

Q3 FY2024

Financial Results Briefing

MITSUI-SOKO HOLDINGS Co., Ltd. (Securities code : 9302)

February 15, 2024



**MITSUI-SOKO
GROUP**

Contents

- ▶ **Executive Summary**
- Q3 FY2024 Financial Results
- FY2024 Results Forecast
- Shareholder Returns/ Endeavor to Enhance Corporate Value
- Appendix.1 Detailed Financial Data
- Appendix.2 Company Profile

Q3 FY2024 (9 months) Results

Decrease in operating revenue and profit due to a reactionary drop in special factors in the previous fiscal year and lower ocean and air freight rates

Improvement of the operational efficiency in response to soaring labor and fuel costs

Operating Revenue **¥197.5** billion YoY **-15.7%**

Operating Profit **¥16.9** billion YoY **-20.8%**

FY2024 (Full-year) Forecast

**Steady progress in line with the earnings forecast announced on August 2, 2023
(Earnings forecast remained unchanged)**

Although there are differences by segment, total consolidated results are progressing in line with the results forecast.

Operating Revenue **¥273.0** billion Progress rate **72.3%**

Operating Profit **¥21.5** billion Progress rate **78.6%**

(Progress of Q3 cumulative results against full-year forecasts)

Shareholder Returns

**Performance-linked dividend policy targeting a payout ratio of 30%
(Dividend forecast remained unchanged)**

Interim dividend **67** yen (Actual)

Year-end dividend **75** yen (Forecast) vs. Initial Forecast **+8** yen (Announced in Aug. 2023)

Annual dividend **142** yen (Forecast) Expected Payout Ratio **30.0%**

Contents

- **Executive Summary**
- ▶ **Q3 FY2024 Financial Results**
 - Summary of Q3 FY2024 Financial Results
 - Business Results by Segment
 - Main Changes in Operating Profit
 - Cash Flow Status
 - Balance Sheet Status
- **FY2024 Results Forecast**
- **Shareholder Returns/ Endeavor to Enhance Corporate Value**
- **Appendix.1 Detailed Financial Data**
- **Appendix.2 Company Profile**

- **Decrease in operating revenue and profit mainly due to a reactionary drop in special factors in the previous fiscal year, and lower ocean and air freight rates**
- **Promoted the operational efficiency and appropriate collection fees in response to increase in cost of sales in Japan amid a difficult business environment with sluggish international cargo movement**

(Unit: 100 mil. yen)

Total Consolidated	Q3 FY2023 (9 months)	Q3 FY2024 (9 months)	Change	Change(%)	
Operating Revenue	2,343	1,975	-368	-15.7%	
Operating Profit	213	169	-44	-20.8%	
〔 Operating profit margin	9.1%	8.6%	-0.5pt	—	〕
Ordinary Profit	221	174	-47	-21.2%	
Profit attributed to owners of parent	132	100	-32	-24.4%	

Business Results by Segment

(Unit: 100 mil. yen)

Segment	Q3 FY2023 (9 months)	Q3 FY2024 (9 months)	Change	Change(%)
Operating Revenue	2,343	1,975	-368	-15.7%
Logistics business	2,278	1,910	-368	-16.2%
Warehousing/Port transportation	1,076	927	-149	-13.9%
Airfreight forwarding(FWD)	453	273	-180	-39.8%
3PL/LLP	689	581	-108	-15.7%
Land transportation	214	211	-3	-1.4%
Elimination of intra-group transactions	-154	-82	+72	—
Real estate business	71	71	-0	-0.2%
Eliminate/Corporate	-6	-6	-0	—
Operating Profit	213	169	-44	-20.8%
Logistics business	196	159	-37	-19.0%
Warehousing/Port transportation	73	60	-13	-17.1%
Airfreight forwarding(FWD)	64	40	-24	-36.8%
3PL/LLP	51	48	-3	-6.9%
Land transportation	10	12	+2	+14.9%
Consolidation adjustment, etc.	-2	-1	+1	—
Real estate business	44	44	-0	-0.4%
Eliminate/Corporate	-27	-34	-7	—

- In addition to decrease in operating revenue due to lower ocean freight rates, cargo movements slowed down as a result of inventory adjustments
- Decrease in operating revenue and profit due to the absence of emergency transportation in the current fiscal year compared with the previous fiscal year when it had occurred mainly overseas due to supply chain disruptions

- Decrease in operating revenue due to the decline in freight rates per unit for ocean and air transportation of home appliances and precision equipment from producing countries to Japan

- Decrease in operating revenue and profit due to lower air freight rates (including the absence of "special factors" in the previous fiscal year)
- Sluggish cargo movement against a backdrop of inventory adjustment

- Domestic 3PL business remained steady
- Promoted efficiency improvement through introduction of material handling equipment

- Increase in operating profit due to the reduction in vehicle hiring costs by improving loading efficiency, and the promotion of efforts to collect appropriate fees

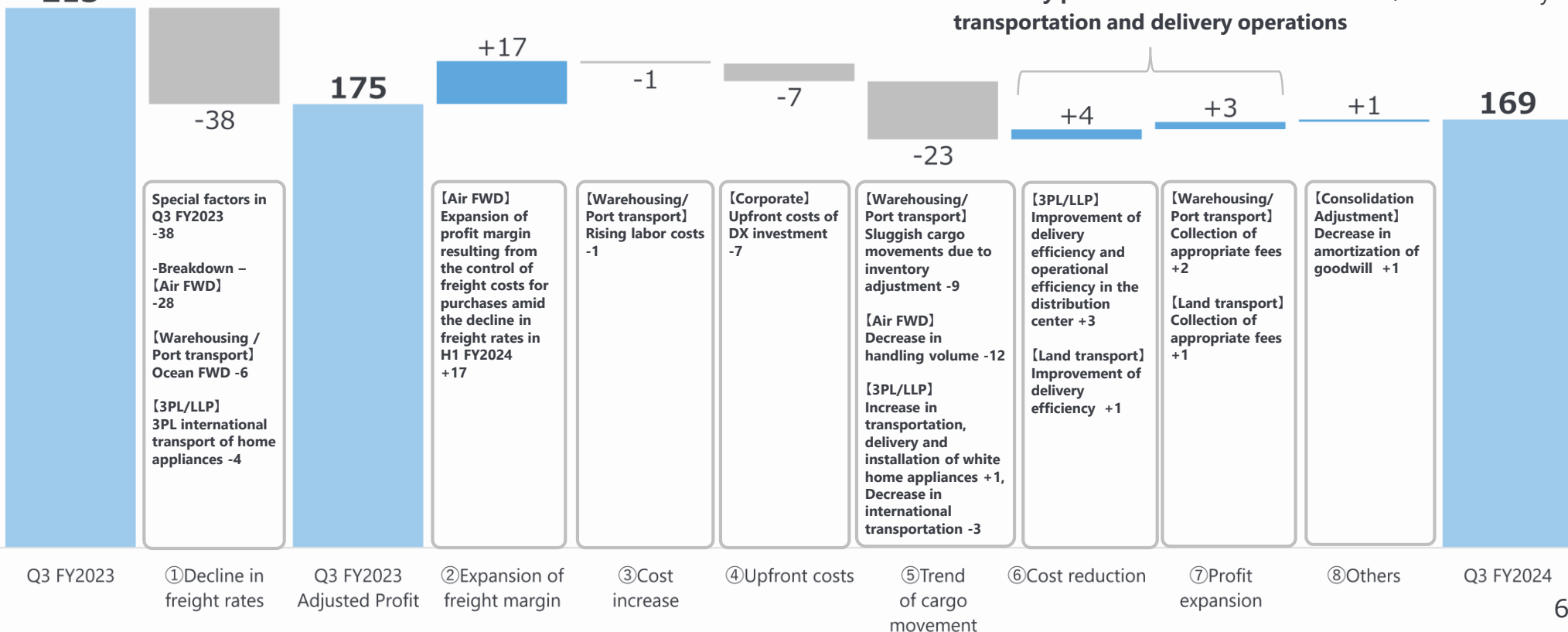
- Increase in upfront system-related expenses associated with DX investments

Main Changes in Operating Profit

- Profit margins temporarily expanded in H1 FY2024 due to the control of freight costs for purchases in situations where ocean and air freight rates were falling.
- International transportation and trade cargo movement remained sluggish against a backdrop of inventory adjustments by companies.
- Higher profit margins and increased profits due to improvement of truck loading rates and efficiency of delivery operations in the distribution center, and collecting appropriate fees in the domestic transport business

