



H1 FY2025

# Financial Results Briefing

November 15, 2024

Securities code : 9302

**MITSUI-SOKO HOLDINGS Co., Ltd.**

# MITSUI-SOKO GROUP



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- FY2025 Financial Forecast
- Action to Implement Management that is Conscious of Cost of Capital and Stock Price
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## H1 FY2025 Results

**Increasing in operating revenue due to the launch of new logistics operations and the increase in handling air cargo**

**Decreasing in operation profit due to temporary vacant floors of the major building in the real estate business.**

Operating Revenue	<b>138.7</b> bn yen	YoY	<b>+5.2%</b>
Operating Profit	<b>9.5</b> bn yen	YoY	<b>-20.1%</b>

## FY2025 Forecast

**Upwardly revised an operating profit forecast mainly due to the increase of air transportation**

**Progress earlier than planned to lease some floors in the major building in the real estate business**

Operating Revenue	<b>280.0</b> bn yen	Vs. Previous Forecast	<b>+1.8%</b>
Operating Profit	<b>18.0</b> bn yen	Vs. Previous Forecast	<b>+16.1%</b>

## Shareholder Returns

**Set up our basic policy of paying dividends linked to business performance based on a payout ratio of 30%  
Set the lower limit of 146 yen for FY2025, taking into account the progress of the medium-term management plan and dialogue with shareholders**

Interim dividend	<b>73</b> yen (Actual)		
Year-end dividend	<b>73</b> yen (Forecast)		
Annual dividend	<b>146</b> yen (Forecast)	Expected Payout Ratio	<b>36.4%</b>

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## Summary of H1 FY2025 Financial Results

- Increase in operating revenue due to the launch of new logistics operations, the increase in handling air cargo and a rise in ocean cargo freight rates
- International cargo movement remained unchanged
- Decrease in operating profit due to not only shrinking freight margins caused by a rise in the unit purchase price of air cargo transportation but also temporary vacant floors of the major building in the real estate business

Total Consolidated	H1 FY2024 (6 months)	H1 FY2025 (6 months)	Change	Change(%)
Operating Revenue	1,319	<b>1,387</b>	+68	+5.2%
Operating Profit	118	<b>95</b>	-23	-20.1%
〔 Operating profit margin	9.0%	<b>6.8%</b>	-2.2pt	—
Ordinary Profit	122	<b>95</b>	-27	-22.1%
Profit attributed to owners of parent	72	<b>58</b>	-14	-18.6%

# Financial Results by Segment

Segment	H1 FY2024 (6 months)	H1 FY2025 (6 months)	Change	Change(%)
Operating Revenue	1,319	<b>1,387</b>	+ 68	+ 5.2%
Logistics business	1,276	<b>1,362</b>	+ 86	+ 6.7%
Warehousing/Port transportation	620	<b>672</b>	+52	+8.3%
Airfreight forwarding(FWD)	193	<b>213</b>	+20	+10.3%
3PL/LLP	386	<b>407</b>	+21	+5.6%
Land transportation	139	<b>135</b>	-4	-3.5%
Elimination of intra-group transactions	-62	<b>-65</b>	-3	—
Real estate business	47	<b>29</b>	-18	-37.0%
Eliminate/Corporate	-4	<b>-4</b>	0	—
Operating Profit	118	<b>95</b>	-23	-20.1%
Logistics business	112	<b>112</b>	0	-0.5%
Warehousing/Port transportation	40	<b>38</b>	-2	-4.4%
Airfreight forwarding(FWD)	34	<b>29</b>	-5	-14.5%
3PL/LLP	32	<b>38</b>	6	+18.1%
Land transportation	8	<b>9</b>	1	+12.3%
Elimination of intra-group transactions	-1	<b>-2</b>	-1	—
Real estate business	28	<b>8</b>	-20	-70.6%
Eliminate/Corporate	-22	<b>-25</b>	-3	—

- Increase in revenue due to a rise in freight rates, mainly in America and Europe
- Increase in revenue due to the launch of new high-fashion logistics operations, increase in handling of e-commerce logistics and the launch of new operations base in Europe.

- Rising freight rates on some routes and shift from ocean to air due to disruption of shipping market conditions.

- Sluggish international cargo movement
- Temporary cost for launching new operations base in Europe and Hokuriku region.

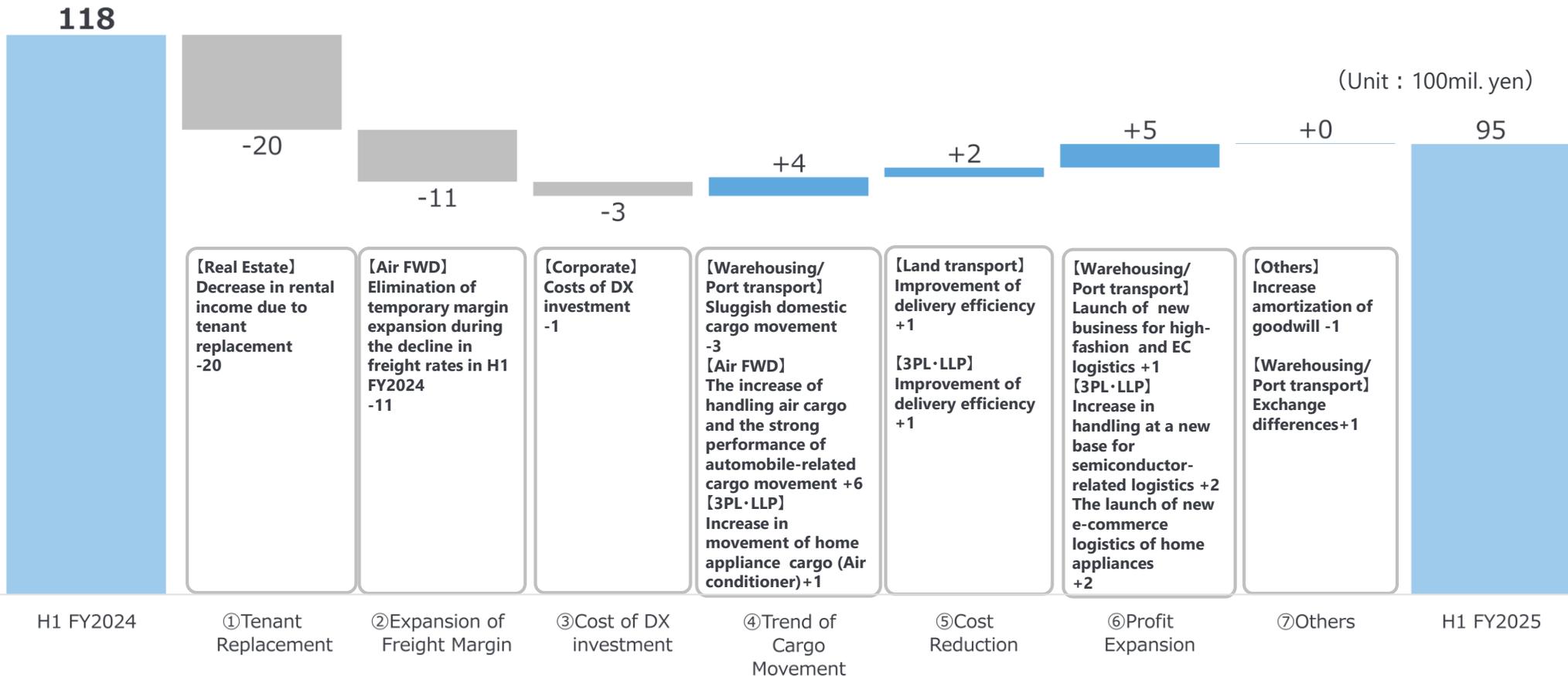
- Shrinking profit margins amid rising freight rates in the current fiscal year compared with expanding profit margins amid falling freight rates in the previous fiscal year

- Increase in handling of semiconductor logistics in the Kyushu region.
- The launch of new e-commerce logistics of home appliances

- Temporary vacant floors due to tenant replacement in the major building

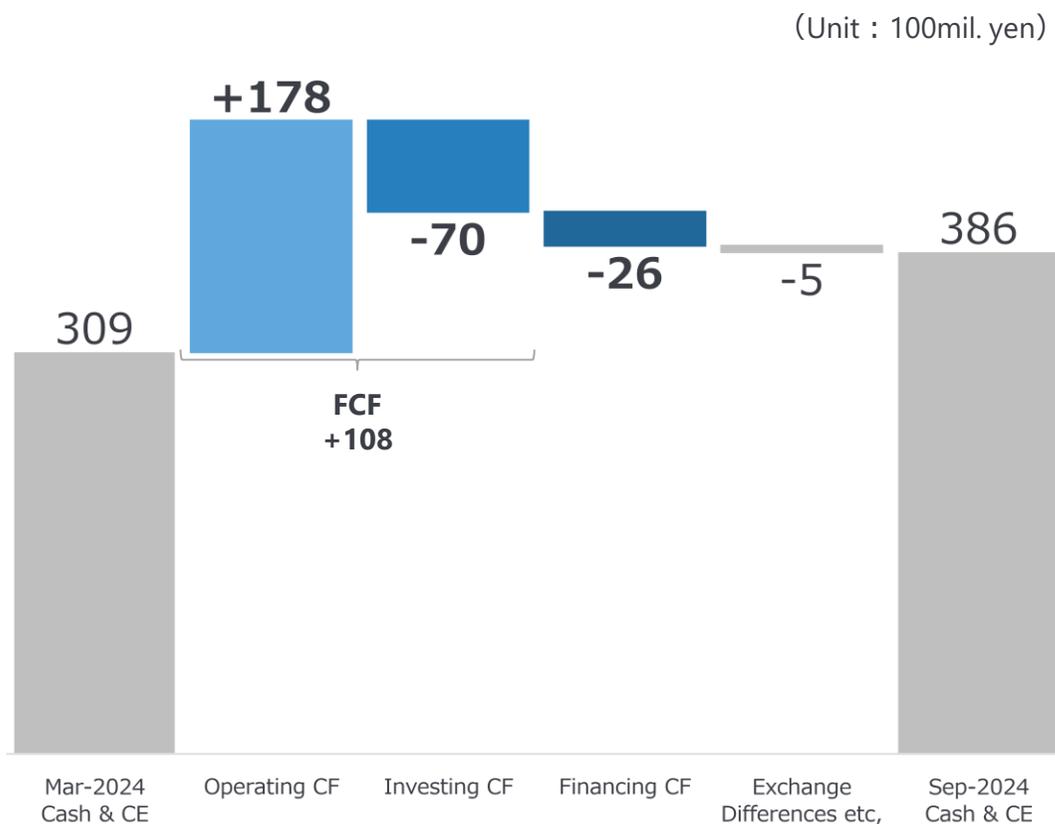
# ☑ Main Factors of Changes in Operating Profit

- One-time decrease in rental revenue due to tenant replacement of the major building in the real estate business
- Temporary margin expansion amid falling freight rates in H1 FY2024 having been eliminated
- The trend of cargo movement is different by type of cargo. Despite sluggish International cargo such as food row, domestic cargo movement of home appliances progress firmly
- Contributed to expand profit in our focused areas due to the launch of new high-fashion logistics operations and an increase in handling of semiconductor-related cargo



## Cash Flow Status

- Operating cash flow (CF) resulted in a net cash inflow of 17.8 bn yen mainly due to net income
- Investment in both the value-adding construction of the Hakozaiki Building and in software based on DX strategy, and acquisition of additional shares in a joint venture in China



### Major Breakdown of Cash Flows

• <b>Operating CF</b>	: <b>+178</b>
Profit before income taxes	: +100
Depreciation/Amortization of goodwill	: +52
Decrease (increase) in trade receivables/ trade payables	: -45
Income taxes paid	: -6
• <b>Investing CF</b>	: <b>-70</b>
Capital investment	: -57
Software investment	: -12
Stock acquisition	: -4
<b>(Subtotal) Free cash-flow</b>	: <b>+108</b>
• <b>Financing CF</b>	: <b>-26</b>
Change in borrowings and bonds (Net)	: +24
Dividends paid	: -20
• <b>Total of Change in Cash and Cash Equivalents</b>	: <b>+77</b>

## Balance Sheet Status

- Improved D/E ratio due to steady accumulation of net income
- Achieved a stable balance sheet with sufficient capacity for future strategic investments

(Unit: 100 mil. yen)

