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(Securities Code 9301)  
June 5, 2019

**To Shareholders with Voting Rights:**

Masao Fujikura  
President  
Mitsubishi Logistics Corporation  
19-1, Nihonbashi, 1-chome,  
Chuo-ku, Tokyo, Japan

**NOTICE OF  
THE 216TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 216th Annual General Meeting of Shareholders of Mitsubishi Logistics Corporation (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders (pages 43 through 50), and return your form no later than 5 p.m. Japan time on Wednesday, June 26, 2019, or cast your vote via the Internet, etc., by 5 p.m. Japan time on Wednesday, June 26, 2019.

(Please refer to the page 51 for the detailed procedures for exercising voting rights via the Internet, etc.)

- 1. Date and Time:** Thursday, June 27, 2019 at 10 a.m. Japan time
- 2. Place:** Nihonbashi Dia Building, Headquarters of the Company  
19-1, Nihonbashi, 1-chome, Chuo-ku, Tokyo, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company's 216th Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company's 216th Fiscal Year (April 1, 2018 - March 31, 2019)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Fifteen (15) Directors
- Proposal No. 3:** Election of Two (2) Corporate Auditors
- Proposal No. 4:** Payment of Bonuses to Directors
- Proposal No. 5:** Revision of the Amount of Remuneration for Directors and Corporate Auditors

#### **4. Information on Exercise of Voting Rights**

(1) If you vote both in writing on the Voting Rights Exercise Form and via the Internet, only your vote placed via the Internet will be valid.

In addition, if you submit your vote multiple times via the Internet, only the last vote will be valid.

(2) If you are unable to attend the meeting, you can exercise your voting rights by proxy by appointing another shareholder with voting rights as proxy and submitting a document that attests the power of proxy.

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When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

Any updates to the Reference Materials for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements will be posted on the “Investor Relations” on the Company’s website (<https://www.mitsubishi-logistics.co.jp/english/ir/index.html>).

(Appendix)

## **Business Report**

(April 1, 2018 - March 31, 2019)

### **I. Overview of the Company Group**

#### **1. Business Progress and Results**

##### **(1) Business Conditions**

During the fiscal year under review, in the global economy, while the economy in China slowed moderately, steady economic recovery continued in the United States, and the economy in Europe also gradually recovered despite some signs of weakness. Japan, despite some weakness, recovered moderately with consistently improved employment environment, a recovery in consumer spending and an increase in capital expenditure.

In these economic situations, the business environment surrounding the Group remained difficult in the warehousing and harbor transportation business in the Logistics Segment due to intensifying competition with other companies and increased costs owing to labor shortages and other factors, despite an increase in freight volume. The Real Estate Segment, meanwhile, remained relatively strong with partial rising trend in rent due to improvement in demand for rental office buildings and others.

Under these circumstances, Mitsubishi Logistics Corporation and its subsidiaries and affiliates (collectively, the “Group”) promoted aggressive marketing activities. In the Logistics Segment, we made efforts including the expansion of distribution operations especially for pharmaceuticals, and expansion reinforcement of operational bases overseas. In the Real Estate Segment, we focused our efforts on securing tenants, and maintaining and improving rent levels. Meanwhile, we endeavored to improve business performance thorough cost management and further improvement of efficiency in business operations.

As a result, revenue for the fiscal year under review amounted to 227,185 million yen, an increase of 11,778 million yen, or 5.5% from the previous fiscal year. In the Logistics Segment, revenue increased due to an increase in freight handled in the warehousing & distribution, land transportation, harbor transportation and international transportation businesses, and also in the Real Estate Segment, revenue increased due to the rising occupancy rate of the real estate leasing business and an increase in condominiums sold. On the other hand, cost of services overall increased 11,232 million yen, or 5.8% from the previous fiscal year to 203,825 million yen. In the Logistics Segment, operational and transportation consignment costs and such increased as freight handled increased, and the initial cost until stable operation associated with the start of operations at a new distribution center was borne. In the Real Estate Segment, real estate sales costs increased in line with an increase in condominiums sold. Selling, general and administrative expenses increased 306 million yen, or 2.9% from the previous fiscal year to 10,699 million yen primarily due to increases in personnel expenses and depreciation and amortization.

As a result, operating income increased 239 million yen, or 1.9% year on year to 12,660 million yen, reflecting the rise in income in the Real Estate Segment, despite a slight decline in income in the Logistics Segment. Ordinary income increased 1,172 million yen, or 7.3% to 17,333 million yen due partially to increases in dividend income and equity in earnings of unconsolidated subsidiaries and affiliates. Profit attributable to owners of parent increased 1,047 million yen, or 10.0% from the previous fiscal year to 11,564 million yen despite posting loss on disaster, primarily due to an increase in gain on sale of marketable securities and investments in securities.

Performance by business segment of the Group was as follows.

##### **1) Logistics Segment**

In the warehousing & distribution business and land transportation business, transactions for pharmaceuticals, beverages, and automotive components, etc. increased, resulting in revenue to rise 4.3% from the previous fiscal year to 54,903 million yen in the warehousing & distribution business, and revenue in the land transportation business increased by 5.8% from the previous fiscal year to 51,850 million yen. In the harbor transportation business, revenue increased by 1.0% from the previous fiscal year to 23,890 million yen due mainly to an increase in container freight handling volume. In the international transportation business, factors such as an increase in export and import freight handled

contributed to a 6.0% rise in revenue from the previous fiscal year to 53,015 million yen.

As a result, overall revenue in the Logistics Segment was 190,434 million yen, up 9,157 million yen, or 5.1% from the previous fiscal year. Operating expenses were up by 9,211 million yen, or 5.3%, from the previous fiscal year to 182,825 million yen due mainly to an increase in operational and transportation consignment costs as freight handled increased, and the initial cost until stable operation associated with the start of operation at a new distribution center was borne. Due to the above, operating income was 7,609 million yen, a decrease of 53 million yen, or 0.7% from the previous fiscal year.

## 2) Real Estate Segment

In the mainstay real estate leasing business, revenue increased by 0.6% from the previous fiscal year to 29,424 million yen due to rising occupancy rates. Other revenue increased by 36.8% from the previous fiscal year to 9,254 million yen due to an increase in property sales in the condominium sales business.

As a result, overall revenue in the Real Estate Segment was 38,679 million yen, up 2,653 million yen, or 7.4% from the previous fiscal year. Operating expenses were up by 2,051 million yen, or 7.9% from the previous fiscal year to 27,896 million yen, primarily due to an increase in real estate sales costs as sales of condominiums increased despite a decrease in depreciation and amortization, etc. Due to the above, operating income was 10,783 million yen, an increase of 602 million yen, or 5.9% from the previous fiscal year.

### Revenue by segment

(Millions of yen unless otherwise stated)

Categories	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	Year-on-year change	
			Amount	Percentage (%)
Logistics Segment	190,434	181,277	9,157	5.1
[Warehousing & Distribution Business]	[54,903]	[52,637]	[2,265]	[4.3]
[Land Transportation Business]	[51,850]	[49,018]	[2,832]	[5.8]
[Harbor Transportation Business]	[23,890]	[23,652]	[238]	[1.0]
[International Transportation Business]	[53,015]	[50,000]	[3,014]	[6.0]
[Other]	[6,775]	[5,968]	[807]	[13.5]
Real Estate Segment	38,679	36,025	2,653	7.4
[Real Estate Leasing Business]	[29,424]	[29,262]	[161]	[0.6]
[Other]	[9,254]	[6,762]	[2,491]	[36.8]
Elimination of inter-segment transactions	(1,928)	(1,895)	(32)	-
Total	227,185	215,407	11,778	5.5

(Note) Elimination of inter-segment transactions refers to the elimination of inter-segment transactions included in the revenue of the Logistics Segment and Real Estate Segment.

## (2) Capital Investments

The Group made capital investments in the total amount of 18,036 million yen for construction of warehouses and facilities for lease and purchase of warehouse site, etc.

The main investments made during the fiscal year under review were as follows.

