

**Financial Report for
the Six Months ended
September 30, 2016**

Supplementary Materials



**Value Beyond Logistics
Mitsui-Soko Group**

November 9, 2016



(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 48 overseas (As of September 30, 2016)
Number of employees (consolidated):	9,086 (As of September 30, 2016)
Businesses (consolidated):	Logistics business (Warehouse, Port terminal, Global flow, Global express, Logistics systems, BPO, Supply chain solution, Transport network) 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):	¥ 275,637 million (As of September 30, 2016)



(2) Outline of Mitsui-Soko Group 1

Domestic consolidated subsidiaries: 40, Overseas consolidated subsidiaries: 48,
Equity-method affiliates: 6, Unconsolidated subsidiaries: 2, Non-equity-method affiliates: 3

Segment	Main Service	Company Names
Logistics Business	Warehouse/ Port terminal	<p>Core business company: Mitsui-Soko Co., Ltd.</p> <p>(Consolidated subsidiaries)</p> <p>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>Core business company: Mitsui-Soko International Pte. Ltd.</p> <p>(Consolidated subsidiaries)</p> <p>Mitsui-Soko International Japan Co., Ltd., Mitsui-Soko North East Asia Co., Ltd., Mitsui-Soko (China) Investment Co., Ltd., Mitex Logistics (Shanghai) Co.,Ltd., MSC Trading(Shanghai) Co.,Ltd., Shanghai MITS Commerce & 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., North Star Logistics Company Limited, 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.) Limited, Prime Cargo Shanghai Ltd., PC KH ApS, Prime Cargo Poland, PST Hungary Kft.</p> <p>(Equity-method affiliates)</p> <p>Shanghai Jinjiang Mitsui-Soko International Logistics Co., Ltd., JV 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 Express Do Brasil Participacoes 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 Co., Ltd.	
	(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., Zhangjiagang Bonded Area Marukyo Transportation & Trade Co., Ltd., Shanghai Marukyo Transportation Co., Ltd.	
Other	Mitsui-Soko Bizport Co., Ltd.	
Real estate Business	Real estate leasing	Holding company : Mitsui-Soko Holdings Co., Ltd.



(4) Performance by segments

(Millions of yen)

Consolidated Total		FY2016			Forecast for FY2017		
		1st Half	2nd Half	Total	1st Half	2nd Half Forecast	Total
Net Revenue	Logistics Business	93,265	110,607	203,872	107,439	108,600	216,000
	Real Estate Business	4,735	4,879	9,614	4,697	4,700	9,500
	Elimination and /or corporate	(257)	(257)	(515)	(323)	(300)	(500)
	Total	97,743	115,228	212,971	111,813	113,000	225,000
Operating Income	Logistics Business	786	1,344	2,130	1,644	2,900	4,600
	Real Estate Business	2,385	2,531	4,916	2,508	2,200	4,700
	Joint company expenses	(1,775)	(1,983)	(3,759)	(1,819)	(2,000)	(3,800)
	Total	1,396	1,891	3,287	2,333	3,100	5,500



(5) Business Volume in the Logistics Sector

Consolidated basis		1st Half ended Sept. 30, 2015				1st Half ended Sept. 30, 2016			
		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)	525	33	384	941	507	32	324	862
	Rate of goods turnover	27.1%	29.2%	47.0%	35.4%	26.4%	29.7%	59.7%	39.1%
	Storage area (in thousands of square meters)	711	32	579	1,322	686	32	621	1,339
Handling in warehouse	Incoming (in thousands of tons)	859	57	1,058	1,975	802	56	1,159	2,017
	Outgoing (in thousands of tons)	842	57	1,152	2,050	806	59	1,161	2,025
Work at container terminal	Volume handled (in thousands of tons)	13,575	1,987	—	15,563	12,587	1,707	—	14,294
Domestic transport	Volume transported (in thousands of tons)	5,563	276	—	5,839	5,339	286	—	5,626
International transport	Volume transported (in thousands of tons)	698	38	106	842	754	49	152	956
Distribution & processing	Sales proceeds (in millions of yen)	178	—	192	370	199	—	118	317

