Mitsubishi Logistics Corporation

Flash Report as of and for the six months ended September 30, 2004
(Consolidated basis)

1. Financial Highlights

(1) Results of operation

(Round down to millions of yen)

	Six months ended September 30, 2004	Percentage change	Six months ended September 30, 2003	Year ended March 31, 2004
Revenue	¥76,044	1.1%	¥75,224	¥151,517
Operating income	4,823	(12.6%)	5,521	11,275
Ordinary income	5,357	(13.0%)	6,160	11,890
Net Income	(5,395)	(- %)	3,696	6,099

(In yen)

Net Income per Share	(¥32.14)		¥22.01	¥36.05
Diluted Net Income per Share	-		20.96	34.42

(Notes) a) Equity in earnings of unconsolidated subsidiaries and affiliates for the six months ended September 30, 2004, 2003 and for the year ended March 31, 2004 are ¥108 million, ¥535 million and ¥593 million, respectively.

b) Average numbers of shares outstanding during the six months ended September 30, 2004, 2003 and during the year ended March 31, 2004 on a consolidated basis are as follows:

Six months ended September 30, 2004:	167,914,927 shares
Six months ended September 30, 2003:	167,947,802 shares
Year ended March 31, 2004:	167,940,722 shares

c) There have been changes in accounting policy during the six months ended September 30, 2004, that would affect the reported results (see 3. Changes in accounting policy).

d) Presentation of percentages in the above list shows increase or decrease ratio in comparison with the previous fiscal year.

e) Net Income for the six months ended June 30, 2004 is loss of ¥5,395 million, which resulted from extraordinary losses on impairment loss from the early application of accounting for impairment of fixed assets and the special depreciation from change in the depreciation method etc. of commercial facilities for lease.

(2) Financial conditions

	(Round down to millions of yen)		
	September 30, 2004	September 30, 2003	March 31, 2004
Total Assets	¥305,338	¥313,569	¥328,203
Shareholders' Equity	146,459	146,769	157,189
	(As a Percentage)		
Ratio of Shareholders Equity to Total Assets	48.0%	46.8%	47.9%
	(In yen)		
Shareholders' Equity per Share	¥872.31	¥873.93	¥935.80

(Note) Number of shares outstanding at September30, 2004, 2003 and March 31, 2004 on a consolidated basis are as follows:

As of September 30, 2004:	167,899,715 shares
As of September 30, 2003:	167,942,327 shares
As of March 31, 2004:	167,924,794 shares

(3) Condition of cash flows on a consolidated basis

	(Round down to millions of yen)		
	Six months ended September 30, 2004	Six months ended September 30, 2003	Year ended March 31, 2004
Cash Flows from Operating Activities	¥4,498	¥4,194	¥9,851
Cash Flows from Investing Activities	(4,805)	(6,183)	(11,884)
Cash Flows from Financing Activities	(916)	(1,062)	(2,000)
Cash and Cash Equivalents at end of the period	33,007	35,207	34,228

(4) The numbers of consolidated subsidiaries, unconsolidated subsidiaries and affiliates accounted for by the equity method are as follows:

Consolidated subsidiaries:	19
Unconsolidated subsidiaries accounted for by the equity method:	9
Affiliates accounted for by the equity method:	3

(5) Changes in the number of consolidated subsidiaries and companies accounted for by the equity method:

Consolidated subsidiaries:	(Newly included)	None
	(Excluded)	None
Companies accounted for by the equity method:	(Newly included)	None
	(Excluded)	None

2. Business forecast for the year ending March 31, 2005 on a consolidated basis

	(In millions of yen)
	Year ending March 31, 2005
Revenue	¥153,000
Ordinary Income	11,000
Net Income	(2,100)

(Notes)

Estimated Net Income per share for the year ending March 31, 2005 is (¥12.51).

Actual results could differ from the above forecast because the forecast is made based on judgments using the information available as of the date of release and subject to risks and uncertainties.

3. Changes in accounting policy(Consolidated basis)

(1) Change in the Depreciation Method etc.of Commercial Facilities for Lease

The Company had applied a declining balance method over the estimated useful lives of the assets provided by Japanese Corporate Tax Law for depreciation of commercial facilities for lease (buildings) in the same way as other tangible fixed assets. However, since commercial facilities for lease are built on the presumption that a specific tenant uses the facilities for the specific contract terms, it is difficult to renew the contract or lease the facilities to another tenant after the expiration of the contract term. Thus, it is preferable to depreciate the leased commercial facilities over the contract term of the lease.

The Company depreciates leased commercial facilities (buildings) by a straight-line method over the economic useful lives of the assets (20-year period is considered to be a standard economic useful life, however it varies depending on the contract terms etc.). The depreciation is computed assuming the residual value of the assets is nil.

The Company recalculated the accumulated depreciation for existing commercial facilities for lease at the beginning of this fiscal year assuming that a new depreciation method and economic useful lives were applied retroactively, and recorded the difference of as special depreciation presented in the extraordinary loss section.

Because of the change in the depreciation method etc., the depreciation expense is increased by ¥255 million (increased by ¥346 million with change in the useful lives of assets and decreased by ¥90 million with change from a declining balance method to a straight-line method) and recorded ¥3,430 million as special depreciation presented in the extraordinary loss section. As a result of this increase of depreciation expense and special depreciation presented in the extraordinary loss section, operating income and ordinary income are decreased by ¥255 million and income before income taxes is decreased by ¥3,685 for the six months ended September 30, 2004.

(2) Early Application of accounting for Impairment of Fixed Assets

The Company adopted early the new accounting standard for impairment of fixed Assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the implementation guidance for the accounting standard for impairment of fixed assets (the Financial Accounting Standard Implementation Guidance No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003) in the six months ended September 30, 2004, because this new accounting standard and implementation guidance are able to be adopted in periods ended on or after March 31, 2004.

As a result of impairment loss of ¥10,716 million presented in the extraordinary loss section at the beginning of this period which entails decrease of depreciation expense of ¥302 million for the six months ended September 30, 2004, operating income and ordinary income are increased by ¥302 million and income before income taxes is decreased by ¥10,413 for the six months ended September 30, 2004.

(3) Change in the Classification of Salaries and wages and other expenses for Real estate business

Salaries and wages and other expenses incurred for the Real estate business had previously been included in Selling, general and administrative expenses ("SGA"). However, effective April 1, 2004, the Company included the portion of salaries and wages and other expenses that were matched against revenues in "Cost of services" as "Salaries and wages" and other appropriate categories in the same manner as with other operations.

As a result of this change, "SGA" for the semi-annual period ended September 30, 2004 decreased by ¥149 million and "Cost of services" increased by the same amount compared with what would have been reported using the previous method. This change had no effects on operating income, ordinary income or income before income taxes.