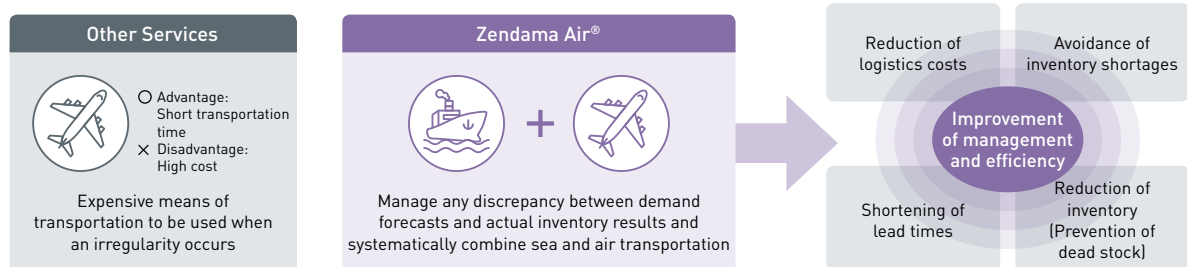


For more details of business areas please visit:
<https://www.mitsui-soko.com/en/company/group/mse/>



STRATEGIC FOCUS Total Logistics Cost Reduction by Utilizing Zendama Air®

Many customers tend to consider air transportation an expensive mode of transportation used only to deal with problems—in other words, a bad decision. Our original Zendama Air® method, however, is a universal package that incorporates supply chain management aspects by shipping mainly by sea but actively utilizing air transportation to minimize inventory levels. This service offers reduced logistics costs, avoids shortages, shortens lead times and reduces inventory (including preventing dead stock) to contribute to the enhancement of client competitiveness.





Third-Party Logistics (3PL)

MITSUI-SOKO LOGISTICS

Hiroshi Torii

President
MITSUI-SOKO LOGISTICS Co., Ltd.



Business Areas

MITSUI-SOKO LOGISTICS Co., Ltd. joined the Mitsui-Soko Group in April 2012 to propose not only client logistics operations and logistics management but also supply chain management reform from the planning and strategic levels. We provide consistent supply chain management support for domestic and overseas manufacturers and major mass retailers, which includes handling everything from domestic and overseas procurement and production logistics related to consumer electronics to deliveries of finished products. Utilizing Japan's largest service network, consisting of approximately 270 locations nationwide, we also provide technical services, such as installation, repair, inspection, maintenance, and collection from the last-mile deliveries of large items, such as furniture, consumer electronics, and business equipment.



For more details of business areas please visit:
<https://www.mitsui-soko.com/en/company/group/msl/>



Business Overview and Future Development

In fiscal 2019, business performance was strong against a background of an increase in the handling volume of summer products, such as air conditioners, due to the heatwave, and the expansion of business by acquiring new customers.

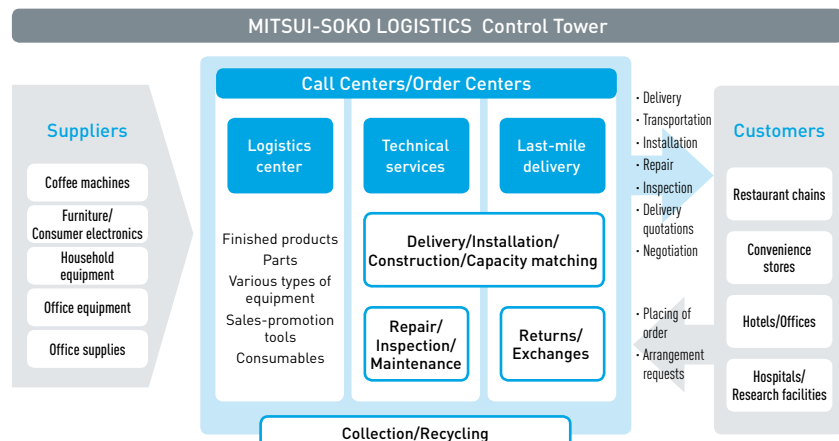
As developments for the years ahead, we will focus on expanding the technical logistics platform business that provides various technical services all at once, such as a Lead Logistics Partner (LLP) business that supports client supply chain management and logistics at the planning and strategic level, as well as last-mile delivery, installation, repair, and maintenance. Utilizing know-how cultivated in logistics for consumer electronics, we will endeavor to expand transactions with existing clients and acquire new clients, while also expanding and upgrading services to respond to sudden environmental changes in the mail order market.

STRATEGIC FOCUS Supporting Client Businesses through Integrated Logistics Services

MITSUI-SOKO LOGISTICS supports customer businesses through integrated logistics, which involves the combination of logistics, commerce, and technical services.

Our company is the authorized dealer in Japan for FRANKE Kaffeemaschinen AG (with its headquarters and factory in Switzerland) and is working to expand the installation of FRANKE Coffee Systems in restaurants and hotels.

As a new "store management solution" business model, we are also utilizing our know-how of the consumer electronics logistics and home delivery installation businesses, while responding to various needs beyond coffee machines with proposals to solve customer issues and even prospective proposals for potential needs.





Supply Chain Management (SCM) Support

MITSUI-SOKO Supply Chain Solutions

Takayuki Sekitori

President
MITSUI-SOKO
Supply Chain Solutions, Inc.



Business Areas

MITSUI-SOKO Supply Chain Solutions, Inc. was established in April 2015 as a joint venture between MITSUI-SOKO HOLDINGS Co., Ltd. and Sony Corporation. Having a logistics network based in Japan, Thailand, and Malaysia, we are responsible for various logistics operations, such as procurement logistics, factory logistics, sales logistics, repair parts logistics, and so on. Using supply chain management know-how and experience developed in the electronics industry, we provide optimal logistics solutions which cover from upstream to downstream of the supply chain, and always from the customer's point of view.



For more details of business areas please visit:
<https://www.mitsui-soko.com/en/company/group/mscs/>



Business Overview and Future Development

In fiscal 2019, business performance was positive due to expansion of our business areas and the steady promotion of improvement actions.

As for further growth, we will strengthen relationships with current clients by continuing to propose various types of logistics solutions that will contribute to improvement in supply chain management. At the same time, we will strive to develop new clients in Japan and overseas through digital logistics and logistics consulting, while paying close attention to the external environment changes, such as the emergence of venture companies in the electronics industry and a general trend of manufacturing business returning to Japan. Experience and know-how are the strengths that we use to develop our business.

STRATEGIC FOCUS

Social Contribution through Logistics for Environment-Friendly Products

Supply Chain Construction and Solutions for the New Material LIMEX

TBM Co., Ltd. is one of our clients. It produces LIMEX sheet, which is mainly made from limestone, an abundant mineral resource. We provide efficient transportation of LIMEX sheet from the plant (Shiroishi city, Miyagi) to users located all over Japan via our distribution hub. We are thus involved in the expansion of environment-friendly products through supply chain support for LIMEX, which leads to saving water, wood, and petroleum resources, by replacing paper and plastic.



*This information is published with the consent of TBM Co., Ltd.



Land Transportation

MITSUI-SOKO TRANSPORT

Takayoshi Masuda

President
MITSUI-SOKO TRANSPORT Co., Ltd.



Business Areas

MITSUI-SOKO TRANSPORT Co., Ltd. operates and manages a transport network that has at its core the Marukyo Transportation Group, which joined the Mitsui-Soko Group in December 2015 and provides logistics services centered on its transportation business. The Marukyo Transportation Group, which owns approximately 1,000 vehicles and also uses 2,000 leased vehicles, provides highly efficient regional joint delivery services, including the high-volume, long-distance hauling of consumer products. Focusing on the transportation function, we will build a high-quality domestic logistics service by organically linking the various logistics functions of the Mitsui-Soko Group.



For more details of business areas please visit:
<https://www.mitsui-soko.com/en/company/group/mst/>



Business Overview and Future Development

In fiscal 2019, business performance was solid due to an increase in overall goods flow and the optimization of fees due to the added value of services.