Increase / Decrease Consolidated basis		1st Half ended Sept., 2015	Details of increase/decrease					1st Half ended Sept., 2016
			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)	941	(18)	(1)	(60)	(79)	(8.4)%	862
	Rate of goods turnover	35.4%	(0.7)%	+0.6%	+12.7%	+3.7%	—	39.1%
	Storage area (in thousands of square meters)	1,322	(25)	(0)	+42	+17	+1.3%	1,339
Handling in warehouse	Incoming (in thousands of tons)	1,975	(57)	(1)	+101	+42	+2.1%	2,017
	Outgoing (in thousands of tons)	2,050	(36)	+2	+9	(25)	(1.2)%	2,025
Work at container terminal	Volume handled (in thousands of tons)	15,563	(988)	(281)	—	(1,269)	(8.2)%	14,294
Domestic transport	Volume transported (in thousands of tons)	5,839	(223)	+10	—	(214)	(3.7)%	5,626
International transport	Volume transported (in thousands of tons)	842	+57	+11	+47	+114	+13.6%	956
Distribution & processing	Sales proceeds (in millions of yen)	370	+21	—	(74)	(53)	(14.3)%	317

*International transport includes NVO and air transport.

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



(6) 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				
	1st Half FY2017	854	856	490	29.1%			Incoming	Outgoing	Av. Balance	Turnover	
	1st Half FY2016	884	865	495	29.5%			1st Half FY2017	1,159	1,161	324	59.7%
	Incoming	Outgoing	Av. Balance	Turnover			Global express/ BPO					
1st Half FY2017/	(30)	(9)	(5)	(0.5)			Incoming	Outgoing	Av. Balance	Turnover		
1st Half FY2016	(3.4)%	(1.1)%	(1.0)%	—			1st Half FY2017/	+101	+9	(60)	+12.7%	
							1st Half FY2016	+9.5%	+0.8%	(15.7)%	—	
Transportation	(No. of containers)				(No. of containers)		Global flow (TEU) Global express (Tons)					
			Overland				Japan IN/OUT		Overseas IN/OUT		Japan IN/OUT Air cargo	
	1st Half FY2017		96,290		1st Half FY2017		17,758		1st Half FY2017		27,037 9,963 20,300 28,991	
	1st Half FY2016		98,742		1st Half FY2016		26,226		1st Half FY2016		27,807 7,412 14,671 23,528	
		Overland				Overland		Japan IN/OUT		Overseas IN/OUT Japan IN/OUT Air cargo		
1st Half FY2017/		(2,452)		1st Half FY2017/		(8,468)		1st Half FY2017/		(770) +2,551 +5,629 +5,463		
1st Half FY2016		(2.5)%		1st Half FY2016		(32.3)%		1st Half FY2016		(2.8)% +34.4% +38.4% +23.2%		
Port terminal operations	(1,000 tons)				(TEU)		FY2017: year ending March 31, 2017 FY2016: year ended March 31, 2016					
			Import		Terminal							
	1st Half FY2017		419 912		1st Half FY2017						457,602	
	1st Half FY2016		490 883		1st Half FY2016						496,138	
		Import		Terminal								
1st Half FY2017/		(71) +29		1st Half FY2017/		(38,536)						
1st Half FY2016		(14.5)% +3.3%		1st Half FY2016		(7.8)%						
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			
	1st Half FY2017		31,467 35,895		1st Half FY2017		61,315		1st Half FY2017		6,113 591,685 3,265	
	1st Half FY2016		32,294 41,720		1st Half FY2016		63,987		1st Half FY2016		5,164 583,172 2,679	
		Import		Export		Booking Handling		No. of boxes (end balance) File management Dispatch				
1st Half FY2017/		(827) (5,825)		1st Half FY2017/		(2,672)		1st Half FY2017/		+949 +8,513 +586		
1st Half FY2016		(2.6)% (14.0)%		1st Half FY2016		(4.2)%		1st Half FY2016		+18.4% +1.5% +21.9%		



(7) List of Cargo Volume in Warehouse

1.Storage balance

	Mar.31,2011	Mar.31,2012	Mar.31,2013	Mar.31,2014	Mar.31,2015	Mar.31,2016
Tons (1,000 tons)	439	484	483	476	511	511
Amount (Millions of yen)	262,441	304,725	282,292	320,031	346,649	368,619

