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May 10, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: MITSUI-SOKO HOLDINGS Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9302
 URL: <https://www.mitsui-soko.com/en/>
 Representative: Hirobumi Koga, Representative Director, President & Group CEO
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 Scheduled date of ordinary general meeting of shareholders: June 23, 2022
 Scheduled date to commence dividend payments: June 3, 2022
 Scheduled date to file annual securities report: June 23, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for securities analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2022	301,022	18.7	25,939	46.9	25,553	48.2	14,503	25.6
March 31, 2021	253,559	5.2	17,661	49.6	17,240	63.7	11,549	80.6

Note: Comprehensive income For the fiscal year ended March 31, 2022: ¥22,467 million (43.7%)
 For the fiscal year ended March 31, 2021: ¥15,635 million (373.5%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	583.98	—	20.4	10.3	8.6
March 31, 2021	465.01	—	20.5	7.2	7.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2022: ¥271 million
 For the fiscal year ended March 31, 2021: ¥148 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	258,297	88,631	30.8	3,199.28
March 31, 2021	238,371	68,529	26.3	2,524.44

Reference: Equity capital
 As of March 31, 2022: ¥79,458 million
 As of March 31, 2021: ¥62,697 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	23,123	(7,049)	(17,218)	22,822
March 31, 2021	21,257	803	(21,683)	22,718

2. Cash dividends

	Annual dividends per share					Total dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	–	25.00	–	30.00	55.00	1,365	11.8	2.4
Fiscal year ended March 31, 2022	–	35.00	–	94.00	129.00	3,203	22.1	4.5
Fiscal year ending March 31, 2023 (Forecast)	–	72.00	–	72.00	144.00		30.3	

* The amount of year-end dividend per share for the fiscal year ended March 31, 2022 has been changed from ¥35 to ¥94.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	147,000	5.0	11,000	(5.5)	10,800	(7.9)	6,300	(6.5)	253.66
Fiscal year ending March 31, 2023	290,000	(3.7)	21,000	(19.0)	20,300	(20.6)	11,800	(18.6)	475.11

4. Non-consolidated earnings forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	11,500	(3.1)	4,100	(18.4)	3,900	(18.7)	4,000	(11.6)	161.05
Fiscal year ending March 31, 2023	20,300	(3.0)	5,100	(25.7)	4,600	(24.6)	4,600	(18.5)	185.21

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: –

Excluded: –

(2) Changes in accounting policies, changes in accounting estimates, and restatement

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement: None

* For details, please refer to “Changes in accounting policies” of “(5) Notes to consolidated financial statements” under “5. Consolidated financial statements and significant notes thereto” on page 20 of the attached materials.

(3) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	24,883,002 shares
As of March 31, 2021	24,883,002 shares

b. Number of treasury shares at the end of the period

As of March 31, 2022	46,684 shares
As of March 31, 2021	46,639 shares

c. Average number of shares outstanding during the period

Fiscal year ended March 31, 2022	24,836,324 shares
Fiscal year ended March 31, 2021	24,836,364 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Figures for the forecasts, outlooks, and targets described in this report that are not historical facts are calculated based on the currently available information and uncertain factors that may have an effect on future performance. The actual results may differ from the forecasts. For matters concerning earnings forecasts, please refer to “b. Outlook for the next fiscal year” of “(1) Analysis of operating results” under “1. Overview of operating results and others” on page 2.

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1. Overview of operating results and others

(1) Analysis of operating results

a. Overview of the fiscal year under review

(i) Overall summary

During the fiscal year under review, the Japanese economy saw a gradual trend towards normalization of social and economic activity with the indices of industrial production showing signs of recovery, despite the protracted impact of COVID-19. Meanwhile, in the environment of the logistics industry, it remained difficult to see an end to the global disruption that has enveloped supply chains, despite a recovering trend in imports and exports from the previous fiscal year.

In this economic environment, in the fiscal year under review, which was the final fiscal year of the “Medium-Term Management Plan 2017,” MITSUI-SOKO HOLDINGS Co., Ltd. (the “Company”) and its group companies (the “Group”) worked to achieve sustainable growth through the construction of overwhelming field capabilities and the construction of end-to-end integrated solution service, and responded to customers’ needs to review their supply chains. Through these efforts, the Group achieved significant growth in its earnings, despite the uncertain environment.

The operating situation of the Group included an increase in container handling volume in the freight forwarding and port transportation businesses associated with the recovery in imports and exports. In addition, there was an increase in handling volume driven by a shift from sea transportation to air transportation against the backdrop of a shortage of marine containers, and an increase in the handling volume of air cargo, overseas storage, and transportation services involved in the procurement of components and so forth for maintaining customers’ production. As a result, consolidated operating revenue amounted to ¥301,022 million, up ¥47,462 million year on year, consolidated operating profit was ¥25,939 million, up ¥8,278 million, consolidated ordinary profit was ¥25,553 million, up ¥8,312 million, and profit attributable to owners of parent was ¥14,503 million, up ¥2,954 million, setting a new record-high profit for the second year in a row.

(ii) Segment overview

i) Logistics Business

In addition to an increase in container handling volume in the freight forwarding and port transportation businesses associated with the recovery in imports and exports, there was also a shift from sea transportation to air transportation and a steep rise in airfares associated with supply chain disruption including a shortage of marine containers, an increase in handling volume for air cargo, overseas storage, and transportation services involved in the procurement of components for maintaining customers’ production. Moreover, in areas the Company is focusing on, the Company saw the start of new projects in the solution-type logistics services and the start of new operations in healthcare logistics. Furthermore, handling volumes in home appliance-related logistics also increased due to the demand related to the Tokyo Olympic and Paralympic Games. As a result, operating revenue amounted to ¥292,213 million, up ¥47,568 million year on year, and operating profit was ¥23,734 million, up ¥8,749 million.

ii) Real Estate Business

Operating revenue amounted to ¥9,574 million, down ¥46 million year on year, and operating profit was ¥5,798 million, down ¥34 million, both of which are nearly unchanged from the level as the previous fiscal year.

b. Outlook for the next fiscal year

Under the new five-year plan, Medium-term Management Plan 2022 (from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2027), the Group will achieve further growth as it goes on the offensive with aggressive investment beginning from the plan’s initial fiscal year ending March 31, 2023.

As for the business environment, extraordinary factors are likely to taper off toward the end of the fiscal year, amid a return to normal with respect to increased air cargo handling volume due to a shift away from sea cargo associated with global supply chain disruption along with surging freight costs

associated with tight supply relative to demand. Meanwhile, we anticipate a positive contribution to profits in terms of full-year results from a warehouse dedicated to healthcare logistics newly established during the fiscal year under review and a logistics center for e-commerce and mass merchandisers of consumer electronics also newly established during the fiscal year under review. We also anticipate an increase in handling volume amid robust cargo movement against a backdrop of economic activity returning to normal. The Company has also incurred upfront costs associated with DX investment. As a result of these developments, for the next fiscal year we anticipate consolidated operating revenue of ¥290.0 billion (down 3.7% year on year), consolidated operating profit of ¥21.0 billion (down 19.0%), consolidated ordinary profit of ¥20.3 billion (down 20.6%), and profit attributable to owners of parent of ¥11.8 billion (down 18.6%).

Primary factors of increase and decrease in consolidated operating profit results for the fiscal year under review and forecast for the next fiscal year (Billions of yen)

Consolidated operating profit for the fiscal year ended March 31, 2022		25.9
Tapering off of extraordinary factors	Situation returning to normal with respect to more air cargo and surge in freight costs associated with supply chain disruption	(5.9)
	Subtotal	(5.9)
Strategic investment projects	Full-year contribution of new logistics centers for e-commerce and mass merchandisers of consumer electronics	+0.3
	Full-year contribution of new warehouse dedicated to healthcare logistics	+0.2
	Subtotal	+0.5
Others	Increased handling volume of routine transport services amid robust cargo movement	+1.1
	Upfront systems-related costs incurred in association with DX investment	(0.7)
	Others	+0.1
	Subtotal	+0.5
Consolidated operating profit forecast for the fiscal year ending March 31, 2023		21.0

(2) Analysis of financial position

a. Overview of the fiscal year under review

(i) Overall summary

Total assets as of March 31, 2022 stood at ¥258,297 million, an increase of ¥19,925 million from the end of the previous fiscal year, due mainly to an increase in trade receivables following an increase in operating revenue and acquisition of property, plant and equipment.