Total Consolidated	Balance as of Mar. 31, 2024	Balance as of Sep 30, 2024	Change	
Total Assets	2,635	<b>2,790</b>	+155	<ul style="list-style-type: none"> <li>• Temporary increase due to seasonal factor (same level as previous fiscal year: 38.5 bn yen)</li> </ul>
Cash and deposits	319	<b>394</b>	+75	
Trade receivables	303	<b>348</b>	+45	
Tangible and Intangible assets	1,512	<b>1,519</b>	+7	<ul style="list-style-type: none"> <li>• Goodwill +1.0 bn yen</li> </ul>
Interest-bearing debt (including Lease obligations)	833	<b>854</b>	+21	
Borrowings and Bonds	767	<b>792</b>	+25	
Lease obligations	65	<b>62</b>	-3	<ul style="list-style-type: none"> <li>• Reasons for the change in equity capital: Net Income +6.0 bn yen Dividends -2.0 bn yen Exchange differences -0.3 bn yen</li> </ul>
Equity Capital	1,099	<b>1,136</b>	+37	
Equity ratio	41.7%	<b>40.7%</b>	-1	
D/E ratio	0.76	<b>0.75</b>	0	

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## Summary of FY2025 Financial Forecast

- Upwardly revised the FY2025 forecast resulting from exceeding the operating profit of H1 FY2025 forecast announced in August (Details to follow)
- Strong performance resulting from the increase in handling air cargo
- Increase in handling of semiconductor-related logistics in the Kyushu region
- Progress of measures for appropriate fee collection and efficiency earlier than expected
- Progress earlier than planned to lease some floors of the Hakozaki Building in the real estate business

(Unit: 100 mil. yen)

Total Consolidated	H1 FY2025 Actual	FY2025 Previous Forecast	Progress	FY2025 Revised Forecast	Vs. Previous Forecast
Operating Revenue	1,387	<b>2,750</b>	50.4%	<b>2,800</b>	+ 50
Operating Profit	95	<b>155</b>	61.0%	<b>180</b>	+ 25
Ordinary Profit	95	<b>148</b>	64.2%	<b>177</b>	+ 29
Profit attributed to owners of parent	58	<b>87</b>	67.2%	<b>100</b>	+ 13

# Financial Forecast by Segment

(Unit: 100 mil. yen)

Segment	H1 FY2025 Actual	FY2025 Previous Forecast	Progress
Operating Revenue	1,387	<b>2,750</b>	50.4%
Logistics business	1,362	<b>2,689</b>	50.6%
Warehousing/Port transportation	672	<b>1,354</b>	49.7%
Airfreight forwarding(FWD)	213	<b>400</b>	53.1%
3PL/LLP	407	<b>782</b>	52.1%
Land transportation	135	<b>268</b>	50.2%
Elimination of intra-group transactions	-65	<b>-115</b>	—
Real estate business	29	<b>66</b>	44.5%
Eliminate/Corporate	-4	<b>-5</b>	—
Operating Profit	95	<b>155</b>	61.0%
Logistics business	112	<b>194</b>	57.6%
Warehousing/Port transportation	38	<b>79</b>	48.1%
Airfreight forwarding(FWD)	29	<b>37</b>	78.3%
3PL/LLP	38	<b>65</b>	57.8%
Land transportation	9	<b>15</b>	58.4%
Elimination of intra-group transactions	-2	<b>-2</b>	81.1%
Real estate business	8	<b>19</b>	43.7%
Eliminate/Corporate	-25	<b>-58</b>	43.8%

FY2025 Revised Forecast	Vs. Previous Forecast
<b>2,800</b>	+ 50
<b>2,741</b>	+ 52
<b>1,370</b>	+ 16
<b>423</b>	+ 23
<b>805</b>	+ 23
<b>268</b>	—
<b>-125</b>	- 10
<b>67</b>	1
<b>-8</b>	- 3
<b>180</b>	+ 25
<b>217</b>	+ 23
<b>81</b>	+ 2
<b>52</b>	+ 15
<b>70</b>	+ 5
<b>16</b>	+ 1
<b>-2</b>	—
<b>21</b>	+ 2
<b>-58</b>	—

- Progress of measures for appropriate fee collection efficiency earlier than expected and controlling the impact of cost increases

- The emergence of shift from ocean to air
- Expect strong performance in Air cargo movement

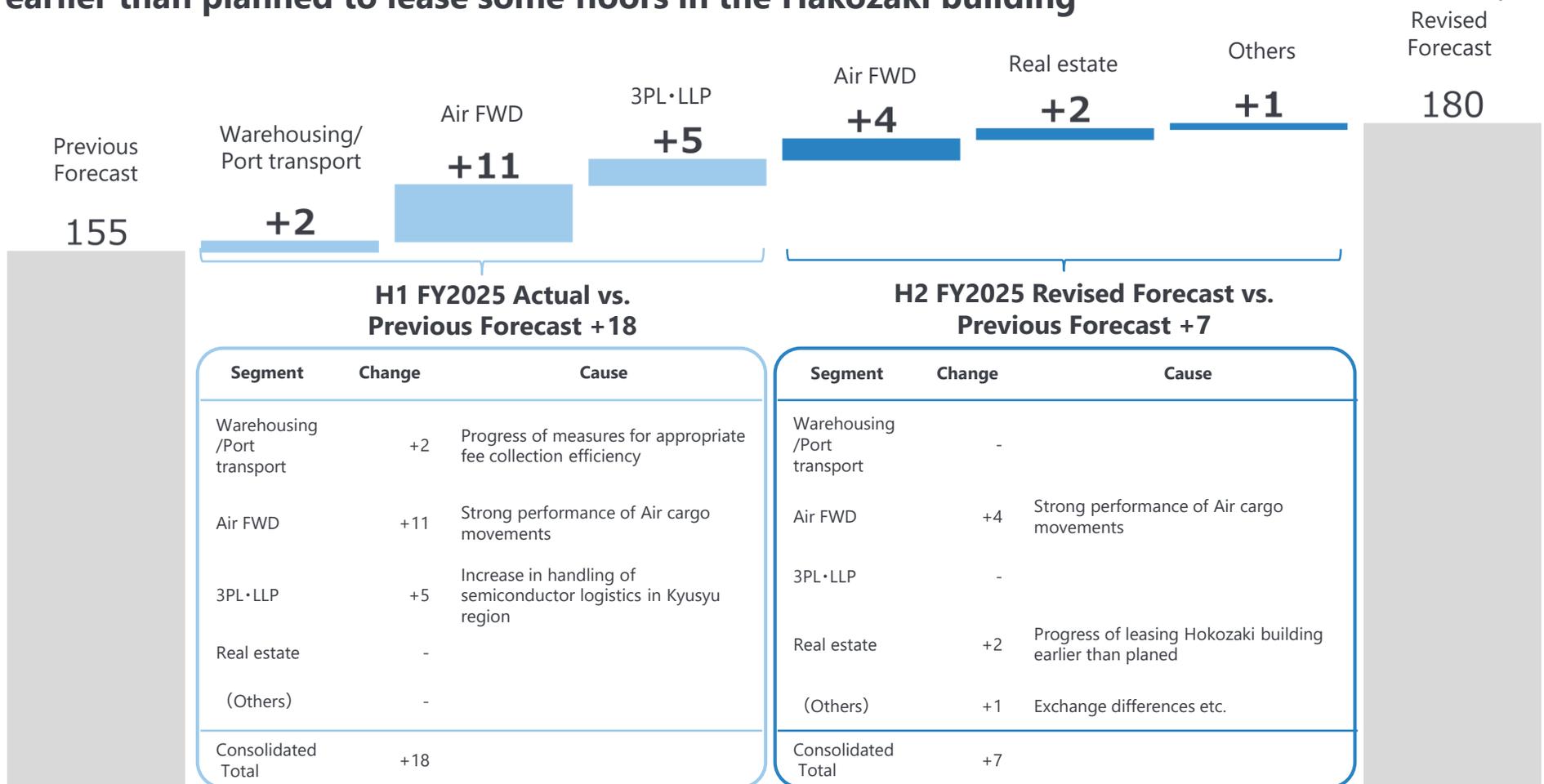
- Increase in handling of semiconductor logistics
- Progress of measures for appropriate fee collection and efficiency

- Progress earlier than planned to leasing Hakozaki building and reduce the cost such as management fee

# Operating Profit Forecast vs. Previous Forecast

- Increasing in operating profit H1 FY2025 mainly due to Air FWD against a background of disruption of shipping market conditions
- Expect strong performance in Air cargo movement in H2 than expected in beginning of FY2025
- Upwardly revised operating profit forecast H2 FY2025 of Real estate business due to the progress earlier than planned to lease some floors in the Hakozaki building

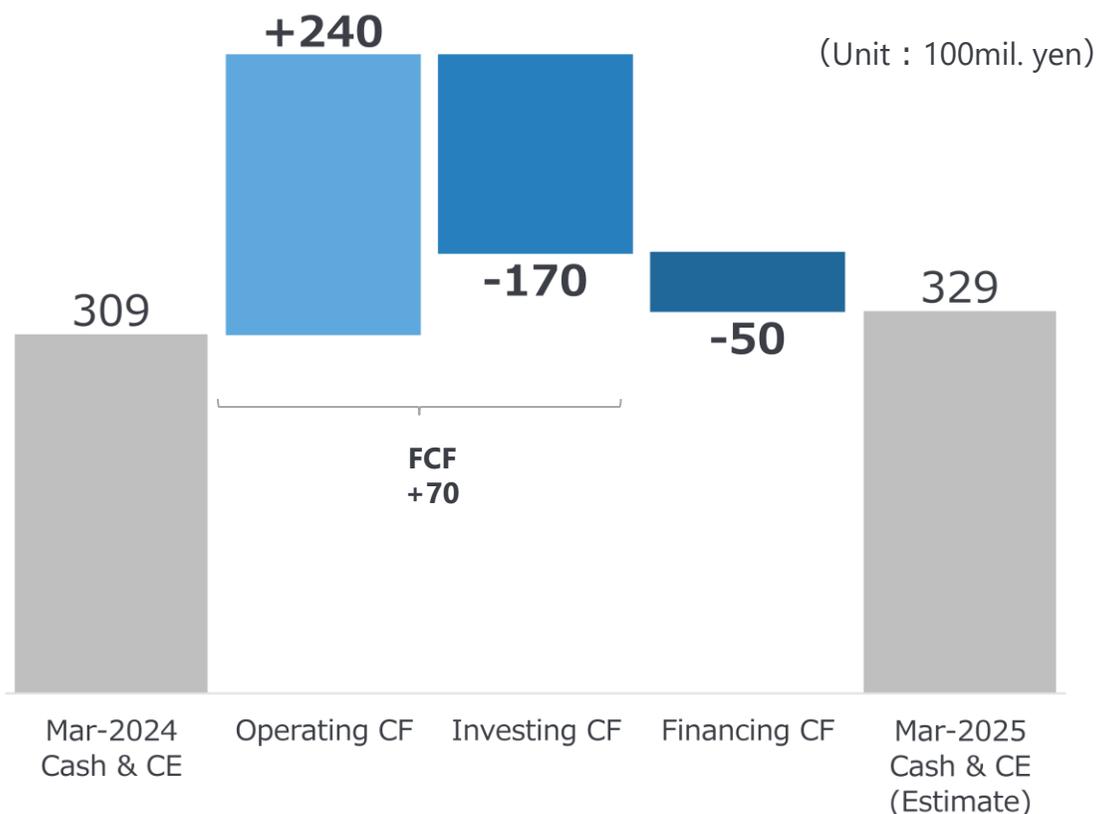
(Unit : 100mil. yen)



## Cash Flow Forecast

- Expect Operating cash flow (CF) to be a net cash inflow of 24.0 bn yen
- Expect construction costs of new warehouse at Busan New Port, Korea\* and construction cost of value-adding for the Hakozaki Building and investment in DX as well

\*... Construction costs of new warehouse at Busan New Port, Korea is scheduled to start in FY2025 and proceed full-scale for investment after FY2026



### Major Breakdown of Cash Flows (Forecast)

• <b>Operating CF</b>	: <b>+240</b>
Profit before income taxes	: +100
Depreciation/Amortization of goodwill	: +110
• <b>Investing CF</b>	: <b>-170</b>
Capital investment	: -135
Software investment	: -30
Stock aquisition	: -4
<b>(Subtotal) Free cash-flow</b>	: <b>+70</b>
• <b>Financing CF</b>	: <b>-50</b>
Change in borrowings and bonds (Net)	: +10
Dividends paid	: -37
• <b>Total of Change in Cash and Cash Equivalents</b>	: <b>+20</b>

## Balance Sheet Forecast

- Despite an increase in interest-bearing debt, the D/E ratio is expected to remain below 1.0x  
Maintain sufficient investment capacity in preparation for further strategic investment
- Although ROE is expected to decline temporarily in FY2025 due to temporary decrease of operation profit of real estate, the Company aims to improve profitability to achieve ROE of 12%, that is the medium-term target, in FY2027.

