Annual Report 2011

Year ended March 31, 2011

Leading-Edge Logistics Solutions Provider

MITSUI-SOKO CO., LTD.

Profile

During the more than 100 years since being founded in 1909, Mitsui-Soko Co., Ltd. (“the Company”) has steadily expanded its bases in principal cities across Japan while expanding its mainstay warehouse business. Today, the Company provides a diverse range of logistics business including port terminal business, domestic transport business and international transport business, as well as a domestic real estate business that specializes in building leasing.

At present, Mitsui-Soko and its consolidated subsidiaries (hereafter “the Group”) utilize logistics bases in Japan and overseas to carry out business globally. The Group not only provides traditional services but also offers new services based on its corporate vision of a “company which offers optimal logistics solutions.” The latter includes providing management integration of actual logistics and information for every stage of each customer’s business operations, from production to sales.

The Group aims to maintain sustainable growth through the logistics business during its next phase of growth. The Group strengthens its business based on new concepts and technologies along with rebuilding its global network and developing new business overseas. Additionally, the Group continues to conduct business management in consideration of corporate value and capital cost and to respond quickly to changes in the corporate environment and business fundamentals, while fulfilling its corporate social responsibility through its business.

CONTENTS

Forward-looking Statements

Forward-looking statements made in this annual report concerning performance or business strategies have been determined according to assumptions and beliefs based on information available to the Company at the time, and contain elements of risk and uncertainty.

The Evolution of Mitsui-Soko

1900

1909 Founded as Toshin Soko Co., Ltd. when the warehouse division was separated from Mitsui Bank.
1942 Renamed Mitsui-Soko Co., Ltd.

1909 Launched the warehousing business.

1917 Launched the port transport business.

1950

1950 Listed on the Tokyo Stock Exchange.

1966 Launched the cargo vehicle transport business.

1968 Launched the handling of marine containers and the operation of container terminals in Japan.

1977 Launched full-scale international transport services.

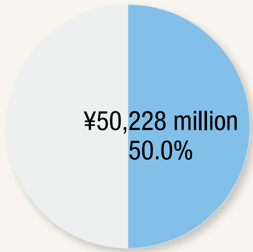
1982 Launched full-scale air cargo transport services.
1986 Launched “Big Bag” services (trunk room storage, moving, etc. services for non-commercial goods).

1989 Launched full-scale real estate leasing business.

Business Lines

Domestic Logistics Segment

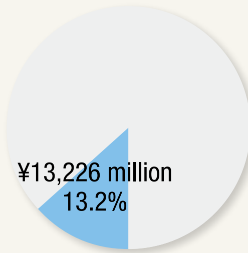
Provides warehousing, transportation, distribution processing and other services to companies in Japan.



Net Sales by Business Segment
Fiscal 2011

Domestic Port Terminal Segment

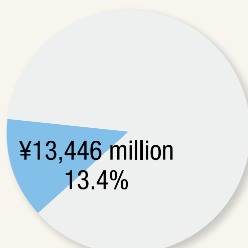
Provides port-related work and services to shipping companies—primary customers in this business.



Net Sales by Business Segment
Fiscal 2011

Global Network Segment

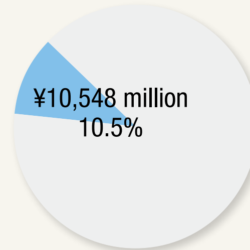
Offers logistics services to Japanese-affiliated and local companies overseas through the network of overseas group subsidiaries.



Net Sales by Business Segment
Fiscal 2011

Other Logistics Segment

Consists of the air cargo business that provides air cargo consolidation services and corresponding logistics services; business processing outsourcing (BPO)*1 business for operating and managing on a consigned basis all or a portion of the business processes carried out by customers; and the logistics systems business that provides support services for supply chain management (SCM) through third party logistics (3PL)*2 and offers combined transport services.

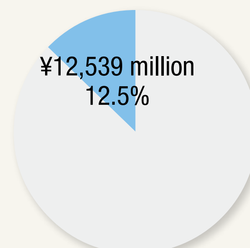


Net Sales by Business Segment
Fiscal 2011

*1 A more advanced form of outsourcing that provides consultation and services extending to all business processes
*2 Comprehensive services covering the establishment, management and operation of logistics to support customers' SCM

Real Estate Segment

Manages and operates large office buildings equipped with advanced information technology and large logistics facility.



Net Sales by Business Segment
Fiscal 2011

Notes: The Company changed business segments from the year ended March 31, 2011.
Net sales include intersegment sales or transfers.

2000

2009 Celebrated the Company's centennial.

2005 Established a new high-efficiency, multifunctional logistics facility and began redevelopment of existing facilities in the Tokyo metropolitan area. — Domestic Logistics Segment

Domestic Port Terminal Segment

2011 Inaugurated FLEXPRESS logistics package service within Asia. — Global Network Segment

2004 Completed the Tama Records Center, the Company's first dedicated facility for its BPO business, in Tokyo.
2008 Launched full-scale 3PL service.
2011 Acquired all shares of a subsidiary of JTB Corp., renamed this company Mitsui-Soko Air Cargo Inc., and thereby expanded and strengthened international cargo transport business, including air cargo transport services. — Other Logistics Segment

2008 Completed the Misato Logistics Center, a large-scale real estate-use logistics facility, in Saitama. — Real Estate Segment

Mitsui-Soko Highlights in Fiscal 2011

In August 2010, the Company formulated a medium-term management plan, “New Growth Strategy @2010,” aimed once more at expanding earnings in its mainstay logistics business and regaining the potential for growth. The new plan runs through the fiscal year ending March 31, 2013. Based on this plan, the Company will strengthen competitiveness through executing structural reforms in its existing logistics business and secure additional earning sources via the creation of new logistics businesses. The Company will introduce attractive new services that accurately grasp market and customer needs in Japan and overseas. By taking these measures, the Company seeks to continue to achieve steady expansion of business performance and sustainable enhancement of corporate value without depending on economic recovery or other improvements in the external environment.

Looking at consolidated business results, net sales rose 9.1% from the previous fiscal year to ¥96,766 million due to favorable results in the Domestic Port Terminal Segment and Global Network Segment. Operating income edged up just 0.1% to ¥6,549 million, reflecting a decline in storage volume in the Domestic Logistics Segment and other factors. Net income rose 36.3% to ¥2,534 million due to a decrease in the tax burden along with the liquidation of a consolidated subsidiary and the lump-sum amortization of negative goodwill.

Basic Business Policies of New Growth Strategy @2010

1. Reinforcing the revenue-generating bases of Domestic Logistics Segment and Domestic Port Terminal Segment by way of a fundamental shift from conventional methods.
2. Developing businesses that can be sources of our future growth.
3. Thoroughly implementing “selection and concentration” for allocation of management resources.
4. Ensuring sound financial fundamentals responding to changing market conditions.

Numerical targets of New Growth Strategy @2010
[Fiscal year ending March 31, 2013 (final year)]
Operating income ¥9,000 million
ROE 8.0%

Note: These numerical targets have been determined based on information available to the Company at present and uncertain factors that could influence future business results. Actual results could differ from those anticipated.

TOPICS

The Company implemented various measures for “developing businesses that can be sources of our future growth,” one of its basic strategies under New Growth Strategy @2010.

Company Acquired to Upgrade, Expand and Strengthen International Cargo Transport Business

In March 2011, the Company acquired a subsidiary engaged in international cargo transport business from JTB Corp., a leading travel company. The Company made this company into a wholly owned subsidiary named Mitsui-Soko Air Cargo Inc.

This acquisition was carried out for the purpose of further upgrading, expanding and strengthening the Company’s international cargo transport business that includes air cargo transport services, as well as to deploy synergies through such measures as integration with the air forwarding business.

The Company has positioned Mitsui-Soko Air Cargo as a core company for handling the Group’s international air cargo transport business in the future and plans to provide a selection of high-quality services as well as further raise the level of services in the air cargo business.

Mitsui-Soko Air Cargo’s Haneda office is situated inside the Tokyo International Air Cargo Terminal’s First International Cargo Building.

- Head Office: Nihonbashi, Chuo-ku, Tokyo
- Domestic branches/business offices: Narita, Haneda, Osaka, Nagoya
- Paid-in-capital: ¥400 million
- Main business: International air cargo consolidation services

New Building Completed at Tama Records Center

To strengthen BPO business for supporting customers’ business processes, the Company built a new building at the Tama Records Center, a dedicated facility for undertaking the BPO business. This new building will serve as a base for providing even more advanced and diversified services.

New Building at Tama Records Center

- Location: Machida, Tokyo
- 7-story building with a reinforced concrete and seismically isolated structure and approximately 10,300 m² of total floor space

Consolidated Financial Highlights

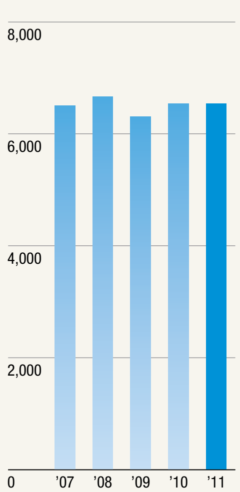
MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

	Millions of Yen					Thousands of U.S. Dollars
	2011	*2010*	*2009*	*2008*	*2007*	*2011*
For the year:						
Net sales	**¥ 96,766**	¥ 88,728	¥ 99,827	¥ 104,371	¥ 102,036	**$ 1,163,753**
Operating income	**6,549**	6,543	6,308	6,660	6,504	**78,758**
Net income	**2,534**	1,859	1,732	1,788	3,289	**30,479**
Net cash provided by operating activities	**8,104**	10,227	7,556	8,179	7,641	**97,466**
At year-end:						
Total assets	**¥ 184,035**	¥169,644	¥166,000	¥ 139,458	¥ 138,279	**$ 2,213,292**
Equity	**49,967**	50,292	51,816	55,127	59,456	**49,967**
Per share of common stock (in yen and U.S. dollars):						
Basic net income	**¥ 20.40**	¥ 14.38	¥ 13.03	¥ 13.33	¥ 23.92	**$ 0.25**
Equity	**396.61**	394.37	380.26	403.17	429.32	**4.77**
Cash dividends applicable to the year	**9.00**	9.00	9.00	8.00	8.00	**0.11**
Ratios:						
Equity ratio (%)	**26.8**	28.9	30.4	38.4	41.9	
Return on equity (%)	**5.2**	3.7	3.3	3.2	5.6	
Interest coverage ratio (times)	**5.3**	6.7	6.6	9.2	14.5	
Price/Earnings ratio (times)	**15.9**	24.3	29.4	43.0	32.6	

Note: The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥83.15 to $1, the approximate rate of exchange at March 31, 2011. (See Note 1 of the Notes to Consolidated Financial Statements)

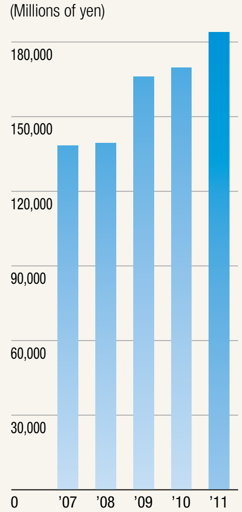
Operating Income

(Millions of yen)



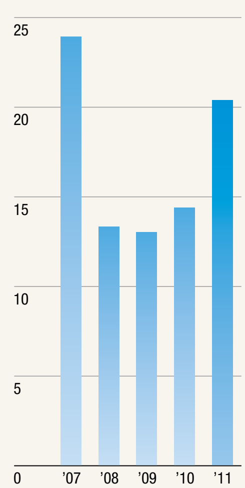
Total Assets

(Millions of yen)



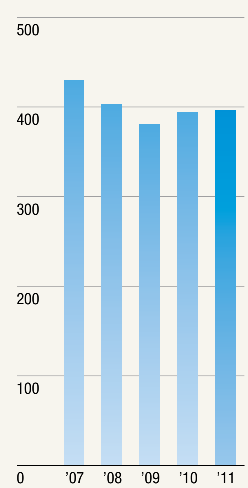
Basic Net Income per Share

(Yen)



Equity per Share

(Yen)



An Interview with the President

Kazuo Tamura
President

I am pleased to have this opportunity to thank our shareholders and investors for their continued support. At the same time, let me also express my deepest sympathies to those persons who suffered damages from the Great East Japan Earthquake that struck on March 11, 2011. I pray for the safety of everyone affected by the earthquake and hope that the devastated areas are able to recover as quickly as possible.