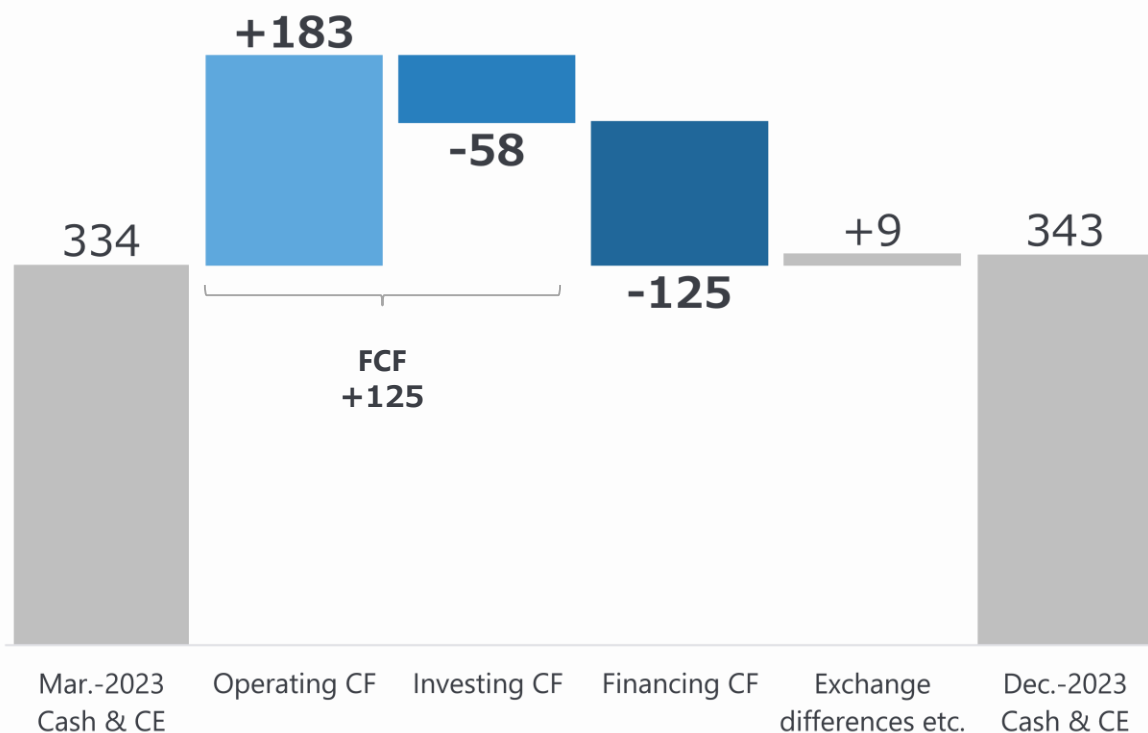
213

(Unit : 100mil.yen)



- Operating cash flow (CF) resulted in a net cash inflow of ¥18.3 billion mainly due to net income.
- Decided to invest in maintenance and renewal of logistics facilities, in software based on DX strategy, and in a partner company engaged in the commercialization of trunk route transportation services using self-driving trucks

(Unit : 100mil.yen)



Major Breakdown of Cash Flows

• Operating CF	: +183
Profit before income taxes	: +175
Depreciation/Amortization of goodwill	: +73
Decrease (increase) in trade receivables/ trade payables	: +16
Income taxes paid	: -71
• Investing CF	: -58
Capital investment	: -38
Software investment	: -27
Payment of investment in capital	: -5
(Subtotal) Free cash-flow	: +125
• Financing CF	: -125
Change in borrowings and bonds (Net)	: -49
Dividends paid	: -46
• Total of Change in Cash and cash equivalents	: +9

- Improved both equity ratio and D/E ratio due to steady accumulation of net income
- Stable balance sheet with sufficient capacity for future strategic investments

(Unit: 100 mil. yen)

Total Consolidated	Balance as of Mar. 31, 2023	Balance as of Dec. 31, 2023	Change
Total Assets	2,587	2,579	-8
Cash and deposits	345	353	+8
Trade receivables	323	302	-21
Tangible and Intangible assets	1,493	1,489	-4
Interest-bearing debt (including Lease obligations)	926	877	-49
Borrowings and Bonds	851	811	-40
Lease obligations	76	66	-10
Equity Capital	933	1,016	+83
Equity ratio	36.1%	39.4%	+3.3
D/E ratio	0.99	0.86	-0.13

- Increase in intangible assets due to software investment based on DX strategy (+¥1.5bln)
- Decrease in tangible assets due to the progress of depreciation (-¥1.8bln)

- Reasons for the change in equity capital: Net Income +¥10.0bln, Dividends -¥4.6bln, Exchange differences +¥1.7bln, Unrealized gains on securities +¥1.2bln

Contents

- Executive Summary
- Q3 FY2024 Financial Results
- ▶ **FY2024 Results Forecast**
 - Summary of FY2024 Results Forecast
 - Business Results Forecast by Segment
 - Cash Flow Forecast
 - Balance Sheet Forecast
- Shareholder Returns/ Endeavor to Enhance Corporate Value
- Appendix.1 Detailed Financial Data
- Appendix.2 Company Profile

- **Steady progress in line with the consolidated earnings forecast during the full year announced on August 2, 2023 (Earnings forecast remained unchanged)**
- **Although there are differences by segment, total consolidated operating profit is progressing in line with the earnings forecast announced on August 2, 2023 due to flexible cost controls in response to changes in the business environment.**

(Unit: 100 mil. yen)

Total Consolidated	FY2023 Results (‘22.4-‘23.3)	FY2024 Forecast (‘23.4-‘24.3)	Change	Change	Q3 FY2024 (9 months)	Progress rate
Operating Revenue	3,008	2,730	-278	-9.3%	1,975	72.3%
Operating Profit	260	215	-45	-17.2%	169	78.6%
Ordinary Profit	265	207	-58	-22.0%	174	84.2%
Profit attributed to owners of parent	156	118	-38	-24.4%	100	84.5%

Business Results Forecast by Segment

(Unit: 100 mil. yen)

Segment	FY2023	FY2024	Change		Q3 FY2024 (9 months)	Progress rate
	Results (‘22.4-‘23.3)	Forecast (‘23.4-‘24.3)	Change	Change		
Operating Revenue	3,008	2,730	-278	-9.3%	1,975	72.3%
Logistics business	2,920	2,640	-280	-9.6%	1,910	72.3%
Warehousing/Port transportation	1,383	1,320	-63	-4.5%	927	70.2%
Airfreight forwarding(FWD)	568	400	-168	-29.6%	273	68.3%
3PL/LLP	879	780	-99	-11.2%	581	74.5%
Land transportation	279	290	+11	+3.9%	211	72.7%
Elimination of intra-group transactions	-189	-150	+39	—	-82	—
Real estate business	96	96	-0	-0.3%	71	74.2%
Eliminate/Corporate	-8	-6	+2	—	-6	—
Operating Profit	260	215	-45	-17.2%	169	78.6%
Logistics business	239	211	-28	-11.8%	159	75.4%
Warehousing/Port transportation	89	83	-6	-6.5%	60	72.8%
Airfreight forwarding(FWD)	78	52	-26	-33.6%	40	77.6%
3PL/LLP	62	62	+0	+0.6%	48	77.0%
Land transportation	13	15	+2	+19.5%	12	77.8%
Consolidation adjustment, etc.	-3	-1	+2	—	-1	118.3%
Real estate business	59	57	-2	-3.5%	44	76.8%
Eliminate/Corporate	-38	-53	-15	—	-34	63.8%

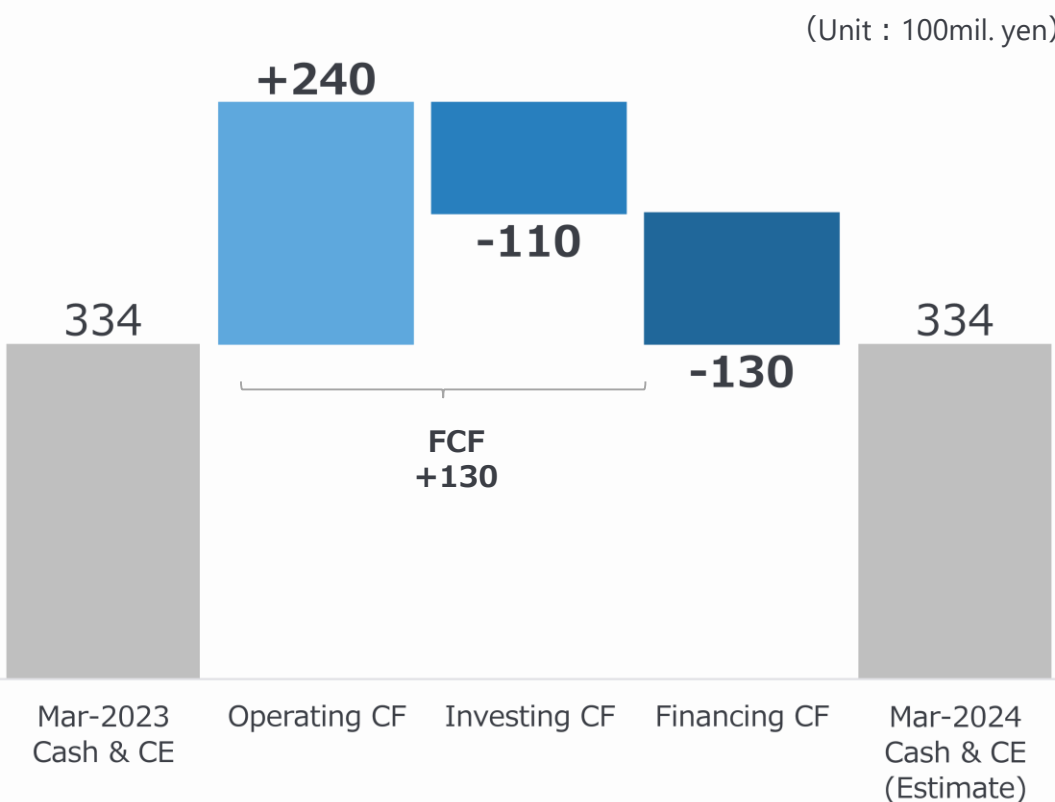
- International cargo handling remains sluggish mainly due to prolonged inventory adjustment by companies

- International cargo handling in warehousing and port transport and air forwarding are expected to remain sluggish against the backdrop of inventory adjustment.
- Domestic 3PL and land transport are expected to remain steady.