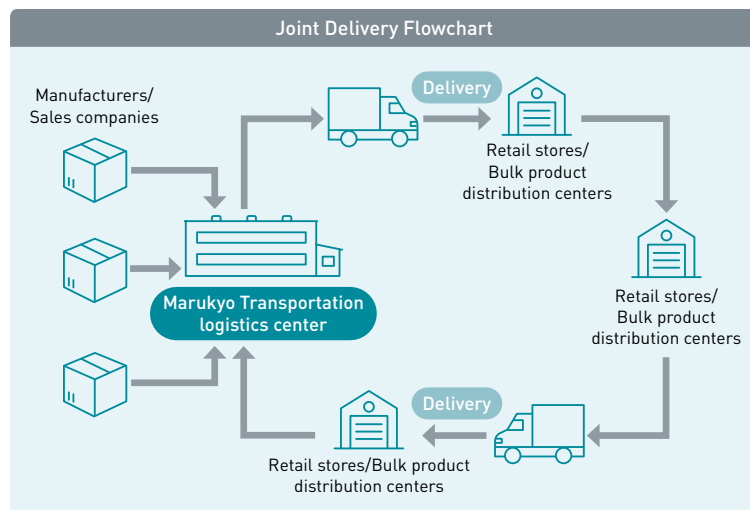
In recent years, the shortage of truck drivers has become increasingly serious in the logistics industry, and the business environment has also increased in its severity. We, however, view this environment as an opportunity and are aiming to increase the volume handled and improve profits by always looking at things from the perspectives of our clients and proposing and executing services with higher added value.

Based on the high-quality and safe execution of our operations, we will play a central role in generating further synergy between Mitsui-Soko Group companies and the Marukyo Transportation Group in the years to come.

STRATEGIC FOCUS

Expansion of Joint Deliveries that Efficiently Contribute to Reducing Environmental Impact

Problem areas that have become apparent recently include a labor shortage due to the declining birthrate and aging population, diversification of the market, and rising logistics costs. Having identified the latter issue at an early stage, the joint delivery system was introduced more than 20 years ago. By collecting products from multiple companies in the same industry and shipping them in bulk to the same destinations, we have achieved significant cost reductions and reduced environmental impact compared to direct-to-customer transportation. By working to expand the business area for joint deliveries, we will continue to contribute to the development of a sustainable society.





Holding Company and the Real Estate Business

MITSUI-SOKO HOLDINGS

Nobuo Nakayama

Representative Director and Senior Managing Director
MITSUI-SOKO HOLDINGS Co., Ltd.



Business Areas

MITSUI-SOKO HOLDINGS Co., Ltd. is a holding company that provides guidelines for the entire Mitsui-Soko Group and management support and overall optimization for its operating companies. Offering support and advice based on the business strategy of each Group company, reallocating management resources, and conducting the efficient management of Group common functions, MITSUI-SOKO HOLDINGS works on appropriate Group management. The leasing, operation, and management of the real estate under its ownership is primarily undertaken in central Tokyo.



For more details of business areas please visit:
<https://msh.mitsui-soko.com/en/>



Business Overview and Future Development

Group management strategy formulation and management

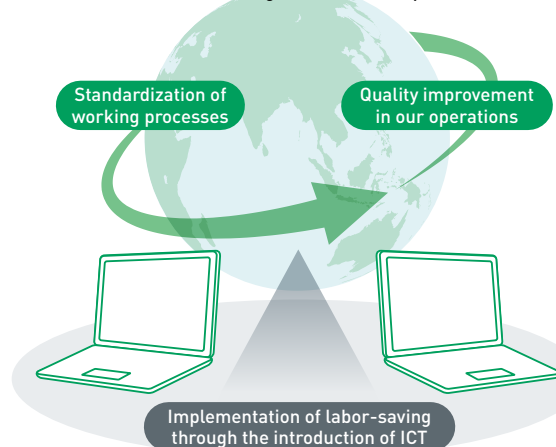
With regard to the business environment in the future, the logistics business is expected to see higher costs and increasing competition from those in other industries. Based on this understanding of a harsh business environment, we will continue to strengthen customer-oriented solution services and improve service quality as priority issues in the future. Specifically, as an organization that operates across the Group, we have newly established a Strategic Sales Division for the purpose of strengthening solution proposal and sales capabilities, and an Operating Management Division for further quality improvement in our operations. In the years to come, we will work to expand new transactions by bridging the inter-business gaps through stronger business cooperation between land, sea, and air transportation. In the real estate business, we will operate with a focus on securing long-term and stable earnings.

STRATEGIC FOCUS

Targeting the Building of High-Quality Frontline Capabilities and New Establishment of the Operating Management Division

In April 2019, the Mitsui-Soko Group newly established an Operating Management Division. In this division, we first promote the standardization of working processes through the visualization of such processes on the front lines and in the office. Next, key performance indicators (KPIs) are set for each business and the working processes are continuously improved. We will also formulate medium- to long-term digital strategies to promote quality improvement in our operations and laborsaving initiatives by the introduction of information and communications technology, such as AI and robotics. Through this initiative, we will build effective and high-quality frontline capabilities and contribute to the sustainable growth of the Group and the improvement of corporate value over the medium to long term.

By strengthening Group-wide initiatives, we will promote quality improvement in our operations and encourage laborsaving initiatives while working to maximize corporate value.





Contributing to Sustainable Social Development through Logistics Services

As a corporate group responsible for an indispensable form of social infrastructure called logistics, the Mitsui-Soko Group will continue to fulfill its social responsibilities. At the same time, the Group will create new logistics value through dialogue and co-creation with stakeholders and contribute to the development of a sustainable society.



The Mitsui-Soko Group's Sustainability

Due to the globalization of client supply chains, the Mitsui-Soko Group's provision of logistics services now extends to approximately 400 locations in 21 countries. To continue creating new logistics value, it is important for us to ascertain and resolve not only clients' logistics issues and needs but also various social issues from the perspective of each country and region, as well as from a global perspective. It is to that end that we place importance on dialogue and co-creation with society and stakeholders.

While fulfilling our social responsibilities as a corporate group shouldering the burden of an indispensable form of social infrastructure called logistics, we will work to gain and maintain the trust of society. This we will achieve by promoting business in accordance with international norms on the basis of compliance with the laws and regulations of the countries and regions in which we operate.

Basic Policy on Sustainability and Relationships with Stakeholders

Based on its Group philosophy, the Mitsui-Soko Group aims to remain a company that grows sustainably with society by promoting corporate social responsibility initiatives through dialogue with all stakeholders.



1. The Group will continue to create new logistics services to realize a safe, secure, and prosperous society through its logistics business.
2. From a global perspective, the Group collaborates with various partners in all the regions where its corporate activities are conducted. At the same time, the Group aims to revitalize local communities and create prosperous living environments through social contribution activities, such as business activities and educational and cultural projects.



1. The Group strictly complies with all environmental protection-related laws and regulations.
2. Out of consideration for the potential impact its activities can have on the environment, the Group encourages environmental conservation efforts, such as promoting energy conservation.
3. The Group assesses current environmental conservation efforts, sets specific action plans with actionable targets, and periodically revises them as necessary to drive ongoing improvements to its environmental management system.
4. Through environmental education and their participation in awareness activities, the Group will strive to heighten our employees' awareness of environmental conservation and support each employee so that he or she can engage independently in environmental conservation endeavors.



1. The Group emphasizes trust and strictly follows market rules to ensure fair competition.
2. The Group fully protects the personal information of all those engaging in work with the Group.
3. The Group respects its clients and builds relationships of trust toward mutual growth and prosperity.



1. The Group expects its employees to set their own goals and achieve results through specific actions. To that end, the Group puts mechanisms in place that enable employees to improve their skills, broaden their horizons, and deepen their knowledge.
2. The Group strives to build and maintain sound labor-management relationships through communication with its employees.
3. The Group respects individual human rights and diverse values in all its corporate activities and rejects discrimination.
4. In addition to realizing a safe and comfortable work environment, the Group respects the diverse work styles of each employee and endeavors to achieve a work-life balance.



