



Leading Edge Logistics Solutions

The MSC Group provides a diverse range of logistics services

**Financial Report
for the Fiscal Year
Ended
March 31, 2008**

May 16, 2008
MITSUI-SOKO CO., LTD.

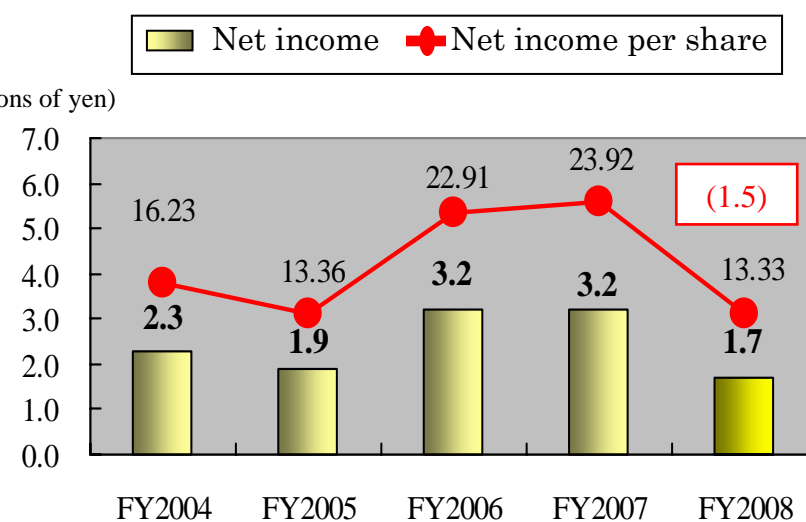
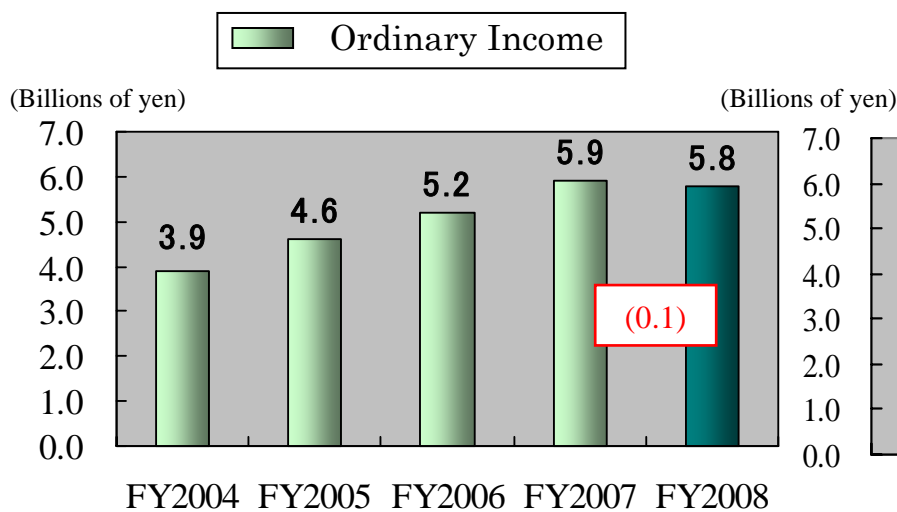
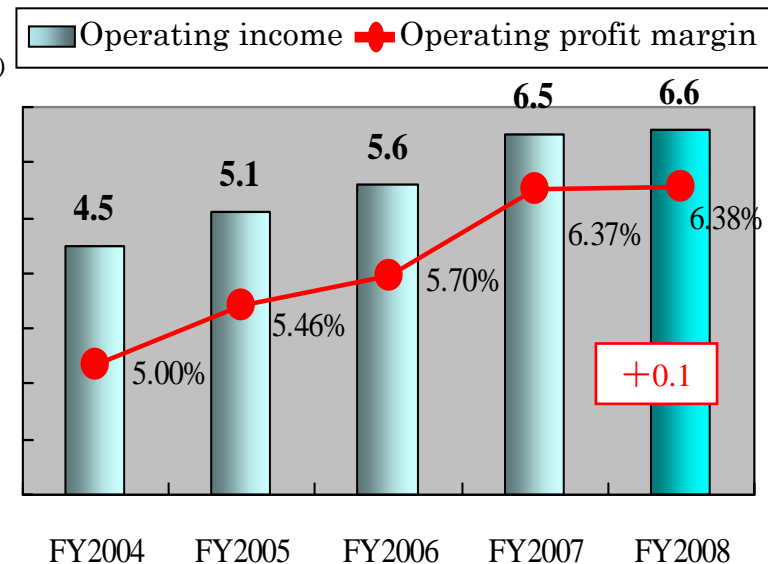
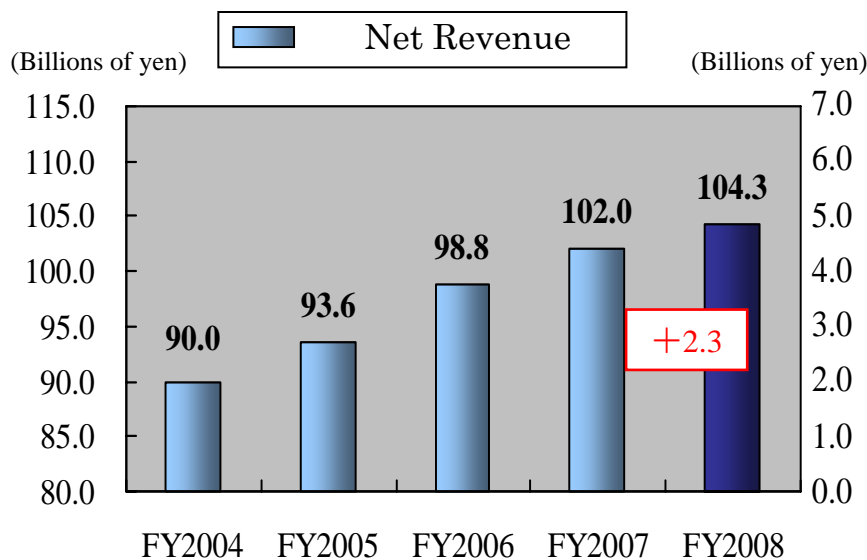