- Real estate business is generally progressing as planned.

- Flexible cost controls in our corporate division in response to changes in the business environment

- Expect Operating cash flow (CF) to be a net cash inflow of ¥24.0 billion
- In addition to DX investment and investment in maintenance and renewal of logistics facilities, part of construction costs of the MITSUI-SOKO Hakozaeki Building to renovate it into a multi-tenant office is planned to be paid in Q4 FY2024.



Major Breakdown of Cash Flows (Forecast)

• Operating CF	:	+240
Depreciation/Amortization of goodwill	:	+100
• Investing CF	:	-110
Capital investment	:	-80
Software investment	:	-40
Payment of investment in capital	:	-5
(Subtotal) Free cash-flow	:	+130
• Financing CF	:	-130
Change in borrowings and bonds (Net)	:	-65
Dividends paid	:	-45
• Total of Change in Cash and Cash Equivalents	:	±0

- **Expect to remain in D/E ratio less than 1.0x**
- **Sufficient investment capacity in preparation for the execution of strategic investments**

(Unit: 100 mil. yen)

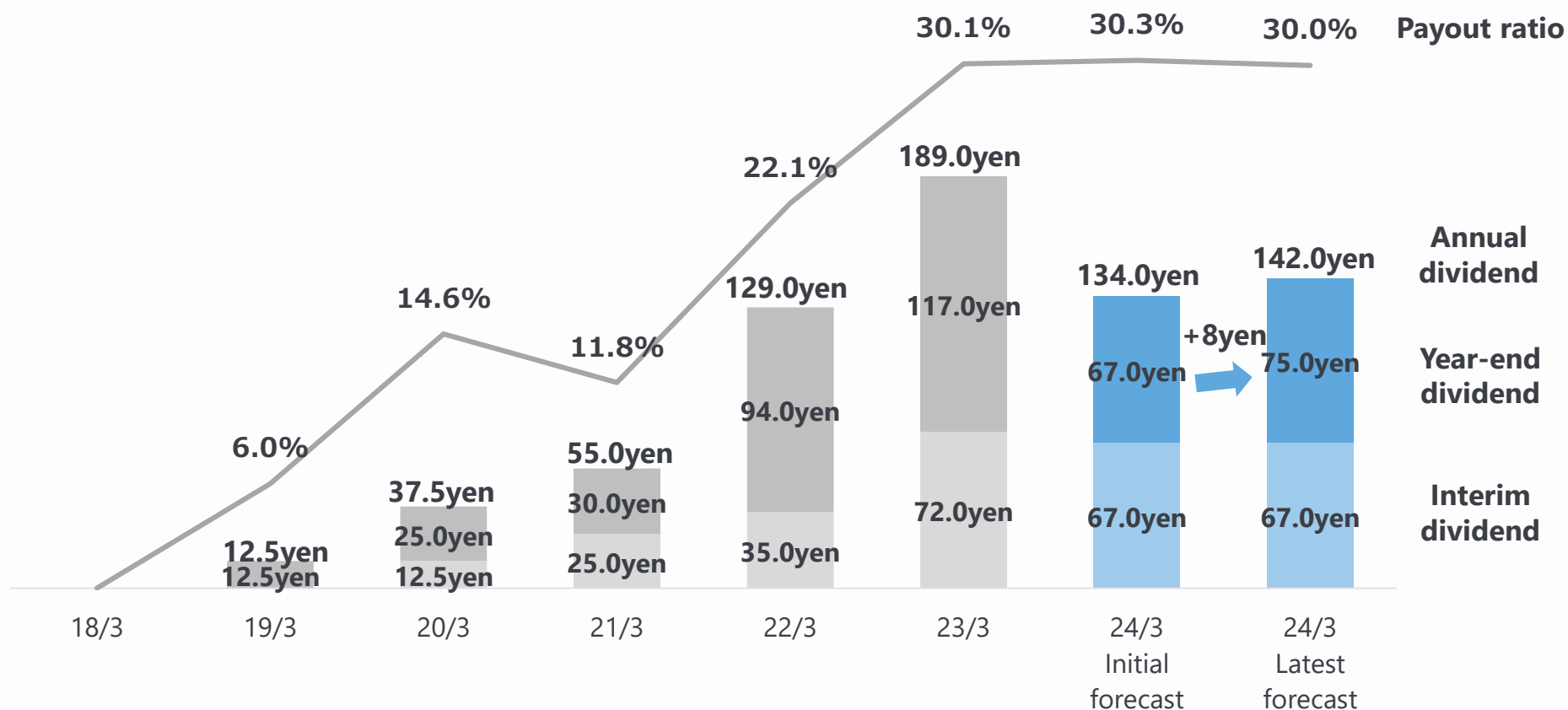
Total Consolidated	Balance as of Mar. 31, 2023 (Actual)	Balance as of Mar. 31, 2024 (Forecast)	Change
Total Assets	2,587	2,600	+13
Cash and deposits	345	345	+0
Trade receivables	323	300	-23
Tangible and Intangible assets	1,493	1,520	+27
Interest-bearing debt (including Lease obligations)	926	860	-66
Borrowings and Bonds	851	785	-66
Lease obligations	76	75	-1
Equity Capital	933	1,030	+97
Equity ratio	36.1%	39.6%	+3.5
D/E ratio	0.99	0.83	-0.16

- Expectation of an increase in intangible assets due to software investment based on the DX strategy
- Expectation of an increase in tangible assets due to partial payment for construction costs of the Hakozaki Building to renovate it into a multi-tenant office

Contents

- Executive Summary
- Q3 FY2024 Financial Results
- FY2024 Results Forecast
- ▶ **Shareholder Returns/ Endeavor to Enhance Corporate Value**
- Appendix.1 Detailed Financial Data
- Appendix.2 Company Profile

- Flexible dividends linked to our performance based on an annual dividend payout ratio of 30%
- Reflected on year-end dividend forecast due to the performance revised upward (increased by 8 yen compared with the initial forecast)



- **Aiming to improve corporate value, the Company implements management with an awareness of capital cost and stock price. The ROE target of our current Medium-term plan is 12%.**
- **Dialogues with shareholders are held as needed including capital efficiency and capital cost as one of the topics.**

Action to Implement Management That Is Conscious of Capital Cost

- The Group has positioned ROE as one of the important management indicators in engaging in corporate management that is conscious of capital cost.
- In our present Medium-term Management Plan 2022, the Company has set a target of ROE exceeding 12%, which exceeds the cost of equity calculated by CAPM in the Company.
- In terms of recent performance, the Company has exceeded its targets and will continue to strive to maintain a high level of capital efficiency. (See page 25 of Appendix for Changes in ROE results.)

Action to Implement Management That Is Conscious of Capital Cost

- The Board of Directors regularly holds discussions on PBR and considers and implements measures aimed at obtaining appropriate external evaluation.
- While the Company worked to strengthen investor relations activities by revising the Company's website and conducting interviews with investors continuously, it has introduced a share-based remuneration plan for the purpose of management that is conscious of capital efficiency.
- Going forward, the Company will aim to further increase its stock value through expanded disclosure with an eye to sustainability and active dialogue with its shareholders.

Implementation Status of Dialogue, etc. with Shareholders and Investors

- The implementation status of dialogue in Q3 FY2024(9 months) is as follows:
 - Financial Results Briefings: three (3) times for a total of 156 companies (YoY +14)
 - Individual IR interviews: A total of 81 interviews (YoY +30)
 - Institutional investor engagement: 13 companies (YoY +2)
- (Ref.) The implementation status of dialogue in FY2023 :
 - Financial Results Briefings: four (4) times for a total of 191 companies
 - Individual IR interviews: A total of 74 interviews
 - Institutional investors engagement: 11 companies
- Officer in charge of IR provides feedback to the Board of Directors on the implementation status of dialogue and valuable opinions received during the dialogue in order to improve corporate value.
- Based on the most recent dialogue, the Company has enhanced the disclosure of the breakdown of the performance of the logistics business, which is particularly in demand by investors, from the current fiscal year.