(Unit: 100 mil. yen)

Total Consolidated		Balance as of Mar. 31, 2024 (Actual)	Balance as of Mar. 31, 2025 (Forecast)	Change
Total Assets		2,635	<b>2,760</b>	+125
Interest-bearing debt (including Lease obligations)		833	<b>840</b>	+7
Borrowings and Bonds		767	<b>775</b>	+8
Lease obligations		65	<b>65</b>	0.00
Equity Capital		1,099	<b>1,160</b>	+61
Financial Soundness	Equity ratio	41.7%	<b>42.0%</b>	+0.3
	D/E ratio	0.76	<b>0.72</b>	-0.04
Capital Efficiency	ROE	11.9%	<b>8.9%</b>	-3.00

- Expect an increase in tangible assets resulting from construction cost of the Hakozaki Building

- Expect an increase Interest-bearing debt due to Borrowing Capital investment funds

- ROE is expected to decline temporarily in FY2025 due to temporary decrease of operation profit of real estate
- Expect the recovery after FY2026 due to progress of leasing as planned

• D/E ratio = Interest-bearing debt (including Lease obligations) / Equity Capital

• ROE = Profit before income taxes / Equity Capital (Average of fiscal year beginning and fiscal year end)

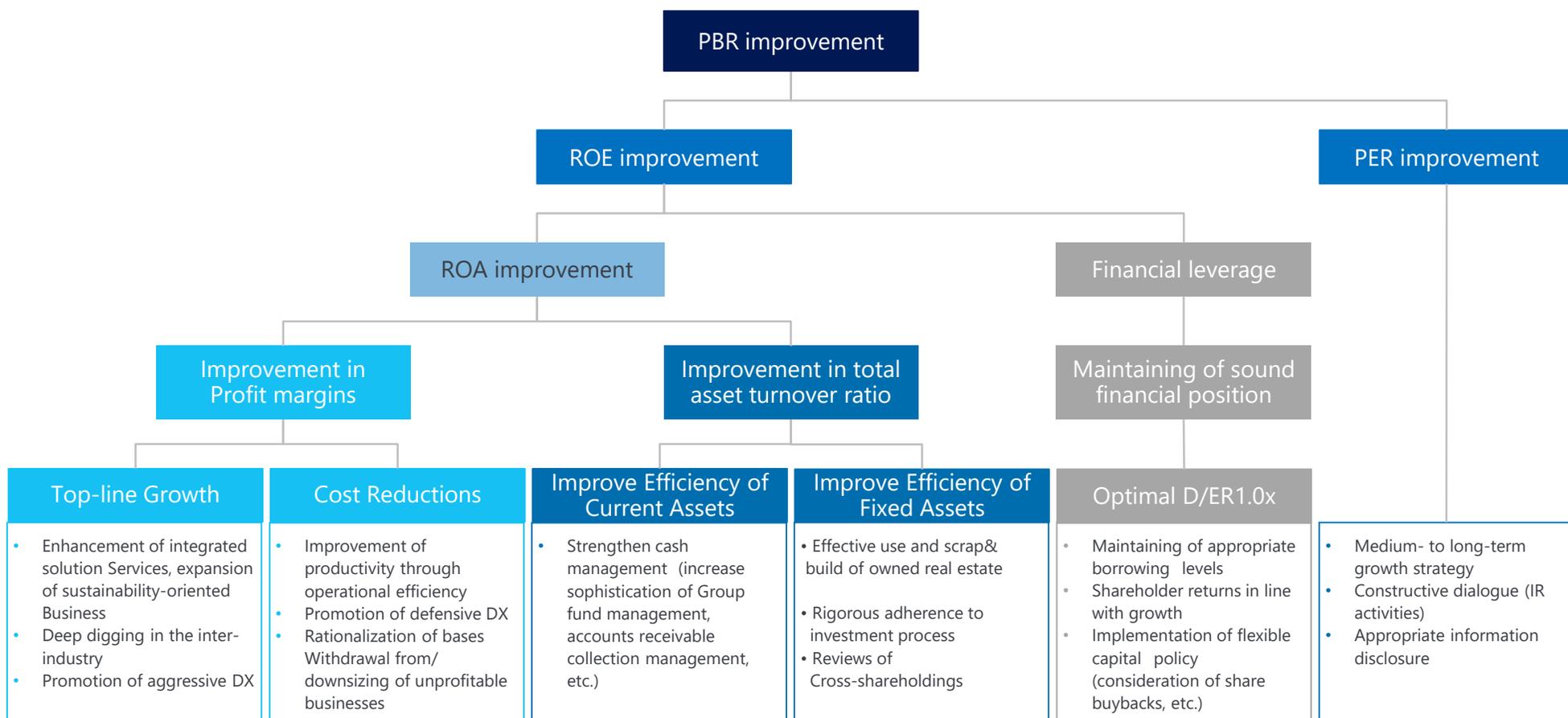
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# Maximizing Our Corporate Value and Shareholder Value

- Aim to improve our corporate value and especially PBR in the capital market and conduct management with an awareness of capital cost and stock price
- Position ROE as an important management indicator ROE and set a target of ROE higher than 12%, and we are working to improve our capital efficiency

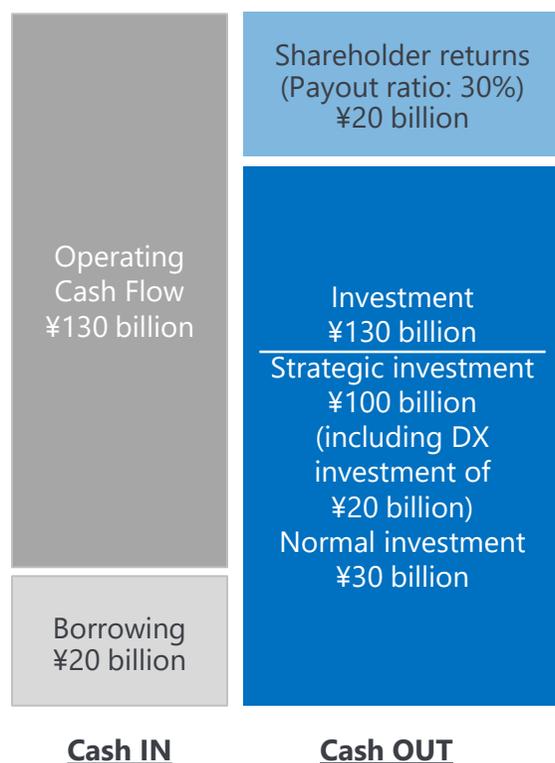
## Major Initiatives in Improving PBR



## Cash Allocation

- Make decisions of cash allocation considering our growth investment, financial soundness, and level of shareholder returns.
- Maintain and improve our capital efficiency due to high-return investments and appropriate capital allocation

### Image of Funding and Allocation(5-year cumulative total under medium-term management plan from FY2023 to FY2027)

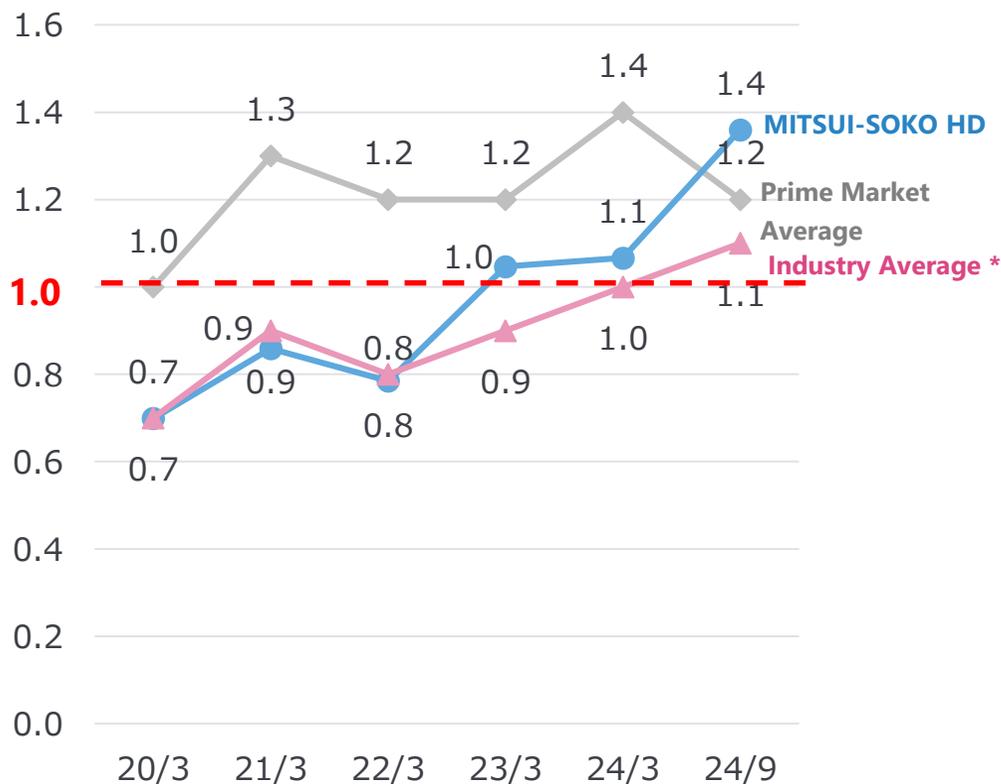


- Continue to strengthen shareholder returns by **increasing dividends** in line with profit growth
- **Maintain the dividend** for FY2025 in temporary decrease in profit
- Consider **share buybacks** as a further measure to return profits to shareholders
- Substantially expand **investment in growing areas** such as DX and new capital investment
- Actively consider disciplined **strategic M&A and capital alliances** to realize co-creation
- Expand investments in existing facilities from the perspective of increasing asset value and improving the work environment
- Main **investments** in FY2025
  - Construction of new warehouse at Busan New Port, Korea ( start in FY2025 and proceed full-scale for investment after FY2026)
  - Construction of value-adding for the Hakozaki Building
  - Acquisition of additional shares in Air FWD joint venture in China
- Set **optimal D/E ratio at 1.0x** and utilize external loans

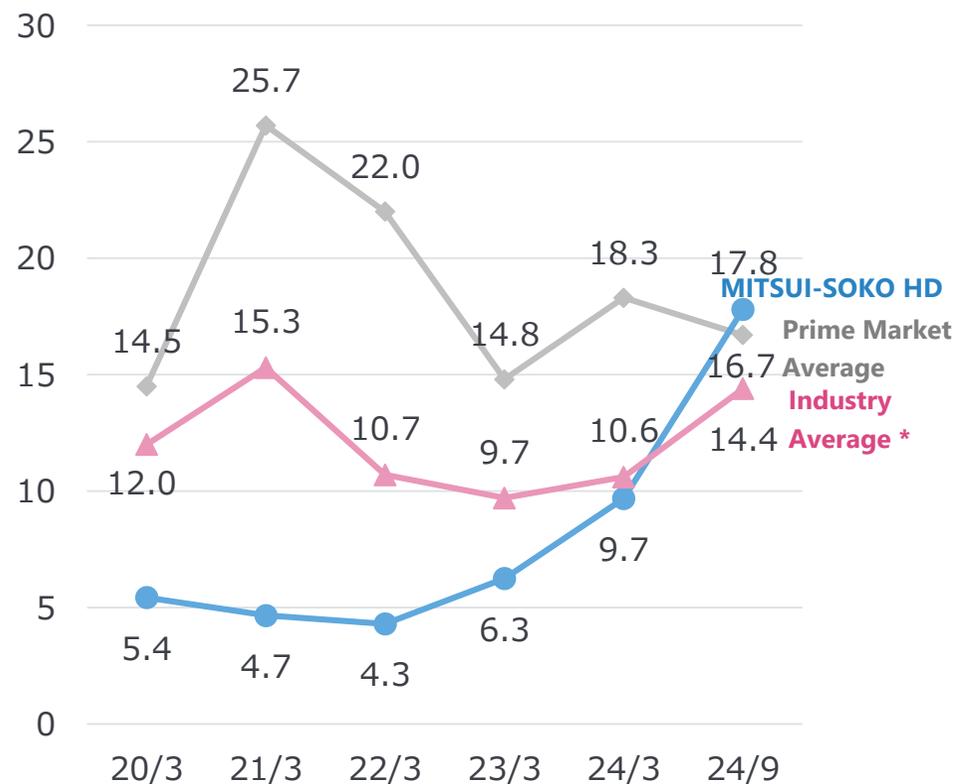
Note: Interest-bearing debt includes lease obligations and does not deduct cash and cash equivalents on hand.