<input type="checkbox"/> Explanation of Financial Results	1	...	7
<input type="checkbox"/> Management Policy			
<input type="checkbox"/> Summary of the Financial Report for FY2008 (Year ended March 31, 2008)	8	...	10
<input type="checkbox"/> Detailed Forecast for FY2009 (Year ended March 31, 2009)	11	...	12
<input type="checkbox"/> Supplementary Materials (Attachment)	1	...	12



Management Policy (1)Corporate Performance

MITSUI-SOKO



FY2008=year ended March, 2008



Three Core Policies	Specific Measures
Maximizing profit through accelerated qualitative conversion of existing business	<ul style="list-style-type: none">• Promote the 3PL business• Promote the BPO* business• Enhance quality of the LIT**service• Develop and upgrade bases for the global network
Maximizing cash return through enhancement of capital efficiency	<ul style="list-style-type: none">• Maintain active capital investment Enhance efficiency of assets owned Increase cash return through acquisition of new assets
Assuring implementation of internal controls	<ul style="list-style-type: none">• Reform the corporate information system.• Improve the internal control structure

Also focus on fulfilling corporate social responsibility such as promoting environmental management.

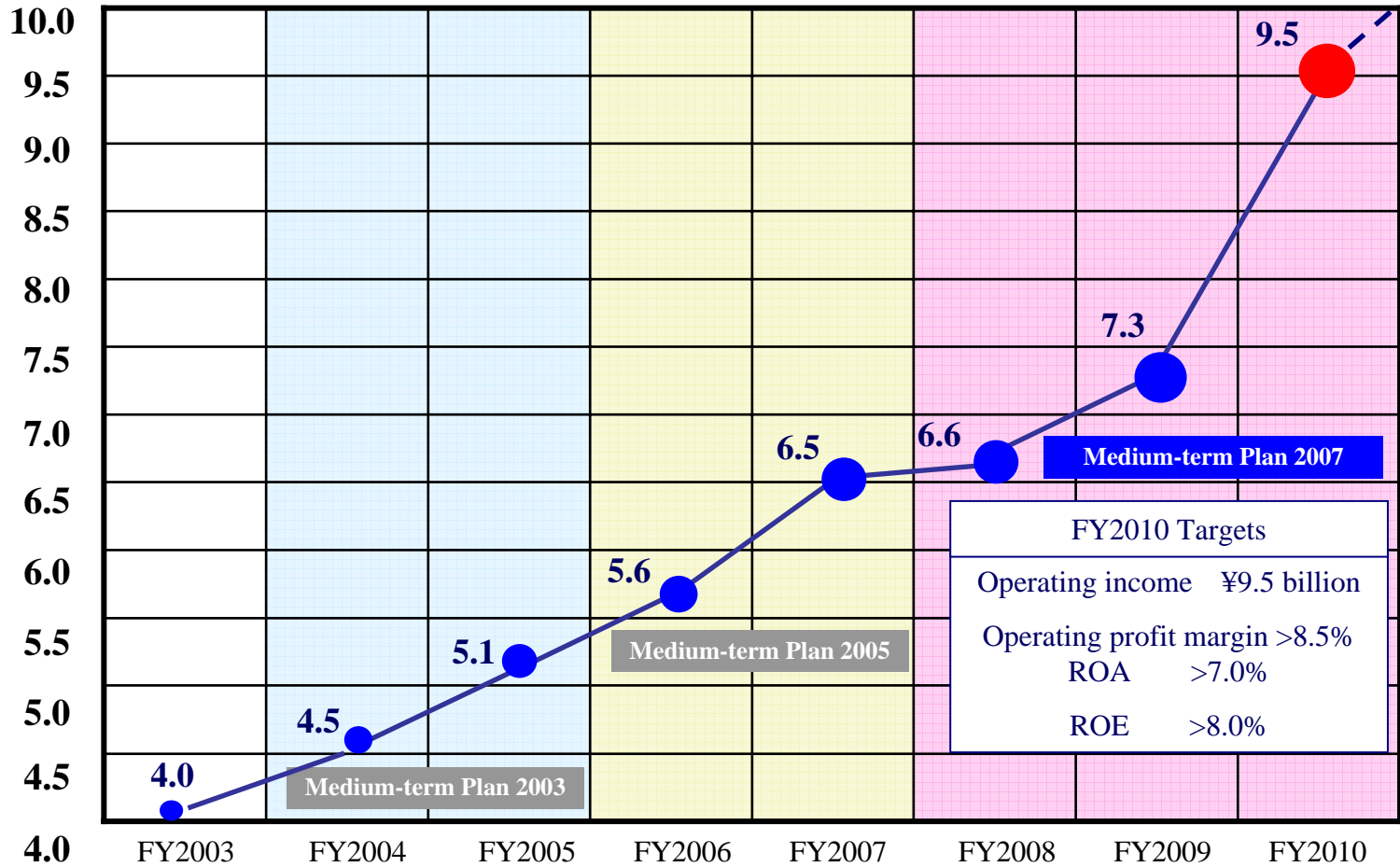
* Business Process Outsourcing

**Logisicits Information Technology



Management Policy (3) Management Targets

Operating income (Billions of yen)



(FY2010 = year ended March 2010)

Capital investment	5.1	5.5	6.2	10.1	18.9	12.5	12.0	8.0
Operating CF	8.1	6.9	8.8	7.3	7.6	8.1	8.0	10.0
Interest-bearing debt	38.5	31.9	29.2	33.2	50.4	57.4	63.0	62.0



Large capital investment projects currently under construction



■ Misato Logistics Center (New)

- Lot: 28,710 Sq. m.
- Facilities: Four-story building; about 71,610 sq. m. in floor space
- Completion: April 2008
- Use: Distribution center for leasing