Contents

- Executive Summary
- Q3 FY2024 Financial Results
- FY2024 Results Forecast
- Shareholder Returns/ Endeavor to Enhance Corporate Value
- ▶ **Appendix.1 Detailed Financial Data**
 - Trends in Quarterly Business Performance
 - Trends in Annual Business Performance
 - Consolidated Business Results
 - Consolidated Business Results Forecast
- Appendix.2 Company Profile

Trends in Quarterly Business Performance

(Unit: 100 mil. yen, rounded off to the nearest integer)

Total Consolidated	FY2023		Year-ago Quarter		Full-year	FY2024 Most Recent Quarter		YoY	QoQ	
	Q1	Q2	Q3	Q4		Q1	Q2			Q3
Operating Revenue	786	787	771	665	3,008	660	659	656	-14.9%	-0.4%
Logistics business	766	764	748	642	2,920	640	636	633	-15.3%	-0.4%
Warehousing/Port transportation	366	361	349	307	1,383	307	313	306	-12.4%	-2.3%
Airfreight forwarding(FWD)	156	143	154	114	568	105	88	81	-47.7%	-8.6%
3PL/LLP	228	242	219	190	879	190	196	195	-11.0%	-0.2%
Land transportation	69	72	73	65	279	69	70	72	-1.8%	+2.3%
Elimination of intra-group transactions	-54	-53	-48	-34	-188	-31	-31	-20	-57.9%	-35.5%
Real estate business	22	25	25	25	96	22	25	25	-0.5%	-0.4%
Eliminate/Corporate	-2	-2	-2	-2	-8	-2	-2	-2	-2.1%	-1.7%
Operating Profit	68	69	77	46	260	62	57	51	-34.1%	-11.1%
Logistics business	63	62	71	43	239	59	53	47	-34.3%	-11.8%
Warehousing/Port transportation	24	24	25	16	89	20	20	21	-16.9%	+3.4%
Airfreight forwarding(FWD)	23	17	24	15	78	20	13	6	-73.2%	-52.3%
3PL/LLP	15	18	18	10	62	15	17	16	-12.6%	-3.3%
Land transportation	2	3	5	2	13	4	3	4	-14.9%	+15.5%
Consolidation adjustment, etc.	-1	-0	-1	-0	-2	-1	-0	-0	-67.3%	-43.9%
Real estate business	13	16	16	15	59	13	15	16	-0.4%	+1.5%
Eliminate/Corporate	-8	-9	-10	-12	-39	-11	-12	-12	+16.1%	+2.4%
Ordinary Profit	71	73	77	44	265	65	57	52	-31.8%	-8.0%
Profit attributed to owners of parent	48	44	40	24	156	38	34	28	-30.6%	-17.9%

• The total and the sum of the breakdown, the cumulative total and each quarter in the table may not match as the amount of each item is rounded to the nearest unit. 18

Trends in Annual Business Performance

(Unit: 100 mil. yen, rounded off to the nearest integer)

Total Consolidated	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecast)
Operating Revenue	2,255	2,332	2,419	2,411	2,536	3,010	3,008	2,730
Logistics business	2,168	2,248	2,334	2,320	2,446	2,922	2,920	2,640
Warehousing/Port transportation	1,164	1,139	1,174	1,143	1,152	1,255	1,383	1,320
Airfreight forwarding(FWD)	228	325	329	304	375	685	568	400
3PL/LLP	587	616	653	678	747	868	879	780
Land transportation	271	273	278	276	274	277	279	290
Elimination of intra-group transactions	-82	-105	-100	-82	-101	-163	-188	-150
Real estate business	94	92	92	98	96	96	96	96
Eliminate/Corporate	-7	-8	-7	-7	-7	-8	-8	-6
Operating Profit	58	70	120	118	177	259	260	215
Logistics business	45	59	98	91	150	237	239	211
Warehousing/Port transportation	20	27	42	37	51	66	89	83
Airfreight forwarding(FWD)	23	22	26	23	49	104	78	52
3PL/LLP	17	13	31	30	46	63	62	62
Land transportation	12	10	12	12	15	13	13	15
Consolidation adjustment, etc.	-27	-12	-12	-11	-11	-9	-2	-1
Real estate business	50	50	51	59	58	58	59	57
Eliminate/Corporate	-37	-39	-30	-32	-32	-36	-39	-53
Ordinary Profit	37	65	111	105	172	256	265	207
Profit attributed to owners of parent	-234	44	52	64	115	145	156	118

• The total and the sum of the breakdown, the cumulative total in the table may not match as the amount of each item is rounded to the nearest unit.

(Unit: 100 mil. yen)

Total Consolidated	Q3 FY2023 (9 months)	Q3 FY2024 (9 months)	Change
Operating Revenue	2,343	1,975	-368
Operating Profit	213	169	-44
Non-operating Profit (Loss)	8	5	-3
Financial Profit/Loss	-1	2	+3
Others	9	4	-5
Ordinary Profit	221	174	-47
Extraordinary Gains	5	1	-4
Extraordinary Losses	—	—	—
Profit before income taxes	226	176	-50
Income taxes	69	58	-11
Profit attributable to non-controlling interests	25	18	-7
Profit attributed to owners of parent	132	100	-32

- Improvement in financial account balance due to decrease in interest expenses (+¥0.1 bln) and increase in interest and dividend received (+¥0.2 bln)

- Decrease in equity in earnings of affiliates

- Record +¥0.5 bln as extraordinary gains due to the redemption of a part of retirement benefit trust assets overfunded in the previous fiscal year

- Record +¥0.1 bln as extraordinary gain on reversal of asset retirement obligations due to acquisition of an existing logistics facility (land interest) in the current fiscal year

(Unit: 100 mil. yen)

Total Consolidated	FY2023 Actual	FY2024 Forecast	Change
Operating Revenue	3,008	2,730	-278
Operating Profit	260	215	-45
Non-operating Profit (Loss)	6	-8	-14
Financial Profit/Loss	-2	-2	+0
Others	8	-7	-15
Ordinary Profit	265	207	-58
Extraordinary Gains	5	1	-4
Extraordinary Losses	—	—	—
Profit attributed to owners of parent	156	118	-38

- Elimination of positive impact of foreign exchange rates fluctuations (-¥0.3 bln)
- Decrease in equity in earnings of affiliates (-¥0.3 bln), etc.

- No extraordinary gains or losses expected in Q4 FY2024

Contents

- Executive Summary
- Q3 FY2024 Financial Results
- FY2024 Results Forecast
- Shareholder Returns/ Endeavor to Enhance Corporate Value
- Appendix.1 Detailed Financial Data
- ▶ **Appendix.2 Company Profile**
 - Mitsui-Soko Group's PURPOSE
 - History/ Major Services/ Business Model/ Revenue Structure(Logistics Business/ Real estate business)
 - Market Environment/ Growth Strategies/ Competitors
 - Core Competence
 - Main External Evaluation(ESG/ Investment Index)

