

February 4,2005

**Mitsubishi Logistics Corporation**

**Summary of Quarterly Report  
as of and for the nine months ended December 31, 2004  
(Consolidated basis)**

**1. Basis of Quarterly report**

- (1) There has been no adoption of the simplified accounting method.
- (2) There have been changes in accounting policy of the latest fiscal year.  
For detail of the changes, refer to page 4 and 5.
- (3) There have been changes in the number of companies accounted for using the equity method.  
On October 1,2004, an affiliated company,“RYOSO SAGYO CO.,LTD.”, which had been accounted for using the equity method until the six months ended September 30,2004 was merged into a consolidated subsidiary, “SHINRYOU KOUN CO.,LTD.”.  
Therefore, the number of companies accounted for using the equity method was reduced by one.

**2. Financial Highlights**

(1) Results of operation

(Round down to millions of Yen)

|                  | Nine months ended<br>December 31, 2004 | Nine months ended<br>December 31, 2003 | Percentage<br>Change | Year ended<br>March 31, 2004 |
|------------------|--|--|----------------------|------------------------------|
| Revenue          | ¥116,859                               | ¥113,024                               | 3.4%                 | ¥151,517                     |
| Operating Income | 7,362                                  | 8,102                                  | (9.1%)               | 11,275                       |
| Ordinary Income  | 7,960                                  | 8,823                                  | (9.8%)               | 11,890                       |
| Net Income       | (3,601)                                | 5,025                                  | -                    | 6,099                        |

(In Yen)

|                              |          |        |  |        |
|------------------------------|----------|--------|--|--------|
| Net Income per Share         | ¥(21.45) | ¥29.92 |  | ¥36.05 |
| Diluted Net Income per Share | -        | 28.53  |  | 34.42  |

(Notes)

- a) Presentation of percentages in the above list shows increase or decrease ratio in comparison with the previous period.

- b) Net Income for the nine months ended December 31, 2004 is loss of ¥3,601 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) |                   |                |
|---|---------------------------------|-------------------|----------------|
|   | December 31, 2004               | December 31, 2003 | March 31, 2004 |
| Total Assets                                    | ¥317,509                        | ¥320,020          | ¥328,203       |
| Shareholders' Equity                            | 150,921                         | 150,320           | 157,189        |
|   | (As a Percentage)               |                   |                |
| Ratio of Shareholders<br>Equity to Total Assets | 47.5%                           | 47.0%             | 47.9%          |
|   | (In Yen)                        |                   |                |
| Shareholders' Equity<br>per Share               | ¥899.00                         | ¥895.11           | ¥935.80        |

(3) Conditions of cash flows

|   | (Round down to millions of Yen)        |  |                              |
|---|--|--|------------------------------|
|   | Nine months ended<br>December 31, 2004 | Nine months ended<br>December 31, 2003 | Year ended<br>March 31, 2004 |
| Cash Flows from Operating<br>Activities           | ¥5,378                                 | ¥5,508                                 | ¥9,851                       |
| Cash Flows from Investing<br>Activities           | (9,671)                                | (10,479)                               | (11,884)                     |
| Cash Flows from Financing<br>Activities           | 3,456                                  | (1,179)                                | (2,000)                      |
| Cash and Cash Equivalents<br>at end of the period | 33,476                                 | 32,116                                 | 34,228                       |

(Financial Highlights on a Non-consolidated basis )

|                  | (Round down to millions of Yen)        |  |                      |                              |
|------------------|--|--|----------------------|------------------------------|
|                  | Nine months ended<br>December 31, 2004 | Nine months ended<br>December 31, 2003 | Percentage<br>Change | Year ended<br>March 31, 2004 |
| Revenue          | ¥100,156                               | ¥94,579                                | 5.9%                 | ¥126,742                     |
| Operating Income | 6,833                                  | 7,269                                  | (6.0%)               | 10,283                       |
| Ordinary Income  | 7,630                                  | 7,768                                  | (1.8%)               | 10,686                       |
| Net Income       | (2,759)                                | 4,278                                  | -                    | 5,218                        |

|                      | (Round down to millions of Yen) |                          |                       |
|----------------------|---------------------------------|--------------------------|-----------------------|
|                      | <u>December 31, 2004</u>        | <u>December 31, 2003</u> | <u>March 31, 2004</u> |
| Total Assets         | ¥299,134                        | ¥298,656                 | ¥307,169              |
| Shareholders' Equity | 142,810                         | 141,583                  | 148,278               |

(Notes)

- a) Presentation of percentages in the above list shows increase or decrease ratio in comparison with the previous period.
- b) Net Income for the nine months ended December 31, 2004 is loss of ¥2,759 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.

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

|                      | (Round down to millions of Yen) |
|----------------------|---------------------------------|
|                      | Year ending<br>March 31, 2005   |
| Revenue              | ¥153,000                        |
| Ordinary Income      | 11,000                          |
| Net Income           | (2,100)                         |
|                      | ( In Yen )                      |
| Net Income Per Share | (12.51)                         |

(Business forecast for the year ending March 31, 2005 on a Non-consolidated basis )

|                      | (Round down to millions of Yen) |
|----------------------|---------------------------------|
|                      | Year ending<br>March 31, 2005   |
| Revenue              | ¥132,500                        |
| Ordinary Income      | 10,200                          |
| Net Income           | (1,700)                         |
|                      | ( In Yen )                      |
| Net Income Per Share | (10.11)                         |

#### 4. Changes in accounting policy(Consolidated basis)

##### (1) Change in 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 other 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 ¥383 million (increased by ¥519 million with change in the useful lives of assets and decreased by ¥136 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 ¥383 million and income before income taxes is decreased by ¥3,813 for the nine months ended December 31, 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 nine months ended December 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 ¥454 million for the nine months ended December 31, 2004, operating income and ordinary income are increased by ¥454 million and income before income taxes is decreased by ¥10,262 million for the nine months ended December 31, 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 nine months period ended December 31, 2004 decreased by ¥ 239 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.