- PBR has been improved, progressing at 1.0x or more as of September 30, 2024
- Continuing to strengthen dialogue and information disclosure with investors, aiming for evaluation of our mid-and-long-term growth potential

### Changes in PBR



### Changes in PER



\*Average of Warehousing, and Transportation Industries (Prime Market under Tokyo Stock Exchange)

## ☑ Dialogue with Shareholders and Investors

- Placed dialogues with analyst and fund managers in H1 FY2025  
Dialogues on the main themes such as shareholder returns, business environment, real estate business, progress of strategic investments
- Engagement with institutional investors scheduled to be implemented in H2 FY2025

### Main Topics of Dialogue with Shareholders and Investors

Main Theme	Main Dialogue
Shareholder Returns	<ul style="list-style-type: none"> <li>Evaluation of Maintaining the dividend for FY2025 at the same level as for FY2024</li> <li>Aimed capital structure</li> </ul>
Business Environment	<ul style="list-style-type: none"> <li>Shipping Market Conditions</li> <li>Air Cargo Market Conditions</li> </ul>
Real estate Business	<ul style="list-style-type: none"> <li>Progress in Leasing of Hakozaiki Building</li> <li>Progress in Leasing of Onarimon Building and Shibaura Building</li> </ul>
Strategic Investments	<ul style="list-style-type: none"> <li>Progress in the launch new logistics operation which were invested FY2024 and FY2025 (Semiconductor logistics base, e-commerce logistics base and new base in Europe)</li> <li>Further plan of investments</li> </ul>

### Implementation Status of Dialogue with Shareholders and Investors (For Six months from Apr to Sep 2024)

Activities	Person in Charge	Number of Times
Financial Results Briefings	CEO, CFO, Each Executive Officer	2 times for a total of 103 companies
Individual IR interviews	CFO, Each Executive Officer, General Manager, Manager, IR and SR Personnel*	A total of 49 interviews
Institutional investors engagement	Scheduled to be implemented in H2 FY 2025	

\*Responding to shareholders' and investors' requests and themes of dialogue

## C o n t e n t s

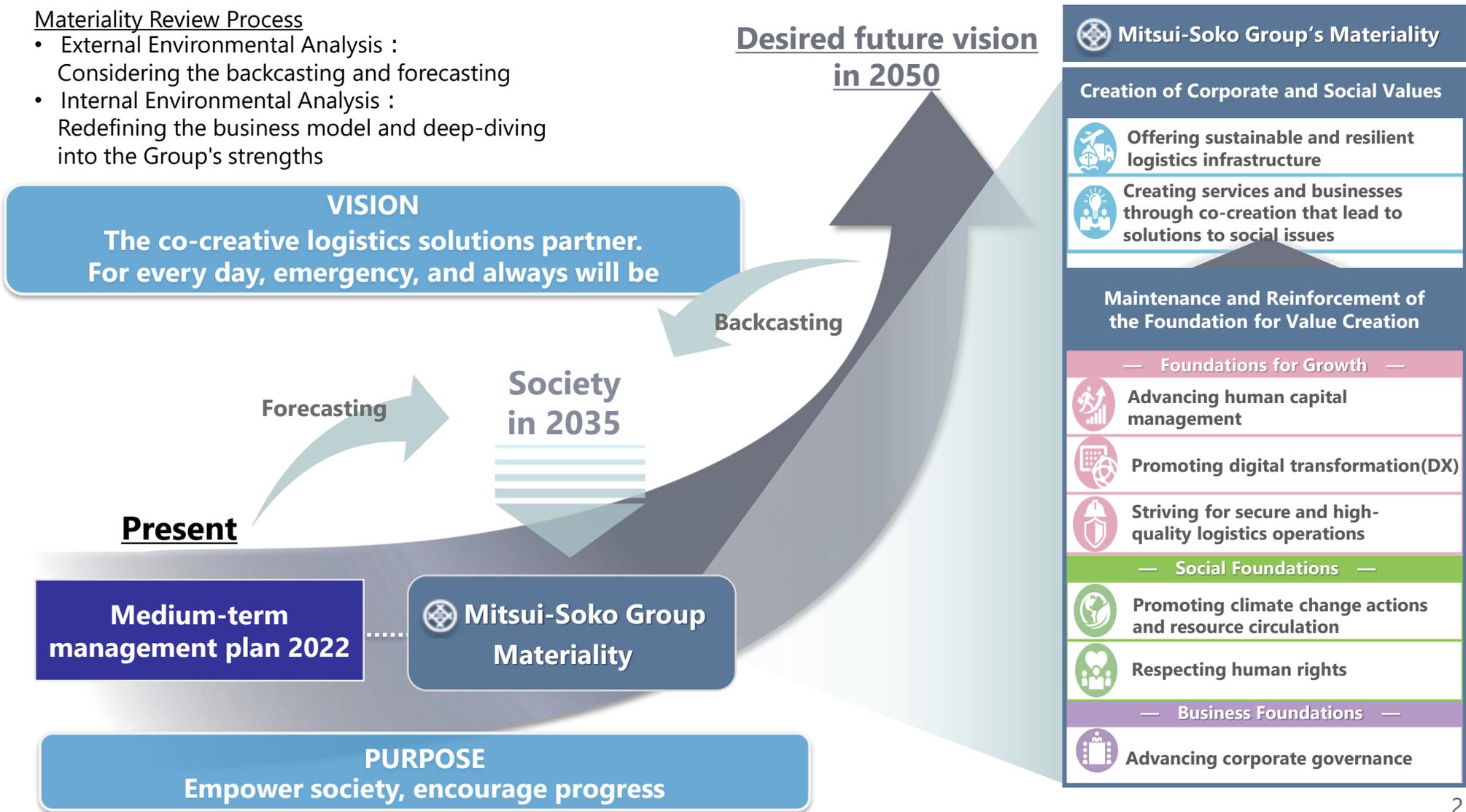
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# Progress of Medium-term management plan 2022

- ✓ Based on the recognition of the need to accelerate management from a medium- to long-term perspective toward sustainable improvement in corporate value, we reviewed materiality along with the redefinition of the business model and a deep dive into the Group's strengths.

## Materiality Review Process

- External Environmental Analysis : Considering the backcasting and forecasting
- Internal Environmental Analysis : Redefining the business model and deep-diving into the Group's strengths



# Progress of Medium-term management plan 2022

✓ To achieve numerical targets for the final year of the plan, we will promote initiatives under the Medium-Term Management Plan 2022.

## Medium-term management plan 2022

### Growth Strategy

Top-line Growth by Mobilizing the Group's Collective Strength

**Focus Area**  
**Mobility<sup>🚚</sup>/Healthcare<sup>🏥</sup>/B2B2C<sup>📱</sup>**

Particularly relevant materiality ...  

Reinforcement of Operational Competitiveness

**Standardization**  
**Improvement of operational quality**  
**Lower cost of operations**

Particularly relevant materiality...   

Building Management Foundation to Support the Deepening

 Co-creation

 DX

 Assets

 ESG

**Human Resources**

Particularly relevant materiality ...       

### Financial Strategies

**Investments ¥130 billion**

**Payout Ratio 30 %**

**D/E Ratio 1.0 times**

**ROE Over 12 %**

### Numerical Targets

**Operating Revenue ¥350 billion**

**Operating Profit ¥23 billion**

**Operating CF ¥30 billion**

 Mitsui-Soko Group's Materiality

 Offering sustainable and resilient logistics infrastructure /  Creating services and businesses through co-creation that lead to solutions to social issues /  Advancing human capital management /  Promoting digital transformation(DX) /  Striving for secure and high-quality logistics operations /  Promoting climate change actions and resource circulation /  Respecting human rights /  Advancing corporate governance

**Group Philosophy**  
**<PURPOSE/VISION>**

# Progress of Medium-term management plan 2022 - Specific initiatives for FY2025 -



## Launched a Plan to Construct a New Warehouse at the Busan Newport in South Korea

- Started construction plan of a new warehouse at the Busan Newport in South Korea, one of the largest container terminal in the world
  - Responding to increased demand for storage facilities in line with the development progress of the Busan Newport
  - Capturing diverse logistics needs in the FTZ\* region, such as a hub function, transshipment, etc.
  - Providing high-quality operations, one of the Group's strengths

Overview of Facility Planning	
Area	Busan Newport FTZ Area
Storage area	approximately 9,000 tsubo (total floor)
5 floors with fixed temperature air-conditioning system	

\* FTZ : Free Trade Zone



## Opening of the Slovak Office to Expand European Sales Area

- Expanded our global network by establishing the office in Slovakia, located between the Czech Republic and Hungary, both of which are our major hubs in Europe
- Providing more diverse logistics services by leveraging the operation management system developed in-house by base in Europe and our location advantage



## Engage in the Narita Airport Community to Obtain the CEIV Lithium Batteries Certification

- Engage in the Narita Airport Community, overseen by Narita International Airport Corporation, aiming to obtain the CEIV Lithium Batteries\* certification, created by the International Air Transport Association (IATA) to ensure quality in the air transportation of lithium-ion battery products

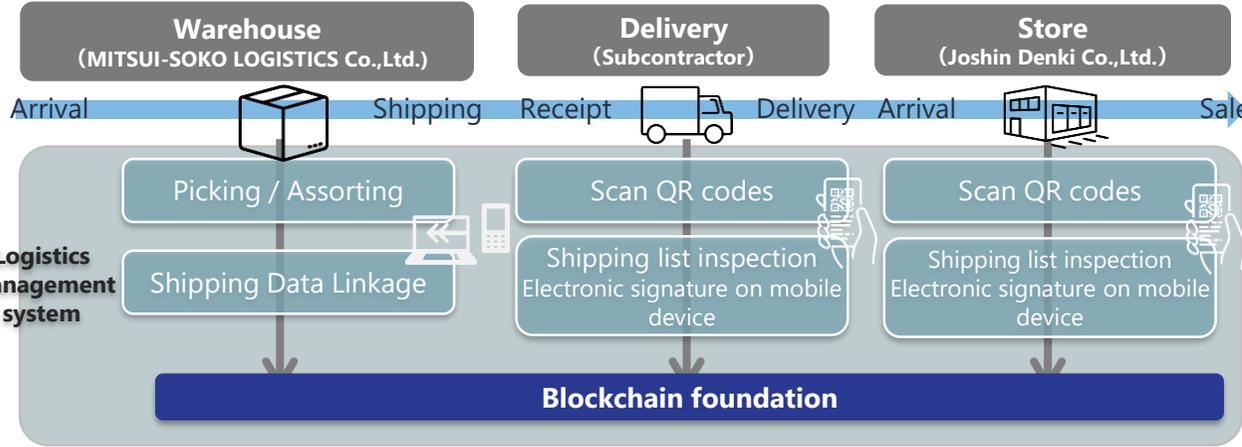
\* CEIV Lithium Batteries (The Center of Excellence for Independent Validators in Lithium Batteries)  
 Its primary objective is to establish a supply chain that upholds the highest standards of safety and quality in transportation. It ensures safety, security, compliance, and efficiency by adhering to globally harmonized standards for the air transport of lithium-ion battery products.

# Progress of Medium-term management plan 2022 - Specific initiatives for FY2025 -



## ➤ Reduce Truck Drivers Wait Times Using Blockchain

We developed a logistics management system using blockchain technology in cooperation with three companies, and have introduced it to deliveries to home electronics retailers stores of our customers.



### Expected Effects

- Improved operational efficiency due to going paperless
- Ensure data transparency in the supply chain
- Optimization of the entire supply chain

This initiative has been verified to enhance efficiency and reduce driver waiting time by an average of 45 minutes per person per day.

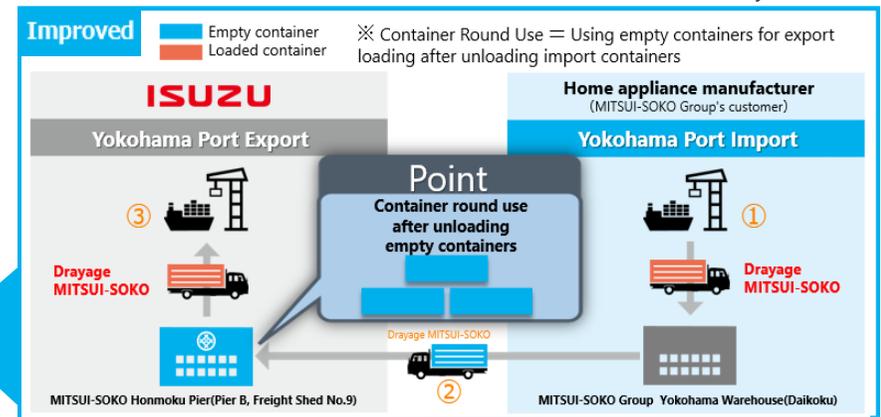


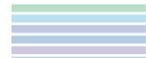
## ➤ Promote the Building of Sustainable Logistics Network through Co-creation with Customers

- Won the Special Award at the 25th Logistics Environment Award organized by the Japan Association for Logistics and Transport, together with ISUZU LOGISTICS Co., Ltd.
- Using our logistics facilities in the Port of Yokohama as the round use of containers  
 → The initiative led to a decrease in CO2 emissions and a reduction in the working hours of drivers.



