

**Financial Report for  
the Fiscal Year ended  
March 31, 2017**

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**Supplementary Materials**



**Value Beyond Logistics  
Mitsui-Soko Group**

**May 16, 2017**



## (1) Company Profile

Company name:	MITSUI-SOKO HOLDINGS Co., Ltd.
Representative:	Kei Fujioka, President
Head office:	20-1, Nishi-shimbashi 3-chome, Minato-ku, Tokyo, Japan
Established:	October 11, 1909
Capital:	¥11.1 billion
Number of shares issued:	124,415,013
Number of subsidiaries (consolidated):	40 domestic and 49 overseas (As of March 31, 2017)
Number of employees (consolidated):	9,016 (As of March 31, 2017)
Businesses (consolidated):	Logistics business and Real estate business
Offices (consolidated):	(Domestic) Tokyo, Yokohama, Nagoya, Yokkaichi, Osaka, Kobe, Kitakyushu, Fukuoka (Overseas) U.S.A., Mexico, Brazil, U.K., Belgium, Czech Republic, Turkey, U.A.E., Singapore, Malaysia, Thailand, Indonesia, Vietnam, India, South Africa, Hong Kong, China, Taiwan, South Korea
Assets (consolidated):	¥ 267,677 million (As of March 31, 2017)



## (2) Outline of Mitsui-Soko Group 1

Domestic consolidated subsidiaries: 40, Overseas consolidated subsidiaries: 49,  
Equity-method affiliates: 6, Unconsolidated subsidiaries: 2, Non-equity-method affiliates: 3

Segment	Main Service	Company Names
Logistics Business	Warehouse/ Port terminal	<p><b>Core business company: Mitsui-Soko Co., Ltd.</b> (Consolidated subsidiaries) Mitsui-Soko Kyushu Co., Ltd., IM Express Co., Ltd., Sanso K.K., Toko Maruraku Transportation Co., Ltd., Sanso Kouun Co., Ltd., Sanko Trucking Co., Ltd., Sanei K.K., Mitsunori Corporation, Mitsui Warehouse Terminal Service Co., Ltd., Sanyu Service Co., Ltd., Kobe Sunso Koun Co., Ltd., Sun Transport Co., Ltd., MK Services Co., Ltd., Seiyu Koun Co., Ltd., Hakata Sanso-Butsuryu Co., Ltd., Naha International Container Terminal, Inc.</p>
	Logistics Services Overseas and Combined Transport Business	<p><b>Core business company: Mitsui-Soko International Pte. Ltd.</b> (Consolidated subsidiaries) Mitsui-Soko International Japan Co., Ltd., Mitsui-Soko NEA Co., Ltd., Mitsui-Soko (China) Investment Co., Ltd., Mitex Logistics (Shanghai) Co.,Ltd., MSC Trading(Shanghai) Co.,Ltd., Shanghai MITS Commerce &amp; Trade Co., Ltd., Mitex Shenzhen Logistics Co.,Ltd., Nantong Sinavico International Logistics Co., Ltd., Mitex International(Hong Kong)Ltd., Mitex Multimodal Express Ltd., Noble Business International Ltd., Mitex (Tianjin) Co., Ltd., Mitsui-Soko(Taiwan)Co.,Ltd., Mitsui-Soko(Korea)Co.,Ltd., Mitsui-Soko(Singapore) Pte.Ltd., Mitsui-Soko Southeast Asia Pte.Ltd., Mitsui-Soko(Thailand)Co.,Ltd., Mitsui-Soko(Chiangmai) Co.,Ltd., Mits Logistics(Thailand)Co.,Ltd., Mits Transport(Thailand)Co.,Ltd., MS North Star Logistics Co., Ltd., Mitsui-Soko(Malaysia)Sdn.Bhd., Mitsui-Soko Agencies(Malaysia)Sdn.Bhd., Integrated Mits Sdn.Bhd., PT Mitsui-Soko Indonesia, Mitsui-Soko(Philippines),Inc., Mitsui-Soko(U.S.A.)Inc., Mitsui-Soko(Americas) Inc. , Mitsui-Soko (Mexico) S.A. de C.V., Mitsui-Soko(Europe)s.r.o., PST CLC,a.s., Prime Cargo A/S, Prime Cargo (H.K.) Ltd., Prime Cargo Shanghai Ltd., PC KH ApS, Prime Cargo Poland, Prime Cargo USA Inc., PST Hungary Kft.</p> <p>(Equity-method affiliates) Shanghai Jinjiang Mitsui-Soko International Logistics Co., Ltd., Joint Venture Sunrise Logistics Co., Ltd., AW Rostamani Logistics LLC.</p>