PURPOSE

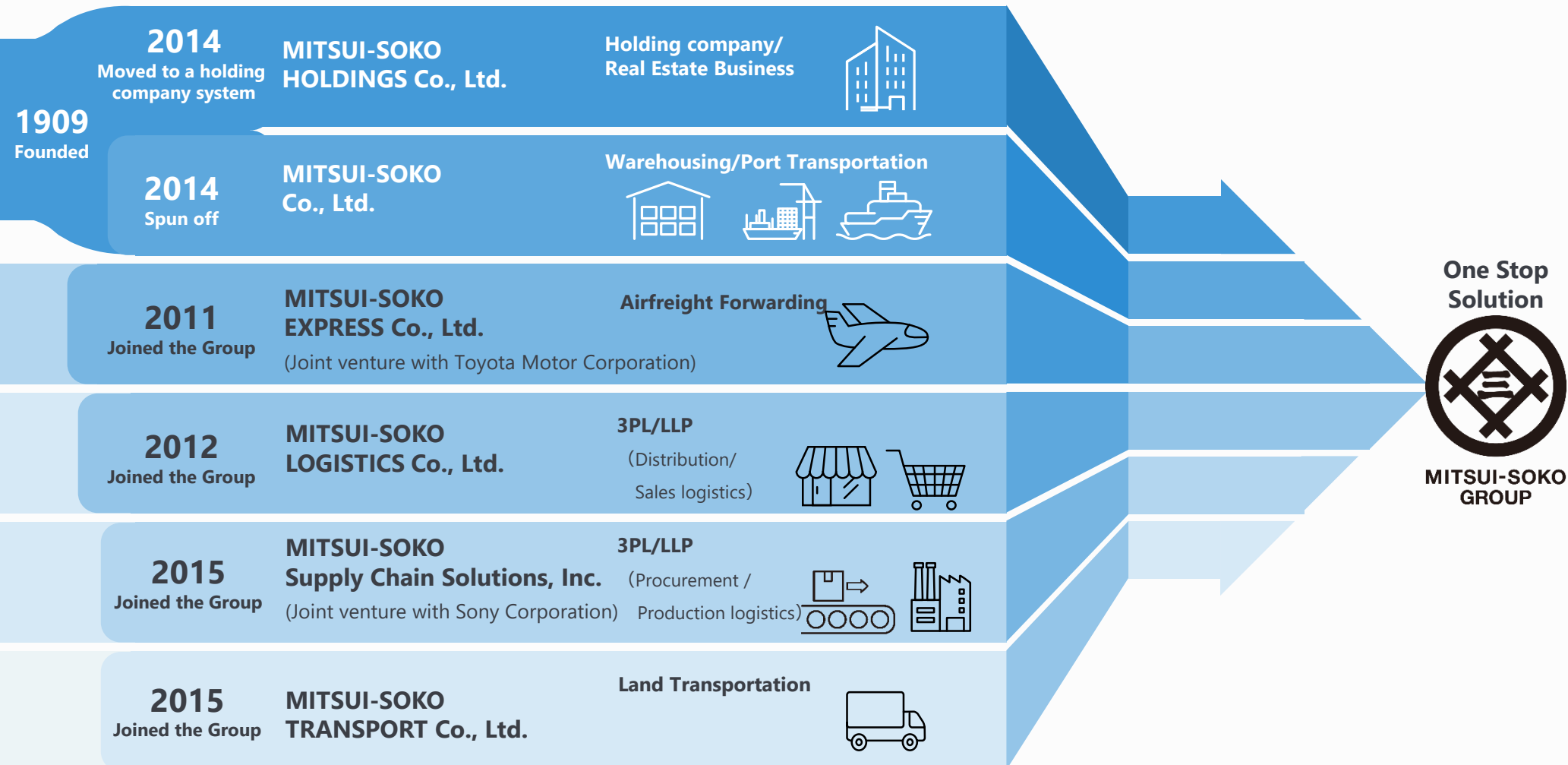
Meaning of Our Existence



Empower society, encourage progress

We believe that the role played by logistics goes beyond simply receiving and transporting goods. It is a significant pipeline that connects everything, such as people with people, industries with industries, as well as countries with countries, and plays an important role as infrastructure that forms the very foundation of modern society. And atop the solid foundation built by logistics are people's day-to-day lives, the workings of economic activity, and society's continued evolution as it repeatedly replaces the old with the new. Empower society, encourage progress—it is for this very purpose that the Mitsui-Soko Group exists. In the more than 100 years since our founding, we have expanded our business of logistics to meet the needs of the times and have been inextricably linked to the evolution of society. In the coming era of rapid change, the role played by logistics will be gaining in its importance. To move the world in a better direction and help to realize a mindful and sustainable society, we are today working with an eye toward the logistics of the future.

- After expanding business areas from warehousing business through M&A, the MITSUI-SOKO Group has realized a comprehensive lineup of logistics services

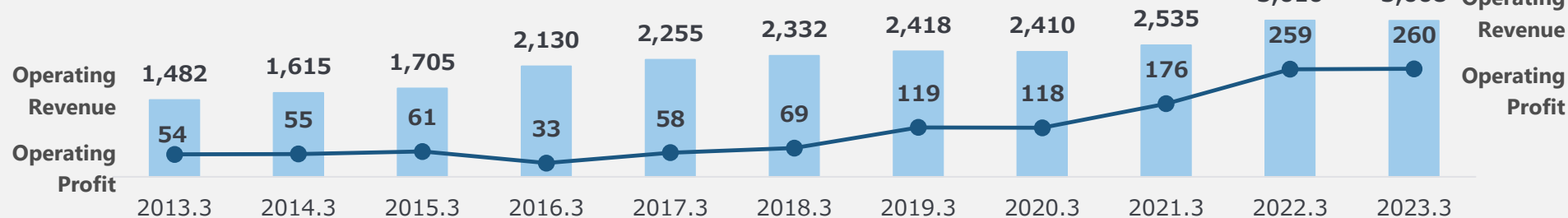


2013.3~2017.3 Business expansion through M&A and capital investment

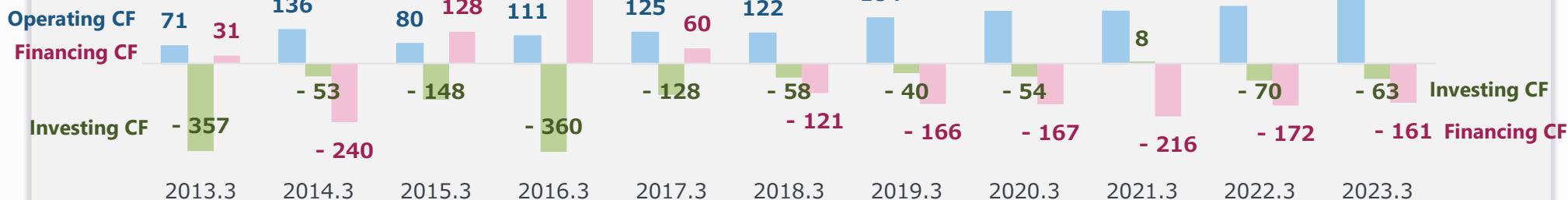
2018.3~2022.3 From Rebuilding financial foundation to Sustainable Growth

2023.3~ Going on the Offensive by Deepening

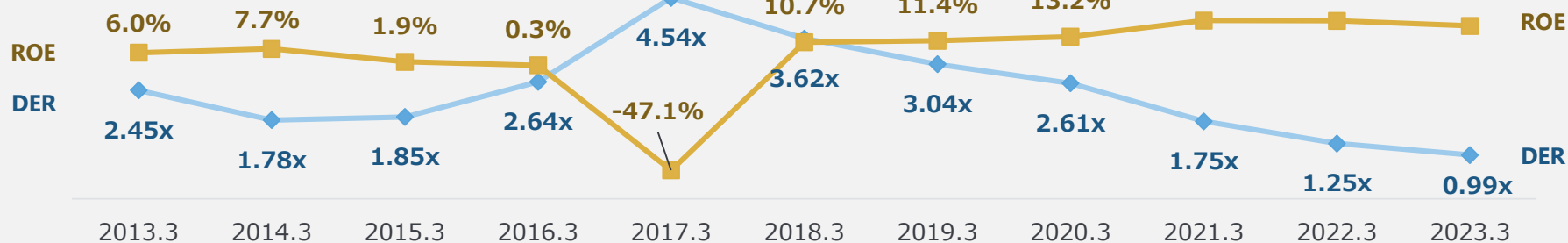
Operating Revenue (100mil. yen) / Operating Profit (100mil. yen)



Cash Flow (100mil. yen)

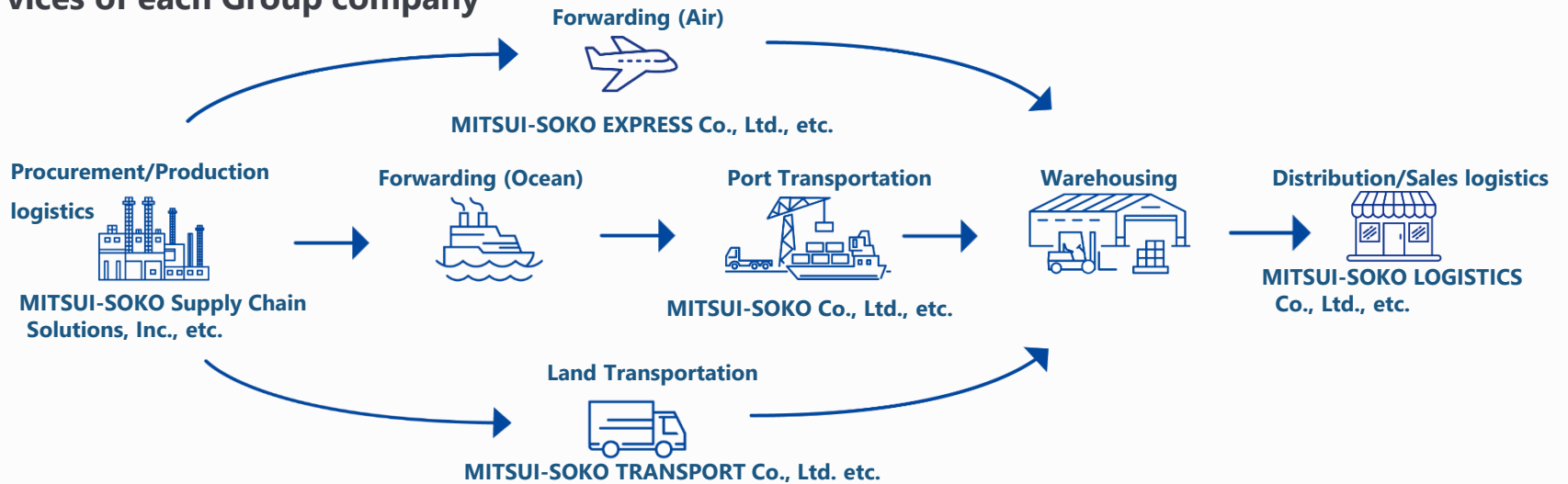


Return on Equity (ROE) (%) / Financial leverage (DER) (times)