### 1) Completed Warehouses

Osaka: Ibaraki No.4 Distribution Center [Completed in July 2018]  
Warehouses  
(five floors, total floor area of approx. 24,000 m<sup>2</sup>)

### 2) Construction completed facilities for lease

Tokyo: S-GATE NIHONBASHI-HONCHO [Completed in October 2018]  
Offices and stores for lease  
(11 floors, floor area of approx. 8,500 m<sup>2</sup>)

Osaka: Diacrest Kokujun Kento [Completed in March 2019]  
Staff quarters, National Cerebral and  
Cardiovascular Center  
Residential units for lease  
(three stories, five stories and eight stories, floor area of approx. 10,800 m<sup>2</sup>)

### 3) Purchased land

Kobe: Site for Seishin Distribution Center [Purchased in October 2018]  
(within Kobe Logistics Center)  
(Approx. 24,200 m<sup>2</sup>)

### 4) Warehouses under construction

Kobe: Seishin Distribution Center (Second phase) [Scheduled for completion in  
November 2019]  
Warehouses  
(four stories, floor area of approx. 57,400 m<sup>2</sup>)

Yokohama: Minami-Honmoku Distribution Center [Scheduled for completion in  
February 2020]  
Warehouses  
(five stories, floor area of approx. 35,600 m<sup>2</sup>)

### 5) Facilities for lease under construction

Indonesia: P.T. Mitsubishi Logistics Indonesia MM2100 [Scheduled for completion in  
October 2019]  
Factory Facility  
Factory facility for lease  
(one story, floor area of approx. 7,800 m<sup>2</sup>)

Kanagawa: Staff quarters, Kanagawa Prefectural Police [Scheduled for completion in  
February 2020]  
(Second phase)  
Residential units for lease  
(five stories, floor area of approx. 8,200 m<sup>2</sup>)

## (3) Financing

The capital investments and operating capital of the Group were funded by cash on hand and borrowings from financial institutions.

Additionally, the Company redeemed the 11th unsecured bonds (total face value 7 billion yen; issued June 12, 2008) on June 12, 2018.

## (4) Status of acquisition or disposal of shares of other companies

The Company established MY Terminals Holdings, Limited, a holding company, jointly with Nippon Yusen Kabushiki Kaisha by stock transfer, with domestic port shipping business subsidiaries including Nippon Container Terminal Co., Ltd., a subsidiary of Nippon Yusen Kabushiki Kaisha (an affiliate accounted for by the equity method of the Company) as its wholly owned subsidiaries, and acquired additional holding company shares from Nippon Yusen

Kabushiki Kaisha and made the holding company an affiliate accounted for by the equity method on December 25, 2018. (Company holding ratio: 49%)

**(5) Future Outlook and Issues**

With respect to the prospects of the world economy, despite concern for the trend of trade issue and the future of the Chinese economy, the steady recovery in the United States will likely continue, while moderate recovery trend in Europe are expected. Japanese economy, despite some weakness for the time being, is also expected to continue gradual recovery supported by continuous improvement of employment and income environment and implementation of various government policies.

In this economic climate, under the business environment surrounding the Group, harsh situations continue in the warehousing & distribution business and harbor transportation business due to the intensified competition and an increase in cost resulting from labor shortage and such despite a moderate increase in freight volume. Meanwhile, due to concern over decline in demand for rental office buildings, the improvement in business condition is expected to remain moderate in the real estate business.

Under these circumstances, the Group has formulated a new vision “MLC2030 Vision” to be accomplished in 2030, and by giving first priority to “contributing to the improvement of customer’s value,” we aim to be a corporate group that continues to be selected by customers both in Japan and overseas as a logistics company that consistently handles the supply chain from procurement to distribution and sales as a partner of customers.

Specifically, we will implement the following measures.

- 1) The Group will establish a customer-oriented support system with a focus on the medical/health care, food/beverage, and machinery/electrical machine industries as priority areas, and will take on comprehensive supply chain challenges as the customer’s partner. Through these efforts, the Group will seek to expand its business domain and boost its market share.
- 2) Overseas, the Group will move forward with system enhancements to support customer supply chains in the medical/health care and food/beverage industries and strengthen its forwarding business with demand for high quality cold chains expected to grow in a number of regions such as Southeast Asia (ASEAN).
- 3) The Group will further enhance the competitiveness of its port and harbor transportation business by leveraging its cargo handling services, the efficiency of which is ranked among the highest globally, while at the same time developing complexes and facilities and boosting its operational capability in the real estate business. By doing so, it will seek to secure stable profits.
- 4) The Group will review the operational processes of all businesses and facilitate efficient operations by utilizing new technologies such as IoT, AI and robotics. Through these efforts, it aims to improve service quality and production efficiency.
- 5) The Group aims for growth by strengthening cost competitiveness through organizational management across the Company and its Group companies and securing/developing human resources, particularly in the priority areas.

At the same time, we formulated the New Medium-term Management Plan FY2019–2021 and positioned the three-year period from fiscal 2019 to fiscal 2021 as the first stage for a leap toward the achievement of the “MLC2030 Vision.” For further growth of the Group, and in order to meet the expectations of stakeholders, including our customers, group employees, shareholders and investors, we will work to ensure the implementation of the following measures and strive to achieve the “MLC2030 Vision.”

- 1) Strengthening the business foundations of the priority areas
- 2) Establishing a system that leverages new technologies
- 3) Maintaining competitiveness in the port and harbor transportation business
- 4) Developing complexes and other facilities for the real estate business and improving the organizational structure thereof to strengthen operational capabilities
- 5) Bolstering production efficiency through more efficient operational processes and other means
- 6) Improving operational conditions to reform workstyles and create innovation
- 7) Increasing shareholder returns
- 8) Promoting CSR-oriented management

## 2. Trends in Assets and Income

Trends in assets and income of the Group and the Company for the fiscal year under review and the last three fiscal years are as follows.

(Millions of yen unless otherwise stated)

Item		The 213th fiscal year (April 1, 2015 - March 31, 2016)	The 214th fiscal year (April 1, 2016 - March 31, 2017)	The 215th fiscal year (April 1, 2017 - March 31, 2018)	Fiscal year under review (April 1, 2018 - March 31, 2019)
The Group	Revenue	206,831	208,718	215,407	227,185
	Operating income	11,309	12,748	12,421	12,660
	Ordinary income	14,025	16,056	16,160	17,333
	Profit attributable to owners of parent	9,350	10,665	10,517	11,564
	Basic earnings per share (yen)	106.73	121.75	120.07	132.03
	Total assets	413,264	435,354	462,031	482,575
	Total net assets	257,524	276,870	294,550	299,104
The Company	Revenue	144,391	146,896	148,610	157,432
	Operating income	8,783	10,284	9,665	9,016
	Ordinary income	11,492	13,073	15,382	14,619
	Net income	8,149	9,074	10,701	10,125
	Basic earnings per share (yen)	92.99	103.55	122.12	115.55
	Total assets	363,588	383,730	412,693	433,462
	Total net assets	234,989	252,899	270,422	274,400

(Notes)

1. As the Company carried out the reverse stock split at a ratio of one share for every two shares of common stock, with an effective date of October 1, 2017, basic earnings per share of the Group and the Company are calculated based on the assumption that the reverse stock split was conducted at the beginning of the 213th fiscal year.
2. As the Company applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018), etc., from the beginning of the fiscal year under review, total assets of the Group and the Company in the 215th fiscal year are amounts after applying the accounting standard etc., retroactively.
3. The decrease in operating income, ordinary income, net income, and basic earnings per share in the fiscal year under review was primarily due to an increase in personnel expenses and depreciation and amortization in addition to initial expenses associated with the start of operations at a new distribution center.
4. Basic earnings per share of the Group and of the Company are calculated based on the weighted-average number of shares outstanding during the relevant period and are rounded off to the second decimal place.

### 3. Material Subsidiaries

Company name	Capital (Millions of yen)	The Company's percentage of equity participation (%)	Principal business
Fuji Logistics Co., Ltd.	2,979	95.0	Warehousing & Distribution Business
Ryoso Transportation Co., Ltd.	360	100	Land Transportation Business
Dia Buil-Tech, Co., Ltd.	100	100	Real Estate Managing Business
Shinryo Koun Co., Ltd.	36	86.0	Harbor Transportation Business
Mitsubishi Logistics China Co., Ltd.	RMB250 million	100	Investment in Logistics Business in China and management of affiliate logistics companies
P.T. Mitsubishi Logistics Indonesia	IDR211,665 million	99.9	Warehousing & Distribution Business
Mitsubishi Logistics America Corporation	USD10,000 thousand	100	International Transportation Business
Mitsubishi Logistics Europe B.V.	EUR2,500 thousand	100	International Transportation Business

The number of the consolidated subsidiaries subject to consolidated accounting is 51 including 8 material subsidiaries shown above, while the number of affiliates subject to the equity method is 3. The majority of these companies are engaged in operations and transportation related to the logistics business and management of buildings related to the real estate business.