### (3) Outline of Mitsui-Soko Group 2

Segment	Main Service	Company Names
Logistics Business	Air Cargo Transport	Core business company: Mitsui-Soko Express Co., Ltd. (Consolidated subsidiaries) MSE China (Guangzhou) Co., Ltd., MSE Express America, Inc., MSE Express Mexico, S.A. DE C.V., MSE DO Brasil Logistica Ltda., MSE Express (Thailand) Co., Ltd. N.V. MSE Europe S.A., MSE Europe Tasimacilik, Organizasyon, Lojistik Limited Sirketi, MS Express South Africa (Pty) Ltd.
		(Equity-method affiliates) MSE China (Beijing) Co.,Ltd., PT. Puninar MSE Indonesia, MSE Forwarders India Pvt. Ltd.
	3PL	Core business company: Mitsui-Soko Logistics Co., Ltd. (Consolidated subsidiaries) Hokkaimitsui-Soko Logistics Co., Ltd., MS Logitech Service Co., Ltd., Co-next Inc.
	Outsourcing	Core business company: Mitsui-Soko Business Trust Co., Ltd. (Consolidated subsidiaries) Mitsui-Soko Business Partners Co., Ltd.
	Supply chain management support	Core business company: Mitsui-Soko Supply Chain Solutions, Inc. (Consolidated subsidiaries) Logistics Operation Service Co., Ltd., MS Supply Chain Solutions (Thailand) Ltd., MS Supply Chain Solutions (Malaysia) Sdn.Bhd.
	Overland cargo transport	Core business company: Mitsui-Soko Transport Co., Ltd. (Consolidated subsidiaries) Marukyo Transportation Co., Ltd., Marukyo Transportation Co., Ltd. (Cyushikoku) AMT Co., Ltd. , Marukyo Transportation Co., Ltd. (Kyushu), Marukyo Transportation Co., Ltd. (Hiroshima), Marukyo Group Cooperative , Swallow Logistics Co., Ltd., Fujimatsu Unyu Souko Co., Ltd., Marukyo Shokusan Co., Ltd., Kiwa General Service Co., Ltd., Shanghai Marukyo Transportation Co., Ltd., Zhangjiagang Bonded Area Marukyo Transportation & Trade Co., Ltd.
	Other	Mitsui-Soko Bizport Co., Ltd.
Real estate Business	Real estate leasing	Holding company : Mitsui-Soko Holdings Co., Ltd.



## (4) Consolidated Performance

(Millions of yen)

	FY2013 (Apr.2012-Mar.2013)	FY2014 (Apr.2013-Mar.2014)	FY2016 (Apr.2014-Mar.2015)	FY2017 (Apr.2015-Mar.2016)	FY2017 (Apr.2016-Mar.2017)
Net revenue	148,241	161,535	170,486	212,971	225,503
Operating income	5,362	5,494	6,112	3,287	5,823
Ordinary income	3,746	3,806	4,308	912	3,668
Net income	3,166	4,491	1,212	211	(23,427)
Operating profit margin	3.6%	3.4%	3.6%	1.5%	2.6%

Cash flows from operating activities	7,141	13,639	8,047	11,101	12,526
Cash flows from investing activities	(35,745)	(5,339)	(14,809)	(36,019)	(12,872)
Cash flows from financing activities	3,139	(24,012)	12,835	28,826	6,042
Interest-bearing debt	132,148	110,073	125,081	160,781	168,878

Shareholders' equity	54,766	62,618	68,245	61,675	37,709
Total assets	232,872	220,728	245,213	285,939	267,677
ROA	2.5%	2.7%	2.7%	1.4%	2.4%
ROE	6.0%	7.7%	1.9%	0.3%	(47.1)%
Shareholders' equity ratio	23.5%	28.4%	27.8%	21.6%	14.1%

ROA=(Operating income + interest & dividend income)/Total assets

ROE=Net income/Shareholders' equity



## (5) Performance forecast by segments

(Millions of yen)

Consolidated Total		Forecast for FY2018				
				1st Half	2nd Half	Total
		1Q	2Q			
	Logistics Business	52,900	53,800	106,700	109,800	216,500
	Real estate	2,200	2,300	4,500	4,500	9,000
	Elimination	(100)	(100)	(200)	(300)	(500)
	Total	55,000	56,000	111,000	114,000	225,000
	Logistics Business	800	1,400	2,200	3,300	5,500
	Real estate	1,200	1,300	2,500	2,500	5,000
	Elimination	(1,000)	(1,000)	(2,000)	(2,000)	(4,000)
	Total	1,000	1,700	2,700	3,800	6,500



## (6) Business Volume in the Logistics Sector (Year-on-Year)

Consolidated basis		Year ended March 31, 2016				Year ended March 31, 2017			
		Mitsui-Soko& Mitsui-Soko Kyushyu	Domestic subsidiaries	Overseas subsidiaries	Consolidated Total	Mitsui-Soko& Mitsui-Soko Kyushyu	Domestic subsidiaries	Overseas subsidiaries	Consolidated Total
Storage in warehouse	Average storage balance (in thousands of tons)	523	33	380	935	496	32	332	860
	Rate of goods turnover	26.9%	30.1%	52.7%	37.9%	27.1%	30.5%	56.9%	38.7%
	Storage area (in thousands of square meters)	688	32	595	1,315	684	32	608	1,324
Handling in warehouse	Incoming (in thousands of tons)	1,690	118	2,381	4,188	1,599	116	2,305	4,021
	Outgoing (in thousands of tons)	1,690	117	2,464	4,272	1,638	116	2,248	4,002
Work at container terminal	Volume handled (in thousands of tons)	27,840	3,874	—	31,714	24,650	3,296	—	27,946
Domestic transport	Volume transported (in thousands of tons)	11,072	593	—	11,665	10,701	584	—	11,285
International transport	Volume transported (in thousands of tons)	1,484	82	238	1,803	1,500	97	282	1,879
Distribution & processing	Sales proceeds (in millions of yen)	394	—	326	720	401	—	307	708