< Scheme of "Container Round Use" in the Port of Yokohama Bay Area >





## ▶ Promoting Enhancement of the Stakeholder Engagement through Expanded Disclosure

### Release the VALUE REPORT 2024 Integrated Report alongside the Sustainability Data Book 2024

- Express our unique value creation journey through reorganized business model and reviewed materiality
- These publications narrate our ESG-related policies, concepts, and associated quantitative and qualitative information. In this edition, particular emphasis has been placed on elaborating on the following items.
  - \* Categorizing information on every ESG theme under sections like governance, strategy, risk management, and indicators and objectives
  - \* Comprehensive and complementary explanation of ESG-related information in two mediums

At present, only the Japanese version is available. The English version is anticipated to be released this upcoming winter.



### Renew part of the Group website (service pages, etc.)

- Expanded information on the Group's various services and improved accessibility

### Improvement of external evaluations

- Earn the "AA" Rating in MSCI (Morgan Stanley Capital International) ESG Ratings
- Selected as a Constituent of the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index



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**FTSE Blossom Japan Index**



**FTSE Blossom Japan Sector Relative Index**

### ESG-Related External Evaluations

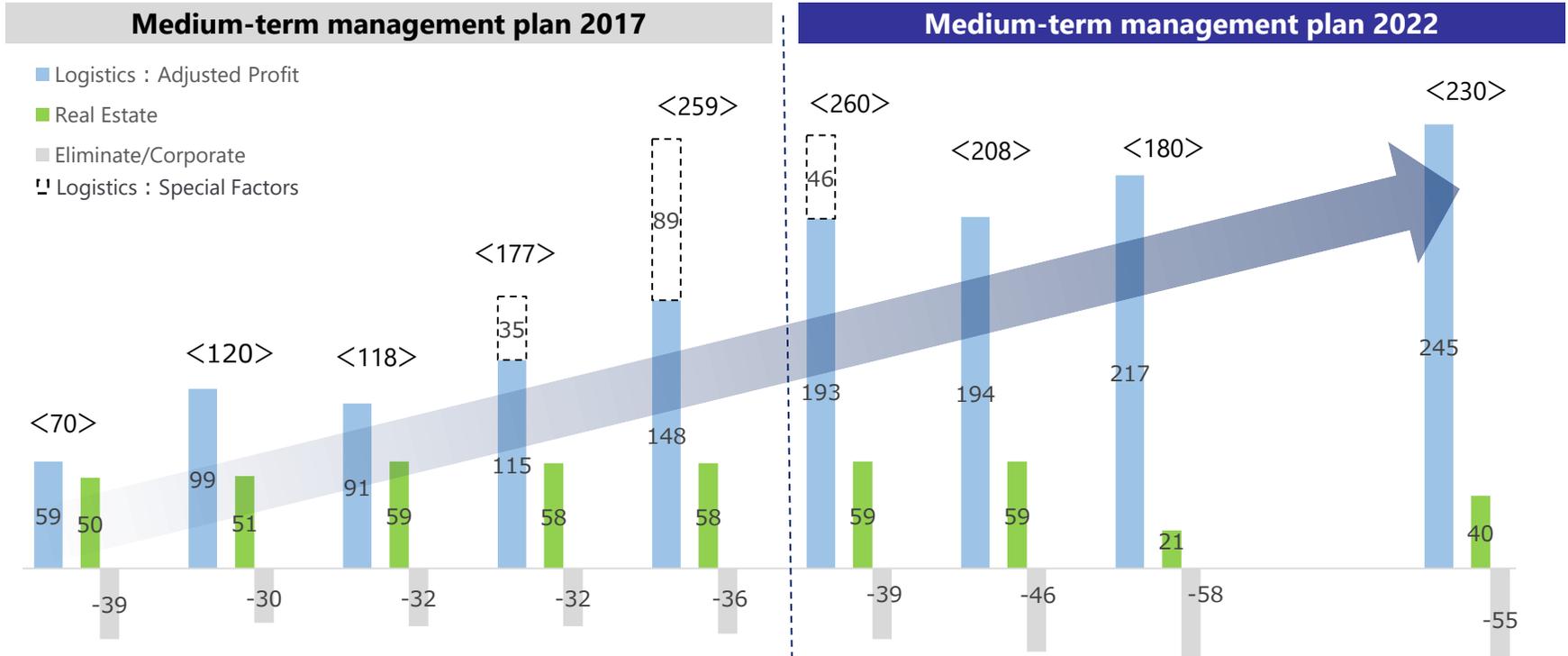
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI NIHONKABU ESG SELECT LEADERS INDEX
- S&P/JPX Carbon Efficient Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)
- etc.

# Progress of Medium-term management plan 2022 - Earnings Trends -

✓ Progressing steadily as expected toward achieving the numerical targets in both logistics and real estate businesses

## <Changes in Operating Profit >

(Unit : 100mil. yen)



	18/3	19/3	20/3	21/3	22/3	23/3	24/3	25/3	27/3
Logistics : Adjusted Profit	59	99	91	115	148	193	194	217	245
Real Estate	50	51	59	58	58	59	59	21	40
Eliminate/Corporate	-39	-30	-32	-32	-36	-39	-46	-58	-55
<b>Special factors</b>	<b>70</b>	<b>120</b>	<b>118</b>	<b>141</b>	<b>170</b>	<b>214</b>	<b>208</b>	<b>180</b>	<b>230</b>
Logistics : Special Factors	-	-	-	35	89	46	-	-	-
Consolidated total (including special factors)	70	120	118	177	259	260	208	180	230

Logistics +28  
 Real Estate +19  
 Corporate +3  
**Total +50**

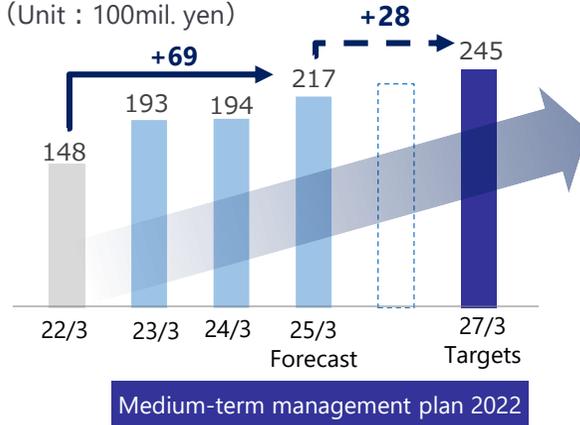
# Progress of Medium-term management plan 2022 - Earnings Trends -

✓ Promoting measures to expand earnings and strengthen the foundation of each business to achieve ¥23.0 billion in operating profit in the final year target of the medium-term management plan 2022

## Logistics business

<Changes in Operating Profit> \* Only Adjusted Profit

(Unit : 100mil. yen)



➤ Increase of ¥6.9 billion in adjusted profit during the plan's three-year period from FY2023 to FY2025

- Steadily growing our earnings base in logistics business due to the contribution of top-line growth and low-cost operation measures

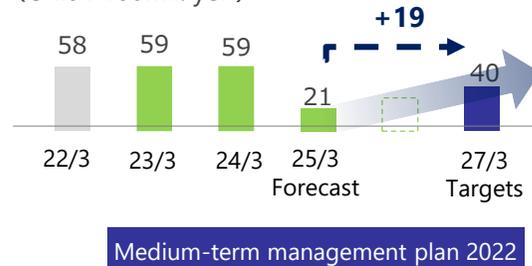
➤ Plan to further increase by ¥2.8 billion over the next two years until the final year (FY2027)

- Steady implementation of growth investments
- Continue measures to increase our earnings base and improve productivity (Integrated solution service/Deep digging in the inter-industry/Low-cost operation etc.)

## Real estate business

<Changes in Operating Profit>

(Unit : 100mil. yen)



➤ Total investment of approximately ¥10 billion for a multi-tenanting office building to enhance the value

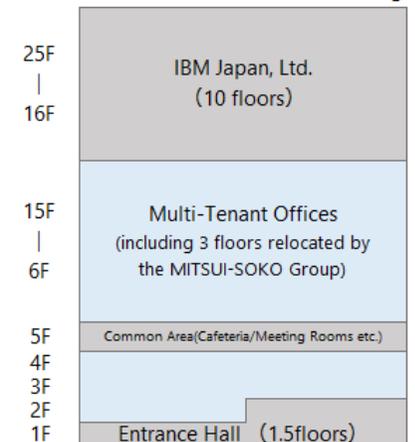
➤ Steadily progress in leasing despite a temporary decrease in profit due to tenant replacement, etc.

**Occupancy Rate of Hakozaki Building (including common area)**  
 Beginning of FY2025 50% (12.5/25 floors) ➤ End of FY2025(forecast) 82% (20.5/25 floors)

\* However, if high-probability tenants who will move in from the next fiscal year and thereafter are included, the actual occupancy rate will be 98%.

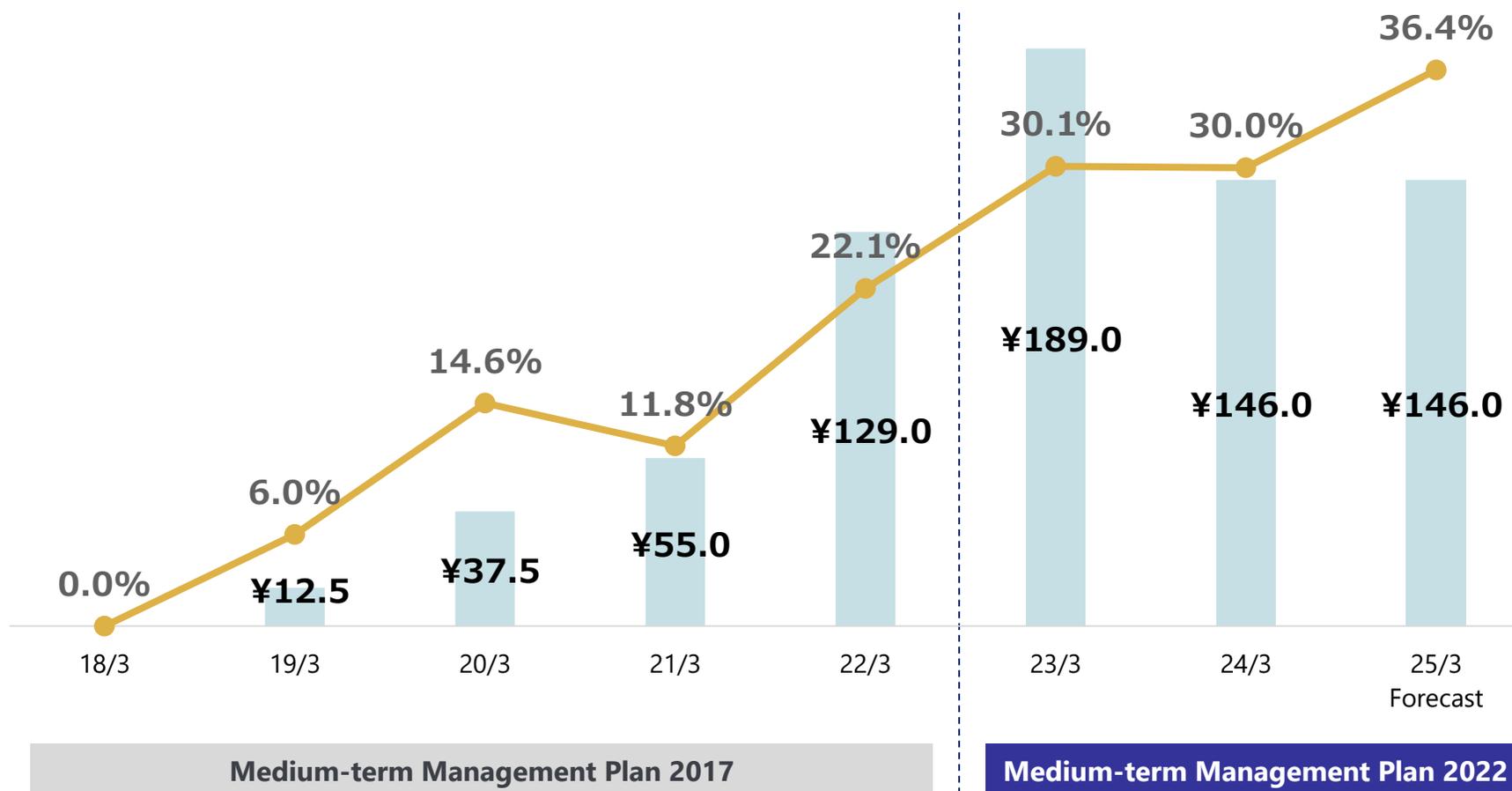
- Leasing activities of MSC Onarimon Building and MSC Center Building, (Shibaura) are also progressing to look towards the future after the Group office centralization.