Net assets stood at ¥88,631 million, an increase of ¥20,101 million from the end of the previous fiscal year, due mainly to the recording of profit attributable to owners of parent.

(ii) Status of cash flows

Net cash provided by operating activities during the fiscal year ended March 31, 2022 amounted to ¥23,123 million, an increase of ¥1,865 million year on year due to an increase in profit before income taxes.

Net cash used in investing activities amounted to ¥7,049 million, an increase of ¥7,853 million year on year, as a result of paying a part of the construction costs related to Kanto P&M Center Building B, a new warehouse dedicated to healthcare logistics, which is a field the Company is focusing on.

Net cash used in financing activities amounted to ¥17,218 million, a decrease of ¥4,465 million year on year, due mainly to the repayments of borrowings and payment of dividends.

As a result of the above, the balance of cash and cash equivalents as of March 31, 2022 was ¥22,822 million, an increase of ¥104 million from the end of the previous fiscal year.

b. Outlook for the next fiscal year

The Company forecasts net cash provided by operating activities of ¥26.0 billion largely based on profits in the next fiscal year, depreciation, and funds retained from amortization of goodwill. Cash and cash equivalents as of March 31, 2023 are expected to be at the same level as at the end of the fiscal year under review.

c. Changes in cash flow-related indicators

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio (%)	18.8	20.8	26.3	30.8
Equity ratio based on market value (%)	17.9	14.5	22.6	24.1
Interest-bearing debt to cash flow ratio	7.7	6.0	5.1	4.1
Interest coverage ratio	14.1	17.5	21.2	27.1

Notes: Equity ratio: Equity capital/Total assets

Equity ratio based on market value: Market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest payments

- Each of the above indicators are calculated based on consolidated financial figures.
- Market capitalization is calculated as follows: Final stock price at the end of the period x Total number of issued shares at the end of the period (excluding treasury shares).
- The figure used for cash flow is “Net cash provided by (used in) operating activities” on the consolidated statement of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet on which interest is paid. Furthermore, regarding the interest payments, the figure for “Interest paid” on the consolidated statement of cash flows is used.

(3) Basic policy on profit distribution and cash dividends for the fiscal year under review and the next fiscal year

Under the Medium-term Management Plan 2022 (from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2027), the Company’s basic policy on distribution of funds is to achieve both proactive investment and enhanced shareholder returns. For dividends, we have decided on a policy of implementing flexible dividends linked to performance, with a consolidated dividend payout ratio of 30% as our standard.


Pursuant to this policy, for the dividend for the fiscal year under review, we have decided to pay a year-end dividend of ¥94.00 per share for a consolidated dividend payout ratio of around 30% on the second-half earnings, combined with the interim dividend (¥35.00 per share) for an annual dividend of ¥129.00 per share.

Meanwhile, the annual dividend for the next fiscal year has been provisionally set at ¥144.00 per share, consisting of an interim dividend of ¥72.00 per share and a year-end dividend of ¥72.00 per share based on the above dividend policy.

2. Status of the corporate group

The Group consists of the Company, 80 subsidiaries, and 9 associates. The Group's operations consist of the Logistics Business and the Real Estate Business. The Logistics Business organically and efficiently provides various logistics services to its customers, such that include warehousing and cargo handling, port-related work and transport, overseas logistics services, multimodal forwarding, airfreight forwarding, third-party logistics (3PL), supply chain management support, and land transportation. The Real Estate Business is centered on building leases.

The Company's consolidated financial statements encompass the results of 6 associates accounted for using equity method along with 79 consolidated subsidiaries, based on standards for determining materiality. The following depicts the corporate structure as it relates to the business segments.

MITSUI-SOKO Group Domestic consolidated subsidiaries: 37, Foreign consolidated subsidiaries: 42, Associates accounted for using equity method: 6		Customers 
Name of business	Provided services	Company name
Logistics Business	Warehousing, port transportation, and overseas logistics services	Business company: MITSUI-SOKO Co., Ltd. (Other consolidated subsidiaries) Mitsui-Soko Kyushu Co., Ltd., Mitsui-Soko Business Partners 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., Mitsui-Soko NEA Co., Ltd., Mitsui-Soko (China) Investment Co., Ltd., Mitsui-Soko International Pte. Ltd., Mitex Logistics, (Shanghai) Co., Ltd., MSC Trading (Shanghai) Co., Ltd., Shanghai MITS Commerce & Trade Co., Ltd., Mitex Shenzhen 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 Vietnam Co. 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 (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., PST Hungary Kft. (Associates accounted for using equity method) Shanghai Jinjiang Mitsui-Soko International Logistics Co., Ltd., Nantong Sinavico International Logistics Co., Ltd., AW Rostamani Logistics LLC.
	Airfreight forwarding, multimodal forwarding	Business company: MITSUI-SOKO EXPRESS Co., Ltd. (Other 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. (Associates accounted for using equity method) MSE CHINA (BEIJING) CO., LTD., PT. PUNINAR MSE INDONESIA, MSE FORWARDERS INDIA PVT. LTD.
	3PL	Business company: MITSUI-SOKO LOGISTICS Co., Ltd. (Other consolidated subsidiaries) Hokkaimitsui-Soko Logistics Co., Ltd., MS Logitech Service Co., Ltd., Co-next Inc.
	Supply chain management support	Business company: MITSUI-SOKO Supply Chain Solutions, Inc. (Other consolidated subsidiaries) Logistics Operation Service Co., Ltd., MS Supply Chain Solutions (Thailand) Ltd., MS Supply Chain Solutions (Malaysia) Sdn. Bhd.
	Land transportation	Business company: MITSUI-SOKO TRANSPORT Co., Ltd. (Other consolidated subsidiaries) Marukyo Logistics Co., Ltd. (Osaka), Marukyo Logistics Co., Ltd. (Ehime), AMT Co., Ltd., Marukyo Transportation Co., Ltd. (Kyushu), 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.
	Others	Mitsui-Soko Bizport Co., Ltd.
Real Estate Business	Real estate leasing	Holding company (the Company): MITSUI-SOKO HOLDINGS Co., Ltd.
(Unconsolidated subsidiary: 1) Fukumitsu-Shouji Co., Ltd.		(Associates not accounted for using equity method: 3) American Terminal Service Co., Ltd. and others

3. Management policy

Having recognized a need to review its raison d'être as a corporate group in order to achieve a further leap forward and sustainable growth under a rapidly changing business environment, the Group formulated a new "Group Philosophy (Purpose, Vision, Values)" in May 2022, as well as a five-year plan, the "Medium-term Management Plan 2022," starting in the fiscal year ending March 31, 2023 and ending in the fiscal year ending March 31, 2027.

<Group Philosophy>

Going forward, this Group Philosophy will be positioned as the highest management concept. By promoting the new medium-term management plan that we have formulated under this philosophy, we will work to increase corporate value over the medium to long term and build a sustainable society, thereby meeting the expectations of our stakeholders and society.

Purpose (meaning of our existence)

"Empower society, encourage progress"

Vision (what we want to become in the medium- to long-term span)

"The co-creative logistics solutions partner. For everyday, emergency, and always will be"

Values (corporate values and action guidelines)

PRIDE Responsibility and pride in empowering our society

CHALLENGE Strive to create and execute sustainable proposals for both our customers and society

GEMBA Our frontline: The base of potential, power, and progress

RESPECT Embrace diverse ideas, co-create new value

<Medium-term Management Plan 2022>

In our previous Medium-term Management Plan 2017, we positioned the first three years as a reversal period, focusing on strengthening our business profitability and rebuilding our financial base. In the last two years of the plan, we primarily worked on the three key areas for sustainable growth: Construction of Overwhelming Field Capabilities, Establishment of End-to-end Integrated Solution Services, and ESG Management. As a result, we successfully achieved all of our numerical targets, attained the reversal of our business, and laid the foundation for sustainable growth in the future.