Increase / Decrease Consolidated basis		Year ended March 31, 2016	Details of increase/decrease				Year ended March 31, 2017	
			Mitsui-Soko& Mitsui-Soko Kyushyu	Domestic subsidiaries	Overseas subsidiaries	Total increase/decrease		Ratio of increase/decrease
Storage in warehouse	Average storage balance (in thousands of tons)	935	(27)	(1)	(48)	(75)	(8.0)%	860
	Rate of goods turnover	37.9%	+0.2%	+0.5%	+4.2%	+0.9%	—	38.7%
	Storage area (in thousands of square meters)	1,315	(4)	Δ0	+13	+9	+0.7%	1,324
Handling in warehouse	Incoming (in thousands of tons)	4,188	(91)	(2)	(76)	(168)	(4.0)%	4,021
	Outgoing (in thousands of tons)	4,272	(52)	(1)	(216)	(270)	(6.3)%	4,002
Work at container terminal	Volume handled (in thousands of tons)	31,714	(3,190)	(578)	—	(3,768)	(11.9)%	27,946
Domestic transport	Volume transported (in thousands of tons)	11,665	(371)	(9)	—	(380)	(3.3)%	11,285
International transport	Volume transported (in thousands of tons)	1,803	+16	+15	+44	+75	+4.2%	1,879
Distribution & processing	Sales proceeds (in millions of yen)	720	+8	—	(19)	(12)	(1.6)%	708

\*International transport includes NVO and air transport.

\*Some amounts in International transport are modified due to conformation of account closing month of overseas subsidiaries.



## (7) Business Volume in the Logistics Sector (Half Year)

Consolidated basis		1st Half of FY2017				2nd Half of FY2017			
		Mitsui-Soko& Mitsui-Soko Kyushyu	Domestic subsidiaries	Overseas subsidiaries	Consolidated Total	Mitsui-Soko& Mitsui-Soko Kyushyu	Domestic subsidiaries	Overseas subsidiaries	Consolidated Total
Storage in warehouse	Average storage balance (in thousands of tons)	507	32	324	862	486	32	340	858
	Rate of goods turnover	26.4%	29.7%	59.7%	39.1%	27.8%	31.4%	55.1%	38.7%
	Storage area (in thousands of square meters)	686	32	621	1,339	684	32	608	1,324
Handling in warehouse	Incoming (in thousands of tons)	802	56	1,159	2,017	797	60	1,147	2,004
	Outgoing (in thousands of tons)	806	59	1,161	2,025	832	58	1,087	1,977
Work at container terminal	Volume handled (in thousands of tons)	12,587	1,707	—	14,294	12,063	1,589	—	13,652
Domestic transport	Volume transported (in thousands of tons)	5,339	286	—	5,626	5,362	298	—	5,660
International transport	Volume transported (in thousands of tons)	754	49	152	956	746	48	129	923
Distribution & processing	Sales proceeds (in millions of yen )	199	—	118	317	202	—	189	391

Increase / Decrease Consolidated basis		1st Half				2nd Half			
		Mitsui-Soko& Mitsui-Soko Kyushyu	Domestic subsidiaries	Overseas subsidiaries	Consolidated Total	Mitsui-Soko& Mitsui-Soko Kyushyu	Domestic subsidiaries	Overseas subsidiaries	Consolidated Total
Storage in warehouse	Average storage balance (in thousands of tons)	(18)	(1)	(60)	(79)	(35)	(1)	(35)	(71)
	Rate of goods turnover	(0.7)%	+0.6%	+12.7%	+3.7%	+1.0%	+0.4%	(3.5)%	(1.1)%
	Storage area (in thousands of square meters)	(25)	(0)	+42	+17	(4)	—	+13	+9
Handling in warehouse	Incoming (in thousands of tons)	(57)	(1)	+101	+42	(34)	(0)	(176)	(210)
	Outgoing (in thousands of tons)	(36)	+2	+9	(25)	(16)	(3)	(225)	(245)
Work at container terminal	Volume handled (in thousands of tons)	(988)	(281)	—	(1,269)	(2,202)	(298)	—	(2,500)
Domestic transport	Volume transported (in thousands of tons)	(223)	+10	—	(214)	(147)	(19)	—	(166)
International transport	Volume transported (in thousands of tons)	+57	+11	+47	+114	(40)	+4	(3)	(39)
Distribution & processing	Sales proceeds (in millions of yen)	+21	—	(74)	(53)	(13)	—	+54	+41

\*International transport includes NVO and air transport.

\*Some amounts in International transport are modified due to conformation of account closing month of overseas subsidiaries.