### 4. Principal Business

#### (1) Logistics Segment

##### 1) Warehousing & Distribution Business

Business conducting storage and handling of incoming and outgoing cargo, etc. at warehouses containing consigned items

##### 2) Land Transportation Business

Business conducting transport and usage transport, etc. by freight automobiles

##### 3) Harbor Transportation Business

Business conducting coastal cargo handling and onboard cargo handling, etc. at ports

##### 4) International Transportation Business

Business conducting handling of international product transport, etc. (including handling domestic marine cargo transport)

#### (2) Real Estate Segment

Business conducting consignment, design and oversight of purchase, leasing, management and construction of real estate



## 5. Principal Business Locations

### (1) The Company

Headquarters: Chuo-ku, Tokyo

Branches: Tokyo, Yokohama, Nagoya, Osaka, Kobe and Fukuoka

### (2) Subsidiaries

#### 1) Logistics Segment

Fuji Logistics Co., Ltd. (Minato-ku, Tokyo)

Ryoso Transportation Co., Ltd. (Koto-ku, Tokyo)

Shinryo Koun Co., Ltd. (Chuo-ku, Kobe)

Mitsubishi Logistics China Co., Ltd. (Shanghai, China)

P.T. Mitsubishi Logistics Indonesia (Jakarta, Indonesia)

Mitsubishi Logistics America Corporation (New York City, State of New York, U.S.A)

Mitsubishi Logistics Europe B.V. (Ridderkerk, South Holland, The Netherlands)

#### 2) Real Estate Segment

Dia Buil-Tech, Co., Ltd. (Chuo-ku, Tokyo)

## 6. Employees

### (1) Employees of the Group

Categories	Number of employees (Changes from previous fiscal year-end)
Logistics Segment	4,106 (increased 10)
Real Estate Segment	286 (decreased 9)
Administrative segment, Headquarters of the Company	74 (increased 2)
Total	4,466 (increased 3)

(Notes)

- The figures in the above table do not include 49 persons on leave and seconded outside of the Group.
- Separate from the above, there are 1,419 temporary employees and 1,207 seconded and contracted employees from outside the Group.

### (2) Employees of the Company

Number of employees (Changes from previous fiscal year-end)	Average age	Average years of service
926 (increased 35)	40 years, 0 months	16 years, 6 months

(Notes)

- The figures in the above table do not include 125 persons on leave and seconded outside of the Company.
- Separate from the above, there are 132 temporary employees and 627 seconded and contracted employees from outside the Company.
- Average ages and average years of service are rounded to the nearest month.

## 7. Material Lenders

Lender	Amount of borrowings (Millions of yen)
MUFG Bank, Ltd.	29,202
The Norinchukin Bank	9,070

## II. Status of Shares

### 1. Matters concerning Shares

(1) Total number of shares authorized to be issued 220,000,000 shares

(2) Total number of shares outstanding, capital and number of shareholders

Item	End of fiscal year under review	Previous fiscal year-end	Changes from the previous fiscal year-end
Total number of shares outstanding (shares)	87,960,739	87,960,739	0
Capital (yen)	22,393,986,570	22,393,986,570	0
Number of shareholders (persons)	6,538	8,045	1,507 (decreased)

(Notes) Total number of shares outstanding includes 334,099 shares of treasury shares.

(3) Major shareholders

Shareholder name	Number of shares	Shareholding ratio
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (trust account)	12,707	14.5
Japan Trustee Services Bank, Ltd. (trust account)	6,710	7.7
Meiji Yasuda Life Insurance Company	5,153	5.9
MITSUBISHI ESTATE CO., LTD.	3,665	4.2
Kirin Holdings Company, Limited	2,966	3.4
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,915	3.3
MUFG Bank, Ltd.	1,864	2.1
Japan Trustee Services Bank, Ltd. (trust account 9)	1,791	2.0
State Street Bank and Trust Company 505001	1,671	1.9
AGC Inc.	1,657	1.9

- (Notes)
1. MUFG Bank, Ltd. has set 750 thousand shares of the Company as trust funds for retirement benefits for which voting rights are reserved, in addition to the shares stated in the table above.
  2. The Company's treasury shares (334,099 shares) were excluded in the calculation of the percentage of shares held.

## 2. Company Officers

### (1) Directors and Corporate Auditors

Position	Name	Areas of responsibility or significant concurrent positions
Chairman of the Board	Akio Matsui	President of Japan Warehousing Association Inc.
President *	Masao Fujikura	
Managing Director	Yoshiji Ohara	Responsible for Harbor Transportation Business
Managing Director	Noboru Hiraoka	Responsible for International Transportation Business
Managing Director *	Fumihiro Shinohara	Responsible for General Affairs, Corporate Communications, Personnel, Planning, and Internal Audit
Managing Director	Hitoshi Wakabayashi	Responsible for Warehousing & Distribution Business
Managing Director	Yasushi Saito	Responsible for Accounting & Financing, Information System
Managing Director	Shinji Kimura	Responsible for Technical and Real Estate Business
Director	Minoru Makihara	Senior Corporate Advisor, Mitsubishi Corporation
Director	Shigemitsu Miki	Honorary Advisor, MUFG Bank, Ltd.
Director	Koji Miyahara	Board Counselor, Nippon Yusen Kabushiki Kaisha
Director	Hiroshi Nishikawa	General Manager, Warehousing & Distribution Business Division
Director	Saburo Naraba	General Manager, Tokyo Branch
Director	Tatsushi Nakashima	General Manager, Nagoya Branch
Standing Corporate Auditor	Tohru Watanabe	
Standing Corporate Auditor	Yoshihito Yoshizawa	
Corporate Auditor	Yohnosuke Yamada	Lawyer
Corporate Auditor	Kenji Sakurai	Certified Public Accountant
Corporate Auditor	Hiroshi Imai	Standing Auditor, FUJI LOGISTICS CO., LTD.

- (Notes)
- Directors with an asterisk (\*) are Representative Directors.
  - Of Directors, Mr. Minoru Makihara, Mr. Shigemitsu Miki and Mr. Koji Miyahara are Outside Directors as stipulated by Article 2, item 15 of the Companies Act. The Company designated them as independent officers as stipulated by Tokyo Stock Exchange, Inc. and registered them with the said Exchange.
  - Of Corporate Auditors, Mr. Yoshihito Yoshizawa, Mr. Yohnosuke Yamada and Mr. Kenji Sakurai are Outside Corporate Auditors as stipulated by Article 2, item 16 of the Companies Act. The Company designated them as independent officers as stipulated by Tokyo Stock Exchange, Inc. and registered them with the said Exchange.
  - Corporate Auditor Mr. Kenji Sakurai is a Certified Public Accountant and has a considerable knowledge regarding finance and accounting.
  - In addition to the above, the significant concurrent positions of Outside Officers are stated in “(3) Matters concerning Outside Directors” and “(4) Matters concerning Outside Corporate Auditors” below.
  - Director Mr. Minoru Makihara retired as Senior Corporate Advisor of Mitsubishi Corporation on March 31, 2019.
  - The Directors and Corporate Auditors who retired during the fiscal year under review were as follows (retired on June 28, 2018).

Director Tetsuro Okamoto                      Director Takanori Miyazaki  
 Director Tomohiko Takami

- Of Directors shown above, positions and responsibilities were changed as follows on April 1, 2019. (Directors with an asterisk (\*) are Representative Directors.)

(Previous positions)		(New positions and responsibilities)
Managing Director	Noboru Hiraoka	Director ( — )
Managing Director *	Fumihiro Shinohara	Director ( — )
Managing Director	Hitoshi Wakabayashi	Managing Director (Responsible for Warehousing & Distribution Business, General Manager, Warehousing & Distribution Business Division)
Managing Director	Shinji Kimura	Managing Director (Responsible for Planning, Technical and Real Estate Business)
Director	Saburo Naraba	Managing Director * (Responsible for General Affairs, Corporate Communications, Personnel, and Internal Audit)
Director	Hiroshi Nishikawa	Managing Director (Responsible for International Transportation Business, General Manager, International Business Coordination Chamber)

**(2) Compensation to Directors and Corporate Auditors for the Fiscal Year under Review**

Categories	Number of persons paid	Amount of payment (Millions of yen)
Directors	17	467
(of which, Outside Directors)	(3)	(28)
Corporate Auditors	5	60
(of which, Outside Corporate Auditors)	(3)	(35)

- (Notes)
- Amount of payment above includes Directors’ bonuses in the total amount of 50 million yen (including the amount of 4 million yen to Outside Directors) which will be paid subject to the approval and resolution of Proposal No. 4 “Payment of Bonuses to Directors” at the 216th Annual General Meeting of Shareholders to be held on June 27, 2019.
  - In addition to the amounts in the above table, to Directors concurrently serving as employees (4 persons during the fiscal year under review), the portions of their remuneration as employees of 49 million yen were paid.
  - The upper limit on total compensation for Directors is 38 million yen per month (of which, 3 million yen per month for Outside Directors; resolved at the 209th Annual General Meeting of Shareholders held on June 28, 2012; not including the portion of employees’ salary for Directors who concurrently serve as employees), while 7 million yen per month for Corporate Auditors (resolved at the 203rd Annual General Meeting of Shareholders held on June 29, 2006).