MSH Nihonbashi Hakozaki Building

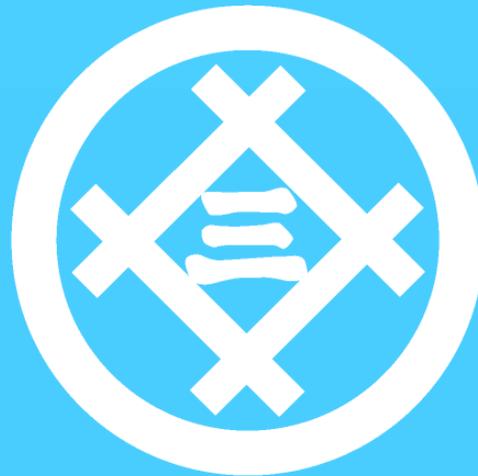


## Progress of Medium-term management plan 2022 - Shareholder Returns -

- ✓ Maintain the dividend for FY2025 at the same level as for FY2024, taking into account the decrease in operating profit in the real estate business due to one-time factors, the progress of the medium-term management plan as a whole, and the viewpoint of stable dividend payment
- ✓ No change in dividend policy: Flexible dividends linked to our performance based on an annual dividend payout ratio of 30%



**Empower society, encourage progress**



**MITSUMI-SOKO GROUP**

## C o n t e n t s

- Executive Summary
- H1 FY2025 Financial Results
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- Progress of Medium-term management plan 2022
- Appendix.1 Detailed Financial Data**
- Appendix.2 Company Profile

# Changes in Quarterly Business Performance

Total Consolidated	Year-ago Quarter				Most Recent Quarter		(Unit: 100 mil. yen, rounded off to the nearest integer)		
	FY2024	FY2025			FY2025		YoY	QoQ	
	Q1	Q2	Q3	Q4	Full-year	1Q	2Q		
Operating Revenue	660	659	656	631	2,606	656	<b>731</b>	+10.9%	+11.3%
Logistics business	640	636	633	609	2,518	645	<b>717</b>	+12.7%	+11.1%
Warehousing/Port transportation	307	313	306	303	1,229	320	<b>353</b>	+12.5%	+10.4%
Airfreight forwarding(FWD)	105	88	81	80	353	90	<b>123</b>	+39.2%	+36.5%
3PL/LLP	190	196	195	185	766	199	<b>208</b>	+6.6%	+5.0%
Land transportation	69	70	72	66	277	67	<b>68</b>	-2.9%	+1.9%
Elimination of intra-group transactions	-31	-31	-20	-25	-107	-30	<b>-35</b>	+12.2%	+17.6%
Real estate business	22	25	25	25	96	13	<b>16</b>	-35.9%	+18.1%
Eliminate/Corporate	-2	-2	-2	-2	-8	-2	<b>-2</b>	+4.8%	+0.4%
Operating Profit	62	57	51	39	208	38	<b>56</b>	-0.9%	+47.1%
Logistics business	59	53	47	35	194	46	<b>65</b>	+23.0%	+40.5%
Warehousing/Port transportation	20	20	21	13	73	17	<b>21</b>	+4.9%	+23.4%
Airfreight forwarding(FWD)	20	13	6	7	47	8	<b>21</b>	+55.7%	+164.0%
3PL/LLP	15	17	16	13	61	18	<b>20</b>	+20.1%	+11.7%
Land transportation	4	3	4	3	14	5	<b>4</b>	+24.5%	-8.8%
Consolidation adjustment, etc.	-1	0	0	0	-1	-1	<b>-1</b>	+149.6%	-11.3%
Real estate business	13	15	16	16	59	4	<b>5</b>	-68.7%	+36.4%
Eliminate/Corporate	-11	-12	-12	-12	-46	-12	<b>-14</b>	+19.1%	+17.7%
Ordinary Profit	65	57	52	36	210	40	<b>55</b>	-3.0%	+38.0%
Profit attributed to owners of parent	38	34	28	21	121	30	<b>29</b>	-15.6%	-3.5%

• 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.

# Changes in Annual Business Performance

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

Total Consolidated	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Operating Revenue	2,255	2,332	2,419	2,411	2,536	3,010	3,008	2,606	2,800
Logistics business	2,168	2,248	2,334	2,320	2,446	2,922	2,920	2,518	2,741
Warehousing/Port transportation	1,164	1,139	1,174	1,143	1,152	1,255	1,383	1,229	1,370
Airfreight forwarding(FWD)	228	325	329	304	375	685	568	353	423
3PL/LLP	587	616	653	678	747	868	879	766	805
Land transportation	271	273	278	276	274	277	279	277	268
Elimination of intra-group transactions	-82	-105	-100	-82	-101	-163	-188	-107	-125
Real estate business	94	92	92	98	96	96	96	96	67
Eliminate/Corporate	-7	-8	-7	-7	-7	-8	-8	-8	-8
Operating Profit	58	70	120	118	177	259	260	208	180
Logistics business	45	59	98	91	150	237	239	194	217
Warehousing/Port transportation	20	27	42	37	51	66	89	73	81
Airfreight forwarding(FWD)	23	22	26	23	49	104	78	47	52
3PL/LLP	17	13	31	30	46	63	62	61	70
Land transportation	12	10	12	12	15	13	13	14	16
Consolidation adjustment, etc.	-27	-12	-12	-11	-11	-9	-2	-1	-2
Real estate business	50	50	51	59	58	58	59	59	21
Eliminate/Corporate	-37	-39	-30	-32	-32	-36	-39	-46	-58
Ordinary Profit	37	65	111	105	172	256	265	211	177
Profit attributed to owners of parent	-234	44	52	64	115	145	156	120	100

• 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.

# Changes in Quarterly Business Performance

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

Total Consolidated	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Current assets	739	684	648	578	634	774	765	736
Non-current assets	1,938	1,948	1,873	1,815	1,750	1,809	1,822	1,900
<b>Total assets</b>	<b>2,677</b>	<b>2,632</b>	<b>2,521</b>	<b>2,393</b>	<b>2,384</b>	<b>2,583</b>	<b>2,587</b>	<b>2,635</b>
Current liabilities	659	755	636	672	637	654	542	612
Non-current liabilities	1,600	1,393	1,362	1,173	1,061	1,042	1,004	816
<b>Total liabilities</b>	<b>2,259</b>	<b>2,148</b>	<b>1,998</b>	<b>1,845</b>	<b>1,698</b>	<b>1,697</b>	<b>1,546</b>	<b>1,427</b>
Equity Capital	377	440	474	497	627	795	933	1,099
Non-controlling interests	41	44	48	51	58	92	108	109
<b>Total net assets</b>	<b>418</b>	<b>484</b>	<b>522</b>	<b>548</b>	<b>685</b>	<b>886</b>	<b>1,041</b>	<b>1,208</b>
<b>Total liabilities and net assets</b>	<b>2,677</b>	<b>2,632</b>	<b>2,521</b>	<b>2,393</b>	<b>2,384</b>	<b>2,583</b>	<b>2,587</b>	<b>2,635</b>
Operating profit margin	2.6%	3.0%	5.0%	4.9%	7.0%	8.6%	8.6%	8.0%
Total assets turnover	0.8	0.9	0.9	1.0	1.1	1.2	1.2	1.0
Equity ratio	14.1%	16.7%	18.8%	20.8%	26.3%	30.8%	36.1%	41.7%
Return on equity (ROE)	-47.1%	10.7%	11.4%	13.2%	20.5%	20.4%	18.1%	11.9%
D/E ratio (times)	4.5	3.6	3.0	2.6	1.8	1.3	1.0	0.8
Earnings Per Share (EPS) (yen)	-943.3	177.4	209.0	257.5	465.0	584.0	628.1	486.2
Book-value Per Share (BPS) (yen)	1,518.3	1,772.3	1,908.7	2,001.3	2,524.4	3,199.3	3,750.2	4,412.1
Payout ratio	-	-	6.0%	14.6%	11.8%	22.1%	30.1%	30.0%
Dividend on equity ratio	0.2%	-	0.7%	1.9%	2.4%	4.5%	5.4%	3.6%

• 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.

# Consolidated Financial Results

(Unit: 100 mil. yen)

Total Consolidated	H1 FY2024 (6 months)	H1 FY2025 (6 months)	Change
Operating Revenue	1,319	<b>1,387</b>	+68
Operating Profit	118	<b>95</b>	-23
Non-operating Profit (Loss)	4	<b>0</b>	-4
Financial Profit/Loss	1	<b>1</b>	0
Others	3	<b>-1</b>	-4
Ordinary Profit	122	<b>95</b>	-27
Extraordinary Gains	1	<b>5</b>	4
Extraordinary Losses	—	<b>27</b>	27
Profit before income taxes	123	<b>100</b>	-23
Income taxes	37	<b>26</b>	-11
Profit attributable to non-controlling interests	14	<b>16</b>	2
Profit attributed to owners of parent	72	<b>58</b>	-14

• Decrease in foreign exchange gains, etc.

- +0.1 bn yen as extraordinary gain on reversal of asset retirement obligations due to acquisition of an existing logistics facility (land interest) in the previous fiscal year
- +0.5 bn yen as extraordinary gain on step acquisition of a Chinese joint venture company as a subsidiary through additional acquisition of its shares in the current fiscal year

# Consolidated Financial Forecast

(Unit: 100 mil. yen)

Total Consolidated	FY2024 Results ('23.4-'24.3)	FY2025 Forecast ('24.4-'25.3)	Change
Operating Revenue	2,606	<b>2,800</b>	+194
Operating Profit	208	<b>180</b>	-28
Non-operating Profit (Loss)	3	<b>-3</b>	-6
Financial Profit/Loss	1	<b>0</b>	-1
Others	1	<b>-3</b>	-4
Ordinary Profit	210	<b>177</b>	-33
Extraordinary Gains	1	<b>5</b>	4
Extraordinary Losses	2	<b>0</b>	-2
Profit attributed to owners of parent	121	<b>100</b>	-21

- Expect a rise in interest rates and increase borrowings

- Eliminate positive impact of foreign exchange rates fluctuations
- Expect loss on disposal of fixed assets

- Expect no extraordinary gains or losses after Q2 FY2025

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## Business Introduction

- Our Group provides agile logistics services which cover the entire value chain – from upstream to downstream – by effectively combining a comprehensive lineup of logistics service functions for land, sea, and air with a wide-range of expertise/know-how