## (8) Business Volume in the Logistics Sector by Segments

	Warehouse					Port terminal operations		Global flow/ Global express/ BPO				
Storage & handling in warehouse	(1,000 tons)							(1,000 tons)				
		Incoming	Outgoing	Av. Balance	Turnover			Global flow				
	FY2017	1,706	1,741	482	29.7%				Incoming	Outgoing	Av. Balance	Turnover
	FY2016	1,769	1,771	501	29.5%				2,305	2,248	332	57.6%
	Incoming	Outgoing	Av. Balance	Turnover			Global flow					
FY2017/ FY2016	(63)	(30)	(19)	0.3				Incoming	Outgoing	Av. Balance	Turnover	
	(3.6)%	(1.7)%	(3.8)%	—				(28)	(140)	(39)	+ 4.8%	
								(1.2)%	(5.9)%	(10.5)%	—	
Transportation	(No. of containers)					(No. of containers)		Global flow (TEU) Global express (Tons)				
		Overland					Overland	Japan IN/OUT		Overseas IN/OUT	Japan IN/OUT	Air cargo
	FY2017	197,510				FY2017	30,134	FY2017	54,463	18,626	41,257	55,626
	FY2016	197,538				FY2016	45,361	FY2016	55,954	16,442	31,784	50,142
	Overland					Overland	Japan IN/OUT		Overseas IN/OUT	Japan IN/OUT	Air cargo	
FY2017/ FY2016	(28)				FY2017/ FY2016	(15,227)	FY2017/ FY2016	(1,491)	+ 2,185	+ 9,473	+ 5,483	
	(0.0)%					(33.6)%		(2.7)%	+ 13.3%	+ 29.8%	+ 10.9%	
Port terminal operations	(1,000 tons)					(TEU)		<div style="border: 1px solid black; padding: 5px; background-color: #e0f0ff;">           FY2017: year ended March 31, 2017            FY2016: year ended March 31, 2016         </div>				
		Import	Export				Terminal					
	FY2017	808	1,866			FY2017	894,733					
	FY2016	880	1,767			FY2016	981,181					
	Import	Export				Terminal						
FY2017/ FY2016	(71)	+ 99			FY2017/ FY2016	(86,448)						
	(8.1)%	+ 5.6%				(8.8)%						
Others	Customs (No. of cases)					Agency (TEU)		BPO (1,000 boxes)		(1,000 orders)		
		Import	Export				Booking Handling		No. of boxes (end balance)	File management	Dispatch	
	FY2017	64,363	69,753			FY2017	124,770	FY2017	6,538	1,195,158	7,735	
	FY2016	63,686	78,932			FY2016	130,754	FY2016	5,597	1,161,131	5,637	
	Import	Export				Booking Handling		No. of boxes (end balance)	File management	Dispatch		
FY2017/ FY2016	+ 677	(9,179)			FY2017/ FY2016	(5,984)	FY2017/ FY2016	+ 941	+ 34,027	+ 2,098		
	+ 1.1%	(11.6)%				(4.6)%		+ 16.8%	+ 2.9%	+ 37.2%		

\* Some of the units are modified.

\* Some amounts in Global flow are modified due to conformation of account closing month of overseas subsidiaries.



## (9) List of Cargo Volume in Warehouse

### 1.Storage balance

	Mar.31,2013	Mar.31,2014	Mar.31,2015	Mar.31,2016	Mar.31,2017
Tons (1,000 tons)	483	476	511	511	472
Amount (Millions of yen)	282,292	320,031	346,649	368,619	344,325

### 2.Change in monthly balance (April 1, 2016-March 31, 2017)

	30-Apr	31-May	30-Jun	31-Jul	31-Aug	30-Sep
Tons (1,000 tons)	507	513	507	500	506	508
Amount (Millions of yen)	339,037	345,318	349,802	342,076	342,289	346,329

	31-Oct	30-Nov	31-Dec	31-Jan	29-Feb	31-Mar
Tons (1,000 tons)	495	487	490	490	482	472
Amount (Millions of yen)	345,252	331,850	338,269	337,100	348,036	344,325

### 3.Warehouse volume

		FY2013	FY2014	FY2016	FY2017	FY2018
Tons (1,000 tons)	Apr-Sep	898	883	915	859	802
	Oct-Mar	883	859	869	830	797
	Total	1,781	1,742	1,784	1,690	1,599
Amount (Millions of yen)	Apr-Sep	378,674	530,752	619,969	616,863	540,081
	Oct-Mar	413,928	576,764	610,729	604,723	549,899
	Total	792,602	1,107,516	1,230,698	1,221,586	1,089,980

### 4.Turnover rate

		FY2013	FY2014	FY2016	FY2017	FY2018
Tons	Apr-Sep	29.7%	29.9%	29.9%	26.9%	26.4%
	Oct-Mar	30.2%	29.8%	28.0%	26.8%	27.8%
	Total	30.0%	29.9%	29.0%	26.8%	27.1%
Amount	Apr-Sep	19.6%	29.0%	28.6%	28.0%	26.5%
	Oct-Mar	23.0%	29.1%	29.5%	27.9%	26.9%
	Total	21.3%	29.1%	29.1%	28.0%	26.7%

### 5.Monthly turnover rate ( April 1, 2016-March 31, 2017)

	30-Apr	31-May	30-Jun	31-Jul	31-Aug	30-Sep
Tons	26.8%	24.7%	26.5%	26.2%	27.3%	27.1%
Amount	30.8%	24.8%	29.1%	23.7%	24.9%	25.9%

	31-Oct	30-Nov	31-Dec	31-Jan	29-Feb	31-Mar
Tons	26.1%	28.0%	29.1%	26.0%	26.1%	31.4%
Amount	25.1%	24.2%	28.1%	27.9%	27.2%	29.1%