### (3) Matters concerning Outside Directors

#### 1) Significant concurrent positions at other corporations, etc.

Name	Company name	Title
Minoru Makihara	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	Outside Director
Koji Miyahara	Toho GAS Co., Ltd.	Outside Director

(Note) The Company has transactions such as logistics operation consignment, etc. with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

#### 2) Main activities

During the fiscal year under review, the Company held 13 meetings of the Board of Directors. Mr. Minoru Makihara participated in 8 meetings, Mr. Shigemitsu Miki in 11 meetings, and Mr. Koji Miyahara in 13 meetings. Outside Directors stated invaluable opinions based on their distinguished insight and broad perspectives.

### (4) Matters concerning Outside Corporate Auditors

#### 1) Significant concurrent positions at other corporations, etc.

Name	Company name	Title
Yohnosuke Yamada	SANYO TRADING CO., LTD.	Outside Director
	KANEMATSU CORPORATION	Outside Audit & Supervisory Board Member
Kenji Sakurai	Japan Drilling Co., Ltd.	Audit & Supervisory Board Member (External)

(Notes) 1. Japan Drilling Co., Ltd. received a ruling on the commencement of corporate reorganization proceedings from the Tokyo District Court on July 25, 2018.  
2. The Company has transactions such as logistics operation consignment, etc. with SANYO TRADING CO., LTD.  
3. The Company has transactions such as logistics operation consignment, etc. with KANEMATSU CORPORATION.  
4. The Company has transactions such as logistics operation consignment, etc. with Japan Drilling Co., Ltd.

#### 2) Main activities

During the fiscal year under review, the Company held 16 meetings of the Board of Corporate Auditors. Mr. Yoshihito Yoshizawa participated in 16 meetings, Mr. Yohnosuke Yamada in 16 meetings, and Mr. Kenji Sakurai in 16 meetings. During the fiscal year under review, the Company held 13 meetings of the Board of Directors. Mr. Yoshihito Yoshizawa participated in 12 meetings, Mr. Yohnosuke Yamada in 13 meetings, and Mr. Kenji Sakurai in 13 meetings. Each of Outside Corporate Auditors stated invaluable opinions from an objective and professional standpoint backed by their accumulated experiences as a manager at a trading firm, a lawyer, and a certified public accountant, respectively.

### **3. Accounting Auditor**

**(1) Accounting Auditor's Name**  
KPMG AZSA LLC

**(2) Compensation for Audit Service Set Forth in Article 2, Paragraph 1 of the Certified Public Accountants Act**

65 million yen

(Notes)

1. Upon confirming the content of the audit plan, the conditions of the execution status of the accounting audit, and the assumptions for calculating remuneration estimates, etc., of the Accounting Auditor, the Board of Corporate Auditors has given its approval under Article 399, Paragraph 1 of the Companies Act for the remuneration, etc., of the Accounting Auditor.
2. Under the audit agreement between the Company and its Accounting Auditor, compensation for audits pursuant to the Companies Act and audits pursuant to Financial Instruments and Exchange Law are not strictly separated, and otherwise cannot be separated. Consequently, the above amount reflects total compensation.

**(3) Cash and other profits payable by the Company or its subsidiaries to Accounting Auditor**

80 million yen

(Note)

Of significant subsidiaries of the Company, Mitsubishi Logistics China Co., Ltd., P.T. Mitsubishi Logistics Indonesia, and Mitsubishi Logistics Europe B.V. receive audits (limited to stipulations of the Companies Act and the Financial Instruments and Exchange Act (including laws and regulations of other countries corresponding to these laws)) from accounting auditors (including entities possessing qualifications in other countries corresponding to these qualifications) separate from the Accounting Auditor of the Company.

**(4) Policy Regarding Determination of Termination or Nonreappointment of Accounting Auditor**

Aside from termination of the Accounting Auditor by the Board of Corporate Auditors as defined in Article 340 of the Companies Act, should the Accounting Auditor be deemed unable to execute its duties properly and the replacement of the Accounting Auditor be deemed necessary, the Company shall submit the proposal to terminate or not reappoint the Accounting Auditor to the General Meeting of Shareholders, based on a resolution of the Board of Corporate Auditors.

### **III. Company's Systems and Policies**

#### **1. System to ensure that Directors execute their duties in compliance with laws and regulations and the Articles of Incorporation and other systems to ensure proper business execution**

As rules and a charter to be strictly followed by executives and employees during the course of executing duties, the Company has formulated a "Code of Conduct" as described below, and clearly states its position to actively work toward thorough compliance with related laws, in addition to environmental protection and social contribution, etc.

- 1) The Company will comply with laws and regulations and rules, and execute corporate activities sincerely and fairly so as not to disrupt societal norms.
- 2) The Company will disclose corporate information at appropriate times and in an appropriate way, and aim for broad communication with society.
- 3) The Company will continue to not have any relationships with anti-social forces that have a negative impact on the order and safety of civil society.
- 4) The Company will recognize the importance of environmental issues and cooperate with environmental protection activities.
- 5) While providing services that are safe, high quality, and socially effective, the Company will work toward societal contribution activities as a "good corporate citizen," placing harmony with regional societies and international society at the forefront.

Under this Code of Conduct, the Company has formulated "Basic Policy Regarding Implementation of Internal Control Systems" as described below, in order to ensure the appropriate execution of duties by executives and employees and appropriateness of corporate operations.

- (1) System to ensure that the Directors execute their duties in compliance with laws and regulations and the Articles of Incorporation

Important decision-making shall be deliberated upon and resolved at a meeting of the Board of Directors that is held once per month in principle in accordance with the Regulations on the Board of Directors, which clarifies agenda standards. Regarding execution of duties, responsibilities for Directors shall be defined, and each Director shall execute duties concerning their responsibilities, with accountability pursuant to laws and regulations and the Articles of Incorporation.

Corporate Auditors shall inspect important decision-making documents, attend meetings of the Board of Directors and General Managers' meetings, etc. to ascertain the status of important decision-making and the execution of duties, and shall provide opinions.

- (2) System to ensure that the employees execute their duties in compliance with laws and regulations and the Articles of Incorporation

While ensuring thorough recognition of the Company's "Code of Conduct" and internal regulations, the Internal Audit Department shall audit compliance with laws and regulations and the status of the execution of duties based on the annual audit plan, report the results to the responsible Executive Directors, and the division responsible for compliance shall evaluate the status of improvement of the audit results.

In order to prevent or promptly discover and correct actions that may infringe upon laws and regulations and the Articles of Incorporation, an Internal Reporting Hotline (Helpline) shall be established.

Furthermore, through establishment of the Internal Control Committee and the CSR and Compliance Committee, the implementation status of internal control functions and the compliance conditions shall be evaluated, aiming to enhance the internal controls and CSR compliance.

- (3) System for storage and management of information related to the execution of duties of the Directors

Minutes for meetings of the Board of Directors and important documents, etc. regarding the execution of duties by Directors shall be appropriately stored and managed in accordance with laws and regulations and internal regulations.

- (4) Regulations or any other systems for management of risk of loss

While aiming for thorough compliance with the Basic Risk Management Manual, etc., the Risk Management Committee shall be established, working toward advance prevention of business risk and risks related to finance and legal matters, alongside with strengthening measures against natural disasters. Additionally, if risks arise, "Countermeasure Headquarters" shall be established,

and companywide support and countermeasures shall be thoroughly implemented, aiming for minimization of losses and early restoration of normal operations.