As a company that has gained the trust of its shareholders and investors, the Group will improve corporate value through long-term, stable growth while disclosing its business status, financial condition, and results in a timely and appropriate manner.

Resolving Climate Change Issues through Business

One of the Mitsui-Soko Group's core principles is giving back to society through the field of logistics. To that end, we pursue environment-friendly activities and contribute to the preservation of the global environment.

We want to become an ever-more trusted force in society.



Approach to the Environment

In the logistics business, the large volume of CO₂ emissions associated with freight forwarding—by land, sea, and air—also have an effect on climate change. In accordance with its environmental policy, the Mitsui-Soko Group is promoting environmental management and working to reduce environmental impact by obtaining Green Management Certification, ISO 14001, and other certifications while working toward the accomplishment of the following four measures.

1. We inspect and maintain equipment and facilities and employ low-energy devices and automobiles to drive more efficient use of energy.
2. We promote the proper disposal and recycling of waste.
3. We endeavor to conserve resources and curb waste, and give priority to the purchasing and using of Eco Mark-certified products.
4. As a company actively engaging in environmental conservation, we promote awareness of this goal and aim to coexist with local regions and communities.



Promotion of Environmental Management

Obtaining Green Management Certification

The Group has obtained Green Management Certification from the Foundation for Promoting Personal Mobility and Ecological Transportation at 16 locations in its trucking business and at 42 locations in its warehousing business (as of March 31, 2019).



Green Management
Certification mark.

Obtaining Comprehensive Assessment System for Built Environment Efficiency (CASBEE) A Rank

As of March 31, 2019, the Mitsui-Soko Group had obtained A rank* evaluations at five logistics facilities that were considered high-level sustainable buildings at the time of their construction. This ranking indicates that the quality of the building displays high overall environmental performance in terms of saving energy and the use of low environmental impact equipment and



The Mitsui-Soko's warehouse in Minami-Honmoku, Yokohama, which was awarded a CASBEE A rank.

materials and that it also takes into account comfort inside the building and consideration for the surrounding landscape.

*CASBEE labels buildings with one of five overall environmental performance assessment ratings, ranging from C (poor) through B- (fairly poor), B+ (good), A (very good), and S (excellent).

Obtaining ISO 14001

Having obtained ISO 14001 environmental management system certification, MITSUI-SOKO EXPRESS Co., Ltd. shows consideration for the environment in how it conducts its packing and transportation operations.



Response to Climate Change through Business

Promotion of Shared Warehousing and Joint Distribution

Reducing the number of delivery vehicles by collaborating with shippers and transporters on collection and deliveries, the Mitsui-Soko Group is also promoting shared warehousing and joint distribution to reduce CO₂ emissions and air pollution. This approach simultaneously solves customer logistics issues, such as by helping to reduce logistics costs through greater efficiency and enabling the delivery of small-lot products. As a result of having collaborated with other companies in the industry to build a logistics platform for manufacturing and distribution, and promoted joint distribution to points of delivery, MITSUI-SOKO LOGISTICS Co., Ltd. received the Logistics Environment Special Award from the Japan Association for Logistics and Transport at the 2017 Logistics Environment Award ceremony.

Reduction of CO₂ Emissions

In addition to rooftop greening initiatives and installing solar panels at its newly constructed warehouses, the Group is contributing to the reduction of CO₂ emissions by introducing low-emission vehicles and switching from gasoline-powered company vehicles to electric vehicles. We are also promoting energy saving by updating the lighting in warehouses and offices to LED lighting while appropriately managing and controlling electricity usage and the operation of air-conditioning.



The Mitsui-Soko's Kanto P&M Center, where fluorescent lighting panels and LED lighting were installed.

Labor and Supply Chain Initiatives to Support Sustainable Growth

Recognizing labor management and supply chain management as part of the foundation that allows sustainable growth and as important issues, the Mitsui-Soko Group is pushing ahead with initiatives in these areas.



Promotion of Labor Management

Strengthening its ability to respond to market changes by promoting human resource development and diversity, the Group is also addressing labor shortages and occupational safety, which pose risks for its logistics business.

Development of Global Human Resources

To develop global human resources, the Group has in place an Overseas Practical Training Program by which young employees are deployed to work in other countries. Sent to the United States, China, and Southeast Asia, the trainees learn about distinctive working methods in other countries, as well as about other cultures and customs, by working alongside local staff, including the Group's resident local representatives. We nurture global human resources who possess multifaceted perspectives and are capable of taking proactive action to solve problems.



Fiscal 2019 presentation for overseas trainees.

Promotion of Diversity

Based on its diversity policy, the Mitsui-Soko Group strives to enhance diversity and create work environments where all employees can fully demonstrate their abilities. Implementing measures to promote the active participation of women and diversity management training, each Group company has obtained a variety of certifications. These include the three-star Eruboshi certification awarded by the Japanese government in recognition of efforts to encourage the advancement of women in the workplace.



Examples of certifications obtained

Promotion of Work-Style Reforms

Through work-style reforms, we are making improvements to our workplaces in response to the current, significant changes in the business environment. Each Group company reviews and



A Mitsui-Soko office that has implemented ABW.

encourages flexible working hours and short-time work systems while devising ways to improve operational efficiency. To encourage interdepartmental exchanges and improve productivity, we have been implementing a system in which employees are free to choose their workspaces at our Tokyo head office since April 2019 and are promoting the use of activity-based working (ABW)* (also scheduled to be introduced at all sites) in conjunction with various work styles.

*A work style in which employees can choose their locations and desks according to the nature of their work. In the future, it will be introduced at each site.

Thorough Occupational Safety Measures

Based on the thinking that logistics quality, which is based on safety and security, is one source of corporate value, the Group strives to create workplaces where accidents do not occur. We hold safety management study sessions and review measures taken after past incidents at each Group company as part of continuing to improve the quality of our business operations.



The Grand Prize winners at the 2018 Business Improvement Contest.

Every year, the entire Group conducts a Business Improvement Contest. By commending good practice within the Group and laterally disseminating information, we are building a corporate structure by which the entire Group continues to evolve.



Promotion of Supply Chain Management

In the spirit of collaboration with its business partners, the Mitsui-Soko Group promotes fair business practices and encourages the taking of CSR into consideration when carrying out procurement.