Could you describe business conditions during the fiscal year ended March 31, 2011?

During the fiscal year, the Japanese economy still remained far from realizing a full-fledged recovery. After continued year-on-year double-digit gains, the industrial production index slowed to single-digit increases from September 2010 and then turned negative in March due mainly to the impact of the Great East Japan Earthquake.

In the logistics industry, the pace of recovery slowed during the second half of the fiscal year. Incoming volume and turnover rates for type 1-3 warehouses of 21 main warehousing companies sustained year-on-year growth from the beginning of the year, but then recorded minus growth from October 2010.

Under these economic conditions, in August 2010 we have formulated a medium-term management plan, "New Growth Strategy @2010," aimed once more at expanding earnings in our mainstay logistics business and regaining our potential for growth. Based on this plan, we will strengthen competitiveness through executing structural reforms in our existing logistics business and secure additional earning sources via the creation of new logistics businesses. Concurrently, in domestic and overseas markets we will introduce attractive new services that accurately grasp market and customer needs. By taking these measures, we seek to continue to achieve steady expansion of business performance and sustainable enhancement of corporate value without depending on economic recovery or other improvements in the external environment.

Regarding consolidated business results, operating income in the Domestic Logistics Segment decreased due to a decline in storage volume and other factors. However, we posted favorable results in the Domestic Port Terminal Segment and Global Network Segment on the back of recoveries in overseas economies. As a result, net sales rose 9.1% from the previous fiscal year to ¥96,766 million and operating income edged up 0.1% to ¥6,549 million. Net income rose 36.3% to ¥2,534 million due to a decrease in the tax burden along with the liquidation of a consolidated subsidiary and the lump-sum amortization of negative goodwill.

Could you tell us about performance by business sector?

In the Domestic Logistics Segment, in which we provide warehousing, transportation, distribution processing and other services to companies in Japan, we achieved a 4.3% increase in net sales to ¥50,228 million. This increase was driven by growth in such operations as container transport, regular freight transport and loading accompanying a recovery in freight movements centering on import and export freight.

In the Domestic Port Terminal Segment that provides port-related work and services to shipping companies—our primary customers in this business—we recorded a 20.8% increase in net sales to ¥13,226 million. This increase was fueled by a rise in container terminal work due to a higher volume of freight handled for existing shipping companies. Securing a new company for China sea routes and the opening of additional routes by an existing shipping company also contributed to higher net sales.

In the Global Network Segment that offers logistics services to Japanese-affiliated and local companies overseas through our network of overseas group subsidiaries, we posted a 6.9% increase in net sales to ¥13,446 million. This gain reflected an overall improvement in the results of local subsidiaries in Europe, the United States, Southeast Asia and Northeast Asia.

Looking at the Other Logistics Segment, we acquired all the shares of JTB Air Cargo Inc., a subsidiary of JTB Corp. We made this company into a subsidiary, named Mitsui-Soko Air Cargo Inc., for playing a central role in handling our international air cargo transport business. As a result, we further upgraded, expanded and strengthened our international cargo transport business. On a different front, we established the MBP Sendai Center to bolster our BPO business that supports customers' business processes. This new facility provides various customer support such as performing call center functions and administrative tasks that include information and business processing. Meanwhile, at the Tama Records Center, a dedicated facility for undertaking our BPO business, we constructed a new building that enables us to respond to even more advanced information storage and processing. In the logistics system business, we promoted operations for storing and delivering investigational medical products (IMP) as part of efforts to expand our business fields. As a result, net sales in the Other Logistics Segment amounted to ¥10,548 million, an increase of 37.2% over the previous fiscal year.

Could you tell us about your future business strategies, focusing mainly on New Growth Strategy @2010?

In May 2009, we formulated and launched "Medium-Term Plan 2009" that set our business targets up through the fiscal year ending March 2012. In the meantime, however, the logistics business weakened due to the global recession triggered by the onset of the financial crisis in September 2008. Consequently, we were unable to attain our targets from the first fiscal year that ended March 31, 2010.

Reflecting upon this outcome with due consideration, in August 2010 we formulated a new medium-term management plan, "New Growth Strategy @2010," which will run through the fiscal year ending March 2013. This new plan aims once more at expanding earnings in our mainstay logistics business and regaining our potential for growth.

As basic business policies under this plan, we will focus on "reinforcing the revenue-generating bases of the Domestic Logistics Segment and Domestic Port Terminal Segment by way of a fundamental shift from conventional methods" and "developing businesses that can be sources of our future growth." Regarding specific measures, we will raise the profitability, efficiency and productivity of our overall logistics business through such efforts as diversification of domestic logistics services and reinforcement of our global logistics system services. The plan's other basic policies are "thoroughly implementing 'selection and concentration' for allocation of management resources" and "ensuring sound financial fundamentals responding to changing market conditions." As specific measures, we are concentrating resource allocation in areas that have potential for growth and withdrawing from unprofitable businesses or areas.

Aiming at regaining our potential for growth under New Growth Strategy @2010, we have made preparations for constructing our next large-scale logistics facility by acquiring an approximately 30,850m² plot of land in an industrial complex in Kazo City, Saitama. We also have initiated FLEXPRESS, a new logistics package service. The service is based on the concept of "eliminating national boundaries for logistics within Asia and providing the same level of logistics services as in Japan." The inauguration of FLEXPRESS will enable us to respond to the diversification of logistics in Asia as customers expand their global supply chains.

What is the outlook for the fiscal year ending March 31, 2012?

Although the Japanese economy finally showed signs of picking up, concerns have emerged about such factors as sluggish production and consumption due to the impact of the Great East Japan Earthquake. Therefore, more time will likely be needed for a full-fledged recovery to materialize.

Under these conditions, in the next fiscal year ending March 31, 2012, besides the full-year contribution by Mitsui-Soko Air Cargo, acquired in March 2011, we will reinforce our revenue-generating bases and reduce structural costs through the promotion of low-cost operations under New Growth Strategy @2010. As a result, we forecast a 14.7% increase in consolidated net sales to ¥111,000 million, a 14.5% rise in operating income to ¥7,500 million and a 42.0% increase in net income to ¥3,600 million from the previous fiscal year. With our current major capital investments virtually completed, we plan to allocate ¥4,000 million for capital investments. By reducing interest-bearing debt, we intend to secure a sound financial structure.

Finally, do you have any message for shareholders?

There are concerns about the aftermath of the Great East Japan Earthquake. Moreover, the environment surrounding the logistics business is undergoing dramatic changes. To maintain our growth under these uncertain conditions, it is essential that we promote a fundamental shift in our business strategies by implementing "New Growth Strategy @2010." Our basic management policy under this strategy will be to raise corporate value by continually increasing operating profit along with an expansion in business scale.

Concerning the payment of dividends, to ensure that dividends are not unduly affected by short-term fluctuations in our business results, we maintain consistent and stable dividends with due consideration of our medium- and long-term profit levels and financial condition. In accordance with this dividend policy, for the current fiscal year we paid cash dividends of ¥9.00 per share, including an interim dividend of ¥4.50 per share. We currently anticipate distributing in the next fiscal year cash dividends of ¥9.00 per share, including an interim dividend of ¥4.50 per share, which is the same as this fiscal year.

In closing, I would like to ask shareholders for their understanding and further support of the management policies I have explained in this report.

Corporate Governance

Basic Policy

Cognizant of Mitsui-Soko's social mission, the Company's directors, corporate auditors and employees are dedicated to performing their responsibilities faithfully in order to protect shareholders' interests. In addition to establishing various organizational entities for decision-making and oversight, the Company introduced an Executive Officer System that separates business execution and oversight functions and clarifies responsibilities and authority for business execution by directors and executive officers as part of our initiatives for strengthening corporate governance.

Key Entities and Their Responsibilities

The Board of Directors, chaired by the President, meets monthly to make important decisions as stipulated by applicable laws, the Company's articles of incorporation and internal rules and regulations. It also oversees the performance of company operations under the supervision of the executive directors.

The Board of Corporate Auditors is composed of full-time corporate auditors and outside corporate auditors. An auditing staff supports the Board of Corporate Auditors in fulfilling its responsibilities.

The Managing Directors' Council meets weekly to discuss and render decisions regarding matters entrusted to it by the Board of Directors and important operational matters as defined by company rules and regulations.

Establishment of an Internal Control System

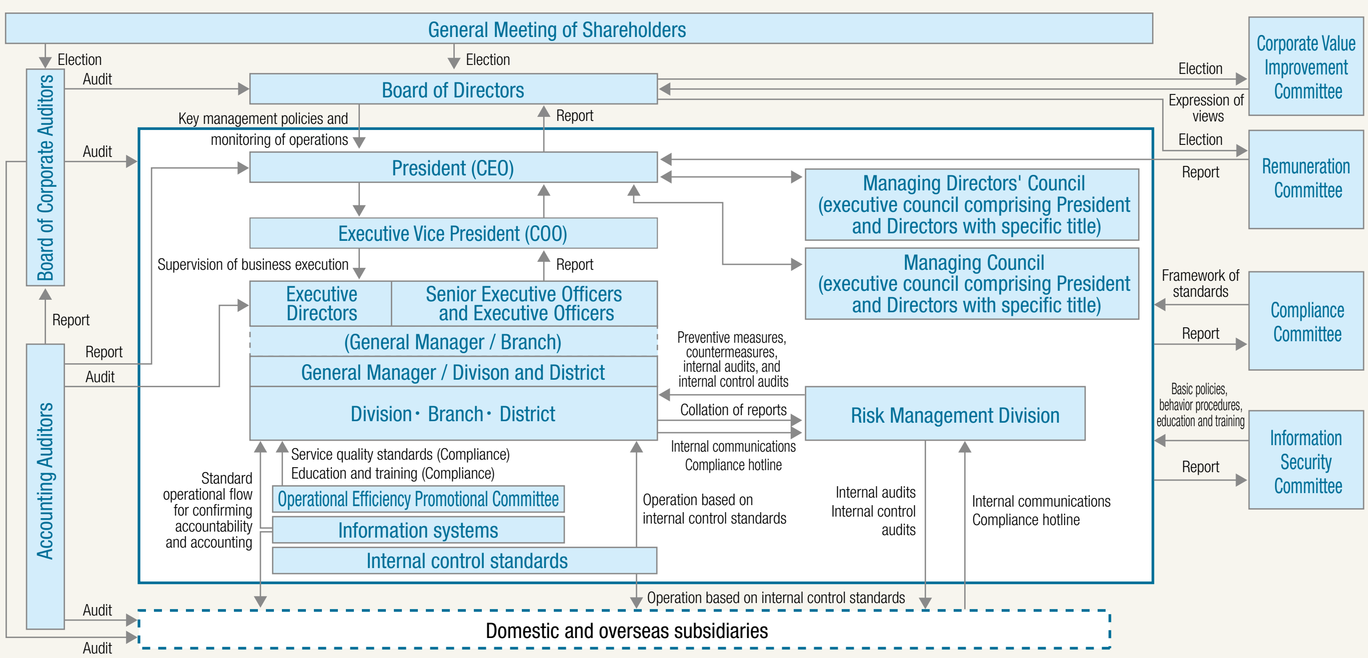
The Company has put in place internal controls to ensure that the execution of duties by directors conforms with laws and the Company's articles of incorporation as well as to ensure the appropriateness of other operations carried out by the Company. We have also established rules and regulations associated with our compliance structures, for example, Corporate Ethical Standards, to serve as a code of conduct to help directors and employees ensure that their actions are consistent with applicable law such as the Company's articles of incorporation and social norms. To ensure that these rules and regulations are properly observed, the Risk Management Division exercises cross-sectional control of compliance initiatives and carries out education and training activities, and the internal auditing department monitors compliance. The results of these activities are reported regularly to the Board of Directors and to the Board of Corporate Auditors.