Under the new Medium-term Management Plan 2022, we aim to achieve further growth by deepening our efforts to date. As the first-call company that can be trusted by our customers, we will go on the offensive with aggressive investment, focusing on the three pillars of our growth strategy: Top-line Growth by Mobilizing the Group's Collective Strength, Reinforcement of Operational Competitiveness, and Building Management Foundations to Support the Deepening.

Growth Strategy

- a. Top-line Growth by Mobilizing the Group's Collective Strength
We will promote a deepening of our integrated solution services, which is our unique business model, expanding our sustainability-oriented business with our competitive abilities to make and execute proposals, and digging deeper into our inter-industry operations by making the most of the Group's broad customer base and various logistics features.
- b. Reinforcement of Operational Competitiveness
By deepening our efforts toward thorough standardization, we will realize our "overwhelming field capabilities" that combine the power of people with the power of technology. We also aim to secure a competitive advantage by improving the quality of our operations, and furthermore, to improve profitability by lowering the cost of operations.
- c. Building Management Foundation to Support the Deepening
We will strengthen our management base in the following four aspects:

DX	Transformation of business models and reform of corporate culture
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Co-creation	Creation of mechanisms to generate innovation and the strengthening of alliances with various platformers
Business Assets	Development of new office buildings and logistics facilities, enhancement of the asset value of existing facilities, and the improvement of the work environment
ESG	Reinforcement of efforts to realize a decarbonized society, an expansion of investment in human capital, and the enhancement of governance

Financial Strategy

In the Medium-term Management Plan 2017, we restrained investment and reduced interest-bearing debt in order to rebuild our financial base. In the Medium-term Management Plan 2022, we aim to achieve both proactive investment and enhanced shareholder returns based on the financial base and profitability established in the previous medium-term management plan.

- Make an investment of ¥130 billion in total.
 - ¥100 billion for strategic investment in growth areas, such as DX investment, investment in new equipment (physical distribution/real estate), and M&A
 - ¥30 billion for ordinary investment (investment in maintenance/renewal of existing facilities)
- Strengthen shareholder returns based on a payout ratio of 30%.
- Procure and operate based on the optimal debt-to-equity ratio of 1.0.
- Set a target of return of equity (ROE) of over 12%, aiming to maintain a high level of capital efficiency.

Numerical Targets (End of March 31, 2027)

(Billions of yen)

Operating revenue	350
Operating profit	23
Operating cash flow	30

4. Basic concept regarding selection of accounting standards

The Group has adopted Japanese GAAP for the time being, but has been considering the possibility of adopting the International Financial Reporting Standards (IFRS) in view of the trend toward adopting the IFRS in Japan.

5. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	23,225	23,109
Trade notes and accounts receivable	32,402	–
Trade notes and accounts receivable, and contract assets	–	41,155
Inventories	843	2,045
Other	6,991	11,112
Allowance for doubtful accounts	(55)	(67)
Total current assets	63,407	77,354
Non-current assets		
Property, plant and equipment		
Buildings and structures	205,346	214,242
Accumulated depreciation	*6 (135,136)	*6 (140,632)
Buildings and structures, net	*2 70,209	*2 73,609
Machinery, equipment and vehicles	25,110	27,524
Accumulated depreciation	*6 (20,848)	*6 (21,803)
Machinery, equipment and vehicles, net	4,262	5,721
Land	*2 55,920	*2 56,496
Construction in progress	3,158	43
Other	13,384	15,276
Accumulated depreciation	*6 (10,677)	*6 (11,653)
Other, net	2,707	3,623
Total property, plant and equipment	136,258	139,493
Intangible assets		
Goodwill	2,549	1,917
Other	5,740	6,783
Total intangible assets	8,289	8,700
Investments and other assets		
Investment securities	*1 10,009	*1 9,883
Long-term loans receivable	325	331
Deferred tax assets	4,107	4,818
Retirement benefit asset	4,847	5,329
Other	*1 11,672	*1 12,988
Allowance for doubtful accounts	(547)	(603)
Total investments and other assets	30,415	32,748
Total non-current assets	174,964	180,942
Total assets	238,371	258,297

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trade notes and accounts payable	18,367	22,604
Short-term borrowings	*2 6,440	*2 2,049
Current portion of long-term borrowings	*2 12,168	*2 9,630
Lease liabilities	779	1,223
Income taxes payable	5,427	4,631
Provision for bonuses	3,467	3,863
Other	17,063	21,440
Total current liabilities	63,715	65,441
Non-current liabilities		
Bonds payable	25,000	25,000
Long-term borrowings	*2 64,270	*2 57,317
Lease liabilities	1,033	4,174
Deferred tax liabilities	4,434	4,780
Retirement benefit liability	6,630	6,562
Other	4,757	6,388
Total non-current liabilities	106,126	104,224
Total liabilities	169,842	169,666
Net assets		
Shareholders' equity		
Share capital	11,100	11,100
Capital surplus	5,548	5,548
Retained earnings	39,898	52,752
Treasury shares	(103)	(103)
Total shareholders' equity	56,444	69,298
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,852	3,568
Deferred gains or losses on hedges	0	2
Foreign currency translation adjustment	1,036	4,665
Remeasurements of defined benefit plans	1,364	1,924
Total accumulated other comprehensive income	6,253	10,159
Non-controlling interests	5,831	9,172
Total net assets	68,529	88,631
Total liabilities and net assets	238,371	258,297

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue		
Warehousing fee income	35,500	35,037
Stevedoring income	31,090	31,603
Port terminal fee income	15,720	17,019
Transportation income	123,359	164,367
Real estate income	8,914	8,808
Other	38,974	44,185
Total operating revenue	253,559	301,022
Operating costs		
Direct operation expenses	120,853	155,892
Rent expenses	17,797	19,794
Depreciation	7,548	7,449
Taxes and dues	2,207	2,274
Salaries and allowances	35,071	34,142
Provision for bonuses	1,685	2,019
Retirement benefit expenses	805	804
Other	32,124	34,365
Total operating costs	218,094	256,743
Operating gross profit	35,465	44,278
Selling, general and administrative expenses		
Remuneration, salaries and allowances	5,675	5,655
Provision for bonuses	2,026	2,135
Retirement benefit expenses	848	833
Depreciation	1,234	1,271
Amortization of goodwill	1,053	720
Taxes and dues	725	660
Provision of allowance for doubtful accounts	–	7
Other	6,239	7,055
Total selling, general and administrative expenses	17,804	18,338
Operating profit	17,661	25,939
Non-operating income		
Interest income	126	127
Dividend income	435	305
Share of profit of entities accounted for using equity method	148	271
Subsidy income	214	–
Other	674	611
Total non-operating income	1,599	1,316
Non-operating expenses		
Interest expenses	969	859
Commission expenses	78	56
Foreign exchange losses	227	263
Loss on retirement of non-current assets	136	135
Other	607	388
Total non-operating expenses	2,019	1,702
Ordinary profit	17,240	25,553

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary income		
Gain on sale of investment securities	5,487	–
Gain on sale of investments in capital of subsidiaries and associates	3	–
Other	191	–
Total extraordinary income	5,683	–
Extraordinary losses		
Impairment losses	*1 3,407	–
Loss on sale of shares of subsidiaries and associates	475	–
Total extraordinary losses	3,883	–
Profit before income taxes	19,040	25,553
Income taxes - current	7,967	7,921
Income taxes - deferred	(1,437)	(484)
Total income taxes	6,530	7,437
Profit	12,510	18,115
Profit attributable to non-controlling interests	961	3,611
Profit attributable to owners of parent	11,549	14,503

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	12,510	18,115
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,352)	(284)
Deferred gains or losses on hedges	0	2
Foreign currency translation adjustment	2,875	3,454
Remeasurements of defined benefit plans, net of tax	1,183	564
Share of other comprehensive income of entities accounted for using equity method	418	614
Total other comprehensive income	* 3,125	* 4,351
Comprehensive income	15,635	22,467
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,221	18,410
Comprehensive income attributable to non-controlling interests	1,413	4,057