	Sep.30,2011	Sep.30,2012	Sep.30 2013	Sep.30 2014	Sep.30 2015	Sep.30 2016
Tons (1,000 tons)	477	504	492	505	529	508
Amount (Millions of yen)	282,765	320,464	296,404	361,539	373,872	346,329

2.Change in monthly balance (April 1, 2016-September 30, 2016)

	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

3.Receiving volume

		FY2013	FY2014	FY2015	FY2016	FY2017
Tons (1,000 tons)	Apr-Sep	898	883	915	859	802
	Oct-Mar	883	859	869	830	—
	Total	1,781	1,742	1,784	1,690	—
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	—
	Total	792,602	1,107,516	1,230,698	1,221,586	—

4.Turnover rate

		FY2013	FY2014	FY2015	FY2016	FY2017
Tons	Apr-Sep	29.7%	29.9%	29.9%	26.9%	26.4%
	Oct-Mar	30.2%	29.8%	28.0%	26.8%	—
	Total	30.0%	29.9%	29.0%	26.8%	—
Amount	Apr-Sep	19.6%	29.0%	28.6%	28.0%	26.5%
	Oct-Mar	23.0%	29.1%	29.5%	27.9%	—
	Total	21.3%	29.1%	29.1%	28.0%	—

5.Monthly turnover rate (April 1, 2016-September 30, 2016)

	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%

6.Warehouse floor space (Storage area)

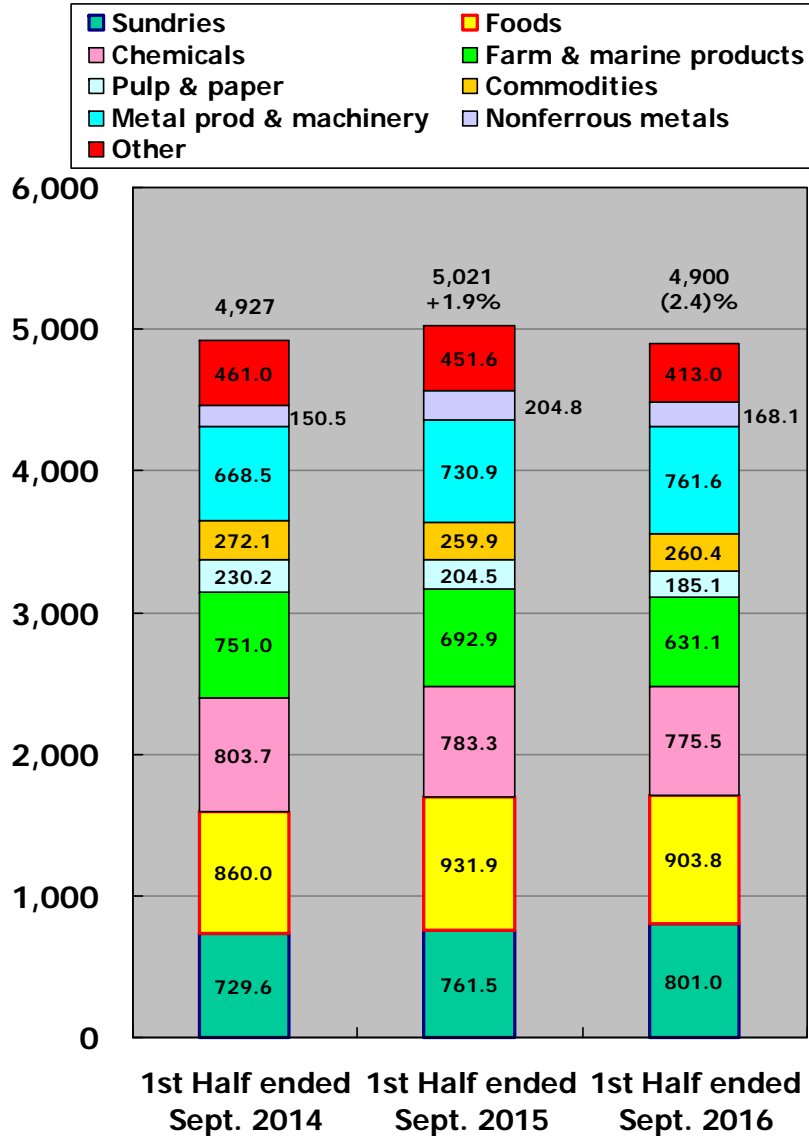
	Mar.31 2012	Mar.31 2013	Mar.31 2014	Mar.31 2015	Mar.31 2016	Sep.30 2016
Area (1,000 sq. meters)	646	674	683	685	688	686