The Company also maintains a compliance hotline that is available for all Group employees to directly provide information on possible illegal conduct.

Risk Management Structure and Internal Auditing

Under the supervision of the Chief Compliance Officer, who is responsible for the Corporate Administrative Headquarters, the Risk Management Division strives to reduce corporate risk by preventing potential risk, preparing and revising countermeasure manuals, and conducting internal audits.

In addition to working with associated operational headquarters to develop countermeasure manuals for high-priority risks, verifying the implementation of preventive measures and sharing results throughout the Company, the division orchestrates a continuous review process. Other responsibilities include conducting internal audits to assess whether the Company's operations are carried out in keeping with the established procedures and rules, verifying results, examining and implementing improvement plans, and reviewing procedures. The division then provides the results of these activities to the Board of Corporate Auditors and accounting auditors as appropriate.



Mitsui-Soko Group Network

As of March 31, 2011

Company Name	Location	Main Business
Hokkaimitsui-Soko Co., Ltd.	Hokkaido	Warehousing / Cargo forwarding
Mitsui-Soko Air Freight Co., Ltd.	Tokyo	Air cargo transport and handling services
Mitsui-Soko Air Cargo Inc.	Tokyo	International air cargo consolidation services
MS Air Cargo Inc.	Tokyo	Customs clearance services
Mitsui-Soko Facilities Co., Ltd.	Tokyo	Insurance / Building management and operation
Sun Capital and Accouting Co., Ltd.	Tokyo	Financial and accounting services
Logisctics Systems and Solutions Co., Ltd.	Tokyo	Information systems designing and development
Mitsui-Soko Business Partners Co., Ltd.	Tokyo	BPO buisiness / Data managemet services
Tokyo Sanshin Service K.K.	Tokyo	Insurance
Sanso K.K.	Tokyo	Warehouse cargo handling
IM Express Co., Ltd.	Tokyo	Overland cargo transport / Cargo forwarding
MSC Logistics East, Inc.	Tokyo	Overland cargo transport / Warehousing
Toko Maruraku Transportation Co., Ltd.	Kanagawa	Seaport operations / Cargo forwarding
M•S Logistics Co., Ltd.	Saitama	Warehouse management and operations
Sanso Kouun Co., Ltd.	Aichi	Warehouse cargo handling / Seaport operations
Sanko Trucking Co., Ltd.	Aichi	Overland cargo transport / Cargo forwarding
Meikyo Service Co., Ltd.	Aichi	Warehouse cargo handling
Sanei K.K.	Mie	Warehouse cargo handling / Seaport operations
Mitsui Warehouse Terminal Service Co., Ltd.	Osaka	Seaport operatons / Overland cargo transport / Cargo forwarding
Sanyu Service Co., Ltd.	Osaka	Warehouse cargo handling
Mitsunori Corporation	Fukui	Warehousing / Overland cargo transport / Cargo forwarding
Kobe Sunso Koun Co., Ltd.	Hyogo	Warehouse cargo handling / Seaport operations
MK Services Co., Ltd.	Hyogo	Distribution processing
Sun Transport Co., Ltd.	Hyogo	Overland cargo transport / Cargo forwarding
Mitsui-Soko Kyushu Co., Ltd.	Fukuoka	Warehousing / Seaport operations / Cargo forwarding
Seiyu Koun Co., Ltd.	Fukuoka	Warehouse cargo handling / Seaport operations
Hakata Sanso-Butsuryu Co., Ltd.	Fukuoka	Warehouse cargo handling / Overland cargo transport
Itabashi-Shouji Co., Ltd.*	Kanagawa	Overland cargo transport / Cargo forwarding
Morikichi Tsuun Co., Ltd.*	Aichi	Overland cargo transport / Cargo forwarding
Mitsui-Soko (U.S.A.) Inc.	U.S.A.	International combined transport / Warehousing / Cargo forwarding
Mitsui-Soko (Europe) B.V.	Netherlands	International combined transport / Warehousing / Cargo forwarding
Mitsui-Soko (Europe) B.V. <Branch>	Germany / Czech Republic / Poland	
Mitsui-Soko International Pte. Ltd.	Singapore	Overall management of subsidiaries in the Southeast Asia region / Warehouse leasing
Mitsui-Soko (Singapore) Pte. Ltd.	Singapore	International combined transport / Warehousing / Cargo forwarding
Mitsui-Soko Air Services (S) Pte. Ltd.	Singapore	Air cargo transport and handling services
Mitsui-Soko (Malaysia) Sdn. Bhd.	Malaysia	International combined transport / Warehousing / Cargo forwarding
Mitsui-Soko Agencies (Malaysia) Sdn. Bhd.	Malaysia	Customs clearance services
Integrated Mits Sdn. Bhd.	Malaysia	Warehousing
Mitsui-Soko (Thailand) Co., Ltd.	Thailand	International combined transport / Warehousing / Cargo forwarding
Mitsui-Soko (Chiangmai) Co., Ltd.	Thailand	International combined transport / Warehousing / Cargo forwarding
MITS Logistics (Thailand) Co., Ltd.	Thailand	Warehousing
MITS Transport (Thailand) Co., Ltd.	Thailand	Cargo fowarding
PT Mitsui-Soko Indonesia	Indonesia	Warehousing / Seaport operations / Cargo forwarding
Mitex Logistics (Shanghai) Co., Ltd.	China	Warehousing / Distribution processing
Mitex Shenzhen Logistics Co., Ltd.	China	International combined transport / Warehousing / Distribution processing
Nantong Sinavico International Logistics Co., Ltd.	China	Warehousing / Cargo forwarding
Mitex Inernational (Hong Kong) Ltd.	Hong Kong	International combined transport / Warehousing / Cargo forwarding
Mitex Multimodal Express Ltd.	Hong Kong	Cargo fowarding
Noble Buisiness International Ltd.	Hong Kong	Cargo fowarding
Mitsui-Soko (Taiwan) Co., Ltd.	Taiwan	International combined transport / Warehousing
Mitsui-Soko (Korea) Co., Ltd.	Korea	International combined transport
Mitsui-Soko (Philippines) Inc.	Philippines	International combined transport / Warehousing / Cargo forwarding
Syarikat Rtnz Sdn. Bhd.*	Malaysia	Bonded warehouse operations
AW Rostamani Logistics L.L.C.*	U.A.E.	International combined transport / Warehousing / Cargo forwarding
Shanghai Hua He International Logistics Co., Ltd.*	China	Warehousing / Cargo forwarding / Distribution processing
Joint Venture Sunrise Logistics Co., Ltd.*	Vietnam	International combined transport / Warehousing / Cargo forwarding

*Equity-method affiliates

Management's Discussion and Analysis

Business Results

Net Sales

During the fiscal year ended March 31, 2011, a full-scale recovery of the Japanese economy did not materialize and uncertainty about future prospects continues. Amid this economic environment, the Domestic Port Terminal Segment and Global Network Segment recorded favorable performances due to recoveries in overseas economies. As a result, net sales rose ¥8,038 million (9.1%) from the previous fiscal year to ¥96,766 million.

By segment, the Domestic Logistics Segment achieved a ¥2,061 million (4.3%) increase in net sales to ¥50,228 million. The Domestic Port Terminal Segment recorded a ¥2,281 million (20.8%) increase in net sales to ¥13,226 million. The Global Network Segment posted an ¥871 million (6.9%) increase in net sales to ¥13,446 million. The Other Logistics Segment recorded a ¥2,859 million (37.2%) increase in net sales to ¥10,548 million. The Real Estate Segment posted a ¥303 million (2.5%) rise in net sales to ¥12,539 million.

Cost of Sales and SG&A Expenses

Cost of sales rose ¥7,750 million (10.3%) from the previous fiscal year to ¥83,341 million along with the increase in net sales. Cost of sales as a percentage of net sales rose 0.9 percentage point to 86.1%. Selling, general and administrative (SG&A) expenses increased ¥282 million (4.3%) to ¥6,876 million.

Operating Income

Despite a rise in net sales, operating income edged up ¥5 million (0.1%) to ¥6,549 million due to a decline in storage volume and other factors.

By segment, the Domestic Logistics Segment recorded a ¥126 million (3.3%) decrease in operating income to ¥3,745 million. The Domestic Port Terminal Segment achieved a ¥595 million (111.6%) increase in operating income to ¥1,129 million. The Global Network Segment posted a ¥431 million rise in operating income to ¥117 million. The Other Logistics Segment recorded a ¥562 million increase in operating loss to an operating loss of ¥666 million. The Real Estate Segment posted an ¥82 million (1.1%) decline in operating income to ¥7,522 million.

Other Income (Expenses)

Other expenses—net declined ¥104 million (3.7%) to ¥2,692 million. This decline was due to such factors as a gain on sales of property, plant and equipment that exceeded a loss on sales of property, plant and equipment.

Net Income

Income before income taxes and minority interests increased ¥110 million (2.9%) to ¥3,857 million. Income taxes as a percentage of income before income taxes and minority interests declined 15.6 percentage points from 50.2% in the previous fiscal year to 34.6%, which is 6.1 percentage points lower than Japan's effective statutory tax rate of 40.7%. The decline in the tax burden was due to a decrease in valuation allowance.

Net income increased ¥675 million (36.3%) to ¥2,534 million. Net income per share increased ¥6.02 to ¥20.40 from last year's ¥14.38.

Financial Position

Assets and Equity

Total assets at the end of the fiscal year increased ¥14,392 million over the previous fiscal year-end to ¥184,035 million due to a rise in property, plant and equipment along with capital investments. Equity declined ¥325 million from the previous fiscal year-end to ¥49,967 million owing to such factors as a decline in unrealized gain on available-for-sale securities accompanying a decrease in the market value of securities.

Cash Flows

Net cash provided by operating activities amounted to ¥8,104 million, a decrease of ¥2,122 million from the previous year due to such factors as an increase in income taxes—paid and an increase in notes and accounts receivable—trade.

Net cash used in investing activities amounted to ¥17,910 million, an increase of ¥9,372 million from the previous fiscal year attributable to such factors as the purchase of a large leasing-use logistics facility.

Net cash provided by financing activities amounted to ¥11,154 million, an increase of ¥10,924 million from the previous fiscal year due to proceeds from the issuance of corporate bonds. As a result of these activities, cash and cash equivalents, end of year increased ¥1,246 million to ¥17,362 million.

Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
MITSUI-SOKO Co., Ltd.:

We have audited the accompanying consolidated balance sheets of MITSUI-SOKO Co., Ltd. and consolidated subsidiaries (the "Company") as of March 31, 2011 and 2010, and the related consolidated statements of income for the years then ended, the consolidated statement of comprehensive income for the year ended March 31, 2011, and the related consolidated statements of changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MITSUI-SOKO Co., Ltd. and consolidated subsidiaries as of March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 29, 2011

Member of
Deloitte Touche Tohmatsu Limited

Consolidated Balance Sheets

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	2011	2010	2011
CURRENT ASSETS:			
Cash and cash equivalents (Note 13)	**¥ 17,362**	¥ 16,116	**$ 208,797**
Time deposits other than cash equivalents (Note 13)	**219**	240	**2,633**
Receivables (Note 13):			
Trade notes and accounts	**14,761**	12,523	**177,529**
Unconsolidated subsidiaries and associated companies	**90**	27	**1,087**
Other	**1,869**	822	**22,483**
Deferred tax assets (Note 11)	**873**	744	**10,498**
Other current assets	**2,401**	1,772	**28,878**
Allowance for doubtful accounts	**(35)**	(28)	**(430)**
Total current assets	**37,540**	32,216	**451,475**
PROPERTY, PLANT AND EQUIPMENT (Notes 5 and 6):			
Land	**51,292**	47,885	**616,854**
Buildings and structures	**150,741**	138,435	**1,812,882**
Machinery and equipment	**15,769**	15,466	**189,641**
Other	**8,401**	7,575	**101,039**
Construction in progress	**39**	5,616	**468**
Total	**226,242**	214,977	**2,720,884**
Accumulated depreciation	**(104,882)**	(100,137)	**(1,261,357)**
Net property, plant and equipment	**121,360**	114,840	**1,459,527**
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 4, 6 and 13)	**10,165**	11,545	**122,247**
Investments in unconsolidated subsidiaries and associated companies (Note 13)	**999**	1,497	**12,021**
Long-term loans	**432**	411	**5,203**
Goodwill	**2,932**		**35,267**
Intangible assets	**5,417**	4,871	**65,142**
Prepaid pension cost (Note 7)	**1,225**	1,112	**14,731**
Deferred tax assets (Note 11)	**1,606**	448	**19,315**
Other assets	**2,454**	2,735	**29,512**
Allowance for doubtful accounts	**(95)**	(31)	**(1,148)**
Total investments and other assets	**25,135**	22,588	**302,290**
TOTAL	**¥184,035**	¥169,644	**$ 2,213,292**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2011	2010	Thousands of U.S. Dollars (Note 1) 2011
CURRENT LIABILITIES:			
Payables (Note 13):			
Trade notes and accounts	¥ 7,412	¥ 6,146	$ 89,137
Unconsolidated subsidiaries and associated companies	227	248	2,730
Other	1,430	783	17,193
Short-term bank loans (Notes 6 and 13)	966	1,092	11,616
Current portion of long-term debt (Notes 6 and 13)	22,705	17,939	273,061
Accrued expenses	2,343	2,179	28,177
Income taxes payable	1,657	1,284	19,927
Deposits received	3,529	3,734	42,448
Other current liabilities	1,039	874	12,500
Total current liabilities	41,308	34,279	496,789
LONG-TERM LIABILITIES:			
Long-term debt (Notes 6 and 13)	84,834	77,175	1,020,256
Liability for retirement benefits (Note 7)	2,290	2,203	27,535
Deferred tax liabilities (Note 11)	1,311	1,327	15,767
Other long-term liabilities	4,325	4,368	52,018
Total long-term liabilities	92,760	85,073	1,115,576
COMMITMENTS AND CONTINGENT LIABILITIES (Notes12 and 14)			
EQUITY (Notes 8 and 16):			
Common stock—authorized: 400,000,000 shares, issued: 124,415,013 shares in 2011 and 2010	11,101	11,101	133,502
Capital surplus	5,563	5,563	66,904
Retained earnings	32,969	31,552	396,500
Treasury stock—at cost, 221,654 shares in 2011 and 220,684 in 2010	(99)	(98)	(1,189)
Accumulated other comprehensive income (loss):			
Unrealized gain on available-for-sale securities	2,002	2,706	24,082
Foreign currency translation adjustments	(2,280)	(1,846)	(27,426)
Total	49,256	48,978	592,373
Minority interests	711	1,314	8,554
Total equity	49,967	50,292	600,927
TOTAL	¥184,035	¥169,644	$2,213,292

Consolidated Statements of Income

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
NET SALES	¥ 96,766	¥ 88,728	$ 1,163,753
COST OF SALES	83,341	75,591	1,002,300
Gross profit	13,425	13,137	161,453
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	6,876	6,594	82,695
Operating income	6,549	6,543	78,758
OTHER INCOME (EXPENSES):			
Interest and dividend income	247	222	2,973
Interest expense	(1,555)	(1,524)	(18,705)
Foreign exchange (loss) gain—net	(43)	7	(516)
Gain on sales of investment securities—net		213	
Loss on write-down of securities (Note 4)	(201)	(42)	(2,420)
Loss on disposals of property, plant and equipment	(374)	(764)	(4,494)
Gain (loss) on sales of property, plant and equipment—net	34	(9)	413
Gain on negative goodwill	473		5,686
Losses from a natural disaster (Note 9)	(396)		(4,761)
Other—net (Note 10)	(877)	(898)	(10,543)
Other expenses—net	(2,692)	(2,795)	(32,367)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	3,857	3,748	46,391
INCOME TAXES (Note 11):			
Current	826	1,905	9,935
Deferred	507	(25)	6,094
Total income taxes	1,333	1,880	16,029
NET INCOME BEFORE MINORITY INTERESTS	2,524		30,362
MINORITY INTEREST IN NET INCOME	(10)	9	(117)
NET INCOME	¥ 2,534	¥ 1,859	$ 30,479

	Yen		U.S. Dollars (Note 1)
	2011	2010	2011
PER SHARE OF COMMON STOCK (Notes 2.q and 16):			
Basic net income	¥ 20.40	¥ 14.38	$ 0.25
Cash dividends applicable to the year	9.00	9.00	0.11

Consolidated Statements of Comprehensive Income

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Year ended March 31, 2011

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2011	2011
NET INCOME BEFORE MINORITY INTERESTS	¥ 2,524	$ 30,362
OTHER COMPREHENSIVE INCOME (Note 15):		
Unrealized loss on available-for-sale securities	(702)	(8,442)
Foreign currency translation adjustments	(431)	(5,185)
Share of other comprehensive income in associates	(39)	(471)
Total other comprehensive income	(1,172)	(14,098)
COMPREHENSIVE INCOME (Note 15)	¥ 1,352	$ 16,264
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (Note 15)		
Owners of the parent	¥ 1,396	$ 16,789
Minority interests	(44)	(525)

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

			Millions of Yen								
							Accumulated Other Comprehensive Income				
	Number of Common Stock	*Number of Treasury Stock*	*Common Stock*	*Capital Surplus*	*Retained Earnings*	*Treasury Stock*	*Unrealized Gain (Loss) on Available-for-sale Securities*	*Foreign Currency Translation Adjustments*	*Total*	*Minority Interests*	*Total Equity*
BALANCE, APRIL 1, 2009	139,415,013	(6,530,000)	¥11,101	¥5,563	¥37,590	¥(4,062)	¥2,338	¥(1,999)	¥50,531	¥1,285	¥51,816
Net income					1,859				1,859		1,859
Cash dividends, ¥9.0 per share					(1,196)				(1,196)		(1,196)
Repurchase of treasury stock		(8,690,684)				(2,737)			(2,737)		(2,737)
Retirement of treasury stock	(15,000,000)	15,000,000			(6,701)	6,701					
Net change in the year							368	153	521	29	550
BALANCE, APRIL 1, 2010	**124,415,013**	**(220,684)**	**11,101**	**5,563**	**31,552**	**(98)**	**2,706**	**(1,846)**	**48,978**	**1,314**	**50,292**
Net income					**2,534**				**2,534**		**2,534**
Cash dividends, ¥9.0 per share					**(1,117)**				**(1,117)**		**(1,117)**
Repurchase of treasury stock		**(970)**				**(1)**			**(1)**		**(1)**
Net change in the year							**(704)**	**(434)**	**(1,138)**	**(603)**	**(1,741)**
BALANCE, MARCH 31, 2011	**124,415,013**	**(221,654)**	**¥11,101**	**¥5,563**	**¥32,969**	**¥ (99)**	**¥2,002**	**¥(2,280)**	**¥49,256**	**¥ 711**	**¥49,967**

	Thousands of U.S. Dollars (Note 1)								
					Accumulated Other Comprehensive Income				
	Common Stock	*Capital Surplus*	*Retained Earnings*	*Treasury Stock*	*Unrealized Gain (Loss) on Available-for-sale Securities*	*Foreign Currency Translation Adjustments*	*Total*	*Minority Interests*	*Total Equity*
BALANCE, APRIL 1, 2010	$133,502	$66,904	$379,463	$(1,185)	$32,541	$(22,195)	$589,030	$15,801	$604,831
Net income			30,479				30,479		30,479
Cash dividends, $0.11 per share			(13,442)				(13,442)		(13,442)
Repurchase of treasury stock				(4)			(4)		(4)
Net change in the year					(8,459)	(5,231)	(13,690)	(7,247)	(20,937)
BALANCE, MARCH 31, 2011	$133,502	$66,904	$396,500	$(1,189)	$24,082	$(27,426)	$592,373	$ 8,554	$600,927

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 3,857	¥ 3,748	$ 46,391
Adjustments for:			
Income taxes—paid	(2,047)	(1,008)	(24,612)
Depreciation and amortization	6,908	6,041	83,080
Gain on sales of property, plant and equipment—net	(61)	(6)	(728)
Gain on sales of investment securities—net		(213)	
Loss on disposals of property, plant and equipment	118	592	1,413
Loss on write-down of securities	201	42	2,420
Changes in assets and liabilities:			
Increase (decrease) in allowance for doubtful accounts	29	(2)	343
Decrease in liability for retirement benefits	(138)	(295)	(1,654)
Increase in notes and accounts receivable—trade	(810)	(40)	(9,746)
Increase in notes and accounts payable—trade	585	205	7,032
Other—net	(538)	1,163	(6,473)
Total adjustments	4,247	6,479	51,075
Net cash provided by operating activities	8,104	10,227	97,466
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(19,327)	(8,242)	(232,437)
Proceeds from sales of property, plant and equipment	6,538	142	78,622
Purchases of intangible assets	(1,168)	(501)	(14,050)
Purchases of investment securities	(9)	(168)	(103)
Payments for acquisition of shares in consolidated subsidiaries, net of cash acquired	(155)		(1,868)
Proceeds from sales of investment securities		336	
Proceeds from collection of loans	93	109	1,123
Payments for acquisition of shares affecting scope of consolidation, net of cash acquired	(3,861)		(46,429)
Other—net	(21)	(214)	(255)
Net cash used in investing activities	(17,910)	(8,538)	(215,397)
FINANCING ACTIVITIES:			
Decrease in short-term bank loans—net	(72)	(78)	(857)
Proceeds from long-term debt	30,367	19,500	365,207
Repayments of long-term debt	(17,941)	(15,371)	(215,769)
Dividends paid	(1,117)	(1,196)	(13,442)
Repurchase of treasury stock	(1)	(2,737)	(4)
Other—net	(82)	112	(988)
Net cash provided by financing activities	11,154	230	134,147
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(190)	42	(2,290)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,158	1,961	13,926
INCREASE IN CASH AND CASH EQUIVALENTS FROM NEWLY CONSOLIDATED SUBSIDIARY	88		1,056
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	16,116	14,155	193,815
CASH AND CASH EQUIVALENTS, END OF YEAR	¥17,362	¥16,116	$ 208,797

See notes to consolidated financial statements.