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,100	5,536	29,591	(103)	46,125
Cumulative effects of changes in accounting policies			-		-
Restated balance	11,100	5,536	29,591	(103)	46,125
Changes during period					
Dividends of surplus			(1,241)		(1,241)
Profit attributable to owners of parent			11,549		11,549
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		11			11
Net changes in items other than shareholders' equity					
Total changes during period	-	11	10,307	(0)	10,319
Balance at end of period	11,100	5,548	39,898	(103)	56,444

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,205	0	(1,809)	184	3,580	5,136	54,842
Cumulative effects of changes in accounting policies							-
Restated balance	5,205	0	(1,809)	184	3,580	5,136	54,842
Changes during period							
Dividends of surplus							(1,241)
Profit attributable to owners of parent							11,549
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							11
Net changes in items other than shareholders' equity	(1,352)	0	2,846	1,179	2,672	694	3,367
Total changes during period	(1,352)	0	2,846	1,179	2,672	694	13,686
Balance at end of period	3,852	0	1,036	1,364	6,253	5,831	68,529

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder' equity
Balance at beginning of period	11,100	5,548	39,898	(103)	56,444
Cumulative effects of changes in accounting policies			(35)		(35)
Restated balance	11,100	5,548	39,863	(103)	56,408
Changes during period					
Dividends of surplus			(1,614)		(1,614)
Profit attributable to owners of parent			14,503		14,503
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		–			–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	12,889	(0)	12,889
Balance at end of period	11,100	5,548	52,752	(103)	69,298

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,852	0	1,036	1,364	6,253	5,831	68,529
Cumulative effects of changes in accounting policies							(35)
Restated balance	3,852	0	1,036	1,364	6,253	5,831	68,493
Changes during period							
Dividends of surplus							(1,614)
Profit attributable to owners of parent							14,503
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							–
Net changes in items other than shareholders' equity	(284)	2	3,628	560	3,906	3,341	7,247
Total changes during period	(284)	2	3,628	560	3,906	3,341	20,137
Balance at end of period	3,568	2	4,665	1,924	10,159	9,172	88,631

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	19,040	25,553
Depreciation	8,783	8,721
Amortization of goodwill	1,053	720
Impairment losses	3,407	–
Increase (decrease) in allowance for doubtful accounts	(251)	43
Increase (decrease) in provision for bonuses	454	363
Increase (decrease) in retirement benefit liability	102	(90)
Interest and dividend income	(562)	(433)
Interest expenses	969	859
Share of loss (profit) of entities accounted for using equity method	(148)	(271)
Loss (gain) on sale of property, plant and equipment	24	(20)
Loss on retirement of non-current assets	136	135
Loss (gain) on sale of investment securities	(5,487)	(32)
Loss (gain) on sale of shares of subsidiaries and associates	471	–
Decrease (increase) in trade receivables	(4,500)	(7,835)
Increase (decrease) in trade payables	2,568	3,743
Other, net	777	2,742
Subtotal	26,840	34,198
Interest and dividends received	679	621
Interest paid	(1,002)	(854)
Income taxes paid	(5,260)	(10,842)
Net cash provided by (used in) operating activities	21,257	23,123
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,791)	(5,411)
Proceeds from sale of property, plant and equipment	176	72
Purchase of intangible assets	(1,206)	(1,850)
Proceeds from sale of intangible assets	3	3
Purchase of investment securities	(123)	(122)
Proceeds from sale of investment securities	7,388	47
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	*2 1,094	–
Proceeds from sale of shares of subsidiaries and associates	117	–
Loan advances	(12)	(26)
Proceeds from collection of loans receivable	157	21
Payments into time deposits	(186)	(1)
Proceeds from withdrawal of time deposits	184	217
Net cash provided by (used in) investing activities	803	(7,049)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	45,500	116,023
Repayments of short-term borrowings	(41,316)	(120,500)
Proceeds from long-term borrowings	3,357	3,501
Repayments of long-term borrowings	(16,509)	(13,095)
Redemption of bonds	(10,000)	–
Dividends paid	(1,241)	(1,614)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(200)	–
Other, net	(1,271)	(1,532)
Net cash provided by (used in) financing activities	(21,683)	(17,218)
Effect of exchange rate change on cash and cash equivalents	960	1,249
Net increase (decrease) in cash and cash equivalents	1,338	104
Cash and cash equivalents at beginning of period	21,380	22,718
Cash and cash equivalents at end of period	*1 22,718	*1 22,822

(5) Notes to consolidated financial statements**Notes on premise of going concern**

Not applicable.

Significant accounting policies for preparation of consolidated financial statements

1. Disclosure of scope of consolidation

(1) Number of consolidated subsidiaries: 79

Names of major consolidated subsidiaries are provided in “2. Status of the corporate group.”

The following company was excluded from the scope of consolidation for the fiscal year ended March 31, 2022, due to its liquidation.

Mitsui-Soko (Philippines), Inc.

(2) Names, etc. of major non-consolidated subsidiaries

Fukumitsu-Shouji Co., Ltd.

The non-consolidated subsidiary is excluded from the scope of consolidation, because it is small in its business scale, and any amount in terms of its total assets, operating revenue and profit or loss (amount corresponding to the Company’s ownership interest) as well as retained earnings (amount corresponding to the Company’s ownership interest) and others does not significantly affect the consolidated financial statements.

2. Disclosure about application of equity method

(1) Number of associates accounted for using equity method: 6

Names of major associates accounted for using equity method are provided in “2. Status of the corporate group.”

(2) Non-consolidated subsidiary not accounted for using the equity method (Fukumitsu-Shouji Co., Ltd.) and associates not accounted for using the equity method (American Terminal Service Co., Ltd. and two other companies) are excluded from the scope of application of the equity method, because such exclusion has only an immaterial effect on the consolidated financial statements in terms of each company’s profit or loss (amount corresponding to the Company’s ownership interest) and retained earnings (amount corresponding to the Company’s ownership interest), and they have no significance as a whole.

3. Disclosure about fiscal years, etc. of consolidated subsidiaries

Of consolidated subsidiaries, 30 companies have fiscal year-ends different from the consolidated balance sheet date, or accounting periods different from the consolidated accounting period.

Therefore, they are consolidated based on the financial statements provisionally prepared in accordance with regular year-end closing procedures as of the consolidated balance sheet date.

Other consolidated subsidiaries’ fiscal year-end is the same as the consolidated balance sheet date.

4. Disclosure of accounting policies

(1) Valuation basis and methods for significant assets

a. Securities

Other securities

1) Securities other than shares with no market value, etc.

Fair value method based on market price, etc. on the consolidated balance sheet date (with the entire amount of valuation differences posted directly to net assets, and the cost of sales calculated using the moving average method)

2) Shares with no market value, etc.

Stated at cost determined by the moving average method

- b. Derivatives
 - Stated at fair value
- c. Inventories
 - Stated at cost determined by the moving average method (method of lowering book value based on a decline in profitability)
- (2) Accounting methods for depreciation of significant depreciable assets
 - a. Property, plant and equipment (excluding leased assets)
 - The declining balance method is applied, while the straight-line method is applied for buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings), facilities attached to buildings and structures acquired on or after April 1, 2016, and consolidated foreign subsidiaries.
 - Major useful lives are as follows:

Buildings and structures	3-50 years
Machinery and vehicles	2-15 years
 - b. Intangible assets (excluding leased assets)
 - The straight-line method is applied, while software for internal use is amortized using the straight-line method over its useful life as internally determined (five years).
 - c. Leased assets
 - Leased assets related to finance lease transactions that transfer ownership
 - The same depreciation method applied to non-current assets owned by the Company is applied.
 - Leased assets related to finance lease transactions that do not transfer ownership
 - The straight-line method is applied assuming the lease period as the useful life without residual value.
- (3) Accounting methods for significant deferred assets
 - Bond issuance costs
 - Bond issuance costs are fully charged to expenses when incurred.
- (4) Accounting policy for significant provisions
 - a. Allowance for doubtful accounts
 - To prepare for credit losses on receivables, an estimated uncollectable amount is provided at the amount estimated by either using the historical rate of credit loss for general receivables, or based on individual consideration of collectability for specific receivables such as highly doubtful receivables.
 - b. Provision for bonuses
 - To provide for payment of bonuses to employees, of the estimated amount of bonuses to be paid in the future, the amount estimated to cover the bonus payment for services rendered by employees with respect to the relevant fiscal year is provided.
- (5) Accounting methods for retirement benefits
 - To prepare for payment of retirement benefits payable to employees, projected retirement benefit obligations and plan assets at the end of the relevant fiscal year are recorded based on deemed either accrued or realized amount at the end of the fiscal year.
 - a. Method of attributing expected retirement benefits to periods
 - In the calculation of retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the fiscal year on a benefit formula basis.

b. Method of amortizing actuarial gains and losses and past service cost

Actuarial gains and losses are amortized using the straight-line method over the average remaining service years (six to 15 years) of employees when incurred in each fiscal year, from the fiscal year following the accrual of each gain or loss.