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

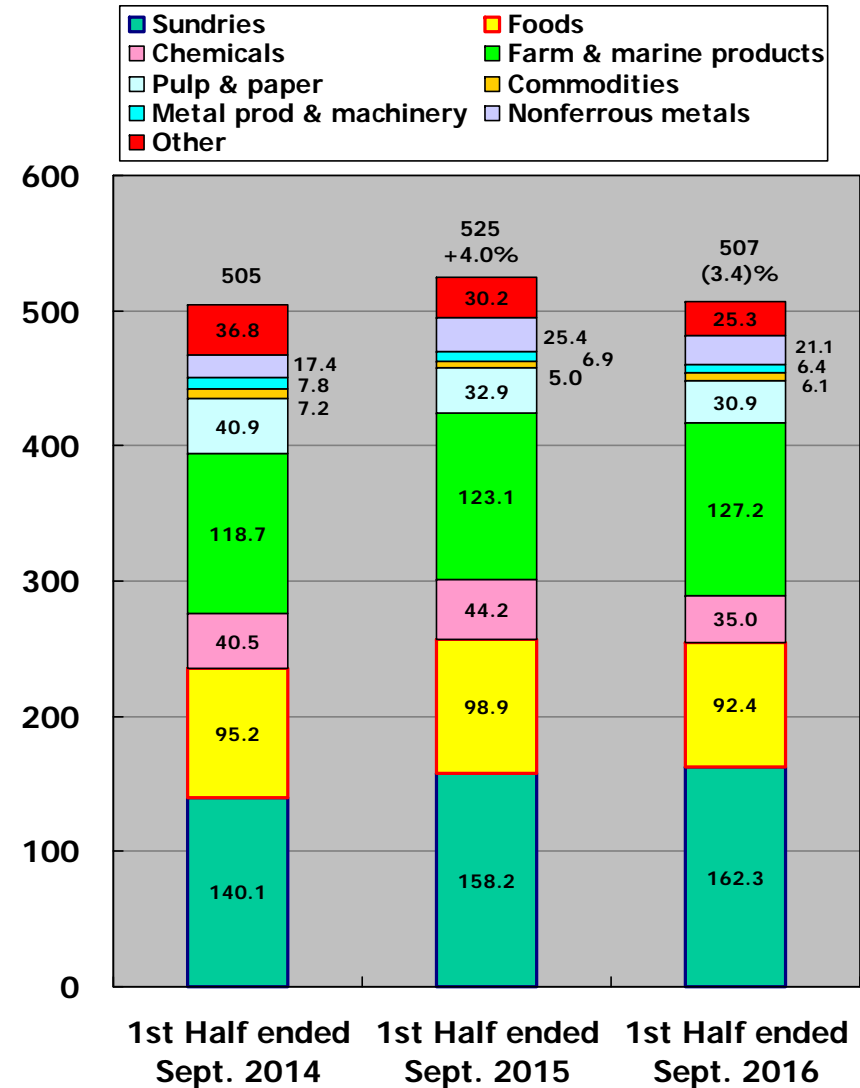


(8) Handling Volume (Average Storage Balance, Tons)

21 main companies in Japan (1,000 Tons)