### 6.Warehouse floor space (Storage area)

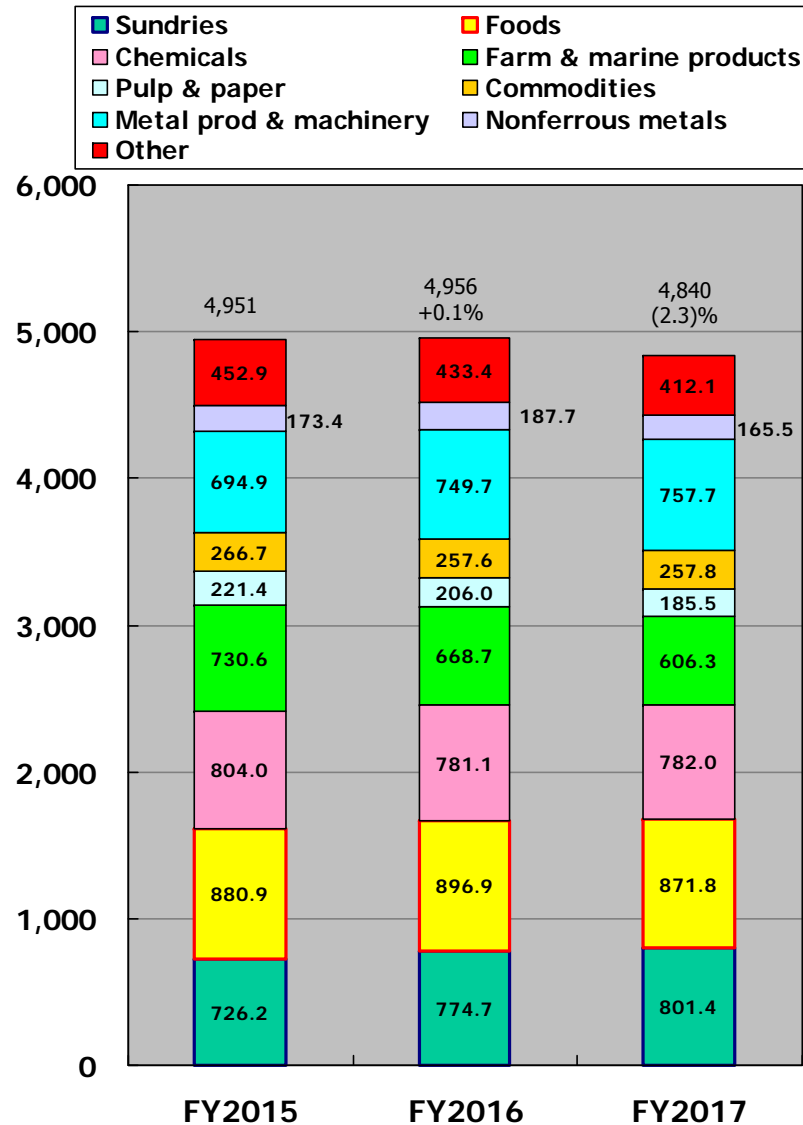
	Mar.31 2013	Mar.31 2014	Mar.31 2015	Mar.31 2016	Mar.31 2017
Area (1,000 sq. meters)	674	683	685	688	684

(The amount composed of Mitsui-Soko Co., Ltd., Mitsui-Soko Kyushu Co., Ltd., Mitsui-Soko Business Trust Co., Ltd.)