ADDITIONAL INFOMRATION:

MITSUI-SOKO AIR CARGO INC. was included in the scope of consolidation for the year ended March 31, 2011 through the acquisition of shares. The acquisition cost and payments for the acquisition were as follows:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2011	2011
Current assets	¥ 2,904	$ 34,921
Investments and other assets	1,445	17,386
Current liabilities	(2,347)	(28,229)
Long-term liabilities	(259)	(3,117)
Net assets acquired	1,743	20,961
Goodwill	2,957	35,563
Cash acquired	(839)	(10,095)
Net of cash acquired	¥ 3,861	$ 46,429

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

MITSUI-SOKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Under Japanese GAAP, a consolidated statement of comprehensive income is required from the fiscal year ended March 31, 2011 and has been presented herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheet and the consolidated statement of changes in equity. Information with respect to other comprehensive income for the year ended March 31, 2010 is disclosed in Note 15. In addition, “net income before minority interests” is disclosed in the consolidated statement of income from the year ended March 31, 2011.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2010 consolidated financial statements to conform to the classifications used in 2011.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which MITSUI-SOKO Co., Ltd. (the “Company”) is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83.15 to $1, the approximate rate of exchange at March 31, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. *Consolidation*—The consolidated financial statements as of March 31, 2011 include the accounts of the Company and its 49 significant (51 in 2010) subsidiaries (together, the “Group”).

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in 6 (6 in 2010) associated companies are accounted for by the equity method.

Investments in the unconsolidated subsidiaries and the remaining associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition is amortized over a period not exceeding 20 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. *Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statement*
In May 2006, the Accounting Standards Board of Japan (the “ASBJ”) issued ASBJ Practical Issues Task Force (PITF) No.18,

"Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". PITF No. 18 prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances that should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and 6) exclusion of minority interests from net income, if included.

c. *Business Combination*—In October 2003, the Business Accounting Council (the "BAC") issued a Statement of Opinion, "Accounting for Business Combinations", and in December 2005, the ASBJ issued ASBJ Statement No. 7, "Accounting Standard for Business Divestitures" and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures". The accounting standard for business combinations allows companies to apply the pooling of interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. For business combinations that do not meet the uniting-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

In December 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows: (1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling of interests method of accounting is no longer allowed. (2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development (IRR&D) acquired in the business combination is capitalized as an intangible assets. (3) The previous accounting standard provided for bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase allocation. This standard was applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

d. *Cash Equivalents*—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and certificate of deposits, all of which mature or become due within three months of the date of acquisition.

e. *Investment Securities*—Investment securities are classified and accounted for, depending on management's intent, as available-for-sale securities, which are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

f. *Allowance for Doubtful Accounts*—The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the past credit loss experience and an evaluation of potential losses in the receivables outstanding.

g. *Property, Plant and Equipment*—Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed substantially by the declining-balance method based on the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired after April 1, 1998, leased assets of the Company and its consolidated domestic subsidiaries, and all property, plant and equipment of consolidated foreign subsidiaries. The range of useful lives is principally from 3 to 50 years for buildings and from 2 to 15 years for machinery and equipment. The useful lives for leased assets are the terms of the respective leases.

h. *Long-Lived Assets*—The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

i. *Intangible Assets*—Intangible assets are carried at cost less accumulated amortization, which is calculated by the straight-line method principally over 5 years for software. The useful lives for leased assets are the terms of the respective lease.

j. *Bond Issue Costs*—Bond issue costs are charged to income as incurred.

k. *Retirement and Pension Plans*—The Company and certain consolidated domestic subsidiaries have non-contributory funded defined benefit pension plans and unfunded retirement benefit plans for employees. The Company also has a defined contribution pension plan. Other consolidated domestic subsidiaries have unfunded retirement benefit plans. Certain consolidated foreign subsidiaries have defined contribution pension plans.

The Group accounts for the liability for employees' retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

l. *Asset Retirement Obligations*—In March 2008, the ASBJ published the accounting standard for asset retirement obligations, ASBJ Statement No. 18 “Accounting Standard for Asset Retirement Obligations” and ASBJ Guidance No. 21 “Guidance on Accounting Standard for Asset Retirement Obligations”. Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligations are recognized as the sum of the discounted cash flows required for the future asset retirement and are recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for fiscal years beginning on or after April 1, 2010.

The Company applied this accounting standard effective April 1, 2010. The effect of this change was to decrease income before income taxes and minority interests by ¥67 million ($809 thousand).

m. *Leases*—In March 2007, the ASBJ issued ASBJ Statement No. 13, “Accounting Standard for Lease Transactions”, which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008.

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain “as if capitalized” information was disclosed in the note to the lessee’s financial statements. The revised accounting standard requires that all finance lease transactions were capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to continue to be accounted for as operating lease transactions.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company continues to account for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease.

All other leases are accounted for as operating leases.

n. *Income Taxes*—The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

o. *Foreign Currency Transactions*—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated income statement.

p. *Foreign Currency Financial Statements*—The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate.

Differences arising from such translation were shown as “Foreign currency translation adjustments” under accumulated other comprehensive income in a separate component of equity. Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

q. *Per Share Information*—Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

r. *New Accounting Pronouncements*

Accounting Changes and Error Correction—In December 2009, ASBJ issued ASBJ Statement No. 24 “Accounting Standard for Accounting Changes and Error Corrections” and ASBJ Guidance No. 24 “Guidance on Accounting Standard for Accounting Changes and Error Corrections”. Accounting treatments under this standard and guidance are as follows;

(1) Changes in Accounting Policies:
When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in Presentation
When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates
A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior Period Errors
When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

Notes to Consolidated Financial Statements

3. BUSINESS COMBINATION

Transaction under common control and others

Acquisition of subsidiary company's shares allotted by capital increase

a. Details of combination

1. Name of combined company and its business
   Mitsunori Corp.
   Domestic logistics business
2. Date of the business combination (acquisition date of shares)
   October 28, 2010
3. Legal form of the business combination
   Allocation of new shares to a third party
4. Overview of the transaction including its objectives
   Mitsunori increased its capital to partially raise funds for the construction of a logistics facility. The Company acquired all of the shares allocated by the capital increase.

b. Overview of accounting procedure

This combination was accounted for as an additional acquisition of subsidiary shares in accordance with "Accounting Standard for Business Combinations" and the "Guidance for Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures."

c. Information concerning the additional acquisition of shares in the subsidiary

1. Amount of cash to be paid
   ¥200 million ($2,403 thousand)
2. Negative goodwill, reason for recognition
   (1) Negative goodwill: ¥182 million ($2,190 thousand)
   (2) Reason for recognition: The cost, calculated by multiplying the subscription cost to third party allocation by the minority interest ratio before the capital increase, was lower than the equity corresponding to the Company's holding ratio after the capital increase.

Conversion of consolidated subsidiary into wholly owned subsidiary of the Company

a. Details of combination

1. Name of combined company and its business
   Mitsunori Corp.
   Domestic logistics business
2. Date of the business combination (acquisition date of shares)
   December 28, 2010
3. Legal form of the business combination
   Additional acquisition in interest owned by a minority shareholder
4. Overview of the transaction including its objectives
   The Company accepted an offer concerning sales of shares from the minority shareholder. As the result, the Company acquired all of the shares and became a single parent company.

b. Overview of accounting procedure

This combination was accounted for as a transaction between a minority shareholder in accordance with "Accounting Standard for Business Combinations" and the "Guidance for Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures."

c. Information concerning the additional acquisition of shares in the subsidiary

1. Amount of cash to be paid
   ¥89 million ($1,068 thousand)
2. Negative goodwill, reason for recognition
   (1) Negative goodwill: ¥214 million ($2,576 thousand)
   (2) Reason for recognition: The amount of the additional acquisition was below the amount of decreased minority interest.

Business combination through the acquisition

Acquisition of JTB Air Cargo Inc.

a. Details of combination

1. Name of acquired company and its business
   JTB Air Cargo Inc.
   International cargo transportation business
2. Overview of the objectives
   To upgrade and reinforce the Group international cargo transportation business through synergies from the integration with the air forwarding business of JTB Air Cargo Inc. and the Company.
3. Date of business combination
   March 1, 2011
4. Legal form of the business combination
   Acquisition of the whole shares
5. Name of the acquired company after reorganization
   Mitsui-Soko Air Cargo Inc.
6. Acquired voting right ratios
   Voting right ratio immediately before acquisition: 0%
   Additional voting right ratio secured upon acquisition date: 100%
   Total voting right ratio following acquisition: 100%
7. Main basis behind the determination of the acquiring company
   The Company acquired 100% of the shares of JTB Air Cargo Inc. for cash consideration.

b. Term of performance of the acquired company included in the consolidated financial statements

From March 1, 2011 to March 31, 2011

c. Cost of acquisition and form of consideration

The acquisition cost was ¥4,700 million ($56,524 thousand) and the consideration was cash.

d. Goodwill, reason of recognition, amortization method and period

1. Goodwill: ¥2,957 million ($35,563 thousand)
2. Reason of recognition: Excess earnings power is expected of the acquired company through the development of the international cargo transportation business
3. Amortization method and period: Straight-line method for 10 years

e. Assets and liabilities assumed on the date of business combination

	Millions of yen	*Thousands of U.S. dollars*
Current assets	**¥2,904**	**$34,921**
Investment and other assets	**1,445**	**17,386**
Total assets	**¥4,349**	**$52,307**
Current liabilities	**¥2,347**	**$28,229**
Long-term liabilities	**259**	**3,117**
Total liabilities	**¥2,606**	**$31,346**

f. Estimated impact on the consolidated statements of income for the year ended March 31, 2011, assuming the business combination was concluded on April 1, 2010 was as follows:

(unaudited)

	Millions of yen	Thousands of U.S. dollars
Net sales	**¥10,841**	**$130,376**
Operating income	**86**	**1,031**
Income before income taxes and minority interests	**83**	**996**
Net income	**49**	**591**
Basic net income per share of common stock	**0.4 yen**	**0.01 dollar**

These unaudited amounts were calculated according to the difference between unaudited information on sales and income including the adjustment of ¥271 million ($3,260 thousand) in amortization of goodwill calculated on the assumption that the business combination was concluded on April 1, 2010 and information on sales and income was contained in the consolidated statements of income for the acquiring company.

4. INVESTMENT SECURITIES

Investment securities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Non-current:			
Equity securities	**¥10,129**	¥11,509	**$121,817**
Government and corporate bonds	**36**	36	**430**
Total	**¥10,165**	¥11,545	**$122,247**

The costs and aggregate fair values of investment securities at March 31, 2011 and 2010 were as follows:

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2011				
Securities classified as available-for-sale:				
Equity securities	**¥4,686**	**¥3,611**	**¥(214)**	**¥8,083**
Debt securities	**35**	**1**		**36**
March 31, 2010				
Securities classified as available-for-sale:				
Equity securities	¥4,871	¥4,746	¥(165)	¥9,452
Debt securities	35	1		36

	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2011				
Securities classified as available-for-sale:				
Equity securities	**$56,360**	**$43,426**	**$(2,569)**	**$97,217**
Debt securities	**421**	**9**		**430**

The information for sale of available-for-sale securities which were sold during the year ended March 31, 2010 was as follows:

	Millions of Yen		
	Proceeds	Realized Gains	Realized Losses
March 31, 2010			
Securities classified as available-for-sale:			
Equity securities	¥336	¥213	¥

The loss on write-down of available-for-sale equity securities for the years ended March 31, 2011 and 2010 were ¥201 million ($2,420 thousand) and ¥42 million, respectively.