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

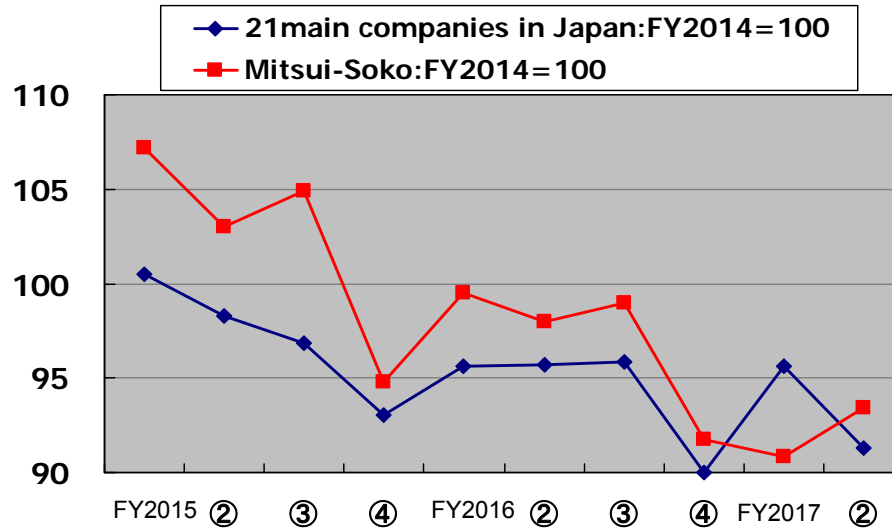


*Statistics for 21 main companies in Japan are based on figures up to Aug. 2016.

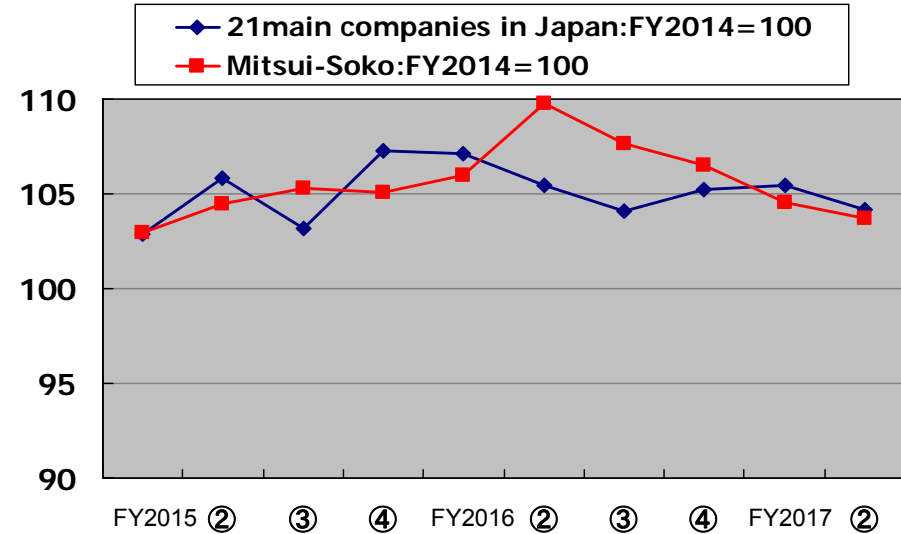


(9) Quarterly Business Volume

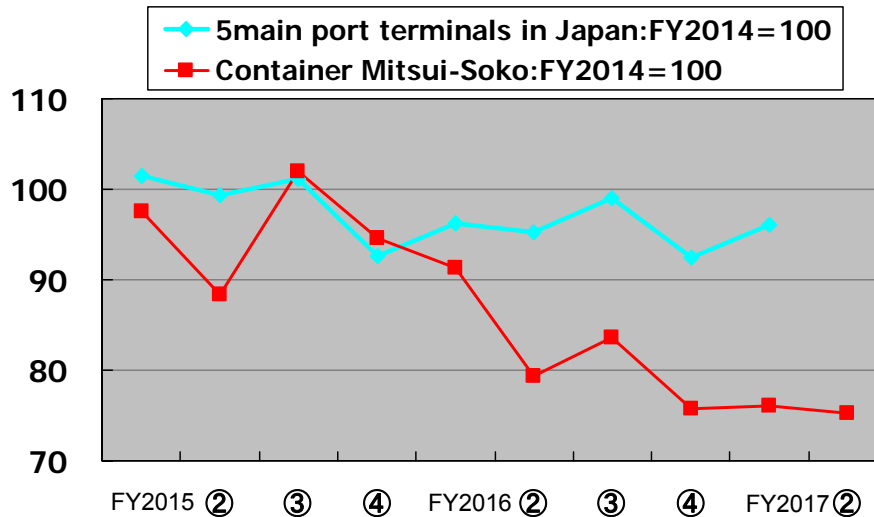
Receiving Cargo Volume



Storage Volume



Container Handling Volume



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

*Statistics for 5 main port terminals in Japan are based on figures up to June 2016.