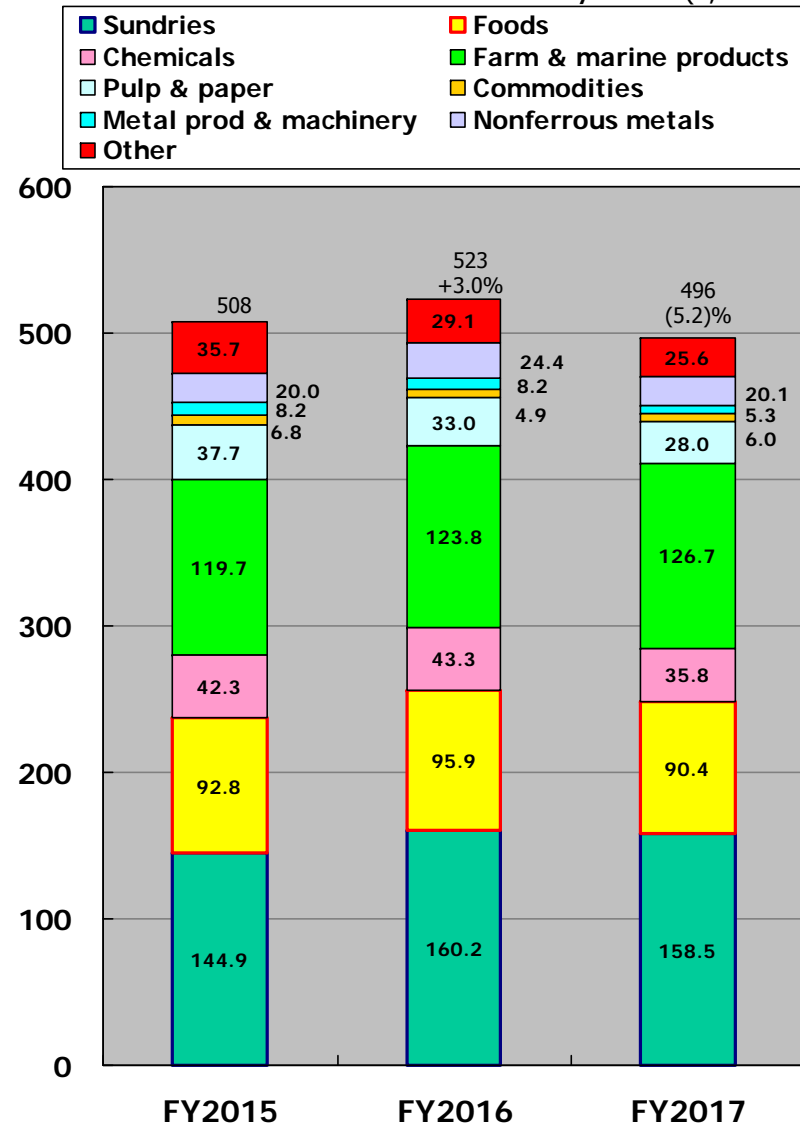


## (10) Handling Volume (Yearly Average Storage Balance, Tons)

21 main companies in Japan (1,000 Tons)



Mitsui-Soko & Mitsui-Soko Kyushu (1,000 Tons)



\*Statistics for 21 main companies in Japan are based on figures up to Aug. 2016.

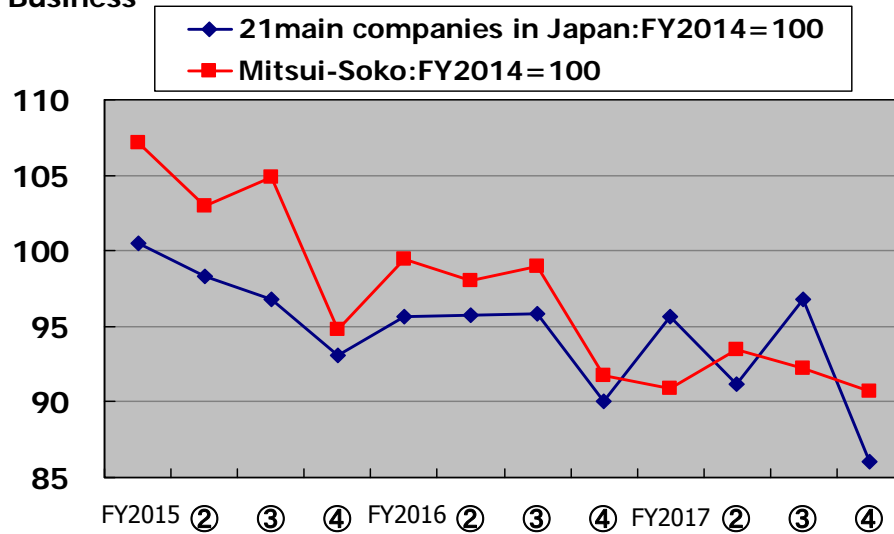
\*The amount composed of Mitsui-Soko Co., Ltd., Mitsui-Soko Kyushu Co., Ltd. and Mitsui-Soko Business Trust Co., Ltd.