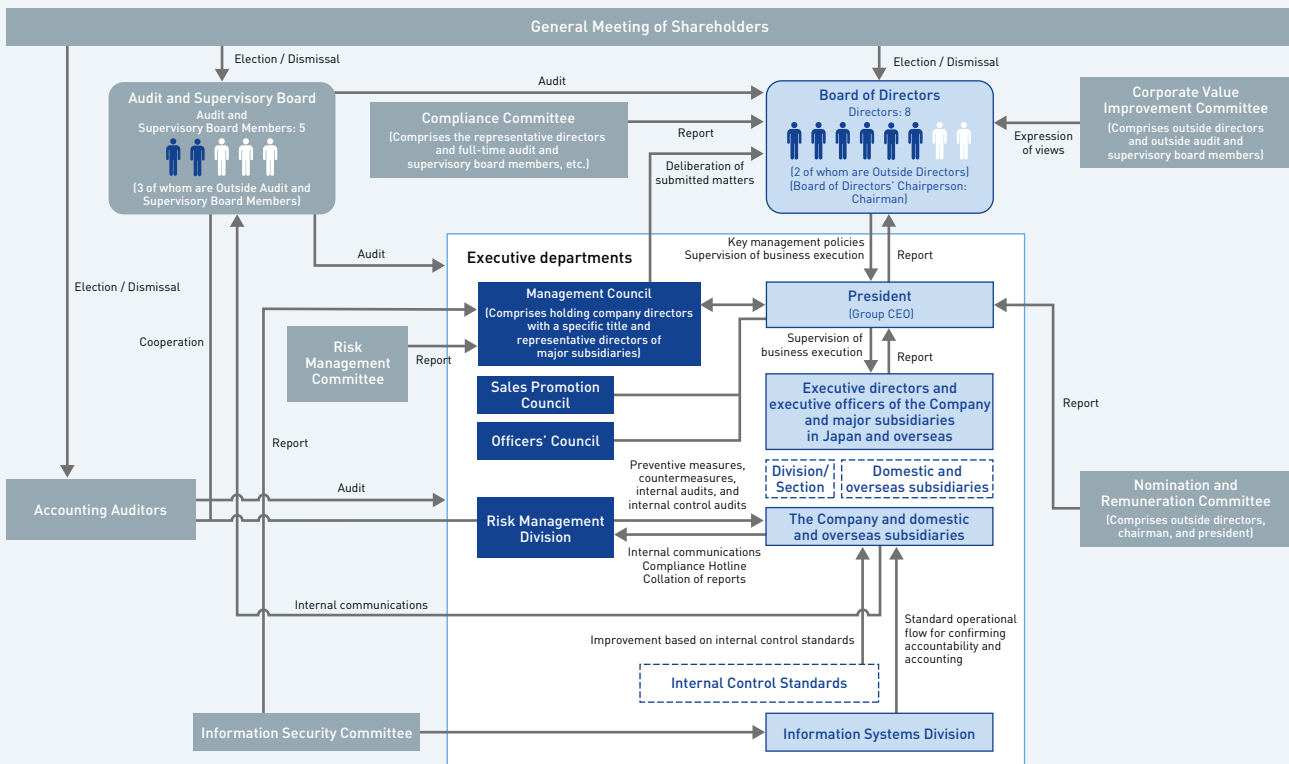
Promotion of CSR Procurement

Based on the Mitsui-Soko Group's basic policy on procurement, the Group will procure services that are fair, safe, and environmental friendly, while building relationships based on mutual growth and development with its business partners.

Building a Governance Structure Aimed at Improving Corporate Value

Aiming for sustainable growth and improvement in its corporate value over the medium to long term, the Mitsui-Soko Group emphasizes Group governance as a management foundation while working to establish policies. Under those policies, the Company has established various organizational entities for decision-making and oversight, and also introduced an executive officer system that separates business execution and oversight functions and clarifies responsibilities and authority for business execution by directors and executive officers as part of our initiatives for strengthening corporate governance.

Corporate Governance System [as of July 1, 2019]



Board of Directors	Determines basic management policies and important business execution, while overseeing the execution of duties by the representative director and president, and executive directors.	Compliance Committee	The Committee discusses compliance violations affecting the Group's management and ways of responding, establishes corporate codes of conduct, develops a compliance system, promotes respect for compliance and works to prevent compliance violations.
Audit and Supervisory Board	Striving to enhance audits, members of the Audit and Supervisory Board attend Board of Directors' meetings, the Directors' Council and other important meetings while overseeing the directors in the execution of their duties.	Risk Management Committee	The Committee appropriately confirms risks in business activities, establishes measures to respond to relevant risks, manages the progress and results of those measures, and prepares and updates manuals to prevent and prepare for risks.
Management Council	Discusses or resolves matters to be submitted to the Board of Directors, important matters related to overall management, and matters delegated to the Management Council by the directors.	Information Security Committee	The Committee sets up a system related to the Group's information security management, promotes and reviews activities, and protects personal information and corporate information.
Sales Promotion Council	The members of the Council share information that assists in the compilation of monthly performance and quarterly forecasts, in budget management, and that helps in sales expansion and cross-sectional sales promotions.	Corporate Value Improvement Committee	This is an independent organization that makes objective decisions to protect shareholders' joint interests in the event that a proposal to buy a large percentage of shares is made that could potentially damage the Company's and the Group's corporate value or shareholders' joint interest, and excludes the arbitrary judgments of the Board of Directors and also gives necessary advice to the Board of Directors.
Officers' Council	The members exchange information intended to ensure familiarity with important items covering the Group's management overall and to promote mutual understanding of the Group's conditions.		
Nomination and Remuneration Committee	The Committee raises the objectivity and transparency of the process for selecting directors and enhances the objectivity and transparency of the directors' remuneration decision process, such as by considering the validity and appropriateness of performance-linked compensation.		

Reasons for Appointing Outside Officers [as of July 1, 2019]

Category	Name	Reason for Appointing
Outside Directors	Taizaburo Nakano	Mr. Taizaburo Nakano has served as a director at a beverage company for many years, and in light of the fitting advice he has given from his wide-ranging insights based on his rich experience as a corporate manager, he was reappointed as an outside director.
	Takashi Hirai	Mr. Takashi Hirai has experience in practical business operations at various companies and consulting in a wide range of industries. He is currently conducting research on corporate strategies and business strategies in different graduate schools, and in expectation of the appropriate advice he will provide from his rich experience and insight, he was appointed as an outside director.
Outside Audit and Supervisory Board Members	Maoko Kikuchi	Ms. Maoko Kikuchi holds legal qualifications in Japan and the U.S. state of New York, engages in corporate legal affairs for Japanese and U.S. law firms, and she has working experience at the Ministry of Justice Public Prosecutors Office and the Fair Trade Commission. In expectation of the appropriate advice she will provide from her rich experience and insight, she was appointed as an outside Audit and Supervisory Board member.
	Osamu Sudoh	Mr. Osamu Sudoh is a lawyer specializing in corporate transactions and other corporate law-related activities. With his history of providing meaningful advice with respect to the soundness and transparency of the Group's governance based on his insights, we reappointed him as an outside Audit and Supervisory Board member.
	Motohide Ozawa	Having been active on the front lines as a certified public accountant for many years, Mr. Motohide Ozawa was appointed as an outside Audit and Supervisory Board member from his track record in having undertaken audit duties for the Group based on his special expertise in international accounting.



Officer Remuneration [as of March 31, 2019]

The current officer remuneration system is based on the basic remuneration for each position plus a performance-linked portion. The indicators for the performance-linked evaluation include consolidated operating profit, for the purpose of motivating an increase of corporate value through the improvement of business performance and, added to this, we have established consolidated profit before income taxes, in which the results of investment and loans are reflected. The performance evaluation for the following fiscal year's performance-linked evaluation is an arrangement that reflects the ratio of that fiscal year's target against the actual result for both indices, comparing the points scored on the basis of the table stipulated in the officer remuneration regulations with the previous fiscal year's results.

To further ensure the appropriateness of individual remuneration and the transparency of the decision process, remuneration amounts are decided at a Nomination and Remuneration Committee meeting—chaired by an outside director and comprising other outside directors as well as the President and Group CEO and the Chairman as its members—and paid in accordance with those decisions. Outside directors and Audit and Supervisory Board members receive fixed remuneration.

The total amount of remuneration, etc., for each officer category, total amount by type of remuneration, and number of eligible officers

Officer category	Amount of remuneration, etc. (millions of yen)	Total amount by type of remuneration, etc. (millions of yen)		Number of eligible officers
		Fixed portion	Variable portion	
Directors (excluding outside directors)	248	202	46	10
Audit and Supervisory Board Members (excluding outside Audit and Supervisory Board Members)	54	54	—	2
Outside officers	54	54	—	6

Note: The number of eligible officers is the total for the fiscal year.



Compliance

To devise ways to strengthen the legal compliance system, the Compliance Committee convenes every quarter. In addition to focusing on compliance-related training programs and raising awareness of compliance issues at Group companies, we investigate the status of legal compliance in an ongoing, comprehensive manner. We do this by striving to improve our legal compliance

system by conducting annual compliance awareness surveys, verifying the results of the activities, and building a system to help prevent the risk of compliance violations for the next year.