Past service cost is amortized using the straight-line method over the average remaining service years (11 years) of employees when incurred.

(6) Accounting policy for significant revenues and expenses

The Group recognizes revenue based on the following five step approach.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to separate performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group provides comprehensive logistics services, such as warehousing, cargo handling, port-related work, inland transport and international transport, and real estate leasing services centered on building leases. In determining a contract with a customer, the Group recognizes that existence of characteristics that contracts should have and economic substance are reflected in the contract, and at the same time, identifies goods or services promised to be transferred to the customer under the contract as well as performance obligations to be accounted for individually.

In calculating a transaction price, the Group measures it at an amount of consideration to which the entity expects to be entitled in exchange for the transfer of promised goods or services to the customer. Contracts with customers do not include any significant financial component.

For contracts of which the transaction price needs to be allocated to each performance obligation, revenue is recognized by allocating goods or services constituting each performance obligation based on the proportion of the standalone selling price.

As for revenue recognition, control over the underlying goods or services is recognized at a point in time or over a certain period of time, only if performance obligations meet the qualifications.

(7) Accounting policy for translation of significant foreign currency assets or liabilities into Japanese yen

Monetary receivables and payables in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing as of the consolidated balance sheet date, and translation differences are accounted for as profit or loss. Assets and liabilities of foreign subsidiaries, etc. are translated into Japanese yen at the spot exchange rate prevailing as of the consolidated balance sheet date, and their revenues and expenses are translated into Japanese yen at the average exchange rate during the period. Translation differences are included in foreign currency translation adjustment and non-controlling interests under net assets.

(8) Accounting method and period for amortization of goodwill

Goodwill is amortized in equal amounts over the period in which its effects will be realized within 20 years.

(9) Scope of cash and cash equivalents in consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows are comprised of cash in hand, demand deposits and short-term investments with maturities of three months or less from the acquisition date that are highly liquid, readily convertible into cash and are exposed to only an insignificant risk of fluctuations in value.

(10) Accounting methods for hedging

In principle, the deferral hedge accounting is applied. Exceptional accounting method is applied to interest rate swaps that meet the requirements.

(11) Methods for recognizing impairment of securities

For listed shares, impairment is recognized if the share price at the end of the fiscal year has decreased by 30% or more against the historical cost. For unlisted shares, impairment is recognized if the net asset value of the issuer has decreased by 50% or more against the historical cost and the recovery cannot be expected.

Changes in accounting policies*Application of Accounting Standard for Revenue Recognition, etc.*

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year under review was added to or deducted from the opening balance of retained earnings of the fiscal year under review, and thus the new accounting policy was applied from such opening balance; provided, however, that the new accounting policy was not retrospectively applied to contracts for which nearly all the revenue amounts had been recognized according to the previous treatment in periods prior to the beginning of the fiscal year under review, by applying the method provided for in paragraph 86 of the Accounting Standard for Revenue Recognition. Furthermore, by applying the method set forth in item (1) of the supplementary provisions of paragraph 86 of the Accounting Standard for Revenue Recognition, modifications to contracts carried out prior to the beginning of the fiscal year under review were accounted for based on the contractual terms after all contract modifications were reflected. Consequently, this cumulative effect was added to or deducted from the opening balance of retained earnings of the fiscal year under review.

Notes and operation accounts receivable trade, which was presented under current assets on the consolidated balance sheet for the previous fiscal year, has been included in notes and operation accounts receivable trade, and contract assets from the fiscal year under review. Pursuant to the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation.

The effect of this change on the consolidated financial statements for the fiscal year ended March 31, 2022 was immaterial. In addition, because the cumulative effect was reflected in net assets as of the beginning of the fiscal year under review, the opening balance of retained earnings in the consolidated statement of changes in equity decreased by ¥35 million.

Application of Accounting Standard for Fair Value Measurement, etc.

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). This does not affect the consolidated financial statements for the fiscal year ended March 31, 2022.

Changes in presentation*Consolidated balance sheet*

“Lease liabilities” included in “other” under “current liabilities” and “non-current liabilities” in the previous fiscal year have been separately presented from the current fiscal year due to increased

financial materiality. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presentation. As a result, the amount of ¥17,843 million presented in “other” under “current liabilities” on the consolidated balance sheet of the previous fiscal year has been restated with ¥779 million allocated to “lease liabilities” and ¥17,063 million allocated to “other.” In addition, the amount of ¥5,790 million presented in “other” under “non-current liabilities” has been restated with ¥1,033 million allocated to “lease liabilities” and ¥4,757 million allocated to “other.”

Consolidated balance sheet

- *1 The amount to unconsolidated subsidiaries and associates accounted for using equity method are as follows:

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Investment securities (shares)	393	603
Other (investments in capital)	4,147	4,656
Total	4,540	5,260

- *2 Pledged assets and secured liabilities

Assets pledged as collateral are as follows:

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Buildings and structures	3,955	2,581
Land	5,074	0
Total	9,029	2,582

The maximum amount of revolving mortgage associated with such assets in the previous fiscal year and the current fiscal year amounts to ¥13,788 million and ¥3,000 million, respectively.

Secured liabilities are as follows:

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Short-term borrowings	700	–
Current portion of long-term borrowings	416	176
Long-term borrowings	3,666	2,504
Total	4,782	2,681

- *3 Contingent liabilities (Guarantee obligations)

The Company guarantees bank borrowings of companies other than its consolidated subsidiaries as follows:

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Nagoya United Container Terminal Co., Ltd.	37	–
Total	37	–

The Company and its consolidated subsidiaries have provided guarantees for housing loans from banks to their employees as follows:

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Guarantees for housing loans from banks to employees	29	20

- *4 Trade notes receivable transferred by endorsement

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Trade notes receivable transferred by endorsement	30	16

- *5 The Company has entered into overdraft agreements with four banks (four banks as of the end of the previous fiscal year) and loan commitment agreements with three banks (three banks as of the end of the previous fiscal year) to efficiently procure working capital. The outstanding loan balances as of the end of the respective fiscal years based on such agreements are as follows:

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Maximum amount of overdraft	15,000	15,000
Outstanding balance of overdraft	5,000	–
Unused amount	10,000	15,000
	As of March 31, 2021	As of March 31, 2022
Total line of credit	5,000	5,000
Outstanding balance of used line of credit	–	–
Unused amount	5,000	5,000

- *6 Accumulated depreciation

Accumulated depreciation of property, plant and equipment includes accumulated impairment losses.

Consolidated statement of income

- *1 Impairment losses

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

1. Amount of impairment losses

In the fiscal year ended March 31, 2021, the Group recorded impairment losses on the following assets.

(Millions of yen)

Used for	Category	Amount
Logistics facilities, etc.	Buildings and structures	232
	Machinery and vehicles	472
	Others	294
Others	Goodwill	2,409
Total		3,407

2. Method of grouping assets

Calculating impairment loss involves grouping assets based on the smallest cash flow generating unit that is largely independent from cash flows of other assets and assets groups. Goodwill is grouped on a per company basis.