- (5) System to ensure that the execution of duties of the Directors is efficient  
Directors shall strictly maintain the efficiency and soundness of management while executing duties related to their responsibilities according to the management plan.  
In addition all Executive Directors shall deliberate regarding the execution of important duties based on adequate documentation at Executive Committee held about once per week, while making resolutions or reporting on execution status at meetings of the Board of Directors.
- (6) System to ensure proper business execution within the Company group consisting of the Company and its subsidiaries
  - Executives shall be dispatched from the Company to subsidiaries. In addition to implementation of Codes of Conduct suited for the businesses of subsidiaries, they oversee the duties of Directors of subsidiaries to be executed efficiently in accordance with the management plan.
  - The execution of important duties at subsidiaries shall be deliberated in advance with the Company in accordance with the Regulations on Affiliate and Subsidiary Administration, and Executive Directors in charge shall receive reports regarding the status of the execution of duties at subsidiaries and financial conditions, etc. from the subsidiaries periodically or as needed.
  - A Group Management Meeting, comprised of the Company and significant subsidiaries, shall be held about twice per year, ensuring the appropriateness of operations of the overall Group.
  - The Internal Audit Department shall audit compliance with laws and regulations and the status of the execution of duties at subsidiaries. Executive Directors in charge shall receive the results, cooperate with Corporate Auditors and Internal Audit Department of the Company and Corporate Auditors of the subsidiaries, and express their opinions regarding the optimization of operations of the overall Group as necessary.
  - To prevent or promptly discover and correct actions that may infringe upon laws and regulations and the Articles of Incorporation, subsidiaries shall establish a common Internal Reporting Hotline (Helpline) jointly with the Company.
  - Regarding risk of losses at subsidiaries, in addition to management according to the Basic Risk Management Manual, etc., subsidiaries shall establish risk management structures according to their business types.
  - Appropriate structures for internal controls shall be implemented and operated in order to secure the reliability of financial reporting.
- (7) Employees to assist the duties of Corporate Auditors  
The Corporate Auditors' Chamber shall be established as a department to assist the duties of Corporate Auditors, and dedicated personnel shall be assigned.
- (8) Independence of employees to assist the duties of Corporate Auditors from Directors and matters concerning effectiveness of instructions toward said employees  
By the nature of their post, personnel dedicated to the Corporate Auditors' Chamber shall work directly for Corporate Auditors, and deliberation shall be made with the Board of Corporate Auditors in advance regarding the selection of such personnel, etc.
- (9) System for Directors and employees and executives and employees of subsidiaries (including parties receiving reports from these persons) to report to Corporate Auditors and other systems for reporting to Corporate Auditors  
Directors and employees as well as executives and employees of subsidiaries (including parties receiving reports from these persons) shall report periodically to Corporate Auditors regarding the status of the execution of duties and financial conditions, etc., and the Internal Audit Department shall report the results of internal audits to Corporate Auditors.  
Additionally, Directors and employees as well as executives and employees of subsidiaries (including parties receiving reports from these persons) shall report as required to Corporate Auditors regarding matters that will have a significant effect on management.
- (10) System to ensure that persons reporting to Corporate Auditors do not receive unfavorable treatment with said report as rationale  
Any unfavorable treatment shall not be incurred due to reporting to Corporate Auditors including internal reporting.



- (11) Policies for processing expenses or liabilities incurred regarding the execution of duties by Corporate Auditors  
Expenses or liabilities incurred regarding the execution of duties by Corporate Auditors shall be processed appropriately in accordance with laws and regulations.
- (12) Other systems to ensure the effectiveness of audits by Corporate Auditors  
Corporate Auditors shall receive periodic reports from the Accounting Auditor regarding the status of audits, and shall conduct effective audits through internal audits by the Internal Audit Department.  
During audits, Directors and employees shall cooperate with Corporate Auditors to provide required information at the appropriate time.

## 2. Summary of the operational status of the system in 1. above

Based on the above “Basic Policy Regarding Implementation of Internal Control Systems,” the Company has established and operated the internal control systems for the Company and subsidiaries.

A summary of the operational status of internal control systems for the fiscal year under review is as follows.

- (1) Status of the execution of duties by Directors and employees
- Meetings of the Board of Directors were held 13 times, and the Board of Directors deliberated important matters and made resolutions, and Directors in charge provided reports on the status of execution of important duties.
  - Executive Committee, comprised of all Executive Directors (Chairman of the Board, President, and Managing Directors) chaired by President, was held about once per week, and deliberated on important matters regarding management.
  - In light of deliberations at Executive Committee, each Executive Director executed duties responsibly, including measures based on the Medium-term Management Plan [2016-2018], according to the division of duties.
  - Aside from General Managers of Branches, the General Managers’ Meetings also comprised of Directors, Corporate Auditors and the General Managers of the Headquarters Department were held about once per month for a total of 11 times, and the status of the execution of duties were reported and confirmed.
  - The Internal Control Committee, CSR and Compliance Committee, and Risk Management Committee were each held once, and the status of execution of duties companywide was evaluated from the independent viewpoints of each committee.
  - To ensure thorough dissemination of the Code of Conduct and internal regulations of the Company, internal training has been conducted, and the status of compliance among executives and employees has been confirmed through surveys, etc.
  - Minutes for meetings of the Board of Directors and important documents, etc. regarding the execution of duties by Directors have been managed by each responsible department according to the number of years required as defined by laws and regulations and internal regulations.
- (2) Status of the Corporate Group, composed of the Company and subsidiaries
- To manage risk of losses arising at the Group, the Company has prepared a Basic Risk Management Manual, and worked to disseminate it.
  - Executives and employees of the Company are dispatched to subsidiaries and manage them by executing their duties and conducting audits and supervision at the subsidiaries.
  - A department to manage subsidiaries were established, and the department discusses the execution of important duties with subsidiaries, receives periodic reports from subsidiaries regarding financial conditions, etc., and reports to Executive Directors in charge and Corporate Auditors. Additionally, the Group Management Meeting, comprised of the Company and significant subsidiaries, was held twice, and business results and issues, etc. were reported and confirmed, including the progress status of measures based on the Medium-term Management Plan [2016 – 2018].
  - Concerning internal controls regarding financial reporting, effectiveness is evaluated based on the “Internal Control Evaluation Policy Book,” which defines the Group’s systems regarding operation and evaluation, and basic policies such as processes and methods.
- (3) Status of Corporate Auditors, internal audits, and internal reporting
- Aside from exchanging information with the Representative Director through periodic meetings,

etc., Corporate Auditors attended important meetings such as meetings of the Board of Directors and General Managers' Meetings. In addition to the examination of important documents, etc. regarding the execution of duties by Directors such as decision-making documents, Corporate Auditors have inspected the Company's audit and subsidiaries, etc. based on the annual audit plan. Additionally, meetings of the Board of Corporate Auditors were held 16 times, and information on the status of the Company and audit results, etc. have been shared.

- During the formulation and implementation, etc. of their respective annual audit plans, Corporate Auditors, the Internal Audit Department, Accounting Auditor and Corporate Auditors of subsidiaries have conducted periodic meetings and exchanged information as needed, executing duties effectively and efficiently.
- To support the execution of duties of Corporate Auditors, a Corporate Auditors' Chamber (one dedicated employee) was established at the headquarters. The dedicated staff member executed duties under the direction of Corporate Auditors, and matters concerning related personnel, etc. were deliberated with the Board of Corporate Auditors in advance.
- Expenses or liabilities that arose during the course of the execution of duties of Corporate Auditors were appropriately processed in accordance with laws and regulations upon request from Corporate Auditors.
- Aside from establishing an Internal Audit Division (seven dedicated employees) at the headquarters as the Internal Audit Department, audit support employees (two persons) were assigned, and auditors (one each) and audit support employees (two each) were assigned at each branch. Audits were conducted at the Company and Group companies based on the annual audit plan. Audit results were reported to Executive Directors in charge and Corporate Auditors, and the division responsible for compliance evaluated the status of improvement on a quarterly basis.
- Including the Corporate Auditors' Chamber, multiple common Internal Reporting Hotlines were established in the Group, and internal regulations stipulated the prohibition of unfavorable treatment to the person who made an internal report.

### **3. Basic policy regarding the Company's control**

The Group's primary businesses are the Logistics Business with warehousing & distribution business at its core, and the Real Estate Business, which focuses on the leasing of buildings.

Regarding the Logistics Business, the Group aims to organically and comprehensively operate each of the land transportation, international transportation and harbor transportation businesses centered on the warehousing & distribution business by using information technologies. In the Real Estate Business, the Group aims to expand the leasing business primarily in office buildings and commercial facilities by effectively using the Group's proprietary lands. Through fair operations of these businesses, the Group aims to ensure appropriate profits and stable growth, and provide returns to shareholders and employees, making contribution to realizing a prosperous society.