In order to prevent or quickly detect major violations such as legal noncompliance or malpractice, we have established rules for the handling of internal reporting. The Mitsui-Soko Group Compliance Hotline has also been established for Group employees and others, and an internal point of contact has been set up within the Company's Risk Management Department. In addition, a third-party organization has been added as an external point of contact as we work to expand the whistleblowing system.



Risk Management

Basic facts pertaining to the recognition of risks and their management in the Mitsui-Soko Group's business activities are defined in its Risk Management Regulations, and the Risk Management Committee convenes quarterly to improve and strengthen risk management. Comprising risk managers from the Company and major Group companies, the Risk Management Committee deliberates the status of risk management for the Group as a whole and establishes basic response items and policies. The department in charge of risk management for each Group company establishes rules and guidelines, conducts training programs and creates and distributes manuals about individual risks, such as those related to compliance, the environment, natural disasters, quality, finance, accounting, and information security. The Group's Risk Management Department is responsible for promoting Group-wide risk assessments and responses.

Under the supervision of the director responsible for risk management, who is also responsible for compliance, the Risk Management Department (15 staff members, five of whom are dedicated to risk management) is working on corporate risk prevention, maintaining and updating the corresponding manuals in the unlikely case that an incident occurs, and striving to reduce corporate risk. Specifically, the Risk Management Department focuses on high-priority risks, which are determined by the Risk Management Committee from among the corporate risks listed in advance. Having prepared response manuals in cooperation with the relevant executive departments, we are verifying the implementation status of preventive measures and sharing the results throughout the Company, while constantly reviewing them.



Five-Year Consolidated Financial/Non-Financial Data

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

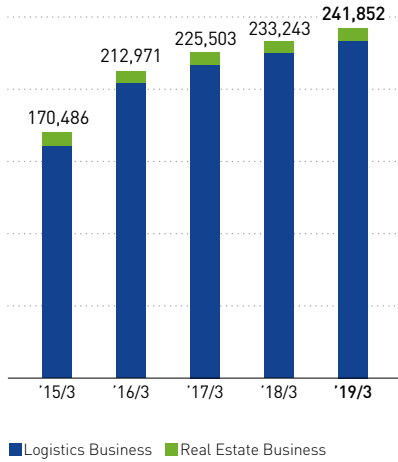
(Millions of yen)

		2015/03	2016/03	2017/03	2018/03	2019/03
Operating Results (for the year)	Operating revenue	170,486	212,971	225,503	233,243	241,852
	Logistics business	160,564	203,872	216,757	224,842	233,404
	Real estate business	10,477	9,614	9,407	9,155	9,170
	Intersegment transaction eliminations	(556)	(515)	(660)	(755)	(721)
	Operating cost	150,232	187,816	198,694	206,071	211,513
	Operating gross profit	20,253	25,155	26,809	27,171	30,339
	Selling, general and administrative expenses	14,140	21,867	20,986	20,175	18,352
	Operating profit	6,112	3,287	5,823	6,996	11,986
	Profit (loss) before income taxes	4,376	2,814	(21,697)	8,142	9,848
	Profit (loss) attributable to owners of parent	1,212	211	(23,427)	4,406	5,190
	ROE (%)	1.9	0.3	(47.1)	10.7	11.4
Financial Position (at year-end)	Net assets	72,980	66,681	41,820	48,396	52,243
	Total assets	244,867	285,310	267,215	262,735	252,078
	Balance of interest-bearing debt	125,081	160,781	168,878	157,604	142,471
	Net D/E ratio (times)	1.48	2.18	3.63	2.99	2.51
	Equity ratio (%)	27.9	21.6	14.1	16.8	18.8
Cash Flows	Cash flows from operating activities	8,047	11,101	12,526	12,207	18,498
	Cash flows from investing activities	(14,809)	(36,019)	(12,872)	(5,806)	(4,043)
	Free cash flow	(6,762)	(24,918)	(346)	6,401	14,455
	Cash flows from financing activities	12,835	28,826	6,042	(12,180)	(16,618)
Per Share Information	Net income (loss) (yen)	48.81	8.52	(943.26)	177.42	208.99
	Net assets (yen)	2,747.65	2,483.15	1,518.30	1,772.28	1,908.68
	Dividend (yen)	47.50	50.00	25.00	—	12.50
	Payout ratio (%)	97.3	588.2	—	0.0	6.0
Stock Price-Related Information	Price/earnings ratio (times)	41.4	176.1	—	9.5	8.7
Non-Financial Information	Number of consolidated employees (persons)	4,465	9,035	8,747	8,763	8,813
	CO ₂ emissions volume (t-CO ₂)	14,497	15,896	16,564	15,783	14,791

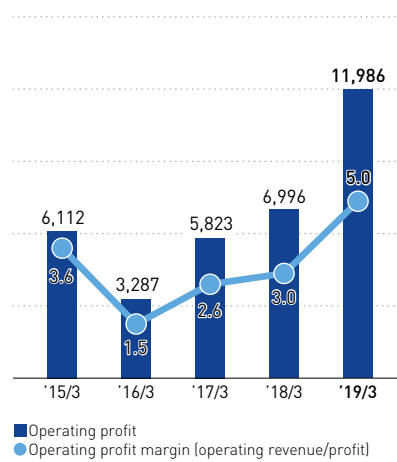
Note:

- Operating revenue does not include consumption tax.
- Effective from the first quarter of the fiscal year under review, the Company has applied the Partial Amendments to Accounting Standard for Tax Effect Accounting [Accounting Standards Board of Japan (ASBJ) Statement No. 28, issued on February 16, 2018]. The main management indicators, etc., from the fiscal year ended March 31, 2015, to the fiscal year ended March 31, 2018, are those after retroactive application of the said accounting standard.
- On October 1, 2018, the Company conducted a reverse stock split at a ratio of five shares to one share of common stock. Net income (loss) per share, net assets per share, and dividend per share were calculated on the assumption that the share consolidation was conducted at the beginning of the fiscal year ended March 31, 2015.
- There is no dividend per share shown for the fiscal year ended March 31, 2018, because no dividend was paid.
- There is no payout ratio per share shown for the fiscal year ended March 31, 2017, because there was a loss attributable to owners of parent.
- There is no price/earnings ratio shown for the fiscal year ended March 31, 2017, because there was a loss attributable to owners of parent.
- The CO₂ emissions volumes are figures for large-scale offices (MSC Center Building and Hakozaiki Building) from the Tokyo Metropolitan Environmental Security Ordinance.

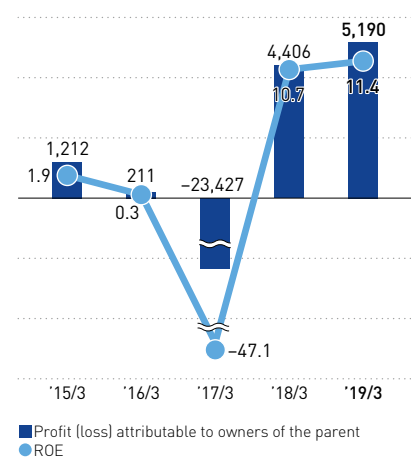
Operating revenue (millions of yen)



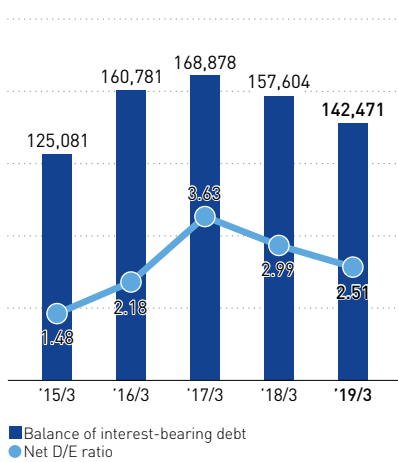
Operating profit (millions of yen) /
Operating profit margin
(operating revenue/profit) (%)