■ Atsugi Office (Rebuilding of one of the warehouses)

- Lot: 14,520 sq. m. (whole area)
- Facilities: Five-story building ;about 16,500 sq. m. in floor space (currently 7,920 sq. m)
- Completion: August 2008
- Use: Distribution center



■ MSC Fukagawa Building No.2 (Redevelopment)

- Lot: 7,260 sq. m.
- Facilities: Six-story building; about 23,000 sq. m. in floor space (currently 3,300 sq. m); quake-absorbent structure
- Completion: December 2008
- Use: Multipurpose complex building



■ Tatsumi Office (New)

- Lot: 10,560 sq. m.
- Facilities :Six-story building; about 31,600 sq. m. ; quake-absorbent structure
- Completion: January 2009
- Use: Distribution center, Records center



◇ Future investment plan newly determined

■ Establishment of Ibaraki office in Osaka

- Acquired new land for the purpose of expansion of the records management business and full-scale deployment of the BPO (business process outsourcing) business in the Osaka area.
 - Excellent accessibility to City of Osaka, good ground, and highly advantageous especially for the use as a records center



- Location: Ibaraki-shi, Osaka
- Nearest interchange: 1.5 km to Suita Interchange of Meishin or Chugokudo Expressway
- Lot: 9,900 sq. m.
- Land purchase: March 2008

- Five-story building
; about 19,000 sq. m. in floor space
- Quake-absorbent structure
- Highly functional records center
- Commencement: May 2009
- Completion: March 2010



■ Expansion of Machida Records Center (Tokyo)

- In accordance with expanded demand for the BPO business in the Tokyo area, a new building, which is a dedicated facilities for BPO, is constructing on the premises of the Machida Records Center whose operation was started in December 2004



Overview of the expansion

- Seven-story building
; about 9,900 sq. m. in floor space
- Quake-absorbent structure
- High level of security similar to the existing building
- Commencement: January 2009
- Completion: December 2009

■ Acquisition of Records center in Fukuoka

- Acquired a warehouse for the purpose of coping with the records management business whose demand has been increasing in the Fukuoka and Kitakyushu areas as well as reinforcing the business foundation along with expanded capacity of owned warehouses. This warehouse will be operated after conducting a modification required for a records center, such as improvement of its security.

Lot: 6,600 sq. m.

Facilities: two-story building ,about 7,600 sq. m. in floor space

Launch : July 2008

Total investment amount of above three projects (land + buildings): ¥10 billion



◇ Concept based on the capital investment

Increased cash return through successive capital investments
= Enhanced corporate value

■ Means to realize this concept

• Measures to maximize investment amount and yield

- Upgrade marketing expertise

- Upgrade abilities to collect information ⇒ Increase of investment opportunities
- Upgrade abilities to propose logistics plans ⇒ Creation of investment opportunities
- Upgrade abilities to manage projects ⇒ Maximization of investment yield for each project

• Measures to optimize the D/E (debt to equity) balance

- Assure abilities to execute an adequate financial strategy

- Maximize the leverage effect ⇒ Reduction of capital costs
- Ensure financial soundness ⇒ Reduction of financing costs



Summary of the Financial Report for FY2008

(1) Performance Overview

MITSUI-SOKO

(Millions of yen)

	FY2007 (2006.4-2007.3)	FY2008 (2007.4-2008.3)	Amount of change	Percentage of change
Net revenue	102,035	104,370	+2,335	+2.3%
Operating profit	6,503	6,659	+156	+2.4%
Ordinary income	5,961	5,873	(88)	(1.5)%
Net income	3,288	1,787	(1,501)	(45.7)%
Operating profit margin	6.37%	6.38%	+0.01%	—
Cash flows from operating activities	7,640	8,179	+539	+7.1%
Cash flows from investment activities	(18,503)	(13,599)	+4,904	—
Cash flows from financing activities	13,148	4,324	(8,824)	(67.1)%
Shareholders' equity	57,914	53,577	(4,337)	(7.5)%
Total assets	138,278	139,458	+1,180	+0.9%
ROA	4.96%	5.02%	+0.06%	—
ROE	5.68%	3.34%	(2.34)%	—
Shareholders' equity ratio	41.88%	38.42%	(3.46)%	—
D / E Ratio	0.87	1.07	+0.20	—
D / Operating CF	6.6 years	7.0 years	+0.4 years	—