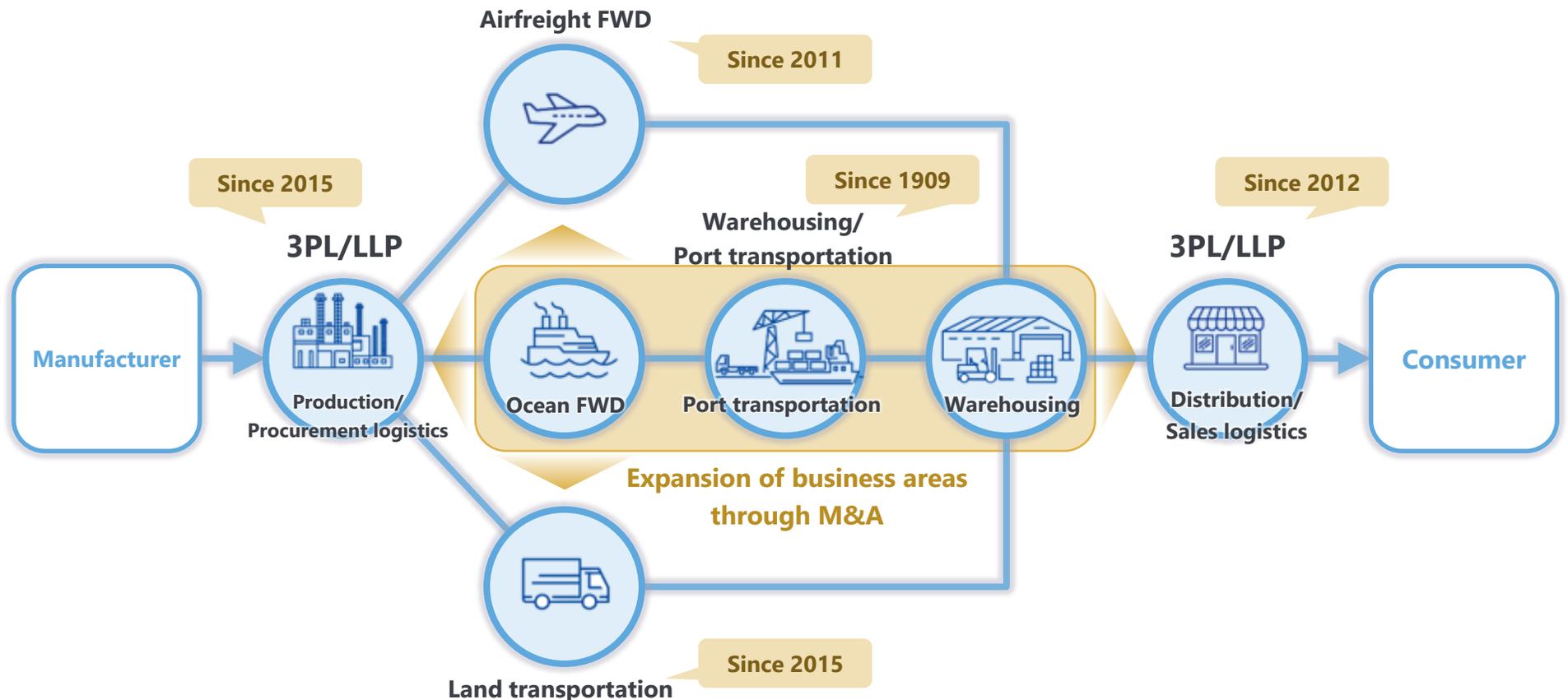
### Mitsui-Soko Group value chain: Comprehensive end-to-end logistics services



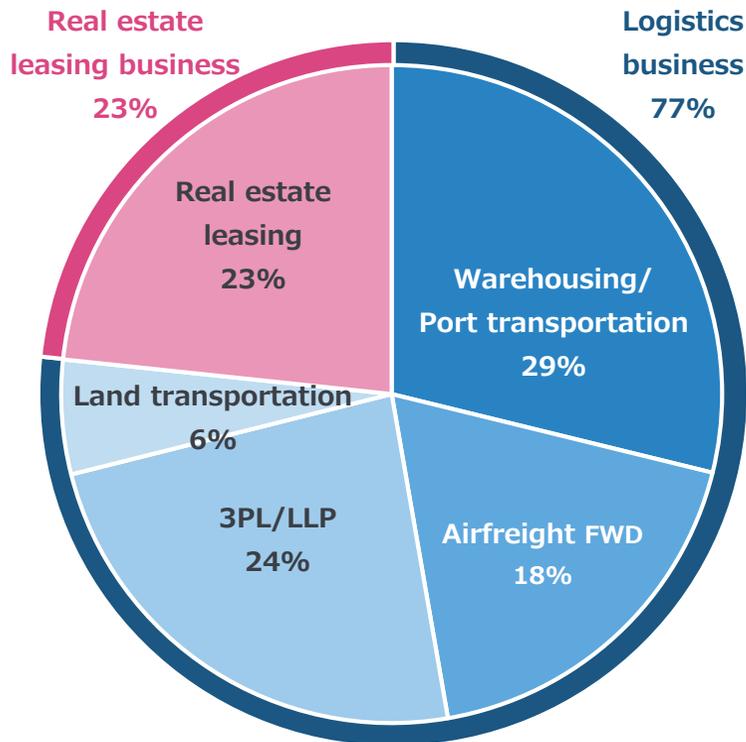
## Business Introduction

- After expanding business areas from warehousing business through M&A, our Group has grown into a comprehensive logistics company with multifaceted expertise
- With a comprehensive lineup of logistics service functions, our Group can provide end-to-end integrated logistic solution services

### Expansion of business areas through M&A



## Breakdown of operating profit by segment

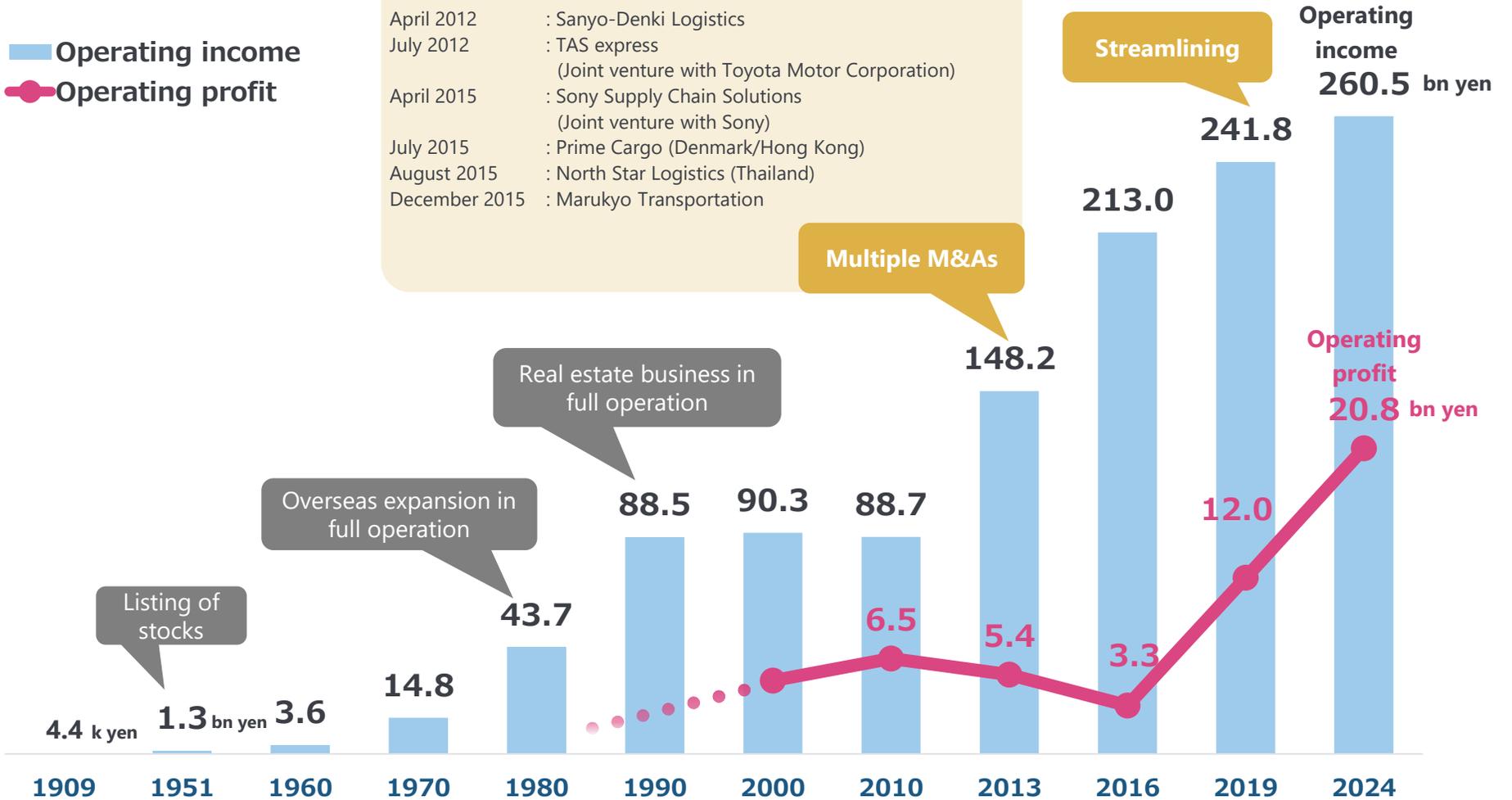


	Details of business segment	Main cargoes
<b>Warehousing/Port transportation</b>	<ul style="list-style-type: none"> <li>Asset-type distribution that utilizes company-owned multifunctional logistics facilities</li> </ul>	<ul style="list-style-type: none"> <li>Handling of food raw materials, pharmaceuticals and medical devices, and highly functional materials</li> </ul>
<b>Airfreight FWD</b>	<ul style="list-style-type: none"> <li>Airfreight forwarding (joint venture with Toyota Motor Corporation)</li> </ul>	<ul style="list-style-type: none"> <li>Handling of automotive parts</li> </ul>
<b>3PL/LLP</b>	<ul style="list-style-type: none"> <li>Logistics consulting, operation/delivery at non-asset logistics centers (including joint venture with Sony)</li> </ul>	<ul style="list-style-type: none"> <li>Handling of home appliances and precision equipment such as semiconductors</li> </ul>
<b>Land transportation</b>	<ul style="list-style-type: none"> <li>Truck transportation and operation of company-owned logistics centers</li> </ul>	<ul style="list-style-type: none"> <li>Handling of daily necessities and non-prescription pharmaceuticals</li> </ul>
<b>Real estate leasing</b>	<ul style="list-style-type: none"> <li>Leasing business with company-owned real estate</li> </ul>	<ul style="list-style-type: none"> <li>Offices/Residences</li> </ul>

## Consolidated earnings

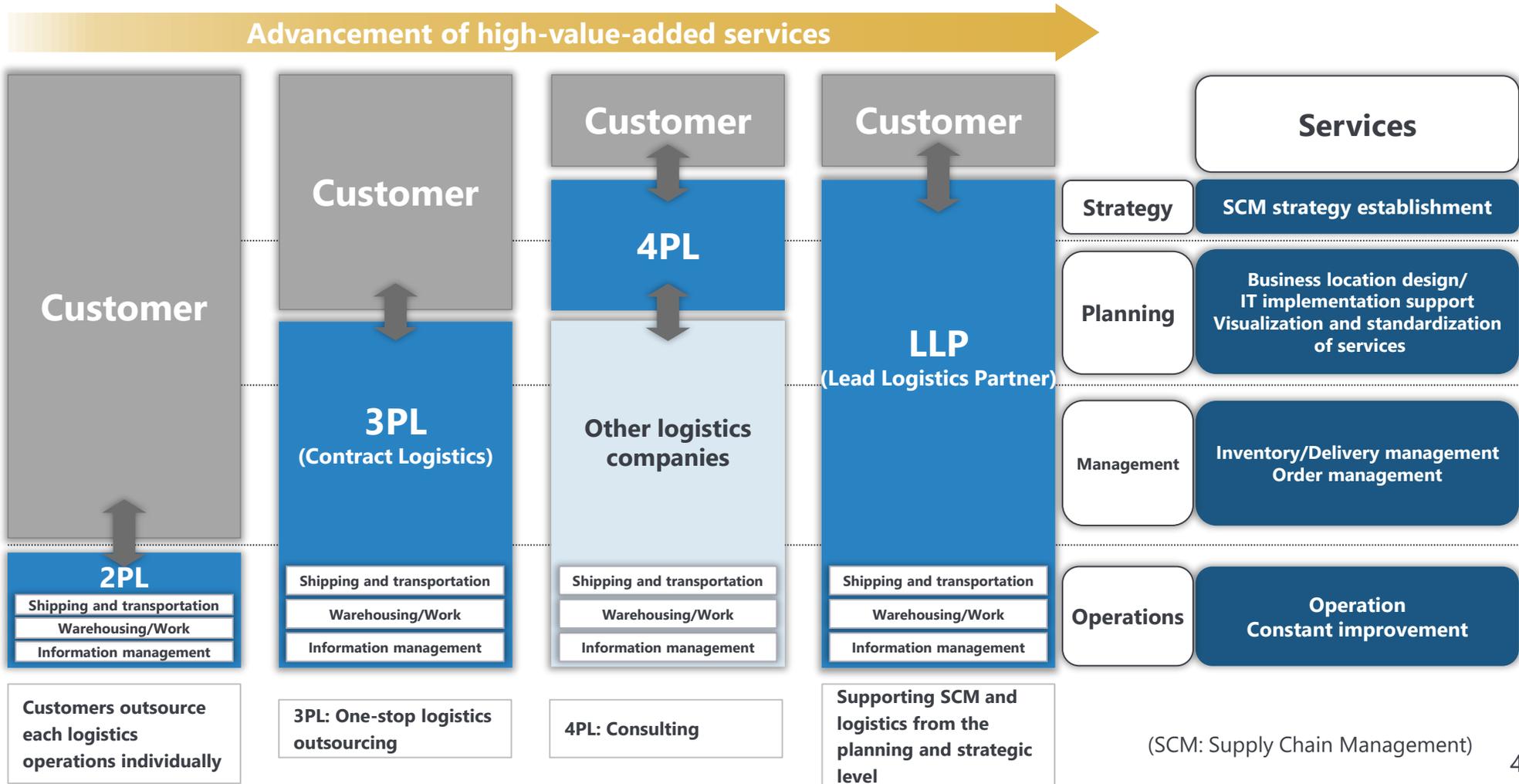
■ Operating income  
● Operating profit

April 2012 : Sanyo-Denki Logistics  
 July 2012 : TAS express  
 (Joint venture with Toyota Motor Corporation)  
 April 2015 : Sony Supply Chain Solutions  
 (Joint venture with Sony)  
 July 2015 : Prime Cargo (Denmark/Hong Kong)  
 August 2015 : North Star Logistics (Thailand)  
 December 2015 : Marukyo Transportation