3. Overview and circumstances of asset groups for which impairment loss has been recognized

- (1) Impairment loss on business assets

- (i) Overview of asset groups for which impairment loss has been recognized

(Millions of yen)

Venue	Used for	Class	Amount
Ota-ku, Tokyo	Warehouses	Buildings, machinery and equipment	855
Naka-gun, Ibaraki	Warehouses	Buildings	130
Higashihiroshima-shi, Hiroshima	Warehouses	Buildings	12

- (ii) Circumstances leading up to recognition of impairment loss

The Company has recognized a decline in revenue from operating activities with respect to the aforementioned assets owned by the Company and MITSUI-SOKO Co., Ltd. in Ota-ku, Tokyo, and by MITSUI-SOKO LOGISTICS Co., Ltd. in Higashihiroshima-shi, Hiroshima Prefecture, and has deemed short-term recovery unlikely. As such, the Company has

accordingly reduced the carrying amounts of assets associated with the relevant asset groups to the respective recoverable amounts, and has recognized the amount of decrease under extraordinary losses as impairment losses. With the recoverable amounts having been measured in terms of value in use, the value in use of the aforementioned assets owned in Ota-ku, Tokyo has been calculated by discounting future cash flows at a discount rate of 7.2%. Meanwhile, value in use with respect to the aforementioned assets owned in Higashihiroshima-shi, Hiroshima Prefecture has been set to zero.

With respect to the aforementioned assets owned by the Company in Naka-gun, Ibaraki Prefecture, the Company has reduced the carrying amounts of assets associated with the relevant asset groups to the recoverable amounts due to the Company's withdrawal from the location. Meanwhile, the recoverable amounts have been measured in terms of value in use, which has been set to zero.

(2) Impairment loss on goodwill related to consolidated subsidiary MS Supply Chain Solutions (Malaysia) Sdn. Bhd.

(i) Overview of asset groups for which impairment loss has been recognized

(Millions of yen)

Venue	Used for	Class	Amount
–	Others	Goodwill	2,409

(ii) Circumstances leading up to recognition of impairment loss

If indications of impairment have been recognized with respect to an asset group including goodwill, then the Company deems there is a need to recognize impairment loss by comparing the carrying amount against the total of undiscounted future cash flows derived from the asset group.

MS Supply Chain Solutions (Malaysia) Sdn. Bhd., which serves as the Company's overseas subsidiary handling the Group's supply chain management support operations in Malaysia, has achieved financial results that largely align with business plans, in taking on operations that include procurement logistics; in-factory cargo handling, interplant transport, and other aspects of factory logistics, and; international transport involving cargo originating in Malaysia and third-country transport. However, the Company has reduced asset group carrying amounts to the recoverable amounts upon having reviewed business plans going forward, in view of factors that include a projected decrease in freight handling volume per review of the production frameworks of major customers in Malaysia. Recoverable amounts have been measured in terms of value in use and calculated by discounting future cash flows at a discount rate of 7.9%. Whereas future cash flows used in measuring value in use have been estimated based on business plans for the subsequent fiscal year approved by management and based on earnings plans for the subsequent period, business plan estimates of freight handling volume with respect to major customers and growth rate estimates applied to earnings plans are subject to substantial uncertainty. Accordingly, such management decisions substantially affect estimates of future cash flows.

Upon having carefully reviewed such business plans and earnings plans for the subsequent period, the Company has recorded the difference between the relevant asset group's carrying amount of ¥4,796 million and its recoverable amount of ¥2,409 million in extraordinary losses as an impairment loss.

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

Not applicable

Consolidated statement of comprehensive income

* Notes regarding reclassification adjustments and tax effects relating to other comprehensive income
(Millions of yen)

	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Valuation difference on available-for-sale securities		
Amount arising during the year	3,607	(392)
Reclassification adjustments	(5,487)	(32)
Before income tax effects	(1,880)	(425)
Tax (expense) or benefit	527	140
Valuation difference on available-for-sale securities	(1,352)	(284)
Deferred gains or losses on hedges		
Amount arising during the year	0	3
Tax (expense) or benefit	(0)	(0)
Deferred gains or losses on hedges	0	2
Foreign currency translation adjustment		
Amount arising during the year	2,415	3,454
Reclassification adjustments	460	(0)
Foreign currency translation adjustment	2,875	3,454
Remeasurements of defined benefit plans, net of tax		
Amount arising during the year	1,527	591
Reclassification adjustments	179	222
Before income tax effects	1,706	814
Tax (expense) or benefit	(522)	(249)
Remeasurements of defined benefit plans, net of tax	1,183	564
Share of other comprehensive income of entities accounted for using equity method		
Amount arising during the year	379	614
Reclassification adjustments	39	–
Share of other comprehensive income of entities accounted for using equity method	418	614
Total other comprehensive income	3,125	4,351

Consolidated statement of changes in equity

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

1. Class and total number of issued shares, and class and number of treasury shares

	Number of shares at beginning of the fiscal year (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares at end of the fiscal year (Shares)
Issued shares				
Common shares	24,883,002	–	–	24,883,002
Total	24,883,002	–	–	24,883,002
Treasury shares				
Common shares (Note)	46,628	11	–	46,639
Total	46,628	11	–	46,639

Note: The increase of 11 treasury shares (common shares) is attributable to the purchase of fractional shares.

2. Dividends

(1) Dividends paid

Resolution	Classes of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 11, 2020	Common shares	620	25.00	March 31, 2020	June 4, 2020
Board of Directors meeting held on November 4, 2020	Common shares	620	25.00	September 30, 2020	December 2, 2020

(2) Dividends whose effective date falls in the fiscal year following the fiscal year of the record date

Resolution	Classes of shares	Total amount of dividends (Millions of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 11, 2021	Common shares	745	Retained earnings	30.00	March 31, 2021	June 4, 2021

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

1. Class and total number of issued shares, and class and number of treasury shares

	Number of shares at beginning of the fiscal year (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares at end of the fiscal year (Shares)
Issued shares				
Common shares	24,883,002	–	–	24,883,002
Total	24,883,002	–	–	24,883,002
Treasury shares				
Common shares (Note)	46,639	45	–	46,684
Total	46,639	45	–	46,684

Note: The increase of 45 treasury shares of common shares is the result of an increase of 45 shares due to purchase of less-than-one-unit shares.

2. Dividends

(1) Dividends paid

Resolution	Classes of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 11, 2021	Common shares	745	30.00	March 31, 2021	June 4, 2021
Board of Directors meeting held on November 4, 2021	Common shares	869	35.00	September 30, 2021	December 2, 2021

(2) Dividends whose effective date falls in the fiscal year following the fiscal year of the record date

Resolution	Classes of shares	Total amount of dividends (Millions of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 10, 2022	Common shares	2,334	Retained earnings	94.00	March 31, 2022	June 3, 2022

Consolidated statement of cash flows

- *1 Reconciliation of ending balance of cash and cash equivalents with account balances per consolidated balance sheet

(Millions of yen)

	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Cash and deposits	23,225	23,109
Time deposits with maturity over 3 months	(506)	(286)
Cash and cash equivalents	22,718	22,822

- *2 Breakdown of major assets and liabilities of consolidated subsidiaries excluded from consolidation due to stock sales during the previous fiscal year

The following is a breakdown of assets and liabilities of consolidated subsidiaries excluded from the scope of consolidation upon sales of stock of Prime Cargo A/S and five other companies, the sales price of such shares, and proceeds from sales:

(Millions of yen)

Current assets	2,735
Non-current assets	2,578
Current liabilities	(2,761)
Non-current liabilities	(926)
Foreign currency translation adjustment	460
Others	(276)
Incidental expenses in conjunction with the sale of shares	103
Loss on sale of shares of subsidiaries and associates	(435)
Sale value of shares	1,477
Incidental expenses in conjunction with the sale of shares	(103)
Cash and cash equivalents	(280)
Net: proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,094

Securities

1. Other securities

As of March 31, 2021

(Millions of yen)

Categories	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds acquisition cost			
Stocks	8,487	2,901	5,586
Subtotal	8,487	2,901	5,586
Securities whose carrying amount does not exceed acquisition cost			
Stocks	140	149	(8)
Subtotal	140	149	(8)
Total	8,627	3,050	5,577

Note: "Acquisition cost" presented in the table constitutes the carrying amount after impairment.

Unlisted shares (carrying amount of ¥888 million) and contributions to limited liability investment partnerships (carrying amount of ¥99 million) are not included in "other securities" in the table above because it is extremely difficult to determine fair value given that it is not possible to estimate future cash flows due to lack of market price.