- Provide comprehensive end-to-end logistics services from upstream to downstream

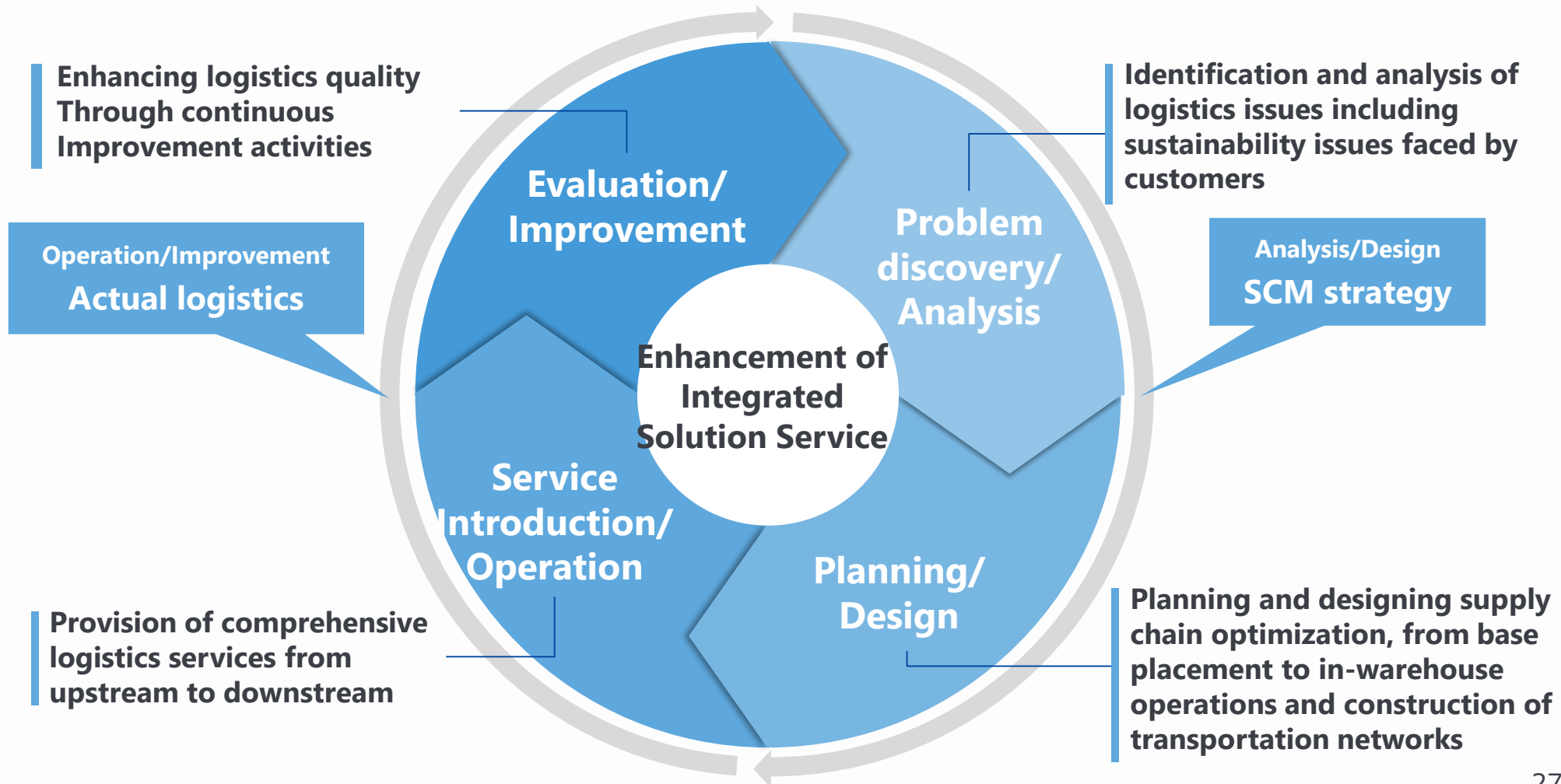
Major Services of each Group company



Major Logistics Area of the Mitsui-Soko Group

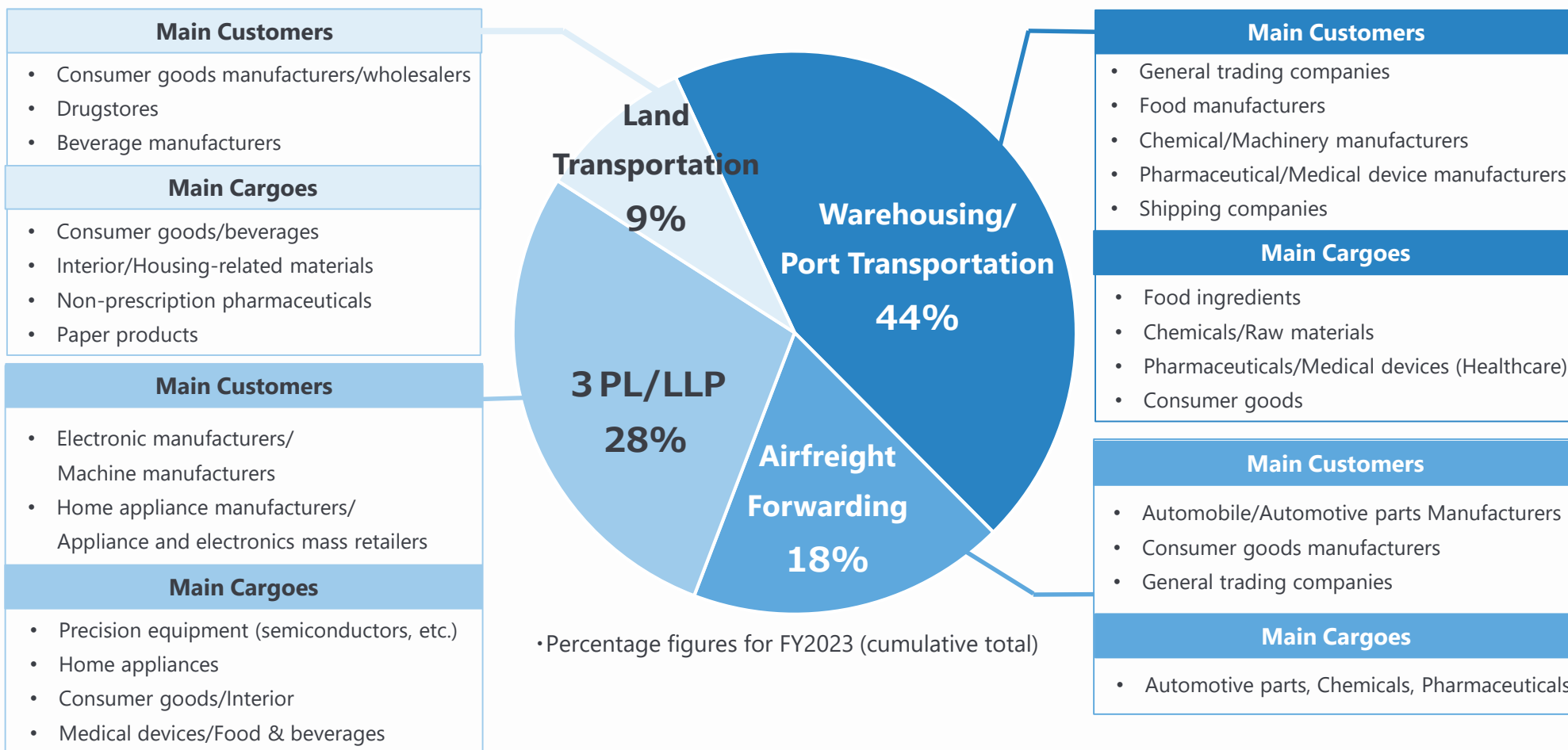
Industry	Value Chain	Raw materials/Materials/Parts			Finished goods			Distribution	
		Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Production logistics	Sales logistics	Procurement logistics	Sales logistics
Healthcare									
Automotive									
Home appliances									
Precision equipment & machinery									
Consumer goods									
Interior/Furniture									
Food & beverages									
Clothing									
Paper/Pulp									
Chemicals									

- Providing integrated solution services that realize optimal logistics across the entire supply chain for our customers



- Providing logistics services to customers by combining a variety of services
- Stable revenue structure with diversified business categories and customer portfolio that are not dependent on a specific field.