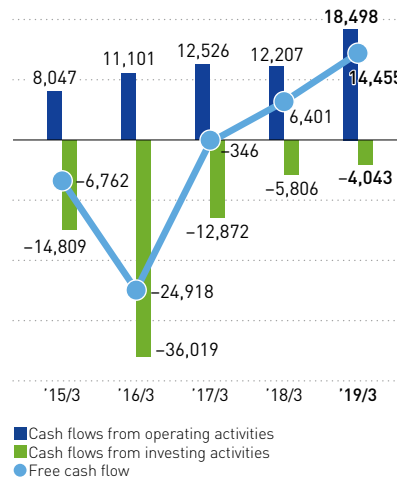
Profit (loss) attributable to
owners of parent (millions of yen) / ROE (%)



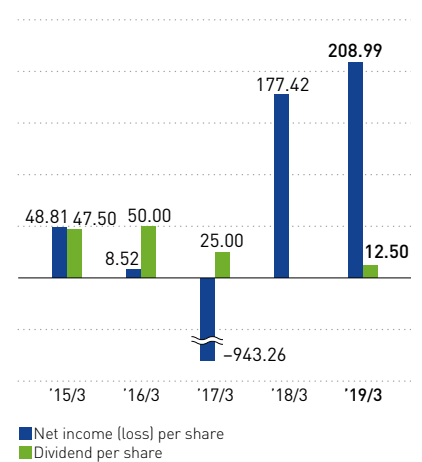
Balance of interest-bearing debt (millions of yen) /
Net D/E ratio (times)



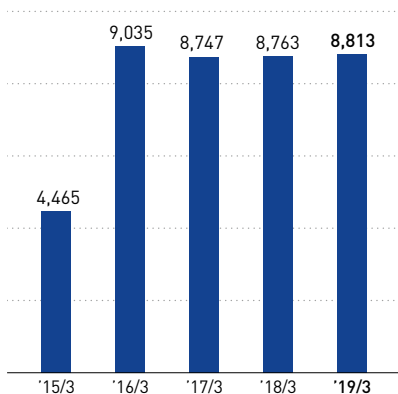
Cash flows from operating activities (millions of yen) /
Cash flows from investing activities (millions of yen) /
Free cash flow (millions of yen)



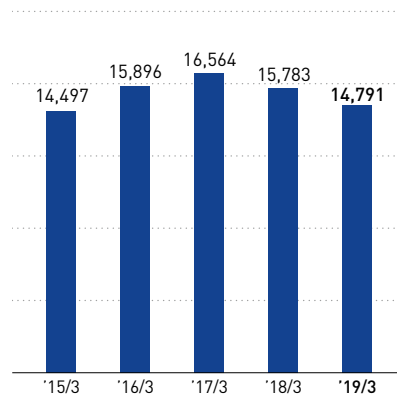
Net income (loss) per share (yen) /
Dividend per share (yen)



Number of consolidated employees



CO₂ emissions volume (t-CO₂)





Consolidated Financial Statements

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

Consolidated Balance Sheet

(Millions of yen)

	2017/03	2018/03	2019/03
Assets			
Current assets	72,540	67,126	64,786
Cash and deposits	31,822	25,798	23,643
Notes and operating accounts receivable—trade	32,407	32,608	31,858
Inventories	—	532	581
Other	8,703	8,250	8,780
Allowance for doubtful accounts	(393)	(63)	(77)
Non-current assets	194,675	195,608	187,291
Property, plant and equipment	144,911	143,455	139,686
Intangible assets	17,149	15,678	12,912
Investments and other assets	32,614	36,474	34,692
Total assets	267,215	262,735	252,078
Liabilities			
Current liabilities	65,882	75,491	63,610
Notes and operating accounts payable—trade	17,034	16,578	17,384
Short-term loans payable	6,058	10,705	1,864
Current portion of long-term loans payable	14,972	17,494	12,672
Current portion of bonds	7,000	10,000	10,000
Income taxes payable	1,737	2,141	1,690
Provision for bonuses	2,835	2,831	3,074
Other	16,243	15,741	16,923
Non-current liabilities	159,512	138,847	136,225
Bonds payable	40,000	40,000	30,000
Long-term loans payable	100,847	79,405	87,934
Deferred tax liabilities	6,555	7,177	6,538
Net defined benefit liability	6,122	6,228	6,466
Other	5,987	6,035	5,285
Total liabilities	225,395	214,338	199,835
Net assets			
Shareholders' equity	30,781	35,187	40,279
Capital stock	11,100	11,100	11,100
Capital surplus	5,563	5,563	5,464
Retained earnings	14,219	18,626	23,816
Treasury shares	(101)	(102)	(102)
Accumulated other comprehensive income	6,928	8,829	7,125
Valuation difference on available-for-sale securities	6,151	7,533	6,060
Deferred gains or losses on hedges	0	(1)	0
Foreign currency translation adjustment	178	525	307
Remeasurements of defined benefit plans	597	772	757
Non-controlling interests	4,110	4,379	4,838
Total net assets	41,820	48,396	52,243
Total liabilities and net assets	267,215	262,735	252,078

Effective from the first quarter of the fiscal year under review, the Company has applied the Partial Amendments to Accounting Standard for Tax Effect Accounting (Accounting Standards Board of Japan [ASBJ] Statement No. 28, issued on February 16, 2018). The main management indicators, etc., from the fiscal year ended March 31, 2015, to the fiscal year ended March 31, 2018, are those after retroactive application of the said accounting standard.

Consolidated Statement of Income

(Millions of yen)

	2017/03	2018/03	2019/03
Operating revenue	225,503	233,243	241,852
Warehousing fee income	26,614	28,332	31,763
Stevedoring income	24,831	26,894	28,732
Port terminal fee income	18,533	17,109	18,162
Transportation income	103,588	110,142	112,578
Real estate income	8,746	8,400	8,448
Other	43,189	42,363	42,166
Operating cost	198,694	206,071	211,513
Operating gross profit	26,809	27,171	30,339
Selling, general and administrative expenses	20,986	20,175	18,352
Operating profit	5,823	6,996	11,986
Non-operating income	1,520	1,812	1,195
Non-operating expenses	3,675	2,287	2,095
Ordinary profit	3,668	6,521	11,087
Extraordinary income	218	1,844	365
Extraordinary losses	25,585	223	1,604
Profit (loss) before income taxes	(21,697)	8,142	9,848
Income taxes	2,299	3,135	3,847
Profit (loss)	(23,997)	5,007	6,000
Profit (loss) attributable to non-controlling interests	(569)	600	810
Profit (loss) attributable to owners of parent	(23,427)	4,406	5,190

Consolidated Statement of Comprehensive Income

(Millions of yen)

	2017/03	2018/03	2019/03
Profit (loss)	(23,997)	5,007	6,000
Other comprehensive income	769	1,958	(1,737)
Valuation difference on available-for-sale securities	1,321	1,381	(1,472)
Deferred gains or losses on hedges	0	(1)	1
Foreign currency translation adjustment	(711)	251	(164)
Remeasurements of defined benefit plans, net of tax	399	186	(8)
Share of other comprehensive income of entities accounted for using equity method	(240)	140	(94)
Comprehensive income (loss)	(23,227)	6,965	4,263
Comprehensive income (loss) attributable to:			
Owners of parent	(22,722)	6,308	3,486
Non-controlling interests	(505)	657	777



Consolidated Financial Statements

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

Consolidated Statement of Changes in Net Assets

2017/03

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of current period	11,100	5,563	38,889	(101)	55,451	6,223	5,006	66,681
Changes of items during period								
Dividends of surplus	—	—	(1,241)	—	(1,241)	—	—	(1,241)
Profit (loss) attributable to owners of parent	—	—	(23,427)	—	(23,427)	—	—	(23,427)
Purchase of treasury shares	—	—	—	(0)	(0)	—	—	(0)
Net changes of items other than shareholders' equity	—	—	—	—	—	704	(895)	(190)
Total changes of items during period	—	—	(24,669)	(0)	(24,670)	704	(895)	(24,860)
Balance at end of current period	11,100	5,563	14,219	(101)	30,781	6,928	4,110	41,820