Due to the nature of the both businesses that needs land, building and facilities, etc. in favorable locations, both businesses require significant investment; therefore, the Company invest its management resources including funds in a continuous and planned manner from a long-term standpoint with the aim of expanding and developing businesses.

Although the Company does not unconditionally deny all intension of large-scale acquisition of the Company's shares, the Company believes that purchases in conflict with the above that damage corporate value or common interests of shareholders are inappropriate.

Currently, the Company has not recognized any parties that are attempting large-scale acquisitions of the Company's share. However, the Company constantly monitors the trading status of the Company's shares, and in the event that a party attempting a large-scale acquisition of the Company's shares in conflict with these views appears, and if the purchase will not contribute to the Company's corporate value and common interests of shareholders, appropriate countermeasures will be considered, and the Company will prepare a system for the swift implementation of the countermeasures.

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Unless otherwise stated, the content of the above report adheres to the following.

1. Monetary amounts and share numbers are rounded down.
2. Ratios are rounded to the first decimal place.
3. If the number of shares or ratio is zero, it is presented as "-."

## Consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>104,558</b>	<b>Current liabilities</b>	<b>75,189</b>
Cash and deposits	41,337	Notes and accounts payable	27,396
Notes and accounts receivable	40,603	Short-term bank loans and current maturities of long-term debt	26,467
Marketable securities	2,000	Current portion of bonds	5,000
Real estate held for sale	14,332	Income taxes payable	2,717
Other	6,326	Provision for directors' bonuses	50
Allowance for doubtful accounts	(41)	Other	13,558
		<b>Long-term liabilities</b>	<b>108,280</b>
<b>Non-current assets</b>	<b>378,016</b>	Bonds payable	31,000
<b>Property and equipment</b>	<b>219,500</b>	Long-term loans payable	24,235
Buildings and structures	117,254	Deposits on long-term leases	20,679
Machinery and equipment	4,471	Deferred income tax liabilities	21,870
Land	89,570	Provision for directors' retirement benefits	177
Construction in progress	2,068	Net defined benefit liability	10,059
Other	6,134	Other	256
<b>Intangible assets</b>	<b>14,688</b>	<b>Total liabilities</b>	<b>183,470</b>
Leasehold right	7,730	<b>(Net assets)</b>	
Goodwill	630	<b>Shareholders' equity</b>	<b>238,788</b>
Other	6,327	Common stock	22,393
<b>Investments and other assets</b>	<b>143,828</b>	Capital surplus	19,564
Investments in securities	134,578	Retained earnings	197,675
Long-term loans receivable	516	Treasury shares	(844)
Deferred income tax assets	2,914	<b>Accumulated other comprehensive income</b>	<b>57,377</b>
Other	5,856	Net unrealized holding gains on securities	57,098
Allowance for doubtful accounts	(20)	Foreign currency translation adjustments	233
Allowance for investment loss	(17)	Remeasurements of defined benefit plans	45
		<b>Non-controlling interests</b>	<b>2,938</b>
		<b>Total net assets</b>	<b>299,104</b>
<b>Total assets</b>	<b>482,575</b>	<b>Total liabilities and net assets</b>	<b>482,575</b>

(Figures are rounded down to the nearest million yen.)

## Consolidated Statement of Income

(April 1, 2018 - March 31, 2019)

(Millions of yen)

Description	Breakdown	Amount
Revenue		
Warehousing fee income	26,010	
Stevedoring income	18,067	
Land transportation income	51,849	
Harbor stevedoring income	18,659	
International transportation income	52,911	
Rent of real estate for investment	31,566	
Other	28,121	227,185
Cost of services		
Operational and transportation consignment costs	98,431	
Personnel expenses	37,852	
Facility rental expenses	9,683	
Depreciation and amortization	12,582	
Other	45,276	203,825
<b>Gross profit</b>		<b>23,360</b>
Selling, general and administrative expenses		10,699
<b>Operating income</b>		<b>12,660</b>
Non-operating income		
Interest and dividend income	3,742	
Equity in earnings of unconsolidated subsidiaries and affiliates	1,534	
Other	525	5,802
Non-operating expenses		
Interest expense	490	
Foreign exchange losses	527	
Other	110	1,129
<b>Ordinary income</b>		<b>17,333</b>
Extraordinary income		
Gain on disposal of non-current assets	78	
Gain on sale of marketable securities and investments in securities	990	
Reversal of allowance for investment loss	16	
Compensation income	261	1,346
Extraordinary losses		
Loss on disposal of non-current assets	794	
Impairment loss	69	
Loss on valuation of marketable securities and investments in securities	536	
Loss on disaster	362	
Compensation for damage	126	1,887
<b>Profit before income taxes</b>		<b>16,792</b>
Income taxes - current	4,890	
Income taxes - deferred	106	4,996
<b>Profit</b>		<b>11,795</b>
Profit attributable to non-controlling interests		230
<b>Profit attributable to owners of parent</b>		<b>11,564</b>

(Figures are rounded down to the nearest million yen.)

## Consolidated Statement of Changes in Net Assets

(April 1, 2018 - March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2018	22,393	19,566	188,651	(841)	229,770
Changes of items during period					
Cash dividends			(2,541)		(2,541)
Profit attributable to owners of parent			11,564		11,564
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		(2)			(2)
Changes other than to shareholders' equity, net					
Total changes of items during period	-	(2)	9,023	(2)	9,018
Balance as of March 31, 2019	22,393	19,564	197,675	(844)	238,788

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized holding gains on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plan	Total accumulated other comprehensive income		
Balance as of April 1, 2018	60,873	959	142	61,976	2,803	294,550
Changes of items during period						
Cash dividends						(2,541)
Profit attributable to owners of parent						11,564
Purchase of treasury shares						(3)
Disposal of treasury shares						0
Change in ownership interest of parent due to transactions with non-controlling interests						(2)
Changes other than to shareholders' equity, net	(3,775)	(726)	(97)	(4,599)	134	(4,464)
Total changes of items during period	(3,775)	(726)	(97)	(4,599)	134	4,554
Balance as of March 31, 2019	57,098	233	45	57,377	2,938	299,104

(Figures are rounded down to the nearest million yen.)

# Notes to the Consolidated Financial Statements

## Notes to the Basis for Preparation of Consolidated Financial Statements

### 1. Scope of consolidation

#### (1) Consolidated subsidiaries

Number of consolidated subsidiaries 51

Names of principal subsidiaries

Fuji Logistics Co., Ltd., Ryoso Transportation Co., Ltd., Dia Buil-Tech, Co., Ltd., Shinryo Koun Co., Ltd., Mitsubishi Logistics China Co., Ltd., P.T. Mitsubishi Logistics Indonesia, Mitsubishi Logistics America Corporation and Mitsubishi Logistics Europe B.V.

#### (2) Non-consolidated subsidiaries

Names of principal non-consolidated subsidiary

Dia Logistics (M) Sdn. Bhd.

Non-consolidated subsidiaries are respectively small in scale, and the totals of total assets, revenue, profit attributable to owners of parent (proportional amount of equity), and retained earnings (proportional amount of equity), etc., each do not have a significant effect on the consolidated financial statements, thus these subsidiaries are excluded from the scope of consolidation.

### 2. Application of the equity method

#### (1) Non-consolidated subsidiaries and affiliates accounted for by the equity method

There are no non-consolidated subsidiaries accounted for by the equity method.

Number of affiliates subject to the equity method 3

Name of principal affiliate

MY Terminals Holdings, Limited, Kusatsu Soko Co., Ltd.

As the Company established the holding company MY Terminals Holdings, Limited, jointly with Nippon Yusen Kabushiki Kaisha, the said company has been included in the scope of application of the equity method from the fiscal year under review.

In addition, Nippon Container Terminals Co., Ltd., which was an equity-method affiliate in the previous fiscal year, has been excluded from the scope of application of the equity method from the fiscal year under review, as the said company became a wholly-owned subsidiary of MY Terminals Holdings, Limited.

#### (2) Non-consolidated subsidiaries and affiliates not subject to the equity method

Name of principal non-consolidated subsidiary

Dia Logistics (M) Sdn. Bhd.

Name of principal affiliate

Nakatani Transportation Co., Ltd.

As non-consolidated subsidiaries and affiliates not subject to the equity method each of these companies has only an immaterial effect on profit attributable to owners of parent and retained earnings, etc. and is insignificant overall, these are excluded from application of the equity method.

### 3. Matters concerning the fiscal year, etc., of consolidated subsidiaries

All consolidated subsidiaries excluding 18 overseas subsidiaries such as Mitsubishi Logistics America Corporation end their fiscal years on the same day as the Company.