As of March 31, 2022

(Millions of yen)

Categories	Carrying amount	Acquisition cost	Difference
Items whose carrying amount exceeds acquisition cost			
Stocks	8,082	2,903	5,179
Subtotal	8,082	2,903	5,179
Items whose carrying amount does not exceed acquisition cost			
Stocks	111	138	(27)
Subtotal	111	138	(27)
Total	8,194	3,042	5,152

Note: "Acquisition cost" in the above table represents the carrying amount after impairment.

Unlisted shares (carrying amount on the consolidated balance sheet: ¥988 million) and investments in investment business limited partnership (carrying amount on the consolidated balance sheet: ¥96 million) are not included in "other securities" in the table above.

2. Other securities sold

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

Category	Sale proceeds	Total gain on sale	Total loss on sale
Shares	7,388	5,499	11
Total	7,388	5,499	11

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

Category	Sale proceeds	Total gain on sale	Total loss on sale
Shares	47	32	–
Total	47	32	–

Real estate for lease, etc.

The Company and some of the consolidated subsidiaries have rental office buildings, etc. (including land) in Tokyo and other regions. Rental income related to such rental properties and other real estate in the previous fiscal year amounts to ¥6,236 million (recorded in operating profit). Rental income related to such rental properties and other real estate in the current fiscal year amounts to ¥5,902 million (recorded in operating profit).

In addition, carrying amounts, increase (decrease) during fiscal period, and fair value of the rental properties and other real estate are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Carrying amount		
Balance at beginning of period	35,112	31,781
Increase or decrease during period	(3,331)	(1,350)
Balance at end of period	31,781	30,430
Fair value at end of period	153,648	151,936

Notes: 1. The carrying amounts are calculated by subtracting accumulated depreciation from acquisition cost.

2. Of the increases (decreases) during fiscal period, the main component of decrease for both the previous fiscal year and the current fiscal year is depreciation.

3. The fair value as of March 31, 2022 represents the amount based on real estate appraisal by external real estate appraisers for major properties, and the amount internally calculated by the income approach for other properties.

Segment information, etc.

[Segment information]

1. Description of reportable segments

The Group's reportable segments are constituent units of the Group for which separate financial information is available and are subject to periodic review so that it is possible for the Board of Directors to make decisions on allocating management resources and to evaluate financial performance.

The Group consists of the Logistics Business that provides clients with various logistics services in an organic and efficient manner through operations that include warehousing and cargo handling, port-related work, inland transport and international transport, and the Real Estate Business is centered on building leases. The Group's reportable segments are comprised of the following two segments.

- Logistics Business: The segment provides various logistics services such as warehousing and cargo handling, port-related work and transport, overseas logistics services, multimodal forwarding, airfreight forwarding, third-party logistics (3PL), supply chain management support, and land transportation.
- Real Estate Business: The segment provides services centered on building lease.

2. Calculation methods for operating revenue, profit (loss), assets and other items by reportable segment

The accounting methods used for reportable segments are consistent with those presented under "Significant accounting policies for preparation of consolidated financial statements."

Reportable segment profit figures are net amortization of goodwill.

Intersegment revenue and transfers are based on prevailing market prices.

3. Information on operating revenue, profit (loss), assets and other items by reportable segment

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segment		Total	Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Logistics Business	Real Estate Business			
Operating revenue					
(1) Operating revenue from external customers	244,645	8,914	253,559	–	253,559
(2) Intersegment revenue or transfers	–	706	706	(706)	–
Total	244,645	9,621	254,266	(706)	253,559
Segment operating profit	14,984	5,833	20,818	(3,156)	17,661
Segment assets	157,082	36,413	193,495	44,875	238,371
Other items					
Depreciation	3,988	1,734	5,722	3,060	8,783
Investments in entities accounted for using equity method	4,523	–	4,523	–	4,523
Increase in property, plant and equipment and intangible assets	6,671	175	6,847	2,469	9,316

Notes: 1. Adjustments are as follows.

- (1) Segment profit adjustment of ¥(3,156) million is mainly expenses associated with the administrative department of the Company.
- (2) Segment assets adjustment of ¥44,875 million is expenses associated with the administrative department of the Company.

- (3) Adjustment in increase in property, plant and equipment and intangible assets of ¥2,469 million is an increase associated with the administrative department of the Company.
2. Segment operating profit is adjusted to operating profit in the consolidated financial statements.

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

	Reportable segment		Total	Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Logistics Business	Real Estate Business			
Operating revenue					
(1) Operating revenue from external customers	292,213	8,808	301,022	–	301,022
(2) Intersegment revenue or transfers	–	765	765	(765)	–
Total	292,213	9,574	301,788	(765)	301,022
Segment operating profit	23,734	5,798	29,532	(3,593)	25,939
Segment assets	179,444	35,090	214,534	43,762	258,297
Other items					
Depreciation	3,903	1,788	5,692	3,028	8,721
Investments in entities accounted for using equity method	5,243	–	5,243	–	5,243
Increase in property, plant and equipment and intangible assets	7,954	345	8,299	3,146	11,446

Notes: 1. Adjustments are as follows.

- (1) Segment profit adjustment of ¥(3,593) million is mainly expenses associated with the administrative department of the Company.
- (2) Segment assets adjustment of ¥43,762 million is expenses associated with the administrative department of the Company.
- (3) Adjustment on increase in property, plant and equipment and intangible assets amounting to ¥3,146 million constitutes an increase associated with the administrative department of the Company.
2. Segment operating profit is adjusted to operating profit in the consolidated financial statements.

[Related information]

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

1. Information for each product or service

Information for each product or service has been omitted because similar information has been disclosed under segment information.

2. Information for each region

(1) Operating revenue

(Millions of yen)

Japan	Other	Total
192,851	60,707	253,559

- Notes: 1. Operating revenue is categorized by country or region based on customer location.
2. Operating revenue associated with respective major countries and regions has been combined and presented under “Other” given the small sums thereof.
3. Major countries or regions included in “Other”:
United States, China, Europe, Thailand and Malaysia

(2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
121,933	14,325	136,258

- Notes: 1. Property, plant and equipment is categorized by country or region based on customer location.
 2. Property, plant and equipment associated with respective major countries and regions has been combined and presented under "Other" given the small sums thereof.
 3. Major countries or regions included in "Other":
 United States, China, Europe, Thailand, Indonesia, Malaysia, South Korea

3. Information for each of main customers

Information for each of main customers has been omitted because operating revenue involving sales to designated external customers amounts to less than 10% of operating revenue on the consolidated statement of income.

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

1. Information for each product or service

Information for each product or service has been omitted because similar information has been disclosed under segment information.

2. Information for each region

(1) Operating revenue

(Millions of yen)

Japan	Other	Total
228,474	72,547	301,022

- Notes: 1. Operating revenue is categorized by country or region based on customer location.
 2. Operating revenue associated with respective major countries and regions has been combined and presented under "Other" given the small sums thereof.
 3. Major countries or regions included in "Other":
 United States, China, Europe, Thailand and Malaysia

(2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
123,979	15,514	139,493

- Notes: 1. Property, plant and equipment is categorized by country or region based on customer location.
 2. Property, plant and equipment associated with respective major countries and regions has been combined and presented under "Other" given the small sums thereof.
 3. Major countries or regions included in "Other":
 United States, China, Europe, Thailand, Indonesia, Malaysia, South Korea

3. Information for each of main customers

The information is omitted, because external operating revenue from a specific customer accounted for less than 10% of total operating revenue in the consolidated statement of income.

[Information about impairment losses of non-current assets for each reportable segment]

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

The Logistics Business segment recorded total impairment losses of ¥3,407 million, consisting of impairment loss on goodwill of ¥2,409 million and impairment loss on non-current assets of ¥998 million.

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

Not applicable.

[Information about amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Logistics Business	Real Estate Business	Total
Amortization in the fiscal year	1,053	–	1,053
Balance at end of period	2,549	–	2,549

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Logistics Business	Real Estate Business	Total
Amortization in the fiscal year	720	–	720
Balance at end of period	1,917	–	1,917

[Information about gain on bargain purchase by reportable segment]

Not applicable.