*FY2017 = year ending March 31, 2017



(10) Consolidated Balance Sheet

(Millions of yen)

	Mar. 31, 2016	Sep. 30, 2016	Change	Main factors for change	
Current assets	Cash & deposits	26,402	24,798	(1,603)	
	Notes & accounts receivable	32,324	30,499	(1,824)	
	Other current assets	11,313	9,646	(1,666)	
	Allowance for doubtful accounts	(92)	(391)	(298)	
Non-current assets	Buildings & structures, net	76,375	75,354	(1,020)	
	Land	56,803	56,508	(295)	
	Other PP&E, net	11,214	11,141	(73)	
	Goodwill	34,965	32,335	(2,629)	
	Other Intangibles, net	7,712	7,294	(418)	
	Investment securities	13,275	13,548	+272	
	Other investments	15,878	15,117	(760)	
Current liabilities	Notes & accounts payable	17,850	15,954	(1,895)	
	Short-term borrowings	7,395	6,792	(603)	
	Current portion of long-term borrowings	16,051	15,681	(369)	
	Current portion of bonds	10,000	7,000	(3,000)	
	Accrued income taxes	1,890	1,230	(660)	
	Accrued bonus	2,875	2,993	+117	
	Other current liabilities	16,064	14,659	(1,405)	
Non-current liabilities	Bonds	47,000	40,000	(7,000)	Redemption of the 11th corporate bond.
	Long-term borrowings	80,334	88,598	+8,263	
	Liability for retirement benefits	6,695	6,267	(428)	
	Other noncurrent liabilities	13,098	12,816	(282)	
Common stock	11,100	11,100	—		
Capital surplus	5,563	5,563	—		
Retained earnings	38,889	38,578	(310)		
Treasury stock, at cost	(101)	(101)	—		
Unrealized gains on available-for-sale securities	4,829	4,869	+39		
Deferred gains or losses on hedges	0	(0)	—		
Foreign currency translation adjustments	1,108	(1,275)	(2,384)		
Defined retirement benefit plans	284	297	+12		
Non-controlling interests	5,006	4,610	(395)		
Total liabilities and net assets	285,939	275,637	(10,302)		



(11) Consolidated Income Statement

(Millions of yen)

		Six months ended Sept., 2015	Six months ended Sept., 2016	Change	Main factors for change
Net revenue	Storage services	11,342	12,665	+1,323	
	Warehouse handling services	10,443	11,864	+1,421	
	Port terminal services	10,242	9,953	(288)	
	Transportation services	39,841	51,705	+11,864	Contribution of Marukyo Group.
	Real estate	4,413	4,373	(39)	
	Other	21,461	21,250	(210)	
	Total	97,743	111,813	+14,069	
Cost of sales	Direct operation expenses	47,762	53,629	+5,867	
	Lease and rental	7,518	8,169	+650	
	Depreciation expenses	3,060	3,745	+685	
	Salaries & benefits	12,978	15,930	+2,951	
	Other	14,877	16,992	+2,114	
Total	86,197	98,466	+12,269		
Gross profit		11,545	13,346	+1,800	
SG&A	Depreciation expenses	627	521	(106)	
	Remuneration salaries & benefits	3,751	3,969	+218	
	Amortization of goodwill	1,353	1,375	+22	
	Other	4,416	5,145	+728	
	Total	10,149	11,012	+863	
Operating income		1,396	2,333	+936	
Nonoperating income	Interest income	78	73	(5)	
	Dividend income	405	214	(190)	
	Equity in earnings of nonconsolidated subsidiaries and affiliates	49	85	+35	
	Other	225	464	+238	
Nonoperating expenses	Interest expenses	658	693	+35	
	Foreign exchange loss	1,798	512	(1,285)	
	Taxes and dues	306	17	(289)	
	Commission fee	269	166	(103)	
Other	393	404	+11		
Ordinary income (loss)		(1,270)	1,376	+2,646	
Extraordinary gains	Gain on termination of retirement benefit plan	—	218	+218	
	Gain on sales of investment securities	822	0	(821)	
	Total	822	218	(604)	
Extraordinary losses	Loss on disposal of fixed assets	46	37	(9)	
	Loss on valuation of gold club membership	—	10	+10	
	Purchase-related expenses	307	—	(307)	
	Unrealized loss of securities	79	—	(79)	
	Other	15	—	(15)	
Total	448	47	(400)		
Income (loss) before income taxes		(897)	1,546	+2,443	
Income taxes - current & deferred		1,164	1,202	+38	
Net income (loss) attributable to non-controlling interests		(611)	205	+816	
Net income (loss) attributable to owners of parent		(1,451)	138	+1,589	