Revenue composition and Major Customers by Business Category in Logistics Business



- **Monetizing and managing land that is no longer suitable for logistics use due to changes in the surrounding environment as office/apartment buildings**

Property List by Use

Use	Area	Property name	Floor area
Rental office buildings	Tokyo	MITSUI-SOKO Hakozaki Building	135,608 m ²
		MSC Center Building	32,507 m ²
		MSC Onarimon Building	10,516 m ²
		MSC Fukagawa Building	14,199 m ²
		MSC Fukagawa Building No. 2	22,046 m ²
Total		Five Buildings	214,876 m ²

Use	Area	Property name	Rental units
Rental apartment buildings	Tokyo	Hakozaki River & Tower	99
		Park Axis Onarimon	52
	Osaka	Port Villa Utsubo Park	108
Total		Three Buildings	259

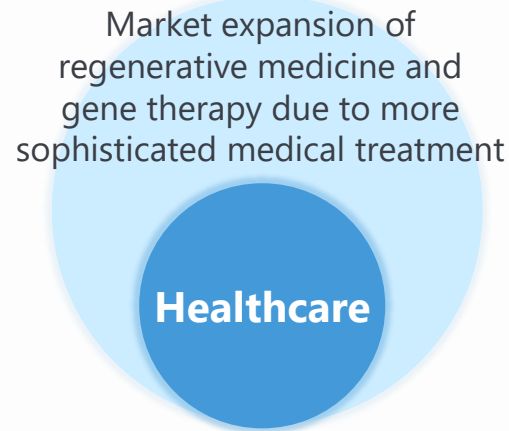
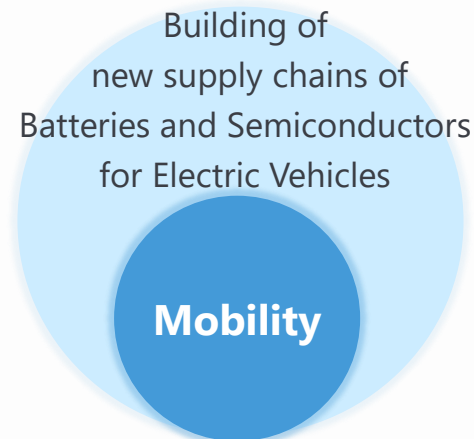
(ref.) Introduction website of our real estate business (only available in Japanese)
 URL <https://www.mitsui-soko.com/company/overview/realestate/>

Customers' situation: Facing rapid changes in business due to rapid environmental changes

Customers' issues : Establishment of logistics has not kept up with business changes

✓ **The Mitsui-Soko Group, providing optimal logistics solutions, resolves customer issues.**

Industries especially with drastic environmental changes : the Group's focus domain



Our strength

- Our specialist knowledge in logistics relating to parts of automobiles and electrical appliances due to its Toyota and Sony lineage
- Know-how to support the building of supply chains based on the manufacturer's perspective
- Providing high value-added logistics services from manufacturing to sales by having established a system in accordance with GMP* and obtaining business licenses (pharmaceutical manufacturing license, etc.) in-house under the Pharmaceutical and Medical Devices Act
- Know-how in logistics design to optimize logistics operations for both stores and e-commerce
- Our experience in technical logistics, including operating home appliance distribution centers, the delivery, installation, and maintenance of home appliances

*Good manufacturing practice: standards for the manufacture and quality control of pharmaceuticals, etc.

- Expand the business with Sustainalink, a specialized service to meet the growing demand for sustainability

Challenges Faced by Companies

Environmental risks	Labor force risks	Disaster risks
<ul style="list-style-type: none"> CO2 Calculation for Logistics (Scope3) CO2 reduction 	<ul style="list-style-type: none"> 2024 problem* Increase in logistics handling volume 	<ul style="list-style-type: none"> Severely and increasingly disasters Create a business continuity plan (BCP)

Improvement by visualizing and addressing the risks that logistics is facing

New service that does not stop customers' business

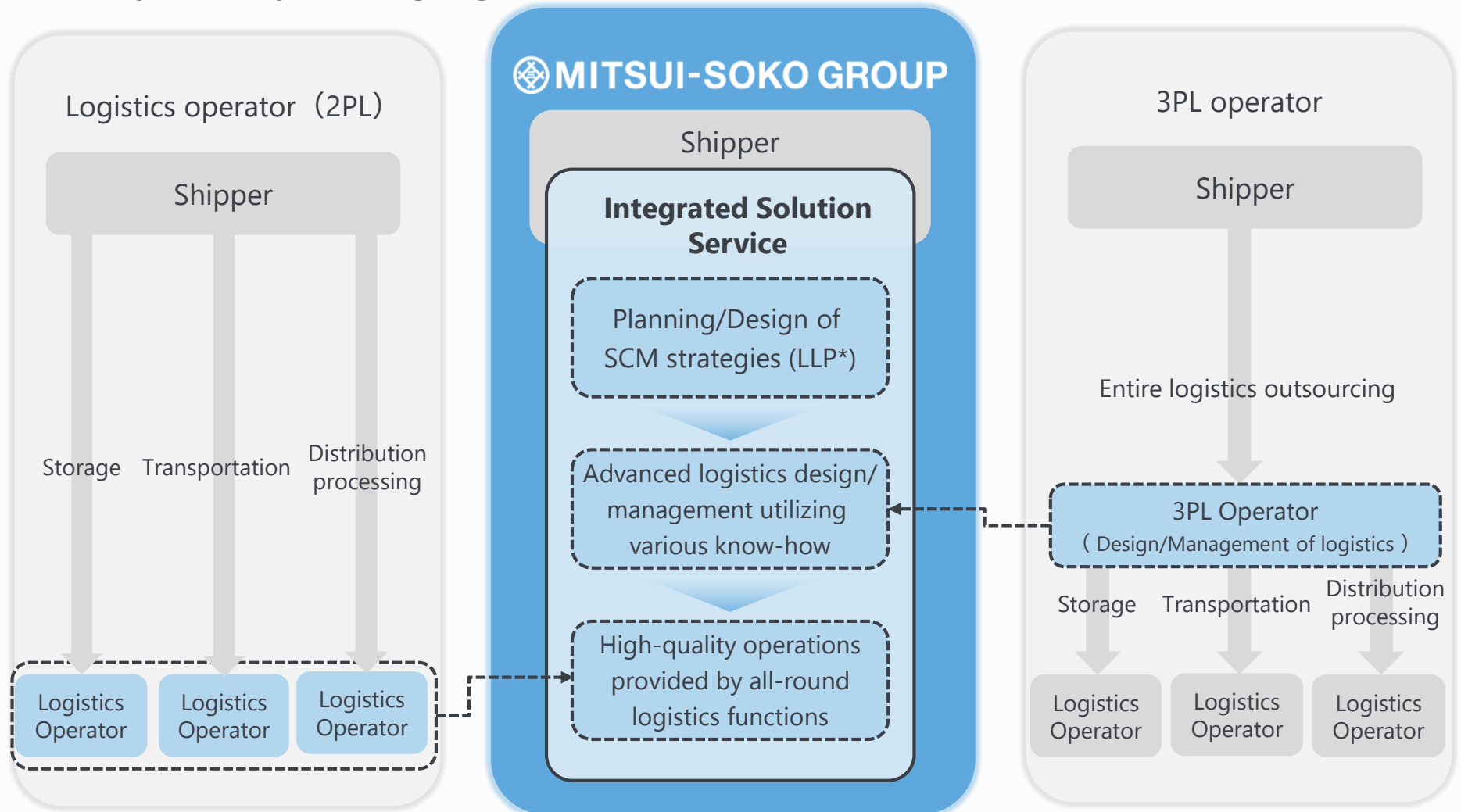
SustainaLink

Supply-chain Sustainability

Our Approach to Risk with "SustainaLink"	Response to environmental risks	Response to labor force risks	Response to disaster risks
Step1 : Know	Legal system/ Environmental regulations	Status and regulatory trends of the labor force risks	Risk of logistics disruptions and suspended production
Step2 : Visualize	Visualize CO2	Visualize man-hours for work and Transportation	Visualize logistics risks such as disasters
Step3 : Improve	Reduce CO2	Logistics efficiency	Build a robust logistics system

*A series of predicted logistical issues in Japan such as potential disruption to delivery services and a decrease in delivery capacity

- **Differentiation strategy by realizing optimization of not only logistics but also overall supply chain by working together with shippers**

