

**Financial Report for
the Six Months ended
September 30, 2015**



Value Beyond Logistics

Mitsui-Soko Group

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for the Six Months ended September 30, 2015
- Detailed Forecast for FY2016
(Year ending March 31, 2016)
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Summary of the Financial Report for the Six Months ended September 30, 2015

(1) Performance Overview

Unit : Millions of yen

Consolidated Total	1st Half ended Sept. 30, 2014	1st Half ended Sept. 30, 2015	Amount of Change	Percentage of Change
Net revenue	81,148	97,743	+16,594	+20.4%
Operating income	2,549	1,380	(1,168)	(45.8)%
Ordinary income	2,306	(1,286)	(3,593)	—
Net income	970	(1,546)	(2,517)	—
Cash flows from operating activities	2,927	171	(2,755)	(94.1)%
Cash flows from investing activities	(5,364)	(29,563)	(24,199)	—
Cash flows from financing activities	(471)	26,708	+27,180	—

Consolidated Total	Mar. 31, 2015	Sept. 30, 2015	Amount of Change	Percentage of Change
Shareholders' equity	68,245	64,881	(3,363)	(4.9)%
Total assets	245,213	276,325	+31,112	+12.7%
Shareholders' equity ratio	27.8%	23.5%	(4.4)%	—



Summary of the Financial Report for the Six Months ended September 30, 2015

(2) Net Revenue (comparison with the same period in the previous year)

Unit : Millions of yen

Consolidated Total	1st Half ended Sept. 30, 2014	1st Half ended Sept. 30, 2015	Amount of Change	Percentage of Change	Main Factors
Warehouse	24,245	25,107	+861	+3.6%	
Port terminal	7,358	7,174	(184)	(2.5)%	Decreased handling of sea route between Japan and China
Global flow	15,924	19,903	+3,979	+25.0%	Owing to newly consolidated subsidiaries
Global express	11,120	11,162	+41	+0.4%	
Logistics systems	16,624	16,838	+214	+1.3%	
BPO	3,547	3,679	+131	+3.7%	
SCS	—	12,491	+12,491	—	Newly consolidated
Real estate	5,398	4,735	(662)	(12.3)%	Decrease of rent revenue due to major repairing
Elimination and /or corporate	(3,071)	(3,349)	(278)	—	
Net Revenue	81,148	97,743	+16,594	+20.4%	



Summary of the Financial Report for the Six Months ended September 30, 2015

(3) Operating Income (comparison with the same period in the previous year)

Unit : Millions of yen

Consolidated Total	1st Half ended Sept. 30, 2014	1st Half ended Sept. 30, 2015	Amount of Change	Percentage of Change	Main Factors
Warehouse	468	707	+239	+51.0%	Increased storage revenue & decreased temporary cost
Port terminal	183	60	(122)	(66.8)%	Decreased handling of sea route between Japan and China
Global flow	283	150	(133)	(47.1)%	Negative effect from west coast ports labour dispute in the U.S. & start-up cost incurrence for overseas warehouses
Global express	1,097	839	(257)	(23.4)%	Increase of cost
Logistics systems	117	592	+474	+403.9%	Decreased temporary cost incurrence & improvement of cost structural reform
BPO	(109)	(262)	(152)	—	Incurrence of start-up cost for new business
SCS	—	58	+58	—	Newly consolidated
Real estate	3,081	2,385	(696)	(22.6)%	Decrease of rent revenue due to major repairing
Joint company expenses	(2,572)	(3,152)	(579)	—	Increase of amortization of goodwill
Operating Income	2,549	1,380	(1,168)	(45.8)%	



Summary of the Financial Report for the Six Months ended September 30, 2015

(4) Net Revenue (comparison with the forecast)

Unit : Millions of yen

Consolidated Total	1st Half Estimate released on Aug., 2015	1st Half Results	Amount of Change	Percentage of Change	Main Factors
Warehouse	26,000	25,107	(892)	(3.4)%	
Port terminal	8,000	7,174	(825)	(10.3)%	Decreased handling volume between Japan and China
Global flow	18,000	19,903	+1,903	+10.6%	Contribution from newly consolidated subsidiaries
Global express	10,000	11,162	+1,162	+11.6%	Increased handling related to projects
Logistics systems	18,000	16,838	(1,161)	(6.5)%	Decreased of handling volume
BPO	4,000	3,679	(320)	(8.0)%	Decreased handling of existing customers
SCS	13,000	12,491	(508)	(3.9)%	Belated production recovery
Real estate	4,000	4,735	+735	+18.4%	
Elimination and /or corporate	(5,000)	(3,349)	+1,650	—	
Net Revenue	96,000	97,743	+1,743	+1.8%	