# High-value-added Logistics Services

- Our Group offers one-stop 4PL/LLP solutions that provide support for a sustainable logistics infrastructure, whether it be planning customer-focused logistics strategies, strengthening planning/management, or providing operations



## Customer Base

- Our Group has continued to support leading Japanese manufacturers such as Toyota and Sony with its high-quality services, and has formed an excellent domestic customer base that includes various companies of the Mitsui Group

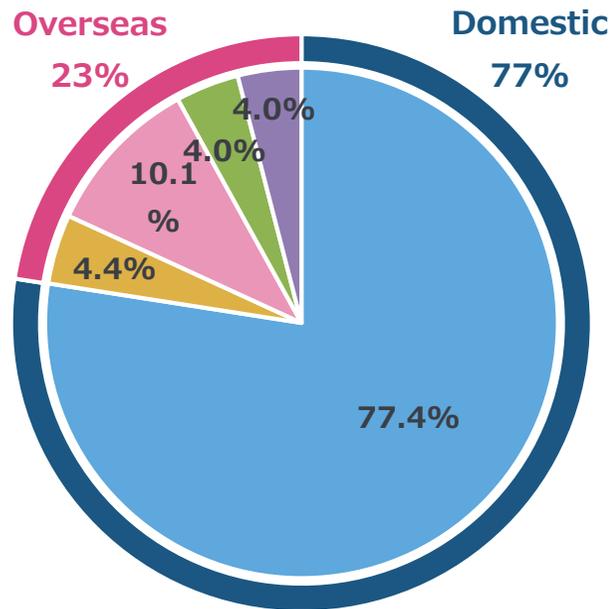
### Main customers

Business segment	Ratio to operating profit	
Warehousing/ Port transportation	29%	General trading companies Textile/Chemical/Daily necessities/Glass/Apparel manufacturers Pharmaceutical/Medical device manufacturers
Airfreight FWD	18%	Automobile/Automotive parts manufacturers General trading companies Chemical manufacturers
3PL/LLP	24%	Electronic/Machine/Home appliance manufacturers Appliance and electronics mass retailers
Land transportation	6%	Consumer goods manufacturers/wholesalers Drugstores Beverage manufacturers
Real estate leasing	23%	IBM Japan etc.

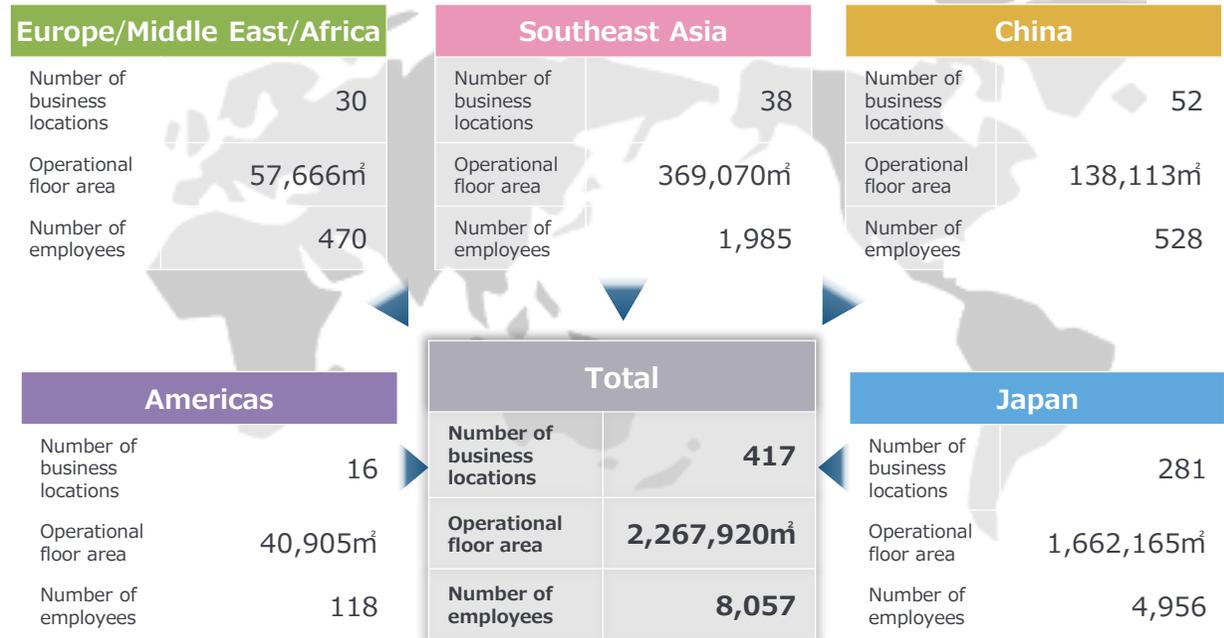
Of the top 100 customers, 73 are listed companies. Our Group has customers across 41 industries of the categories in the industrial classification

## Customer Base

- Our Group boasts a global network with about 280 offices in Japan and about 400 offices all over the world, and the operational floor area of about 2.26 million square meters
- Our Group has expanded overseas business to 20 countries, mainly in Asia, and now about 23% of the operating revenue is attributable to our overseas businesses



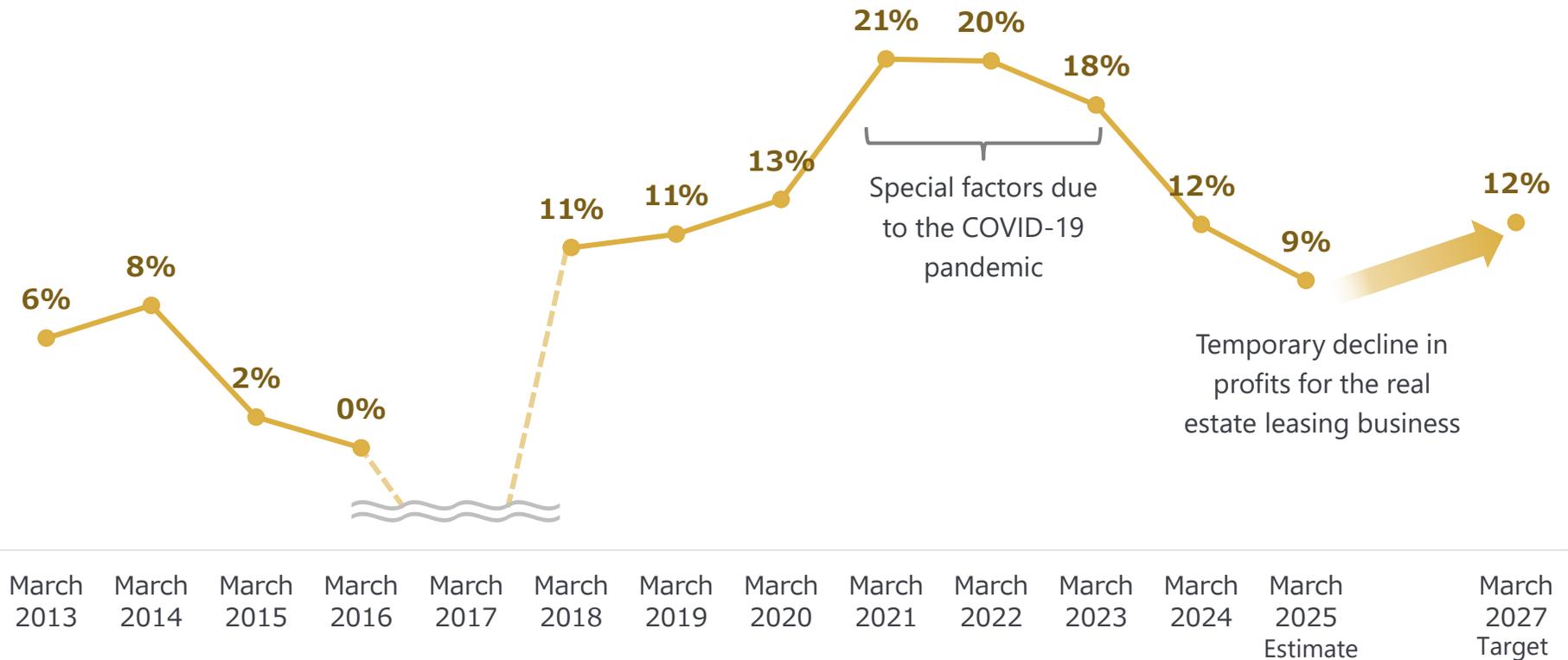
Japan	77.4%
China	4.4%
Southeast Asia	10.1%
Europe/Middle East/Africa	4.0%
Americas	4.0%



## ☑ ROE Target (FY2027: 12%)

- Our Group conducts business management that emphasizes maintaining a high level of capital efficiency
- Our Group has set an ROE target of more than 12% for the final fiscal year of the medium-term management plan

### ROE levels



**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: Our Group's focus domain

Building of new supply chains of batteries and semiconductors for electric vehicles

**Mobility**

Market expansion of regenerative medicine and gene therapy due to more sophisticated medical treatment

**Healthcare**

Change in distribution channels aimed at capturing synergies between store and e-commerce sales

**B2B2C  
consumer  
goods**

### Our strengths

- 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(GMP): Standards for the manufacture and quality control of pharmaceuticals, etc.

## ✓ Strategic M&A and Capital Alliances

- Our Group is exploring business opportunities with customers in sectors it currently does not have existing transactions with, and is also assessing the potential for conducting M&As and forming capital alliances with the aim of securing competitive positions in logistics functions that we have yet to provide

### Mitsui-Soko Group's major logistics areas

Areas with existing transactions

Areas with no transactions

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		Areas with no transactions	Areas with existing transactions	Areas with existing transactions	Areas with existing transactions	Areas with existing transactions	Areas with existing transactions	Areas with no transactions	Areas with existing transactions
Automotive		Areas with existing transactions	Areas with no transactions	Areas with no transactions					
Home appliances		Areas with existing transactions							
Precision equipment/Machinery		Areas with existing transactions	Areas with no transactions	Areas with no transactions					
Consumer goods		Areas with existing transactions							
Interior/Furniture		Areas with no transactions	Areas with existing transactions	Areas with existing transactions	Areas with existing transactions				
Food & beverage		Areas with existing transactions							
Apparel		Areas with no transactions	Areas with no transactions	Areas with no transactions	Areas with existing transactions	Areas with existing transactions	Areas with existing transactions	Areas with existing transactions	Areas with existing transactions
Paper/Pulp		Areas with existing transactions	Areas with no transactions	Areas with existing transactions	Areas with no transactions	Areas with no transactions	Areas with existing transactions	Areas with no transactions	Areas with no transactions
Chemicals		Areas with existing transactions							

## ☑ Revenue Structure (real estate leasing business)

Our Group monetizes and manages 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 offices	Tokyo	MSH Nihonbashi Hakozaki Building	135,887m <sup>2</sup>
		MSC Center Building	32,507m <sup>2</sup>
		MSC Onarimon Building	10,516m <sup>2</sup>
		MSC Fukagawa Building	14,199m <sup>2</sup>
		MSC Fukagawa Building No. 2	22,046m <sup>2</sup>
Total		Five properties	215,155m <sup>2</sup>

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



# Empower society, encourage progress

## MITSUI-SOKO HOLDINGS CO., LTD.

### Finance and Accounting Division (in charge of IR)

- Various inquiries, Application for IR interviews

E-mail : [msc\\_ir\\_cacp@mitsui-soko.co.jp](mailto:msc_ir_cacp@mitsui-soko.co.jp)

WEB Form : <https://www.mitsui-soko.com/en/contact/>

- Various IR materials and Video distribution of financial results briefings

WEB : <https://www.mitsui-soko.com/en/ir/>

- 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.

## YouTube "Official MITSUI-SOKO GROUP Channel"

(※ Please click the link below for our YouTube)



<https://www.youtube.com/@mitsuisokohd>

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