2018/03

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of current period	11,100	5,563	14,219	(101)	30,781	6,928	4,110	41,820
Changes of items during period								
Dividends of surplus	—	—	—	—	—	—	—	—
Profit attributable to owners of parent	—	—	4,406	—	4,406	—	—	4,406
Purchase of treasury shares	—	—	—	(0)	(0)	—	—	(0)
Sales of treasury shares	—	—	—	—	—	—	—	—
Change in treasury shares of parent arising from translations with non-controlling shareholders	—	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	1,901	268	2,170
Total changes of items during period	—	—	4,406	(0)	4,405	1,901	268	6,576
Balance at end of current period	11,100	5,563	18,626	(102)	35,187	8,829	4,379	48,396

2019/03

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of current period	11,100	5,563	18,626	(102)	35,187	8,829	4,379	48,396
Changes of items during period								
Dividends of surplus	—	—	—	—	—	—	—	—
Profit attributable to owners of parent	—	—	5,190	—	5,190	—	—	5,190
Purchase of treasury shares	—	—	—	(0)	(0)	—	—	(0)
Sales of treasury shares	—	—	(0)	0	0	—	—	0
Change in treasury shares of parent arising from translations with non-controlling shareholders	—	(98)	—	—	(98)	—	—	(98)
Net changes of items other than shareholders' equity	—	—	—	—	—	(1,704)	459	(1,245)
Total changes of items during period	—	(98)	5,190	(0)	5,091	(1,704)	459	3,846
Balance at end of current period	11,100	5,464	23,816	(102)	40,279	7,125	4,838	52,243

Consolidated Statement of Cash Flows

(Millions of yen)

	2017/03	2018/03	2019/03
Cash flows from operating activities			
Profit (loss) before income taxes	(21,697)	8,142	9,848
Depreciation	8,778	8,685	8,268
Amortization of goodwill	2,753	1,246	1,214
Impairment loss	25,478	—	1,227
Compensation for removal	—	(470)	—
Increase (decrease) in allowance for doubtful accounts	303	23	(13)
Increase (decrease) in provision for bonuses	(31)	(13)	242
Increase (decrease) in net defined benefit liability	(577)	104	233
Interest and dividend income	(500)	(538)	(564)
Interest expenses	1,444	1,397	1,280
Share of (profit) loss of entities accounted for using equity method	(89)	(117)	(122)
Loss (gain) on sales of property, plant and equipment	(59)	(717)	(24)
Loss on retirement of non-current assets	96	457	389
Loss (gain) on sales of investment securities	(0)	(722)	(73)
Decrease (increase) in notes and operating accounts receivable—trade	(497)	125	617
Increase (decrease) in notes and operating accounts payable—trade	(590)	(661)	931
Other, net	1,661	(962)	82
Subtotal	16,471	15,979	23,537
Interest and dividend income received	568	637	717
Interest expenses paid	(1,468)	(1,402)	(1,315)
Income taxes paid	(3,045)	(3,007)	(4,441)
Net cash provided by (used in) operating activities	12,526	12,207	18,498
Cash flows from investing activities			
Purchase of property, plant and equipment	(12,611)	(7,504)	(2,948)
Proceeds from sales of property, plant and equipment	84	1,620	167
Purchase of intangible assets	(367)	(879)	(702)
Proceeds from sales of intangible assets	3	4	4
Purchase of investment securities	(355)	(21)	(78)
Proceeds from sales of investment securities	11	1,060	98
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	—	(460)
Purchase of shares of subsidiaries and associates	—	(94)	(16)
Payments of loans receivable	(58)	(21)	(12)
Collection of loans receivable	24	48	37
Payments into time deposits	(1,210)	(724)	(441)
Proceeds from withdrawal of time deposits	1,606	704	309
Net cash provided by (used in) investing activities	(12,872)	(5,806)	(4,043)
Cash flows from financing activities			
Increase in short-term loans payable	37,977	31,038	11,226
Decrease in short-term loans payable	(39,237)	(26,443)	(19,955)
Proceeds from long-term loans payable	39,034	6,425	21,817
Repayments of long-term loans payable	(19,540)	(24,770)	(18,479)
Proceeds from issuance of bonds	—	10,000	—
Redemption of bonds	(10,000)	(7,000)	(10,000)
Cash dividends paid	(1,241)	—	—
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	—	(195)
Other, net	(949)	(1,430)	(1,032)
Net cash provided by (used in) financing activities	6,042	(12,180)	(16,618)
Effect of exchange rate change on cash and cash equivalents	194	304	(128)
Net increase (decrease) in cash and cash equivalents	5,890	(5,475)	(2,291)
Cash and cash equivalents at beginning of period	25,000	30,891	25,296
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(119)	—
Cash and cash equivalents at end of period	30,891	25,296	23,004



Group Network

As of March 31, 2019

MITSUI-SOKO Co., Ltd. Tokyo

Mitsui-Soko Kyushu Co., Ltd. Fukuoka
 Mitsui-Soko Business Partners Co., Ltd. Tokyo
 IM Express Co., Ltd. Tokyo
 Sanso K.K. Tokyo
 Toko Maruraku Transportation Co., Ltd. Kanagawa
 Sanso Kouun Co., Ltd. Aichi
 Sanko Trucking Co., Ltd. Aichi
 Sanei K.K. Mie
 Mitsunori Corporation Fukui
 Mitsui Warehouse Terminal Service Co., Ltd. Osaka
 Sanyu Service Co., Ltd. Osaka
 Kobe Sunso Koun Co., Ltd. Hyogo
 Sun Transport Co., Ltd. Hyogo
 MK Services Co., Ltd. Hyogo
 Seiyu Koun Co., Ltd. Fukuoka
 Hakata Sanso-Butsuryu Co., Ltd. Fukuoka
 Naha International Container Terminal, Inc. Okinawa
 Mitsui-Soko NEA Co., Ltd. Tokyo
 Mitsui-Soko (China) Investment Co., Ltd. China
 Mitsui-Soko International Pte. Ltd. Singapore
 Mitex Logistics (Shanghai) Co., Ltd. China
 MSC Trading (Shanghai) Co., Ltd. China
 Shanghai MITS Commerce & Trade Co., Ltd. China
 Mitex Shenzhen Logistics Co., Ltd. China
 Mitex International (Hong Kong) Ltd. Hong Kong
 Mitex Multimodal Express Ltd. Hong Kong
 Noble Business International Ltd. Hong Kong
 Mitex (Tianjin) Co., Ltd. China
 Mitsui-Soko (Taiwan) Co., Ltd. Taiwan
 Mitsui-Soko (Korea) Co., Ltd. Korea

Warehousing, Port Transportation, Overseas Logistics Services

Mitsui-Soko (Singapore) Pte. Ltd. Singapore
 Mitsui-Soko Southeast Asia Pte.Ltd. Singapore
 Mitsui-Soko Vietnam Co.,Ltd. Vietnam
 Mitsui-Soko (Thailand) Co., Ltd. Thailand
 Mitsui-Soko (Chiangmai) Co., Ltd. Thailand
 Mits Logistics (Thailand) Co., Ltd. Thailand
 Mits Transport (Thailand) Co., Ltd. Thailand
 MS North Star Logistics Co., Ltd. Thailand
 Mitsui-Soko (Malaysia) Sdn. Bhd. Malaysia
 Mitsui-Soko Agencies (Malaysia) Sdn. Bhd. Malaysia
 Integrated Mits Sdn. Bhd. Malaysia
 PT Mitsui-Soko Indonesia Indonesia
 Mitsui-Soko (Philippines), Inc. Philippines
 Mitsui-Soko (U.S.A.) Inc. U.S.A.
 Mitsui-Soko (Americas) Inc. U.S.A.
 Mitsui-Soko (Mexico)S.A. de C.V. Mexico
 Mitsui-Soko (Europe) s.r.o. Czech Republic
 PST CLC, a.s. Czech Republic
 Prime Cargo A/S Denmark
 Prime Cargo (H.K.), Ltd. Hong Kong
 Prime Cargo Shanghai Ltd. China
 PC KH Aps Denmark
 Prime Cargo Poland Poland
 Prime Cargo USA Inc. U.S.A.
 PST Hungary Kft. Hungary
 Shanghai Jinjiang Mitsui-Soko International Logistics Co., Ltd.* China
 Joint Venture Sunrise Logistics Co., Ltd.* Vietnam
 Nantong Sinavico International Logistics Co., Ltd.* China
 AW Rostamani Logistics LLC* U.A.E.
 Key Logistics AB* Sweden