ROA= (Operating income + Interest and dividends received) / Total assets

ROE= (Net income / Shareholders' equity



Summary of the Financial Report for FY2008

(2) Non-operating Income (Expenses) and Extraordinary Gains (Losses)

MITSUI-SOKO

(Millions of yen)

		FY2007 (2006.4-2007.3)	FY2008 (2007.4-2008.3)	Amount of change	Percentage of change
Non-operating income (loss)	Financial balance	(274)	(507)	(233)	(85.0)%
	Other non-operating income	(268)	(279)	(11)	-
Ordinary income		5,961	5,873	(88)	(1.5)%
Extraordinary gains	Gain on reversal of retirement allowance	927	364	(563)	-
	Gain on sale of assets	-	6	+6	-
Extraordinary losses	unrealized loss on investment securities	10	494	+494	-
	Disposal of fixed assets	784	267	(517)	-
	Other extraordinary losses	354	1,605	(1,241)	-
Net income		3,288	1,787	(1,501)	(45.7)%

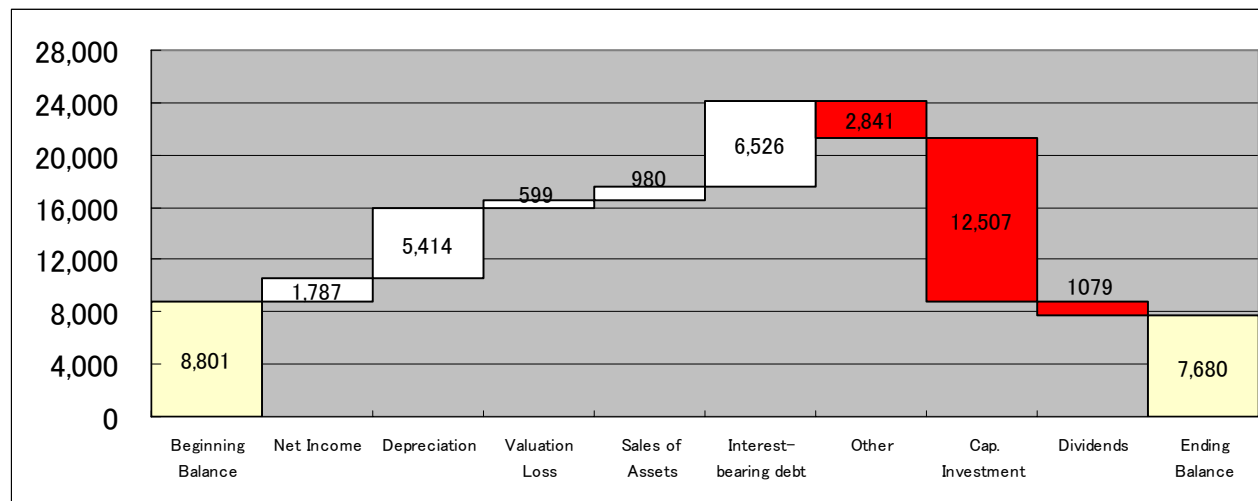
- Financing balance: Increase due to interest expense due to rise in the outstanding interest-bearing debt (¥227 million)
- Other non-operating income: Tentative costs such as real estate acquisition tax in accordance with the operation of the redeveloped facilities.
- Gain on sale of assets: Securities and underutilized real estates were sold off as a step taken in line in asset efficiency improvement
- Disposal of fixed assets: Loss on removal of unnecessary software following the reconstruction of companywide information system and loss on removal of existing facilities in accordance with commencement of construction for new redeployment projects.
- Other extraordinary losses: Termination fees of real estate lease contracts and one-time amortization of port pension and service costs in the previous years by applying more conservative accounting procedure