Per share information

(Yen)

Items	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Net assets per share	2,524.44	3,199.28
Basic earnings per share	465.01	583.98

Notes: 1. Diluted earnings per share have not been presented for the previous fiscal year or the current fiscal year because there are no potentially dilutive shares.

2. The bases for calculating basic earnings per share are as follows:

Items	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Profit attributable to owners of parent (Millions of yen)	11,549	14,503
Profit not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	11,549	14,503
Average number of shares outstanding during the period (Shares)	24,836,364	24,836,324

Significant subsequent events

Introduction of restricted share-based remuneration plan

At its meeting of the Board of Directors held on May 10, 2022, the Company decided to submit a proposal for the introduction of a restricted share-based remuneration plan to its 174th Ordinary General Meeting of Shareholders to be held on June 23, 2022.

For further details, please refer to the “Notice Regarding Introduction of Restricted Share-based Remuneration Plan” (in Japanese only), released on May 10, 2022.

6. Non-consolidated financial statements**(1) Non-consolidated balance sheet**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	4,981	2,414
Trade accounts receivable	303	337
Prepaid expenses	377	385
Income taxes refund receivable	-	1,866
Short-term loans receivable	3,376	4,089
Other	734	946
Total current assets	9,775	10,040
Non-current assets		
Property, plant and equipment		
Buildings	48,567	46,407
Structures	834	781
Machinery and equipment	786	810
Vehicles	19	11
Tools, furniture and fixtures	857	884
Land	36,752	36,752
Construction in progress	6	-
Total property, plant and equipment	87,824	85,648
Intangible assets		
Leasehold interests in land	2,212	2,212
Software	3,003	3,924
Other	11	10
Total intangible assets	5,227	6,147
Investments and other assets		
Investment securities	7,585	7,490
Shares of subsidiaries and associates	46,814	46,814
Investments in capital of subsidiaries and associates	7,234	7,234
Long-term loans receivable	11,475	12,822
Prepaid pension costs	2,860	2,520
Other	2,145	1,856
Allowance for doubtful accounts	(318)	(170)
Total investments and other assets	77,797	78,569
Total non-current assets	170,849	170,365
Total assets	180,624	180,406

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trade accounts payable	96	114
Short-term borrowings	34,142	40,617
Current portion of long-term borrowings	11,663	7,105
Accounts payable - other	923	1,205
Income taxes payable	2,757	–
Advances received	357	412
Deposits received	101	110
Provision for bonuses	1,026	1,080
Other	545	468
Total current liabilities	51,614	51,114
Non-current liabilities		
Bonds payable	25,000	25,000
Long-term borrowings	57,911	54,305
Deferred tax liabilities	3,227	3,214
Provision for retirement benefits	49	49
Other	2,493	2,491
Total non-current liabilities	88,682	85,061
Total liabilities	140,297	136,176
Net assets		
Shareholders' equity		
Share capital	11,100	11,100
Capital surplus		
Legal capital surplus	5,563	5,563
Total capital surplus	5,563	5,563
Retained earnings		
Legal retained earnings	2,562	2,562
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	7,676	7,593
Retained earnings brought forward	10,451	14,564
Total retained earnings	20,690	24,719
Treasury shares	(103)	(103)
Total shareholders' equity	37,250	41,280
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,076	2,950
Total valuation and translation adjustments	3,076	2,950
Total net assets	40,327	44,230
Total liabilities and net assets	180,624	180,406

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue		
Group operating income	6,861	6,876
Dividends from subsidiaries and associates	2,366	4,625
Real estate income	9,291	9,244
Other	142	171
Total operating revenue	18,661	20,917
Operating costs		
Rent expenses	821	812
Depreciation	3,661	3,581
Salaries and allowances	127	158
Taxes and dues	1,445	1,417
Other	1,528	1,600
Total operating costs	7,584	7,569
Operating gross profit	11,076	13,348
Selling, general and administrative expenses	5,988	6,487
Operating profit	5,087	6,861
Non-operating income		
Interest and dividend income	577	424
Other	176	136
Total non-operating income	754	560
Non-operating expenses		
Interest expenses	882	735
Loss on retirement of non-current assets	115	114
Other	169	474
Total non-operating expenses	1,168	1,324
Ordinary profit	4,673	6,097
Extraordinary income		
Gain on sale of investment securities	5,487	–
Gain on sale of investments in capital of subsidiaries and associates	11	–
Total extraordinary income	5,499	–
Extraordinary losses		
Impairment losses	130	–
Total extraordinary losses	130	–
Profit before income taxes	10,041	6,097
Income taxes - current	3,381	400
Income taxes - deferred	(1,098)	52
Total income taxes	2,283	453
Profit	7,758	5,644

(3) Non-consolidated statement of changes in equity

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward			
Balance at beginning of period	11,100	5,563	5,563	2,562	7,761	3,849	14,173	(103)	30,734
Changes during period									
Dividends of surplus						(1,241)	(1,241)		(1,241)
Reversal of reserve for tax purpose reduction entry of non-current assets					(85)	85	–		–
Profit						7,758	7,758		7,758
Purchase of treasury shares								(0)	(0)
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	(85)	6,602	6,516	(0)	6,516
Balance at end of period	11,100	5,563	5,563	2,562	7,676	10,451	20,690	(103)	37,250

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	4,825	4,825	35,559
Changes during period			
Dividends of surplus			(1,241)
Reversal of reserve for tax purpose reduction entry of non-current assets			–
Profit			7,758
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	(1,748)	(1,748)	(1,748)
Total changes during period	(1,748)	(1,748)	4,767
Balance at end of period	3,076	3,076	40,327

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward			
Balance at beginning of period	11,100	5,563	5,563	2,562	7,676	10,451	20,690	(103)	37,250
Changes during period									
Dividends of surplus						(1,614)	(1,614)		(1,614)
Reversal of reserve for tax purpose reduction entry of non-current assets					(83)	83	–		–
Profit						5,644	5,644		5,644
Purchase of treasury shares								(0)	(0)
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	(83)	4,113	4,029	(0)	4,029
Balance at end of period	11,100	5,563	5,563	2,562	7,593	14,564	24,719	(103)	41,280

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	3,076	3,076	40,327
Changes during period			
Dividends of surplus			(1,614)
Reversal of reserve for tax purpose reduction entry of non-current assets			–
Profit			5,644
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	(125)	(125)	(125)
Total changes during period	(125)	(125)	3,903
Balance at end of period	2,950	2,950	44,230

7. Others

Reference materials on the financial results for the fiscal year ended March 31, 2022

1. Overview of operating results (Consolidated)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Changes	
			Monetary amount	Percentage (%)
Operating revenue	253,559	301,022	47,462	18.7
Operating profit	17,661	25,939	8,278	46.9
Ordinary profit	17,240	25,553	8,312	48.2
Profit attributable to owners of parent	11,549	14,503	2,954	25.6

2. Financial position (Consolidated)

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022	Changes	
			Monetary amount and others	Percentage (%)
Equity capital	62,697	79,458	16,760	26.7
Total assets	238,371	258,297	19,925	8.4
Equity ratio	26.3%	30.8%	+4.5 percentage points	17.0
Net D/E ratio	1.35	0.89	(0.46)	(33.9)

3. Status of depreciation (Consolidated)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Changes
Depreciation	8,783	8,721	(62)

4. Balance of interest-bearing debt (Consolidated)

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022	Changes
Bonds payable	25,000	25,000	–
Borrowings	82,879	68,996	(13,882)
Total	107,879	93,996	(13,882)

Cash and deposits	23,225	23,109	(115)
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Balance of net interest- bearing debt	84,654	70,887	(13,766)
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5. Segment information (Consolidated)

<Operating revenue>

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Logistics Business	244,645	292,213
Real Estate Business	9,621	9,574
Total	254,266	301,788
Adjustment	(706)	(765)
Amount recorded in the consolidated statement of income	253,559	301,022

<Operating profit>

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Logistics Business	14,984	23,734
Real Estate Business	5,833	5,798
Total	20,818	29,532
Adjustment	(3,156)	(3,593)
Amount recorded in the consolidated statement of income	17,661	25,939