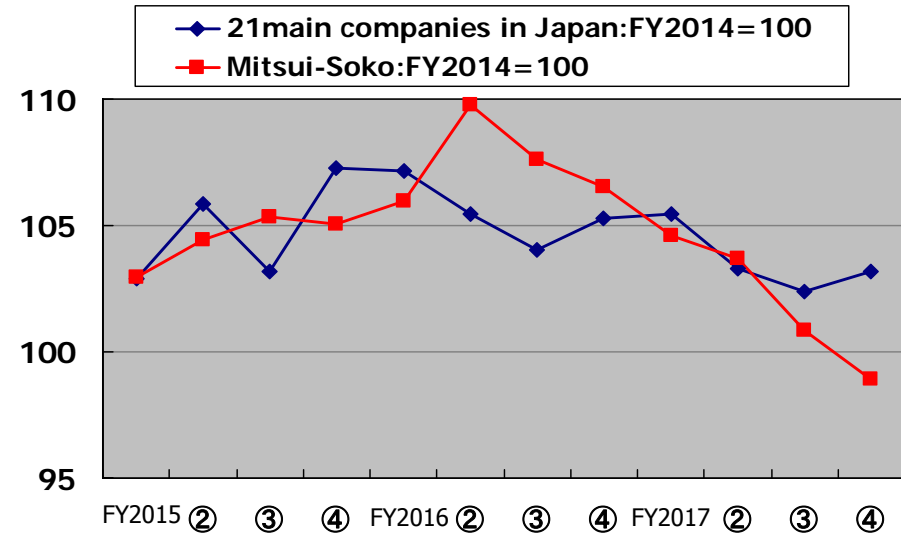
# (11) Yearly Business Volume

## Warehouse Business

### Receiving Cargo Volume

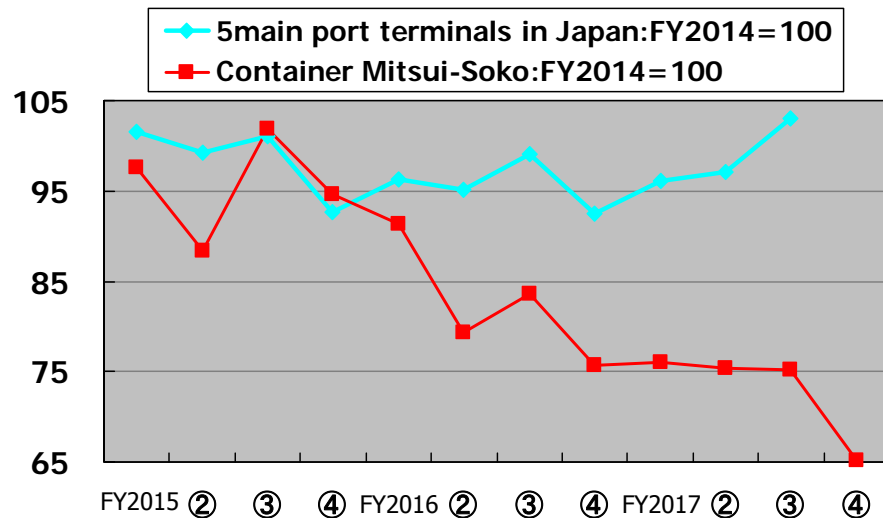


### Storage Volume



## Port Terminal Business

### Container Handling Volume



\*Statistics for 21 main companies in Japan are based on figures up to Feb. 2017.

\*Statistics for 5 main port terminals in Japan are based on figures up to Dec. 2017.

\*FY2017 = Year ended March 31, 2017



## (12) Consolidated Balance Sheet

(Millions of yen)

		Mar. 31, 2016	Mar. 31, 2017	Change	Main factors for change
Current assets	Cash & deposits	26,402	31,822	+ 5,419	
	Notes & accounts receivable	32,324	32,407	+ 83	
	Deferred income taxes	1,336	1,321	(14)	
	Other current assets	9,976	8,703	(1,273)	
	Allowance for doubtful accounts	(92)	(393)	(300)	
Non-current assets	Buildings & structures, net	76,375	74,032	(2,343)	
	Machinery & delivery equipment, net	5,311	4,955	(356)	
	Land	56,803	56,397	(406)	
	Construction in progress	3,466	7,182	+ 3,716	
	Other PP&E, net	2,436	2,343	(92)	
	Goodwill	34,965	10,529	(24,435)	Mitsui-Soko Logistics, Misui-Soko Supply Chain Solutions.
	Other Intangibles, net	7,712	6,620	(1,092)	
	Investment securities	13,275	15,397	+ 2,122	
	Long-term loans	474	513	+ 39	
	Deferred income taxes	1,931	2,198	+ 266	
	Defined benefit asset	3,665	4,267	+ 602	
Other investments	9,806	9,599	(207)		
Allowance for doubtful accounts	(232)	(223)	+ 9		
Current liabilities	Notes & accounts payable	17,850	17,034	(815)	
	Short-term borrowings & current portion of long-term debt	33,446	28,030	(5,415)	
	Accrued income taxes	1,890	1,737	(153)	
	Accrued bonus	2,875	2,835	(40)	
	Other current liabilities	16,064	16,243	+ 178	
Non-current liabilities	Bonds	47,000	40,000	(7,000)	Redemption of the 9th corporate bond.
	Long-term borrowings	80,334	100,847	+ 20,513	
	Deferred income taxes	6,574	7,017	+ 442	
	Defined benefit liability	6,695	6,122	(573)	
	Other noncurrent liabilities	6,523	5,987	(536)	
Common stock	11,100	11,100	—		
Capital surplus	5,563	5,563	—		
Retained earnings	38,889	14,219	(24,669)		
Treasury stock, at cost	(101)	(101)	—		
Unrealized gains on available-for-sale securities	4,829	6,151	+ 1,321		
Deferred gains or losses on hedges	0	0	—		
Foreign currency translation adjustments	1,108	178	(929)		
Remeasurements of defined benefit plans	284	597	+ 312		
Minority interests	5,006	4,110	(895)		
Total liabilities and net assets	285,939	267,677	(18,261)		



## (13) Consolidated Income Statement

(Millions of yen)