(12) Consolidated Cash Flows

(Millions of yen)

	Six months ended Sept., 2015	Six months ended Sept., 2016	Change	Main factors for change	
Operating activities	Income (loss) before income taxes	(897)	1,546	+2,443	
	Depreciation expenses	3,688	4,267	+579	
	Amortization of goodwill	1,353	1,375	+22	
	Change in allowance for doubtful accounts	(31)	305	+336	
	Change in accrued bonus	89	142	+52	
	Change in liability for retirement benefits	91	(409)	(501)	
	Interest and dividend income	(484)	(287)	+196	
	Interest expense	658	693	+35	
	Equity in earnings of associated companies	(49)	(85)	(35)	
	Gain(loss) on sales of PP&E	(14)	(11)	+3	
	Gain(loss) on sales of securities	(822)	(0)	+821	
	Gain(loss) on disposal of PP&E	42	37	(5)	
	Gain(loss) on write-down of investment securities	79	—	(79)	
	Change in trade receivables	293	515	+222	
	Change in trade payables	(2,293)	(1,171)	+1,122	
	Other, net	447	1,132	+685	
	Interest & dividend received	550	355	(195)	
	Interest paid	(584)	(674)	(90)	
	Income taxes paid	(1,945)	(1,925)	+19	
Cash flows from operating activities	171	5,807	+5,635		
Investing activities	Payments for purchases of investment securities	(3)	(344)	(341)	
	Proceeds from sales of investment securities	1,268	0	(1,268)	
	Payments for purchases of tangible assets	(8,803)	(4,188)	+4,614	
	Proceeds from sales of tangible assets	30	26	(3)	
	Payments for purchases of intangible assets	(348)	(185)	+162	
	Proceeds from sales of intangible assets	—	2	+2	
	Payments for loans extended	(54)	(71)	(17)	
	Proceeds from loans collected	138	26	(112)	
	Payments for time deposits	(715)	(386)	+329	
	Proceeds from transfer of time deposits	386	146	(240)	
	Payments for acquisition of subsidiaries' shares, resulting in consolidation scope change	(13,885)	—	+13,885	Acquisition of shares of MSCS & Prime Cargo in FY2016.
	Payments for transfer of business	(7,577)	—	+7,577	Related to MSCS.
Cash flows from investing activities	(29,563)	(4,973)	+24,589		
Financing activities	Proceeds from short-term borrowings	101,999	23,978	(78,021)	
	Payments for short-term borrowings	(94,991)	(23,999)	+70,991	
	Proceeds from long-term borrowings	34,843	20,069	(14,774)	
	Payments for long-term borrowings	(7,296)	(10,509)	(3,212)	
	Corporate bonds redeemed	(7,000)	(10,000)	(3,000)	
	Payments for purchase of treasury stock	(0)	(0)	—	
	Dividends paid	(620)	(620)	—	
	Other, net	(224)	(885)	(661)	
Cash flows from financing activities	26,708	(1,969)	(28,677)		
Translation adjustments on cash and cash equivalents	(33)	(550)	(517)		
Net increase(decrease) in cash and cash equivalents	(2,716)	(1,686)	+1,029		
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	20,001	23,314	+3,313		