MITSUI-SOKO EXPRESS Co., Ltd. Tokyo

MSE China (Guangzhou) Co., Ltd. China
 MSE Express America, Inc. U.S.A.
 MSE Express Mexico, S.A. DE C.V. Mexico
 MSE Do Brasil Logistica Ltda. Brazil
 MSE Express (Thailand) Co., Ltd. Thailand
 N.V. MSE Europe S.A. Belgium

Airfreight Forwarding, Multimodal Forwarding Business

MSE Europe Tasimacilik, Organizasyon,
 Lojistik Limited Sirketi Turkey
 MS Express South Africa (Pty) Ltd. South Africa
 MSE China (Beijing) Co., Ltd.* China
 PT. Puninar MSE Indonesia* Indonesia
 MSE Forwarders India Pvt. Ltd.* India

MITSUI-SOKO LOGISTICS Co., Ltd. Tokyo

Hokkaimitsui-Soko Logistics Co., Ltd. Hokkaido
 MS Logistics Co., Ltd. Osaka

Third Party Logistics (3PL) Business

Co-next Inc. Tokyo

MITSUI-SOKO Supply Chain Solutions, Inc. Tokyo

Logistics Operation Service Co., Ltd. Tokyo
 MS Supply Chain Solutions (Thailand) Ltd. Thailand

Supply Chain Management Support Business

MS Supply Chain Solutions (Malaysia) Sdn. Bhd. Malaysia

MITSUI-SOKO TRANSPORT Co., Ltd. Osaka

Marukyo Transportation Co., Ltd.(Osaka) Osaka
 Marukyo Transportation Co., Ltd.(Ehime) Ehime
 AMT Co., Ltd. Ehime
 Marukyo Transportation Co., Ltd.(Kyushu) Fukuoka
 Marukyo Group Cooperative Osaka
 Swallow Logistics Co., Ltd. Osaka

Land Transportation Business

Fujimatsu Unyu Souko Co., Ltd. Saitama
 Marukyo Shokusan Co., Ltd. Osaka
 Kiwa General Service Co., Ltd. Wakayama
 Shanghai Marukyo Transportation Co., Ltd. China
 Zhangjiagang Bonded Area
 Marukyo Transportation & Trade Co., Ltd. China

MITSUI-SOKO HOLDINGS Co., Ltd. Tokyo

Mitsui-Soko Bizport Co.,Ltd. Tokyo

Holding Company, Real Estate Business

* Companies accounted for using equity method

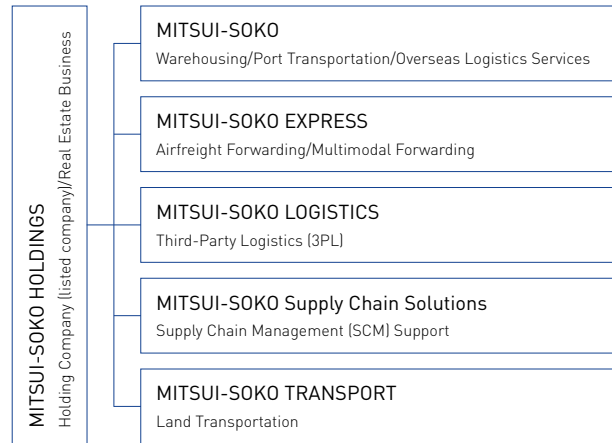


Company Information and Investor Information

Company Information (as of March 31, 2019)

■ Company name	MITSUI-SOKO HOLDINGS Co., Ltd.
■ Date of establishment	October 11, 1909
■ Head office	20-1, Nishi-Shimbashi 3-chome, Minato-ku, Tokyo 105-0003, Japan
■ Paid-in capital	¥11,100,714,274
■ Accounting period	From April 1 every year to March 31 the following year
■ Accounting auditors	KPMG AZSA LLC
■ Main business areas	Logistics business, real estate business
■ Companies for consolidated financial statements	
Consolidated subsidiaries: 86	
Companies accounted for using equity method: 8	
■ Number of employees	8,813 (non-consolidated 814)
■ Websites	(corporate website) https://www.mitsui-soko.com/en (Investor relations website) https://msh.mitsui-soko.com/en/ir/

■ Group system



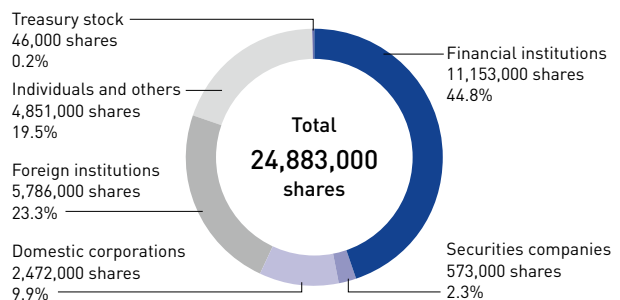
Officers (as of July 1, 2019)

Chairman Makoto Tawaraguchi Representative Director, President and Group CEO	Managing Director Ryoji Ogawa Director, Senior Executive Officer	Outside Director Taizaburo Nakano	Outside Audit and Supervisory Board Member Maoko Kikuchi
Hirobumi Koga Representative Director, Senior Managing Director	Takeshi Gouhara Director, Senior Executive Officer	Outside Director Takashi Hirai	Outside Audit and Supervisory Board Member Osamu Sudoh
Nobuo Nakayama	Yukio Ishida	Senior Audit and Supervisory Board Member Shinichiro Sasao	Outside Audit and Supervisory Board Member Motohide Ozawa
		Audit and Supervisory Board Member Norio Miyashita	

Stock Information (as of March 31, 2019)

■ Common stock authorized	80,000,000 shares
■ Common stock issued	24,883,002 shares
■ Number of shareholders	6,612
■ Number of shares per trading unit	100 shares (Changed on October 1, 2018)
■ Stock exchange listing	Tokyo Stock Exchange
■ Securities code	9302
■ Shareholder register agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo

■ Breakdown of shareholders



Note: The number of shares has been rounded down to the nearest thousand, while the ratio of the number of shares is rounded to the second decimal.

■ Major shareholders

Name	Number of shares held (in thousands)	Percentage of total shares held
Japan Trustee Services Bank, Ltd. (Trust Account)	2,042	8.23
MITSUI LIFE INSURANCE COMPANY LIMITED	1,569	6.32
Mitsui Sumitomo Insurance Company, Limited	1,401	5.64
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,104	4.45
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	943	3.80
Sumitomo Mitsui Banking Corporation	696	2.81
MITSUI-SOKO Group Employees' Shareholding Society	530	2.14
Takenaka Corporation	496	2.00
Japan Trustee Services Bank, Ltd. (Trust Account 5)	452	1.82
EVERGREEN	444	1.79

Notes:

- The number of shares held has been rounded down to the nearest thousand. Percentage of total shares held is calculated by rounding to the nearest whole number and subtracting treasury stock (46,569 shares).
- On October 1, 2018, the Company completed a reverse stock split to consolidate five shares into one share for its common stock, and on the same day changed the trading unit from 1,000 shares to 100 shares.
- Mitsui Life Insurance Company Limited changed its trading name to Taiju Life Insurance Company Limited on April 1, 2019.

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