The last day of the fiscal year for 18 overseas subsidiaries such as Mitsubishi Logistics America Corporation is December 31. The financial statements as of December 31 are used in the consolidated financial statements, and if any material transactions incur during the period from December 31 to March 31, necessary adjustments are made on the consolidated financial statements.

### 4. Matters concerning accounting policies

#### (1) Standards and methods for valuation of important assets

##### A. Securities

Available-for-sale securities

Securities with market quotations

Stated at market based on the market price, etc. on the balance sheet date.

(Valuation difference is transferred directly to net assets. The cost of sales is calculated using the moving average method.)

Securities without market quotations

Stated at cost using the moving-average method.

B. Derivatives

Stated using the market value method.

C. Inventories (real estate held for sale)

Mainly stated at cost using the specific identification method.

(calculated by writing them down based on decline in profitability.)

(2) Depreciation and amortization method for important depreciable or amortizable assets

A. Property and equipment (excluding leased assets)

The declining-balance method is applied.

Warehouse facilities (actual buildings), commercial facilities for lease (actual buildings) and facilities and structures attached to buildings acquired on or after April 1, 2016 are calculated using the straight-line method.

Furthermore, useful lives are estimated according to stipulations of the Corporation Tax Act, and lives for commercial facilities for lease (actual buildings) are determined with a standard of 20 years, taking into account the lease agreement period, etc.

B. Intangible assets (excluding leased assets)

The straight-line method is applied.

Computer software for internal use is amortized over the estimated internal useful life (5 to 10 years) using the straight-line method.

C. Leased assets

(Leased assets relating to finance lease transactions without the transfer of ownership)

Leased assets are depreciated using the straight-line method with no residual value over the lease term of the leased assets.

(3) Important standards of accounting for reserves

A. Allowance for doubtful accounts

To provide for losses resulting from unrecoverable claims such as accounts and loans receivable, allowance for doubtful accounts is recorded based on the historical write-off rate for ordinary receivables, and based on expected uncollectable accounts individually for receivables.

B. Allowance for investment loss

To provide for losses resulting from a decline in the substantial price of stock and investment without market value, allowance is recorded taking into account the possibility of recovery if total net assets of the issuing company fall below the book value.

C. Provision for directors' bonuses

To provide for bonuses to Directors, of estimated payment amount, amounts to be borne during the fiscal year under review are recorded.

D. Provision for directors' retirement benefits

To provide for payments of retirement benefits for directors at certain consolidated subsidiaries, amounts to be paid at the end of the fiscal year under review are recorded, based on entity's rules.

(4) Accounting treatment of retirement benefits

A. Method of attributing the estimated benefit obligation to periods

Upon calculating the retirement benefit obligation, the estimated benefit obligation is attributed to the period up until the fiscal year under review on a benefit formula basis.

B. Amortization method of actuarial calculation differences and prior service costs

Actuarial calculation differences are amortized using the straight-line method over a certain period (5 to 15 years) within the average remaining years of service of employees, beginning from the fiscal year following the incurred year. Prior service costs are recognized using the straight-line method over a certain period (15 years) within the average remaining years of service of employees, beginning from the incurred year.

(5) Amortization method and amortization period of goodwill

Goodwill is amortized over 5 to 10 years on a straight-line basis. Any immaterial amounts are fully recognized as expenses as incurred.

(6) Accounting treatment of consumption taxes, etc.

For accounting treatment of consumption tax and local consumption tax, the tax exclusion method is applied.

### Changes in presentation methods

(Changes due to the Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

In accordance with the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018), the “Ministerial Ordinance for Partial Amendments to the Regulation for Enforcement of the Companies Act and the Regulation on Corporate Accounting” (Ministry of Justice Ordinance No. 5, March 26, 2018) has been applied from the fiscal year under review. Deferred income tax assets are presented as investments and other assets, and deferred income tax liabilities are presented as long-term liabilities.

### Notes to Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment	308,152 million yen
2. Accumulated deferred tax reserves for non-current assets	3,247 million yen
3. Collateral assets	
Assets pledged as collateral	
Buildings and structures	13 million yen
Land	1,041 million yen
Obligations related to the above	
Short-term bank loans	300 million yen
“Other” of current liabilities	192 million yen
Long-term loans payable	2,386 million yen
Deposits on long-term leases	1,000 million yen
4. Guarantee liability	
Liability guarantees for borrowings of other companies	986 million yen



## Notes to Consolidated Statements of Income

### Impairment loss

The Group recognized impairment loss in the following asset group for the fiscal year under review:

Location	Use	Type	Amount (million yen)
Yokkaichi City, Mie	Warehouse facilities	Building and others	69

In calculating impairment loss, assets are grouped by the lowest level that generates a cash flow independent from other assets or asset groups.

The above asset group has decided to rebuild, book values for assets related to said asset groups have been reduced to the recoverable amounts, and the reduction amount of 69 million yen (63 million yen in buildings, and 5 million yen in others) has been recorded as impairment loss in extraordinary losses.

The recoverable amounts are measured based on value in use, and are considered to be zero since future cash flow cannot be expected.

## Notes to Consolidated Statement of Changes in Net Assets

### 1. Type and number of outstanding shares

Total number of outstanding shares as of March 31, 2019: Common stock 87,960,739 shares

### 2. Dividends

#### (1) Dividend amount

Resolution	Type of stock	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders on June 28, 2018	Common stock	1,226	14	March 31, 2018	June 29, 2018
Meeting of the Board of Directors on October 31, 2018	Common stock	1,314	15	September 30, 2018	December 3, 2018

#### (2) Dividends whose record date is during this fiscal year, but whose effective date is after the end of this fiscal year

The following items are proposed at the General Meeting of Shareholders to be held on June 27, 2019.

A. Total dividends	2,628 million yen
B. Source of dividends	Retained earnings
C. Dividend per share	30 yen
D. Record date	March 31, 2019
E. Effective date	June 28, 2019

## Notes to Financial Instruments

### 1. Status of Financial Instruments

The Group raises necessary funds mainly by bank loans or issuance of bonds. Temporary cash surplus, if any, are invested in highly secured deposits, public bonds and corporate bonds, etc.

Notes and accounts receivable are exposed to credit risk of customers. In order to reduce such credit risk, the Group controls on due date and balance for each customer in accordance with internal customer credit management rules.

Investments in securities are mainly stocks issued by companies with which the Group has business relations. The Group ascertains the fair values of such stocks at regular intervals.

Short-term loans are used mainly for operating capital, while long-term loans payable are used mainly for capital expenditure. Interest rate swap contracts are used as a hedging instrument for long-term loans payable with floating interest rates in order to avoid interest rate fluctuation risk. Derivatives are used based on actual demand only.

### 2. Current Value, etc. of Financial Instruments

The amounts posted on the consolidated balance sheet, the fair values, and the differences thereof as of March 31, 2019 are as follows. Items whose fair values are extremely difficult to measure are not included in the following table (please see (Note 2)).

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Cash and deposits	41,337	41,337	-
(2) Notes and accounts receivable	40,603	40,603	-
(3) Marketable securities	2,000	2,000	-
(4) Investments in securities available for-sale securities	113,202	113,202	-
Total assets	197,143	197,143	-
(1) Notes and accounts payable	27,396	27,396	-
(2) Short-term bank loans	20,994	20,994	-
(3) Bonds payable (*1)	36,000	36,471	471
(4) Long-term loans payable (*2)	29,707	29,857	149
(5) Deposits on long-term leases	1,165	1,181	16
(6) Derivatives	-	-	-
Total liabilities	115,264	115,902	638

(\*1) Including current portion of bonds.

(\*2) Including current maturities of long-term debt.

(Note 1) Calculation method of the fair value of financial instruments and securities & derivative transactions  
Assets

(1) Cash and deposits, (2) Notes and accounts receivable, (3) Marketable securities:

Relevant consolidated balance sheet amounts are used because the settlement term of the above items is short and their fair values approximate their book values.

(4) Available for-sale securities in investments in securities:

The fair values of stocks are determined using the quoted price at the stock exchange.

Liabilities

(1) Notes and accounts payable, (2) Short-term bank loans

Relevant consolidated balance sheet amounts are used because the settlement term of the above items is short and their fair values approximate their book values.

(3) Bonds payable

The fair values of bonds issued by the Company are calculated using the market price.