Summary of the Financial Report for FY2008

(3) Cash flows

MITSUI-SOKO



(Millions of yen)

	FY2007 (2006.4-2007.3)	FY2008 (2007.4-2008.3)	Amount of change	Percentage of change
Cash flows from operating activities	7,640	8,179	+539	+7.1%
Cause				
Depreciation expenses	5,342	5,414	+72	+1.3%
Cash flows from investment activities	(18,503)	(13,599)	+4,904	+26.5%
Cause				
Capital investment	18,941	12,507	(6,434)	(34.0)%
Cash flows form financing activities	13,148	4,324	(8,824)	(67.1)%
Cause				
Interest-bearing debt	50,398	57,438	+7,040	+14.0%

- Operating CF: Increased by 539 million owing to increase in operating income and decrease in account receivable.
- Investment CF: ¥13,559 million was paid due to rebuilding constructions at Fukagawa No.2 and at warehouse in Atsugi ; acquisition of new land in Ibaraki, Osaka; establishment of distribution center at Tatsumi; and large-scale repair constructions of some rental properties.
- Financing CF: Own share purchase ¥1,151 million



Detailed Forecast for Fiscal 2009

(1) Overview of Performance Forecasts

MITSUI-SOKO

(Millions of yen)

	FY2008 (2007.4-2008.3)	FY2009 Forecast (2008.4-2009.3)	Amount of change	Percentage of change
Net revenue	104,370	106,000	+1,630	+1.6%
Operating income	6,659	7,300	+641	+9.6%
Ordinary income	5,873	6,200	+327	+5.6%
Net income	1,787	3,500	+1,713	+95.9%
Operating profit margin	6.38%	6.89%	+0.51%	—
Cash flows from operating activities	8,179	8,000	(179)	(2.2)%
Cash flows from investment activities	(13,599)	(12,000)	+1,599	—
Cash flows from financing activities	4,324	4,000	(324)	(7.5)%
Shareholders' equity	53,577	56,000	+2,423	+4.5%
Total assets	139,458	146,000	+6,542	+4.7%
ROA	5.02%	5.21%	+0.19%	—
ROE	3.34%	6.25%	+2.91%	—
Shareholders' equity ratio	38.42%	38.36%	(0.06)%	—
D / E Ratio	1.07	1.13	+0.06	—
D / Operating CF	7.0 years	7.9 years	+0.9 years	—



Detailed Forecast for Fiscal 2009

(2) Cash Flows

Overview of Consolidated Cash Flows

(Millions of yen)

	FY2008 (2007.4-2008.3)	FY2009 Forecast			Amount of change	Percentage of change	
		FY2009 (2008.4-2008.9)	FY2009 (2008.10-2009.3)	Total			
Cash flows form operating activities	8,179	4,000	4,000	8,000	(179)	(2.2)%	
Cause	Depreciation expense	5,414	2,600	3,000	5,600	+186	+3.4%
Cash flows from investing activities	(13,599)	(6,000)	(6,000)	(12,000)	+1,599	—	
Cause	Capital investment	12,507	6,000	6,000	12,000	(507)	(4.1)%
Cash flows from financing activities	4,324	2,000	2,000	4,000	(324)	(7.5)%	
Cause	Interest-bearing debt	57,438	60,000	-	63,000	+5,562	+9.7%

•Operating CF: ¥8,000 million, almost equal to the previous year

•Capital investment: Roughly ¥12,000 million expects from ¥10,000 million in new investments and ¥2,000 million in maintenance and repair of existing facilities.

•Financing CF:

For FY2008, ¥4,324 million net cash in-flow due to increase of interest bearing debt liabilities by ¥7,040 million

For FY2009, ¥4,000 million net cash in-flow due to increase of interest bearing debt liabilities by ¥5,562 million

•Interest-bearing debt: An increase of ¥5,562 million more than previous year to ¥63,000 million is anticipated.