5. INVESTMENT PROPERTY

In November, 2008, the ASBJ issued ASBJ Statement No. 20 "Accounting Standard for Investment Property and Related Disclosures" and issued ASBJ Guidance No. 23 "Guidance on Accounting Standard for Investment Property and Related Disclosures". This accounting standard and the guidance were applicable to investment property and related disclosures at the end of the fiscal years ending on or after March 31, 2010. The Group applied the new accounting standard and guidance effective March 31, 2010.

The Group holds some rental properties such as office buildings and land in Tokyo and other areas. Net of rental income and operating expenses for those rental properties was ¥7,662 million ($92,142 thousand) for the fiscal year ended March 31, 2011.

In addition, the carrying amounts, changes in such balances and market prices of such properties are as follows.

Millions of Yen			
Carrying Amount			*Fair Value*
April 1, 2010	*Increase/Decrease*	***March 31, 2011***	***March 31, 2011***
¥45,701	¥9,622	**¥55,323**	**¥168,518**

Millions of Yen			
Carrying Amount			*Fair Value*
April 1, 2009	*Increase/Decrease*	*March 31, 2010*	*March 31, 2010*
¥45,005	¥696	¥45,701	¥160,631

Thousands of U.S. Dollars			
Carrying Amount			*Fair Value*
April 1, 2010	*Increase/Decrease*	***March 31, 2011***	***March 31, 2011***
$549,616	$115,722	**$665,338**	**$2,026,675**

Notes: 1. Carrying amount recognized in the balance sheet is net of accumulated depreciation, if any.
2. Increase during the fiscal year ended March 31, 2011 primarily represents the acquisition of the Misato Logistics Center in the amount of ¥16,415 million ($197,419 thousand), and decrease primarily represents the sale of an office building in Tokyo in the amount of ¥6,290 million ($75,641 thousand).
3. Fair value of properties as of March 31, 2011 is measured by the Group in accordance with its Income Approach.

6. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans at March 31, 2011 and 2010 consisted of notes to banks. The annual interest rates applicable to the short-term bank loans at March 31, 2011 and 2010 ranged from 0.69% to 7.05% and from 0.55% to 2.85%, respectively.

Long-term debt at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		*Thousands of U.S. Dollars*
	2011	*2010*	***2011***
1.53% unsecured bonds due 2012	**¥ 5,000**	¥ 5,000	**$ 60,132**
1.38% unsecured bonds due 2011		3,000	
1.45% unsecured bonds due 2014	**6,000**	6,000	**72,159**
1.66% unsecured bonds due 2016	**4,000**	4,000	**48,106**
1.35% unsecured bonds due 2015	**6,000**	6,000	**72,159**
1.27% unsecured bonds due 2018	**7,000**		**84,185**
0.91% unsecured bonds due 2016	**3,000**		**36,079**
0.82% unsecured bonds due 2017	**10,000**		**120,265**
Sub total	**41,000**	24,000	**493,085**
Loans from banks and other financial institutions, due serially to 2021 with interest rates ranging from 0.65% to 6.25 % in 2011 and from 0.56 to 6.25% in 2010			
Collateralized	**2,469**	3,409	**29,691**
Unsecured	**64,070**	67,705	**770,541**
Total	**107,539**	95,114	**1,293,317**
Less current portion	**(22,705)**	(17,939)	**(273,061)**
Long-term debt, less current portion	**¥ 84,834**	¥ 77,175	**$1,020,256**

Annual maturities of long-term debt at March 31, 2011 were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2012	¥ 22,705	$ 273,061
2013	15,090	181,486
2014	18,205	218,940
2015	13,301	159,968
2016	12,595	151,469
2017 and thereafter	25,643	308,393
Total	¥107,539	$1,293,317

At March 31, 2011, assets of ¥13,718 million ($164,974 thousand) were pledged as collateral for long-term debt as follows:

	Millions of Yen	Thousands of U.S. Dollars
Buildings and structures—net of accumulated depreciation	¥12,784	$153,746
Land	934	11,228
Total	¥13,718	$164,974

The amount of investment securities pledged as collateral for sales of beneficiary right of trust at March 31, 2011 was ¥36 million ($430 thousand).

7. RETIREMENT AND PENSION PLANS

The Company and certain consolidated subsidiaries have severance payment plans for employees.

The Company and certain consolidated domestic subsidiaries have non-contributory funded defined benefit pension plans and unfunded retirement benefit plans for employees. The Company also has a defined contribution pension plan. Other consolidated domestic subsidiaries have unfunded retirement benefit plans. Certain consolidated foreign subsidiaries have defined contribution pension plans.

The liability for employees' retirement benefits at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Projected benefit obligation	¥7,471	¥7,733	$ 89,846
Fair value of plan assets	(5,817)	(6,837)	(69,957)
Unrecognized prior service benefits	424	485	5,098
Unrecognized actuarial gain	(1,013)	(290)	(12,183)
Net obligations	1,065	1,091	12,804
Prepaid pension cost	1,225	1,112	14,731
Liability for employees' retirement benefits	¥2,290	¥2,203	$ 27,535

The components of net periodic retirement benefit costs for the years ended March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Service cost	¥460	¥452	$5,531
Interest cost	107	120	1,298
Expected return on plan assets	(37)	(40)	(450)
Recognized actuarial (gain) loss	(57)	34	(690)
Amortization of prior service benefits	(61)	(61)	(738)
Other	81	99	974
Net periodic retirement benefit costs	¥493	¥604	$5,925

"Other" in 2011 and 2010 includes contributions for defined contribution pension plan of ¥81 million ($972 thousand) and ¥77 million and expenses for early retirement of ¥0 million ($2 thousand) and ¥22 million, respectively.

Assumptions used for the years ended March 31, 2011 and 2010 were set forth as follows:

	2011	2010
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	2.0%	2.0%
Recognition period of actuarial gain/loss	13-15 years	13-14 years
Amortization period of prior service benefits	13 years	13 years

8. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends
Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve and surplus
The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights
The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

9. LOSSES FROM A NATURAL DISASTER

Losses from a natural disaster for the year ended March 31, 2011 consisted of the following:

	Millions of Yen	Thousands of U.S. Dollars
Maintenance and repairs	**¥279**	**$3,358**
Direct operations	**67**	**803**
Salaries and allowances	**22**	**268**
Donations	**22**	**258**
Other	**6**	**74**
Total	**¥396**	**$4,761**

10. OTHER INCOME (EXPENSES)

Other income (expenses)—net for the years ended March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	*2010*	*2011*
Loss on disposals of software	**¥ (16)**	¥ (49)	**$ (187)**
Equity in earnings of associated companies	**61**	74	**728**
Taxes and dues	**(154)**	(89)	**(1,847)**
Loss on business restructuring of subsidiaries and affiliates	**(334)**	(207)	**(4,011)**
Other	**(434)**	(627)	**(5,226)**
Other (expenses) income—net	**¥ (877)**	¥ (898)	**$ (10,543)**

11. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.7% for the years ended March 31, 2011 and 2010.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Deferred tax assets:			
Liability for employees' retirement benefits	**¥2,657**	¥2,739	**$31,957**
Accrued bonuses	**599**	579	**7,203**
Property, plant and equipment	**531**	864	**6,381**
Tax loss carryforwards	**1,059**	1,609	**12,739**
Golf club memberships	**98**	87	**1,182**
Loss on write-down of securities	**197**	130	**2,372**
Goodwill	**1,142**		**13,739**
Other	**916**	802	**11,010**
Less valuation allowance	**(1,413)**	(2,044)	**(16,999)**
Total	**5,786**	4,766	**69,584**
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	**(1,383)**	(1,865)	**(16,631)**
Gain on contribution of securities to the employee retirement benefit trust	**(1,766)**	(1,766)	**(21,234)**
Property, plant and equipment	**(942)**	(737)	**(11,336)**
Other	**(527)**	(533)	**(6,337)**
Total	**(4,618)**	(4,901)	**(55,538)**
Net deferred tax assets (liabilities)	**¥1,168**	¥ (135)	**$14,046**

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2011 and 2010 were as follows:

	2011	2010
Normal effective statutory tax rate	**40.7%**	40.7%
Expenses not deductible for income tax purposes	**1.4**	1.3
Income not taxable for income tax purposes	**(2.6)**	(1.5)
Per capita portion of inhabitant tax	**1.5**	1.6
Effect of elimination of dividend income from subsidiaries for consolidation purpose	**1.8**	3.9
Lower income tax rates applicable to income in certain foreign countries	**(4.6)**	(1.5)
Valuation allowance	**(2.5)**	8.8
Effect of consolidation adjustments	**(0.7)**	(3.1)
Other—net	**(0.4)**	(0.0)
Actual effective tax rate	**34.6%**	50.2%

At March 31, 2011, certain subsidiaries have tax loss carryforwards aggregating approximately ¥2,526 million ($30,376 thousand), which are available to be offset against taxable income of such subsidiaries in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2012	**¥ 144**	**$ 1,736**
2013	**51**	**613**
2014	**35**	**415**
2015	**147**	**1,761**
2016	**285**	**3,430**
2017 and thereafter	**1,864**	**22,421**
Total	**¥2,526**	**$30,376**

12. LEASES

The Group, as a lessee, leases certain structures, computer equipment, machinery and other assets.

Total rental expenses for the years ended March 31, 2011 and 2010 were ¥6,605 million ($79,429 thousand) and ¥7,064 million, respectively, including ¥148 million ($1,778 thousand) and ¥220 million of lease payments under finance leases.

ASBJ Statement No. 13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions were capitalized to recognize lease assets and lease obligations in the balance sheet. However, the ASBJ Statement No. 13 permits leases without ownership transfer of the leased property to the lessee and whose lease inception was before March 31, 2008 to continue to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the financial statements. The Company applied ASBJ Statement No. 13 effective April 1, 2008 and accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008 was as follows.

	Millions of Yen								*Thousands of U.S. Dollars*			
	2011				*2010*				*2011*			
	Buildings and Structures	*Machinery and Equipment*	*Other*	*Total*	*Buildings and Structures*	*Machinery and Equipment*	*Other*	*Total*	*Buildings and Structures*	*Machinery and Equipment*	*Other*	*Total*
Acquisition cost	**¥ 249**	**¥ 192**	**¥ 332**	**¥ 773**	¥ 249	¥ 245	¥ 605	¥1,099	**$ 2,994**	**$ 2,309**	**$ 3,996**	**$ 9,299**
Accumulated depreciation	**(195)**	**(146)**	**(264)**	**(605)**	(190)	(155)	(438)	(783)	**(2,347)**	**(1,756)**	**(3,173)**	**(7,276)**
Net leased property	**¥ 54**	**¥ 46**	**¥ 68**	**¥ 168**	¥ 59	¥ 90	¥ 167	¥ 316	**$ 647**	**$ 553**	**$ 823**	**$ 2,023**

The above acquisition cost included related interest expense.

Obligations under finance leases:

	Millions of Yen		*Thousands of U.S. Dollars*
	2011	*2010*	*2011*
Due within one year	**¥ 94**	¥ 147	**$ 1,127**
Due after one year	**74**	169	**896**
Total	**¥ 168**	¥ 316	**$ 2,023**

The above obligations under finance leases included related interest expense.