Summary of the Financial Report for the Six Months ended September 30, 2015

(5) Operating Income (comparison with the forecast)

Unit : Millions of yen

Consolidated Total	1st Half Estimate released on Aug., 2015	1st Half Results	Amount of Change	Percentage of Change	Main Factors
Warehouse	700	707	+7	+1.1%	
Port terminal	100	60	(39)	(39.3)%	Decreased handling volume between Japan and China
Global flow	100	150	+50	+50.1%	Contribution from newly consolidated subsidiaries
Global express	900	839	(60)	(6.7)%	Increase of cost
Logistics systems	700	592	(107)	(15.4)%	Decrease of handling volume
BPO	(100)	(262)	(162)	—	Decreased handling of existing customers
SCS	100	58	(41)	(41.1)%	Related production recovery
Real estate	2,300	2,385	+85	+3.7%	
Joint company expenses	(3,300)	(3,152)	+147	—	
Operating Income	1,500	1,380	(119)	(7.9)%	



Summary of the Financial Report for the Six Months ended September 30, 2015

(6) Ordinary Income and Net Income

Unit : Millions of yen

Consolidated Total	1st Half ended Sept. 30, 2014	1st Half ended Sept. 30, 2015	Amount of Change
Operating income	2,549	1,380	(1,168)
Non-operating income (expenses)	(242)	(2,667)	(2,424)
Financial balance	(356)	(173)	+182
Ordinary income	2,306	(1,286)	(3,593)
Extraordinary gains	0	822	+821
Extraordinary losses	133	448	+315
Net income	970	(1,546)	(2,517)



Summary of the Financial Report for the Six Months ended September 30, 2015

(7) Cash Flows

Unit : Millions of yen

Consolidated Total	1st Half ended Sept. 30, 2014	1st Half ended Sept. 30, 2015	Amount of Change
Cash flows from operating activities	2,927	171	(2,755)
Depreciation expenses	3,468	3,688	+219
Amortization of goodwill	906	1,368	+461
Cash flows from investing activities	(5,364)	(29,563)	(24,199)
Capital expenditure	(5,420)	(9,151)	(3,730)
Acquisition of shares	(298)	(21,466)	(21,168)
Sales of assets	30	1,298	+1,267
Cash flows from financing activities	(471)	26,708	+27,180
Interest-bearing debt	110,590	152,768	+42,177
Year-end cash balance	12,350	20,001	+7,650

Note : Interest-bearing debt: 125,081 million yen (as of March 31, 2015)

Cash balance: 22,717 million yen (as of March 31, 2015)

Cash flows from operating activities :

Decrease of revenue and of trade payables for certain business companies

Cash flows from investing activities :

Acquisition of shares of Sony Supply Chain Solutions and Prime Cargo, Repairing cost for real estate segment, capital expenditure for warehouses in Indonesia



Detailed Forecast for FY2016

(1) Performance Overview

Unit : Millions of yen

Consolidated Total	FY2015 (Apr.2014- Mar.2015)			FY2016 Forecast (Apr.2015- Mar.2016)	Amount of Change	Percentage of Change
		1st Half Results	2nd Half Forecast			
Net revenue	170,486	97,743	112,000	210,000	+39,513	+23.2%
Operating income	6,112	1,380	3,900	5,300	(812)	(13.3)%
Ordinary income	4,308	(1,286)	3,000	1,700	(2,608)	(60.5)%
Net income	1,212	(1,546)	3,200	1,600	+387	+32.0%
Cash flows from operating activities	8,047	171	14,500	14,500	+6,452	+80.2%
Cash flows from investing activities	(14,809)	(29,563)	(18,000)	(47,500)	(32,690)	—
Cash flows from financing activities	12,835	26,708	6,000	32,500	+19,664	+153.2%
Shareholders' equity	68,245	64,881	68,000	68,000	(245)	(0.4)%
Total assets	245,213	276,325	285,000	285,000	+39,786	+16.2%
Shareholders' equity ratio	27.8%	23.5%	23.9%	23.9%	(4.0)%	—