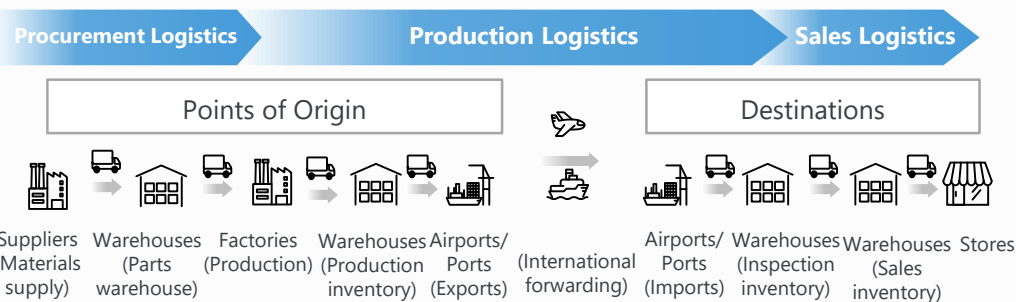


*LLP (Lead Logistics Provider/Partner) : Supporting customers' supply chain management(SCM) and logistics not only at the operational and management level, but also at the planning and strategic level

- Response to social changes and customer needs by leveraging the Group's collective strength and advanced logistics know-how

1 Full Range of Logistics Functions

- Comprehensive lineup of land, sea, and air logistics functions
- Covering the entire supply chain from procurement and production processes to sales, a system capable of providing diversified customer needs



3 Diverse Human Resources (Expertise/Skills)

- Expertise and skills in a wide range of cargo handling, from raw materials to finished products, from confidential information to pharmaceutical devices and investigational drugs
- Diversified expertise and skills from different backgrounds and cultures that joined the Group through M&A

2 Global Network

- Boasting of global network with about 280 offices in Japan and about 400 offices all over the world and the operational floor area of about 2.32 million square meters
- Expanding overseas business to 20 countries, mainly in Asia, and now growing about 24% of the operating revenue

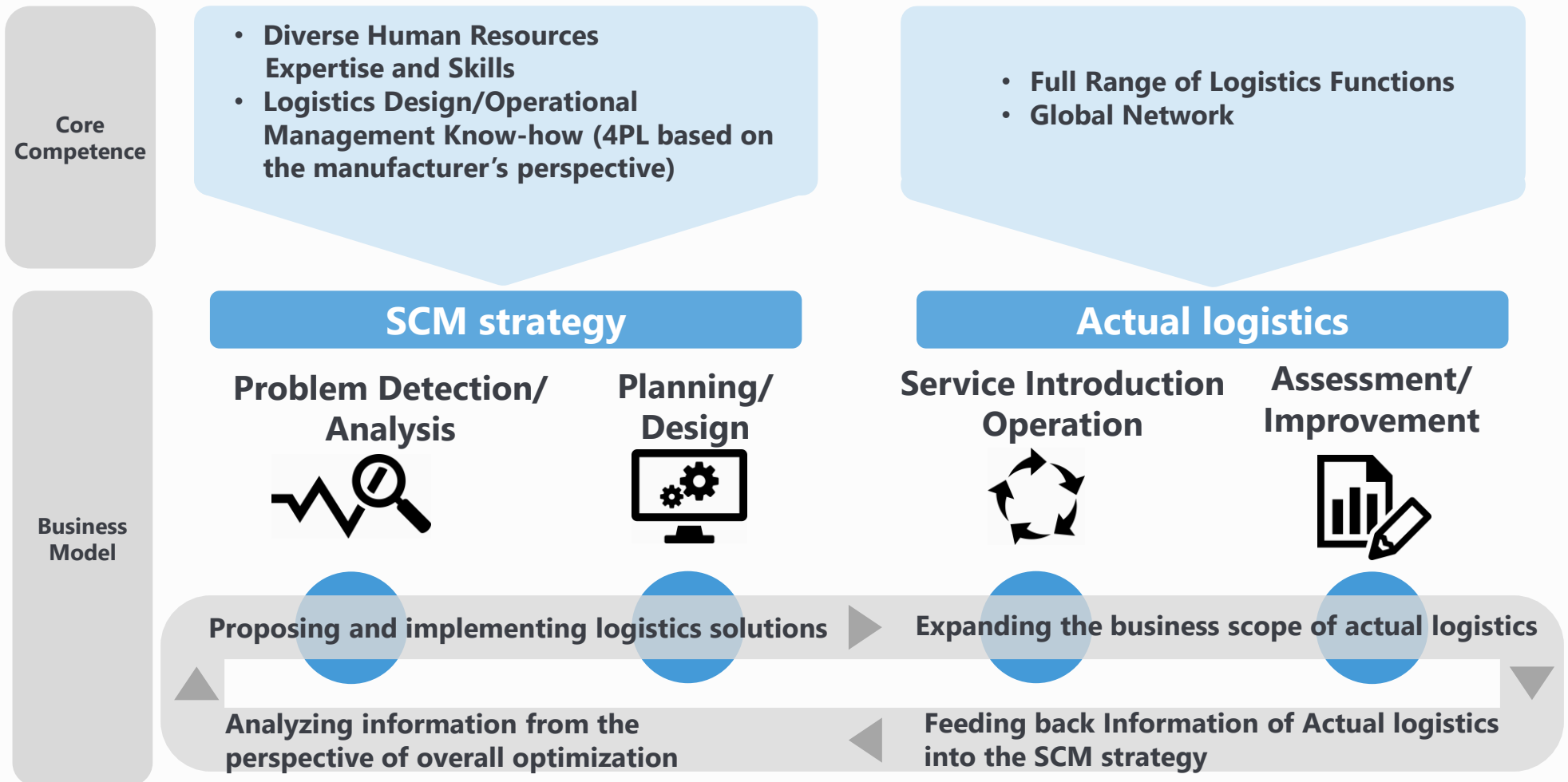
North/South America	Europe, Africa, Middle East	South Asia, Southeast Asia
Number of business sites 16	Number of business sites 30	Number of business sites 38
Operational floor area 40,905m ²	Operational floor area 57,666m ²	Operational floor area 369,070m ²
Employees 118	Employees 470	Employees 1,985
Northeast Asia	Japan	Total
Number of business sites 52	Number of business sites 281	Number of business sites 417
Operational floor area 138,113m ²	Operational floor area 1,662,165m ²	Operational floor area 2,267,920m ²
Employees 528	Employees 4,956	Employees 8,057

The figures are as of March 31, 2023.

4 Logistics Design and Operation Know-how

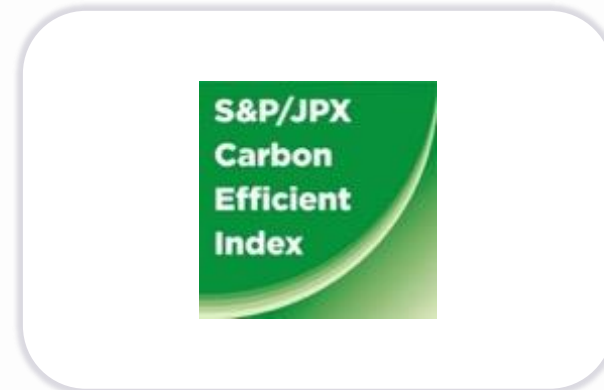
- SCM strategy and logistics design know-how cultivated through 4PL from manufacturers' perspectives
- High-quality and high-efficiency operations that have supported the logistics of the Toyota and the Sony Group for many years

- Our core competence supporting a virtuous cycle of expanding the business scope

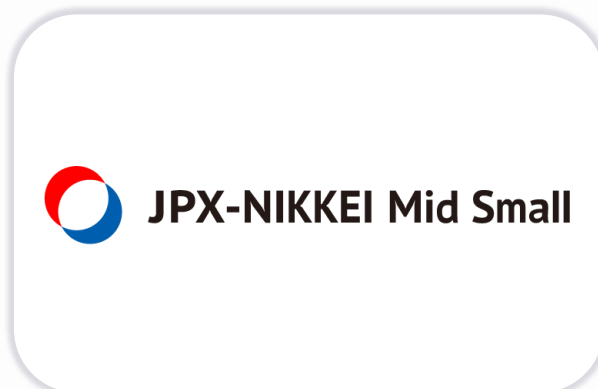


- Obtaining a variety of external evaluations and being selected as a constituent of the Investment Index

ESG



Investment Index



*THE USE BY MITSUI-SOKO HOLDINGS Co., Ltd. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF MITSUI-SOKO HOLDINGS Co., Ltd. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

Empower society, encourage progress

MITSUI-SOKO GROUP

MITSUI-SOKO HOLDINGS CO., LTD.

Finance and Accounting Division (in charge of IR)

- Various inquiries, Application for IR interviews
 - E-mail : m_sc_ir_cacp@mitsui-soko.co.jp
 - WEB form : <https://www.mitsui-soko.com/contact/>
- Various IR materials and Video distribution of financial results briefings
 - WEB : <https://www.mitsui-soko.com/en/ir/>

YouTube “Official MITSUI-SOKO GROUP Channel”

(※ Please click the link below for our YouTube)



We distribute video content such as various services of the Group and introduction of the Company.

- This material is to provide information regarding our company, and are not intended as a solicitation for investment.
- Figures for the forecasts, outlooks, and targets described in this report that are not historical facts are calculated based on the currently available information and uncertain factors that may have an effect on future performance. The actual results may differ from the forecasts.