Depreciation expense of finance leases for the years ended March 31, 2011 and 2010, which was not reflected in the accompanying consolidated statement of income and was computed by the straight-line method, was ¥148 million ($1,778 thousand) and ¥220 million, respectively.

Total lease receipts, as lessor, for the year ended March 31, 2011 and 2010 were ¥32 million ($389 thousand) and ¥32 million.

As discussed in Note 2.m, the Company accounts for leases which existed at the transaction date and do not transfer ownership of the leased property to the lessee as operating lease transactions. Pro forma information of such leases existing at the transition date, such as acquisition cost and accumulated depreciation, receivables under finance leases, depreciation expense, and interest income, for the years ended March 31, 2011 and 2010 was as follows.

	Millions of Yen		*Thousands of U.S. Dollars*
	2011	*2010*	*2011*
	Buildings and Structures		*Buildings and Structures*
Acquisition cost	**¥ 161**	¥ 161	**$ 1,938**
Accumulated depreciation	**(72)**	(58)	**(865)**
Net leased property	**¥ 89**	¥ 103	**$ 1,073**

Receivables under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Due within one year	¥ 32	¥ 32	$ 389
Due after one year	23	56	277
Total	¥ 55	¥ 88	$ 666

The above receivables under finance leases included related interest income.

Depreciation expense for the years ended March 31, 2011 and 2010 was ¥14 million ($171 thousand) and ¥17 million, respectively.

The minimum rental commitments under noncancelable operating leases as a lessee at March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Due within one year	¥ 578	¥ 638	$ 6,945
Due after one year	739	1,086	8,889
Total	¥ 1,317	¥ 1,724	$ 15,834

The Group, as a lessor, leases office space and others.

Total lease revenue for the years ended March 31, 2011 and 2010 was ¥12,286 million ($147,754 thousand) and ¥11,985 million, respectively.

The minimum rental commitments under noncancelable operating leases as a lessor at March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Due within one year	¥ 5,771	¥ 7,473	$ 69,413
Due after one year	2,043	7,469	24,567
Total	¥ 7,814	¥ 14,942	$ 93,980

13. FINANCIAL INSTRUMENTS

In March, 2008, the ASBJ revised ASBJ Statement No. 10 “Accounting Standard for Financial Instruments” and issued ASBJ Guidance No. 19 “Guidance on Accounting Standard for Financial Instruments and Related Disclosures”. This accounting standard and the guidance was applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010. The Group applied the revised accounting standard and the guidance effective March 31, 2010.

(1) Group policy for financial instruments
The Group uses financial instruments, mainly bank loans and bond issuances. Cash surpluses, if any, are invested in low risk financial assets.

(2) Nature and extent of risks arising from financial instruments
Trade receivables such as trade notes and trade accounts are exposed to customer credit risk. The Group manages its credit risk from receivables by monitoring the payment terms and balances of each customer to reduce default risk.

Investment securities, mainly equity securities, are exposed to the risk of market price fluctuations. The Group manages its market risk by monitoring market value every quarter.

Payment terms of trade payables, such as trade notes and trade accounts, are less than one year.

Short-term bank loans are used to fund the Group’s ongoing operations and long-term debt is used to fund its capital financing plan. The Group does not have any loans with market risk from changes in interest rates.

Liquidity risk comprises the risk that the Group cannot meet its contractual obligations in full on maturity dates. The Group manages its liquidity risk by reviewing its financial planning every month.

(3) Fair values of financial instruments
Fair values of financial instruments are based on the quoted price in active markets. If the quoted price is not available, other rational valuation techniques are used instead.

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2011	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	**¥ 17,362**	**¥ 17,362**	**¥**
Time deposits other than cash equivalents	**219**	**219**	
Trade receivables	**14,851**	**14,851**	
Investment securities	**8,119**	**8,119**	
Total	**¥ 40,551**	**¥ 40,551**	**¥**
Trade payables	**¥ 7,633**	**¥ 7,633**	**¥**
Short-term debt	**966**	**966**	
Long-term debt	**107,539**	**108,934**	**1,395**
Total	**¥116,138**	**¥117,533**	**¥1,395**

	Millions of Yen		
March 31, 2010	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	¥ 16,116	¥ 16,116	¥
Time deposits other than cash equivalents	240	240	
Trade receivables	12,550	12,550	
Investment securities	9,488	9,488	
Total	¥ 38,394	¥ 38,394	¥
Trade payables	¥ 6,388	¥ 6,388	¥
Short-term debt	1,092	1,092	
Long-term debt	95,114	95,993	879
Total	¥102,594	¥103,473	¥879

	Thousands of U.S. Dollars		
March 31, 2011	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	**$ 208,797**	**$ 208,797**	**$**
Time deposits other than cash equivalents	**2,633**	**2,633**	
Trade receivables	**178,616**	**178,616**	
Investment securities	**97,647**	**97,647**	
Total	**$ 487,693**	**$ 487,693**	**$**
Trade payables	**$ 91,797**	**$ 91,797**	**$**
Short-term debt	**11,616**	**11,616**	
Long-term debt	**1,293,317**	**1,310,091**	**16,774**
Total	**$1,396,730**	**$1,413,504**	**$16,774**

Cash and cash equivalents
The carrying values of cash and cash equivalents approximate fair value because of their short maturities.

Time deposits other than cash equivalents
The carrying values of time deposits other than cash equivalents approximate fair value because of their short maturities.

Investment securities
The fair values of investment securities are measured at the quoted market price of the stock exchange for the equity instruments. Information on the fair value of the investment securities by classification is included in Note 4.

Trade receivables and payables
The carrying values of trade receivables and payables approximate fair value because of their short maturities.

Short-term debt and long-term debt
The carrying values of short-term loans approximate fair values because of their short maturities. The fair values of long-term loans are determined by discounting the cash flows related to the loan at the Group's assumed corporate borrowing rate. The fair values of bonds are measured at the quoted market price of the stock exchange for the equity instruments.

(b) Financial instruments whose fair value cannot be reliably determined

	Carrying amount		
	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Investments in equity instruments that do not have a quoted market price in an active market	**¥ 3,045**	¥ 3,554	**$ 36,621**

(4) Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen			
March 31, 2011	*Due in One Year or Less*	*Due after One Year through Five Years*	*Due after Five Years through Ten Years*	*Due after Ten Years*
Cash and cash equivalents	**¥ 17,362**	**¥**	**¥**	**¥**
Time deposits other than cash equivalents	**219**			
Trade receivables	**14,851**			
Investment securities:				
Available-for-sale securities with contractual maturities		**36**		
Total	**¥ 32,432**	**¥ 36**	**¥**	**¥**

	Thousands of U.S.Dollars			
March 31, 2011	*Due in One Year or Less*	*Due after One Year through Five Years*	*Due after Five Years through Ten Years*	*Due after Ten Years*
Cash and cash equivalents	**$ 208,797**	**$**	**$**	**$**
Time deposits other than cash equivalents	**2,633**			
Trade receivables	**178,616**			
Investment securities:				
Available-for-sale securities with contractual maturities		**430**		
Total	**$ 390,046**	**$ 430**	**$**	**$**

Please see Note 6 for annual maturities of long-term loans and long-term bonds, respectively.

14. CONTINGENT LIABILITIES

At March 31, 2011, the Group had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Guarantees of loans	**¥ 1,948**	**$ 23,429**
Trade notes endorsed	**15**	**175**

15. COMPREHENSIVE INCOME

For the year ended March 31, 2010

	Millions of Yen
Total comprehensive income attributable to:	
Owners of the parent	¥2,381
Minority interests	38
Total comprehensive income	¥2,419

Other comprehensive income for the year ended March 31, 2010 consisted of the following:

	Millions of Yen
Other comprehensive income:	
Unrealized gain on available-for-sale securities	¥368
Foreign currency translation adjustments	196
Share of other comprehensive income in associates	(13)
Total other comprehensive income	¥551

16. NET INCOME PER SHARE

Basic net income per share ("EPS") for the years ended March 31, 2011 and 2010 was as follows:

	Millions of Yen	*Thousands of Shares*	*Yen*	*U.S. Dollars*
Year Ended March 31, 2011	*Net Income*	*Weighted-average Shares*	*EPS*	
Basic EPS:				
Net income	**¥2,534**			
Net income available to common shareholders	**¥2,534**	**124,193**	**¥20.40**	**$0.25**

	Millions of Yen	*Thousands of Shares*	*Yen*
Year Ended March 31, 2010	*Net Income*	*Weighted-average Shares*	*EPS*
Basic EPS:			
Net income	¥1,859		
Net income available to common shareholders	¥1,859	129,263	¥14.38

17. SUBSEQUENT EVENTS

a. *Appropriations of Retained Earnings*

The following appropriation of retained earnings at March 31, 2011, which was not reflected in the accompanying consolidated financial statements, was approved at the Board of Directors meeting held on May 6, 2011:

	Millions of Yen	*Thousands of U.S. Dollars*
Year-end cash dividends, ¥4.50 ($0.05) per share	**¥559**	**$6,721**

18. SEGMENT INFORMATION

For the years ended March 31, 2011 and 2010

In March 2008, the ASBJ revised ASBJ Statement No. 17 “Accounting Standard for Segment Information Disclosures” and issued ASBJ Guidance No. 20 “Guidance on Accounting Standard for Segment Information Disclosures”. Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.

The segment information for the year ended March 31, 2010 under the revised accounting standard is also disclosed hereunder as required.

1. Description of reportable segments
   The Group’s reportable segments are those for which separately financial information is available and regular evaluation by the Company’s management is being performed in order to decide how resources are allocated among the Group. Therefore, the Group consists of Domestic Logistics, Domestic Port Terminal, Global Network, Other Logistics and Real Estate. Domestic Logistics consists of the services such as warehousing, transportation and distribution processing to companies in Japan. Domestic Port Terminal consists of port-related work and operations to shipping companies. Global Network consists of logistics services provided by overseas group companies. Other Logistics consists of air cargo business, BPO business and logistics systems business including 3PL. Real Estate consists substantially of leases of real estate.

2. Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment
   The accounting policies of each reportable segment are consistent with those disclosed in Note 2, “Summary of Significant Accounting Policies”.
   Segment profit (loss) is operating income before goodwill amortization.
   Intersegment sales or transfers are based on market prices.