		FY2016 (Apr.2015- Mar.2016)	FY2017 (Apr.2016- Mar.2017)	Change	Main factors for change
Net revenue	Storage services	25,408	26,614	+1,205	
	Warehouse handling services	23,094	24,831	+1,736	
	Port terminal services	20,349	18,533	(1,815)	
	Transportation services	91,397	103,588	+12,190	Full year contribution of Marukyo Transportation.
	Real estate	8,970	8,746	(223)	
	Other	43,751	43,189	(562)	
	Total	212,971	225,503	+12,532	
Cost of sales	Direct operation expenses	103,157	107,742	+4,584	
	Lease and rental	16,211	16,392	+180	
	Depreciation expenses	7,048	7,733	+685	
	Taxes and dues	1,894	2,289	+395	
	Salaries & benefits	27,541	30,956	+3,415	
	Provision for accrued bonuses	1,360	1,562	+201	
	Retirement benefit cost	575	447	(128)	
	Other	30,027	31,569	+1,542	
	Total	187,816	198,694	+10,877	
Gross profit		25,155	26,809	+1,654	
SG&A	Remuneration salaries & benefits	5,898	6,151	+252	
	Provision for accrued bonuses	1,623	1,559	(64)	
	Retirement benefit cost	261	263	+1	
	Depreciation expenses	1,197	1,045	(152)	
	Amortization of goodwill	2,969	2,753	(215)	
	Taxes and dues	441	499	+58	
	Other	9,474	8,713	(761)	
	Total	21,867	20,986	(880)	
Operating income		3,287	5,823	+2,535	
Nonoperating income	Interest and dividends	763	500	(263)	
	Equity in earnings of nonconsolidated subsidiaries and affiliates	65	89	+23	
	Compensation income	92	207	+115	
	Other	506	723	+217	
Nonoperating expenses	Commission fee	500	361	(138)	
	Interest expenses	1,363	1,444	+81	
	Foreign exchange loss	691	865	+174	
	Taxes and dues	548	56	(491)	
	Other	699	946	+246	
Ordinary income		912	3,668	+2,756	
Extraordinary gains	Gain on abolishment of retirement benefit plan	—	218	+218	
	Gain on negative goodwill	1,704	—	(1,704)	Acquisition of Marukyo Transportation in FY2016.
	Gain on sales of securities	951	0	(950)	
	Gain on sales of fixed assets	1,177	—	(1,177)	
	Total	3,832	218	(3,614)	
Extraordinary losses	Acquisition related loss	291	—	(291)	
	Impairment loss	1,424	25,478	+24,053	
	Other	214	107	(107)	
	Total	1,930	25,585	+23,654	
Income(loss) before income taxes		2,814	(21,697)	(24,512)	
Income taxes - current		2,758	2,718	(40)	
Income taxes - deferred		(108)	(418)	(310)	
Minority interests		(47)	(569)	(522)	
Net income(loss)		211	(23,427)	(23,639)	



## (14) Consolidated Cash Flows

(Millions of yen)

	FY2016 (Apr.2015- Mar.2016)	FY2017 (Apr.2016- Mar.2017)	Change	Main factors for change	
Operating activities	Income before income taxes	2,814	(21,697)	(24,512)	
	Depreciation expenses	8,246	8,778	+ 532	
	Amortization of goodwill	2,969	2,753	(215)	
	Gain on negative goodwill	(1,704)	—	+ 1,704	
	Impairment loss	1,424	25,478	+ 24,053	
	Change in allowance for doubtful accounts	(32)	303	+ 335	
	Change in accrued bonus	88	(31)	(120)	
	Change in accrued pension and severance costs	562	(577)	(1,139)	
	Interest & dividend income	(763)	(500)	+ 263	
	Interest expense	1,363	1,444	+ 81	
	Equity in earnings of nonconsolidated subsidiaries and affiliates	(65)	(89)	(23)	
	Gain(loss) on sales of PP&E	(1,236)	(59)	+ 1,176	
	Gain(loss) on disposal of PP&E	119	96	(23)	
	Gain(loss) on investment securities	(951)	(0)	+ 950	
	Gain(loss) on write-down of securities	87	—	(87)	
	Change in trade receivables	3,748	(497)	(4,246)	
	Change in trade payables	(2,703)	(590)	+ 2,113	
	Other, net	265	1,661	+ 1,395	
	Interest & dividend received	830	568	(262)	
	Interest paid	(1,267)	(1,468)	(201)	
Income taxes paid	(2,695)	(3,045)	(349)		
Cash flows from operating activities	11,101	12,526	+ 1,425		
Investing activities	Payments for purchases of non-current assets	(14,436)	(12,978)	+ 1,457	
	Proceeds from sales of non-current assets	5,570	88	(5,481)	
	Payments for purchases of investment securities	(14)	(355)	(341)	
	Proceeds from sales of investment securities	2,400	11	(2,389)	
	Payments for loans extended	(71)	(58)	+ 13	
	Proceeds from loans collected	166	24	(142)	
	Payments for acquisition of subsidiaries' shares, resulting in consolidation scope change	(21,944)	—	+ 21,944	Acquisition of shares of MSCS & Prime Cargo in FY2016.
	Proceeds from acquisition of subsidiaries' shares, resulting in consolidation scope change	79	—	(79)	
	Payments for time deposits	(954)	(1,210)	(255)	
	Proceeds from transfer of time deposits	763	1,606	+ 842	
	Payments for business transfer	(7,577)	—	+ 7,577	Related to MSCS in FY2016.
Cash flows from investing activities	(36,019)	(12,872)	+ 23,146		
Financing activities	Proceeds from short-term borrowings	159,606	37,977	(121,629)	
	Payments for short-term borrowings	(158,785)	(39,237)	+ 119,547	
	Proceeds from long-term borrowings	52,184	39,034	(13,150)	
	Payments for long-term borrowings	(15,360)	(19,540)	(4,179)	
	Corporate bonds redeemed	(7,000)	(10,000)	(3,000)	
	Payments for purchase of treasury stock	(0)	(0)	—	
	Dividends paid	(1,241)	(1,241)	—	
	Other, net	(576)	(948)	(371)	
Cash flows from financing activities	28,826	6,042	(22,784)		
Translation adjustments on cash and cash equivalents	(1,625)	194	+ 1,819		
Net increase in cash and cash equivalents	2,283	5,890	+ 3,606		
Cash and cash equivalents at the beginning of the term	22,717	25,000	+ 2,283		
Cash and cash equivalents at the end of the term	25,000	30,891	+ 5,890		