Detailed Forecast for FY2016

(2) Net Revenue and Operating Income

Unit : Millions of yen

Consolidated Total	FY2015 (Apr.2014- Mar.2015)	FY2016 Forecast (Apr.2015- Mar.2016)				FY2016 Forecast (Apr.2015- Mar.2016)	Amount of Change	Percentage of Change
		1st Half Results	3rd Quarter Forecast	4th Quarter Forecast	2nd Half Forecast			
Warehouse	49,514	25,107	12,000	13,000	25,000	50,000	+485	+1.0%
Port terminal	14,815	7,174	4,000	3,500	7,500	14,500	(315)	(2.1)%
Global flow	32,591	19,903	14,500	20,500	35,000	55,000	+22,408	+68.8%
Global express	29,430	11,162	5,500	5,500	11,000	22,000	(7,430)	(25.2)%
Logistics systems	33,610	16,838	9,000	7,500	16,500	33,500	(110)	(0.3)%
BPO	6,879	3,679	2,000	2,000	4,000	7,500	+620	+9.0%
SCS	—	12,491	6,500	5,500	12,000	24,500	+24,500	—
Transport network	—	—	—	6,000	6,000	6,000	+6,000	—
Real estate	10,477	4,735	2,500	2,500	5,000	9,500	(977)	(9.3)%
Elimination and /or corporate	(6,832)	(3,349)	(4,000)	(5,000)	(9,000)	(12,500)	(5,667)	—
Net Revenue	170,486	97,743	52,000	61,000	113,000	210,000	+39,514	+23.2%
Warehouse	950	707	300	350	650	1,350	+399	+42.0%
Port terminal	457	60	250	200	450	550	+92	+20.1%
Global flow	657	150	300	1,000	1,300	1,450	+792	+120.5%
Global express	3,339	839	500	500	1,000	1,800	(1,539)	(46.1)%
Logistics systems	364	592	700	200	900	1,500	+1,135	+311.8%
BPO	(425)	(262)	200	200	400	200	+625	—
SCS	—	58	250	150	400	450	+450	—
Transport network	—	—	—	250	250	250	+250	—
Real estate	5,872	2,385	1,150	1,150	2,300	4,700	(1,172)	(20.0)%
Joint company expenses	(5,103)	(3,152)	(1,850)	(1,900)	(3,750)	(6,950)	(1,846)	—
Operating Income	6,112	1,380	1,800	2,100	3,900	5,300	(812)	(13.3)%

*Transport network is a new segment which is going to be consolidated from December, 2015.



Detailed Forecast for FY2016

(3) Ordinary Income and Net Income

Unit : Millions of yen

Consolidated Total	FY2015 (Apr.2014- Mar.2015)	FY2016 Forecast (Apr.2015-Mar.2016)			Amount of Change
		1st Half Results	2nd Half Forecast	Total	
Operating income	6,112	1,380	3,900	5,300	(812)
Non-operating income (expenses)	(1,804)	(2,667)	(900)	(3,600)	(1,795)
Financial balance	(712)	(173)	(650)	(800)	(87)
Ordinary income	4,308	(1,286)	3,000	1,700	(2,608)
Extraordinary gains	239	822	2,500	3,300	+3,060
Extraordinary losses	172	448	550	1,000	+827
Net income	1,212	(1,546)	3,200	1,600	+387



Detailed Forecast for FY2016

(4) Financial Forecast

Unit : Millions of yen

Consolidated Total	FY2015 (Apr.2014- Mar.2015)	FY2016 Forecast (Apr.2015-Mar.2016)			Amount of Change
		1st Half Results	2nd Half Forecast	Total	
Cash flows from operating activities	8,047	171	14,500	14,500	+6,452
Depreciation expenses	7,074	3,688	4,300	8,000	+925
Amortization of goodwill	1,813	1,368	1,500	2,800	+986
Cash flows from investing activities	(14,809)	(29,563)	(18,000)	(47,500)	(32,690)
Cash flows from financing activities	12,835	26,708	6,000	32,500	+19,664
Interest-bearing debt	125,081	152,768	165,000	165,000	+39,918
Year-end cash balance	22,717	20,001	22,000	22,000	(717)

Major capital investment: Kisai (Saitama Prefecture), Nishi-Kobe (Hyogo Prefecture) , Indonesia and other large-scale repairing