3. Information about sales, profit (loss), assets and other items is as follows.

	Millions of Yen								
	2011								
	Reportable segment								
	Domestic Logistics	*Domestic Port Terminal*	*Global Network*	*Other Logistics*	*Real Estate*	*Others*	*Total*	*Eliminations/ Corporate*	*Consoli-dated*
Sales									
Sales to external customers	**¥47,355**	**¥13,226**	**¥13,067**	**¥10,548**	**¥12,286**	**¥284**	**¥96,766**	**¥**	**¥96,766**
Intersegment sales or transfers	**2,873**		**379**		**253**	**130**	**3,635**	**(3,635)**	
Total	**50,228**	**13,226**	**13,446**	**10,548**	**12,539**	**414**	**100,401**	**(3,635)**	**96,766**
Segment profit	**3,745**	**1,129**	**117**	**(666)**	**7,522**	**(698)**	**11,149**	**(4,600)**	**6,549**
Segment assets	**69,834**	**4,459**	**9,980**	**11,937**	**55,703**	**7,661**	**159,574**	**24,461**	**184,035**
Other:									
Depreciation	**2,693**	**105**	**287**	**307**	**2,683**	**704**	**6,779**	**129**	**6,908**
Investments in associates accounted for using equity method	**641**		**281**				**922**		**922**
Increase in property, plant and equipment and intangible assets	**2,621**	**75**	**303**	**1,777**	**14,784**	**1,537**	**21,097**	**2,973**	**24,070**

Notes to Consolidated Financial Statements

	Millions of Yen								
	2010								
	Reportable segment								
	Domestic Logistics	Domestic Port Terminal	Global Network	Other Logistics	Real Estate	Others	Total	Eliminations/ Corporate	Consoli- dated
Sales									
Sales to external customers	¥45,558	¥10,945	¥12,281	¥7,689	¥11,985	¥ 270	¥ 88,728	¥	¥ 88,728
Intersegment sales or transfers	2,609		294		250	110	3,263	(3,263)	
Total	48,167	10,945	12,575	7,689	12,235	380	91,991	(3,263)	88,728
Segment profit	3,871	533	(314)	(104)	7,605	(670)	10,921	(4,378)	6,543
Segment assets	70,191	4,442	10,352	6,291	49,806	6,470	147,552	22,092	169,644
Other:									
Depreciation	2,666	143	307	110	2,018	638	5,882	159	6,041
Investments in associates accounted for using equity method	1,112		344				1,456		1,456
Increase in property, plant and equipment and intangible assets	2,888	16	229	1,700	3,118	518	8,469	109	8,578

	Thousands of U.S. Dollars								
	2011								
	Reportable segment								
	Domestic Logistics	Domestic Port Terminal	Global Network	Other Logistics	Real Estate	Others	Total	Eliminations/ Corporate	Consoli- dated
Sales									
Sales to external customers	$569,512	$159,066	$157,146	$126,854	$147,754	$ 3,421	$1,163,753	$	$ 1,163,753
Intersegment sales or transfers	34,556		4,563		3,040	1,563	43,722	(43,722)	
Total	604,068	159,066	161,709	126,854	150,794	4,984	1,207,475	(43,722)	1,163,753
Segment profit	45,039	13,572	1,407	(8,011)	90,467	(8,396)	134,078	(55,320)	78,758
Segment assets	839,860	53,625	120,021	143,559	669,914	92,137	1,919,116	294,176	2,213,292
Other:									
Depreciation	32,388	1,264	3,448	3,697	32,264	8,465	81,526	1,554	83,080
Investments in associates accounted for using equity method	7,708		3,379				11,087		11,087
Increase in property, plant and equipment and intangible assets	31,524	904	3,643	21,373	177,797	18,480	253,721	35,754	289,475

Notes: 1. "Others" consists of services such as financial and accounting, building management and information systems operated by subsidiaries.
2. "Eliminations/Corporate" consists of the following:
1) Segment profit ¥4,600 million ($55,320 thousand) in 2011, which is included in "Eliminations/Corporate", consists of expenses of ¥4,575 million ($55,024 thousand) incurred by the administrative section of the Company and amortization of goodwill of ¥25 million ($296 thousand). The amount included in "Eliminations/Corporate" in 2010, consists of expenses incurred by the administrative section of the Company.
2) Total assets of ¥24,461 million ($294,176 thousand) in 2011, which is included in "Eliminations/Corporate", consists of assets of ¥21,529 million ($258,909 thousand) in the administrative section of the Company and goodwill of ¥2,932 million ($35,267 thousand). That in 2010 consists of assets in the administrative section of the Company.
3) The increase in tangible and intangible fixed assets of ¥2,973 million ($35,754 thousand) in 2011, which is included in "Eliminations/Corporate", consists of an increase of ¥16 million ($191 thousand) in the administrative section of the Company and an increase of ¥2,957 million ($35,563 thousand) in goodwill. That in 2010 consists of assets in the administrative section of the Company.
3. Segment profit is adjusted to operating income in the *Consolidated Statements of Income*.

4. Information about geographical areas

(1) Sales

Millions of Yen			Thousands of U.S. Dollars		
2011			2011		
Japan	Others	Total	Japan	Other	Total
¥ 84,328	¥ 12,438	¥ 96,766	$ 1,014,168	$ 149,585	$ 1,163,753

Notes: 1. Sales are classified in countries or regions based on the location of customers.
2. Sales classified in each country or region that are not enough to disclose separately are included in "Others".
3. "Others" consists primarily of the United States of America, Hong Kong, China, Singapore, Taiwan and Europe.

5. Information about goodwill by segments

	Domestic Logistics	Domestic Port Terminal	Global Network	Other Logistics	Real Estate	Total
	Millions of Yen					
	2011					
Amortization of goodwill	¥	¥	¥	**¥ 25**	¥	**¥ 25**
Goodwill at March 31, 2011				**2,932**		**2,932**

	Domestic Logistics	Domestic Port Terminal	Global Network	Other Logistics	Real Estate	Total
	Thousands of U.S. Dollars					
	2011					
Amortization of goodwill	$	$	$	**$ 296**	$	**$ 296**
Goodwill at March 31, 2011				**35,267**		**35,267**

Note: "Other Logistics" consists of the air cargo business.

6. Information about negative goodwill by segment

¥398 million ($4,784 thousand) of amortization of negative goodwill for the year ended March 31, 2011 is recognized within the "Domestic Logistics" segment. Additional acquisition of subsidiary shares affected this.

¥75 million ($902 thousand) of amortization of negative goodwill for the year ended March 31, 2011 is recognized within the "Other Logistics" segment. A newly consolidated subsidiary affected this.

For the year ended March 31, 2010

The Company operates in the following industries:

Logistics consists of warehousing, port terminal operation, overland transportation and international combined transportation.

Real Estate consists substantially of leases of real estate.

Information about industry segments, geographical segments and sales to foreign customers of the Group for the year ended March 31, 2010 is as follows:

(1) Industry Segments

a. Sales and operating income:

	Logistics	Real Estate	Eliminations/ Corporate	Consolidated
	Millions of Yen			
	2010			
Sales to customers	¥76,743	¥11,985	¥	¥88,728
Intersegment sales	127	250	(377)	
Total sales	76,870	12,235	(377)	88,728
Operating expenses	74,976	4,630	2,579	82,185
Operating income	¥ 1,894	¥ 7,605	¥(2,956)	¥ 6,543

b. Total assets, depreciation and capital expenditures:

	Logistics	Real Estate	Eliminations/ Corporate	Consolidated
	Millions of Yen			
	2010			
Total assets	¥91,677	¥49,806	¥28,161	¥169,644
Depreciation	3,867	2,018	156	6,041
Capital expenditures	5,361	3,118	99	8,578

Notes: 1. Operating expenses of ¥2,956 million in 2010, which is included in "Eliminations/Corporate," consist of the expenses incurred by the administrative section of the Company.
2. Total assets of ¥28,230 million in 2010, which is included in "Eliminations/Corporate", consist substantially of corporate cash and investment securities and the assets of the administrative section of the Company.

(2) Geographical Segments

The geographical segments of the Company and its subsidiaries for the year ended March 31, 2010 are summarized as follows:

	Millions of Yen			
	2010			
	Japan	Others	Eliminations/ Corporate	Consolidated
Sales to customers	¥ 76,660	¥ 12,068	¥	¥ 88,728
Interarea transfer	788	1,665	(2,453)	
Total sales	77,448	13,733	(2,453)	88,728
Operating expenses	67,954	13,728	503	82,185
Operating income	¥ 9,494	¥ 5	¥ (2,956)	¥ 6,543
Total assets	¥ 136,365	¥ 8,736	¥ 24,543	¥ 169,644

Notes: 1. “Others” consists substantially of the United States of America, Hong Kong, China, Singapore, Taiwan and Europe in 2010.
2. Operating expenses of ¥2,956 million in 2010, which is included in “Eliminations/Corporate,” consist of the expenses incurred by the administrative section of the Company.
3. Total assets of ¥28,230 million in 2010, which is included in “Eliminations/Corporate,” consist substantially of corporate cash and investment securities and the assets of the administrative section of the Company.

(3) Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2010, amounted to ¥12,333 million.

Corporate Information / Investor Information

As of March 31, 2011

Company name	MITSUI-SOKO CO., LTD.
Date of Establishment	October 11, 1909
Head Office	MSC Center Bldg., 22-23, Kaigan 3-chome, Minato-ku, Tokyo 108-0022 Phone: +81(0)3-6400-8000 Fax: +81(0)3-6400-8079
Paid-in Capital	¥11,100,714,274
Number of Employees	3,398 (consolidated base) 725 (non-consolidated base)
URL	http:www.mitsui-soko.co.jp/en/
Common Stock	Authorized — 400,000,000 shares Issued — 124,415,013 shares
Stock Exchange Listings	Tokyo, Osaka (#9302)
Trading Unit	1,000 shares
Shareholder Register Agent	The Chuo Mitsui Trust and Banking Co., Ltd. Stock Transfer Office (The company's Stock Transfer Agency Department) 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063

Major Shareholders

	Thousands of Shares	Percentage of Shares Held (%)
Mitsui Life Insurance Company, Ltd.	9,807	7.9
Japan Trustee Services Bank, Ltd. (Trust Account)	8,562	6.9
Mitsui Sumitomo Insurance Company, Ltd.	7,697	6.2
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,194	5.8
The Chuo Mitsui Trust and Banking Company, Ltd.	4,174	3.4
Sumitomo Mitsui Banking Corporation	3,484	2.8
CSSEL SPECIAL CSTDY AC EXCL FBO CUS (PB NON-TREATY)	3,194	2.6
Juniper	3,040	2.4
MITSUI-SOKO Employees' Shareholding Society	2,563	2.1
Takenaka Corporation	2,484	2.0

Note: Shares of less than 1,000 are rounded down.

Directors, Corporate Auditors, Corporate Officers and Executive Officers

As of June 29, 2011

Board of Directors

President*	Kazuo Tamura
Executive Vice President*	Jiro Kaeriyama
Managing Director	Soji Takekuma
Managing Director	Makoto Ikari
Managing Director	Kei Fujioka
Managing Director	Makoto Tawaraguchi
Managing Director	Yukihiro Nakaya
Director	Eiji Michise
Director	Motome Ikeda
Director	Koji Yagawa
Outside Director	Seiichi Fujita
Outside Director	Yasuhiko Fukatsu

* Representative

Corporate Auditors

Senior Corporate Auditor	Shinichiro Sasao
Corporate Auditor	Takeshi Namiki
Outside Corporate Auditor	Hideki Nakagome
Outside Corporate Auditor	Tetsuo Takeyama
Outside Corporate Auditor	Osamu Sudoh

Corporate Officers and Executive Officers

Chief Executive Officer	Kazuo Tamura
Chief Operating Officer	Jiro Kaeriyama
Senior Executive Officer, China & Asia Business Headquarters	Soji Takekuma
Chief Financial Officer, Responsible for Corporate Management Headquarters	Makoto Ikari
Senior Executive Officer, Logistics Business Headquarters	Kei Fujioka
Senior Executive Officer, Port Business Headquarters	Makoto Tawaraguchi
Chief Compliance Officer, Responsible for Corporate Administrative Headquarters	Yukihiro Nakaya
Senior Executive Officer, Kansai Branch	Eiji Michise
Senior Executive Officer, BPO Business Headquarters	Motome Ikeda
Senior Executive Officer, Kanto Branch	Koji Yagawa
Senior Executive Officer, Chubu Branch	Shunichi Igarashi
Executive Officer, Europe & America Business Headquarters	Kenji Takatoh
Executive Officer, Kyushu Branch	Akira Ogasawara
Executive Officer, Logistics Systems Business Headquarters	Daisuke Goto
Executive Officer, Air Cargo Business Headquarters	Ryoji Ogawa

MITSUI-SOKO CO., LTD.

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