(4) Long-term loans payable

Long-term loans payable with floating interest rates require that the interest rates be amended at certain periods of time. Therefore, relevant book values are used because their fair values approximate their book values. Long-term loans payable with fixed interest rates are calculated using the present value of the amount of principal and interest discounted using the current borrowing rate for similar loans of comparable maturity. Certain long-term loans payable with floating interest rates are subject to special treatment of interest rate swaps (see (6) below). Therefore, the fair values of such long-term loans payable are calculated by discounting the total amount of principal and interest that have been recorded together with said interest rate swap by an interest rate that would reasonably be estimated to apply to a similar loan.

(5) Deposits on long-term leases

Deposits on long-term leases are calculated by the present value of future cash flows discounted using a risk-free rate.

(6) Derivatives:

As those resulting from special treatment of interest rate swaps are processed in unity with long-term loans payable to which the hedge applies, these are recorded by including their values in the market value of said long-term loans payable (see (4) above).

(Note 2) Unlisted securities and others (consolidated balance sheet amount of 21,375 million yen) are not included in “(4) Available for-sale securities in investment in securities,” because the identification of their fair values is deemed extremely difficult due to the absence of market values and inability to estimate future cash flows. Of deposits on long-term leases, those with future cash flows that cannot be estimated and with fair values which are extremely difficult to measure (consolidated balance sheet amount of 19,514 million yen) are not included in “(5) Deposits on long-term leases.”

### Notes to Real Estates for Rent

The Company and some of its subsidiaries have some investments and rental property such as office buildings for rent (including land) in Tokyo and other regions.

(Millions of yen)

Amount on the consolidated balance sheet	Fair value
93,022	359,231

(Note 1) The amount on the consolidated balance sheet is the amount obtained by deducting accumulated depreciation from acquisition cost.

(Note 2) Fair value as of March 31, 2019 was the amount mainly based on appraisal by an external real estate appraiser.

### Notes to Per Share Information

1. Net assets per share 3,381.20 yen
2. Basic earnings per share 132.03 yen

### Notes to Significant Subsequent Events

At the meeting of the Board of Directors held on April 26, 2019, the Company resolved matters relating to the purchase of treasury shares pursuant to the provisions of Article 156 of the Companies Act, which is applied by replacing certain terms pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act.

#### 1. Reasons for purchasing treasury shares

In accordance with the policy of returning profits to shareholders in the New Medium-term Management Plan FY2019–2021 announced on March 22, 2019, the Company will flexibly purchase treasury shares.

#### 2. Details of the matters concerning purchase

(1) Type of shares to be purchased	Common stock of the Company
(2) Total number of shares to be purchased	2,000,000 shares (maximum) (Ratio to the total number of issued shares (excluding treasury shares): 2.3%)
(3) Total purchase price of shares	5 billion yen (maximum)
(4) Purchase period	May 7, 2019 - September 30, 2019
(5) Purchase method	Market purchase on the Tokyo Stock Exchange

## Non-consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>66,070</b>	<b>Current liabilities</b>	<b>63,654</b>
Cash and deposits	21,959	Accounts payable	18,485
Notes receivable	441	Short-term bank loans and current maturities of long-term debt	27,717
Accounts receivable	24,371	Current portion of bonds	5,000
Marketable securities	2,000	Accounts payable - other	2,901
Real estate held for sale	14,332	Income taxes payable	1,973
Prepaid expenses	683	Advances received	2,668
Short-term loans receivable	272	Deposits received	3,982
Advances paid	1,669	Provision for directors' bonuses	50
Other	363	Other	876
Allowance for doubtful accounts	(23)	<b>Long-term liabilities</b>	<b>95,407</b>
<b>Non-current assets</b>	<b>367,391</b>	Bonds payable	31,000
<b>Property and equipment</b>	<b>192,968</b>	Long-term loans payable	22,949
Buildings	103,671	Deposits on long-term leases	18,957
Structures	2,799	Deferred income tax liabilities	19,720
Machinery and equipment	2,953	Retirement benefits	2,780
Transportation equipment	127	<b>Total liabilities</b>	<b>159,062</b>
Tools, furniture and fixtures	1,601	<b>(Net assets)</b>	
Land	76,951	<b>Shareholders' equity</b>	<b>218,049</b>
Leased assets	3,301	<b>Common stock</b>	<b>22,393</b>
Construction in progress	1,561	<b>Capital surplus</b>	<b>19,387</b>
<b>Intangible assets</b>	<b>12,169</b>	Legal capital surplus	19,383
Leasehold right	7,673	Other capital surplus	4
Software	4,224	<b>Retained earnings</b>	<b>177,076</b>
Other	272	Legal retained earnings	3,121
<b>Investments and other assets</b>	<b>162,253</b>	Other retained earnings	173,955
Investments in securities	112,255	Reserve for private insurance	7,728
Investments in capital of subsidiaries and affiliates	40,559	Reserve for reduction entry	15,637
Long-term loans receivable	7,278	Reserve for special depreciation	259
Guarantee deposits	4,101	General reserve	138,240
Other	390	Retained earnings brought forward	12,089
Allowance for doubtful accounts	(15)	<b>Treasury shares</b>	<b>(808)</b>
Allowance for investment loss	(2,317)	<b>Valuation and translation adjustments</b>	<b>56,350</b>
		<b>Net unrealized holding gains   on securities</b>	<b>56,350</b>
		<b>Total net assets</b>	<b>274,400</b>
<b>Total assets</b>	<b>433,462</b>	<b>Total liabilities and net assets</b>	<b>433,462</b>

(Figures are rounded down to the nearest million yen.)

## Non-consolidated Statement of Income

(April 1, 2018 - March 31, 2019)

(Millions of yen)

Description	Breakdown	Amount
Revenue		
Warehousing fee income	18,762	
Stevedoring income	10,006	
Land transportation income	26,912	
Harbor stevedoring income	17,020	
International transportation income	35,544	
Rent of real estate for investment	28,970	
Other	20,215	157,432
Cost of services		
Operational and transportation consignment costs	76,486	
Personnel expenses	13,356	
Facility rental expenses	5,864	
Depreciation and amortization	10,524	
Other	36,605	142,837
<b>Gross profit</b>		<b>14,595</b>
Selling, general and administrative expenses		5,578
<b>Operating income</b>		<b>9,016</b>
Non-operating income		
Interest and dividend income	5,653	
Other	444	6,097
Non-operating expenses		
Interest expense	433	
Other	60	494
<b>Ordinary income</b>		<b>14,619</b>
Extraordinary income		
Gain on disposal of non-current assets	19	
Gain on sale of marketable securities and investments in securities	990	
Compensation income	261	1,270
Extraordinary losses		
Loss on disposal of non-current assets	713	
Loss on valuation of marketable securities and investments in securities	530	
Provision of allowance for investment loss	662	
Loss on disaster	357	2,263
<b>Income before income taxes</b>		<b>13,627</b>
Income taxes - current	3,618	
Income taxes - deferred	(116)	3,501
<b>Net income</b>		<b>10,125</b>

(Figures are rounded down to the nearest million yen.)

## Non-consolidated Statement of Changes in Net Assets

(April 1, 2018 - March 31, 2019)

(Millions of yen)

	Shareholders' equity						
	Common stock	Capital surplus		Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus		Other retained earnings		
					Reserve for private insurance	Reserve for reduction entry	Reserve for special depreciation
Balance as of April 1, 2018	22,393	19,383	4	3,121	7,528	15,590	367
Changes of items during period							
Cash dividends							
Net income							
Provision of reserve for private insurance					200		
Reversal of reserve for reduction entry						(112)	
Provision of reserve for reduction entry						159	
Reversal of reserve for special depreciation							(122)
Provision of reserve for special depreciation							15
Provision of general reserve							
Purchase of treasury shares							
Disposal of treasury shares			0				
Changes other than to shareholders' equity, net							
Total changes of items during the period	-	-	0	-	200	47	(107)
Balance as of March 31, 2019	22,393	19,383	4	3,121	7,728	15,637	259

(Figures are rounded down to the nearest million yen.)

	Shareholders' equity				Valuation and translation adjustments	Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity	Net unrealized holding gains on securities	
	Other retained earnings					
	General reserve	Retained earnings brought forward				
Balance as of April 1, 2018	130,240	12,645	(805)	210,468	59,954	270,422
Changes of items during period						
Cash dividends		(2,541)		(2,541)		(2,541)
Net income		10,125		10,125		10,125
Provision of reserve for private insurance		(200)		-		-
Reversal of reserve for reduction entry		112		-		-
Provision of reserve for reduction entry		(159)		-		-
Reversal of reserve for special depreciation		122		-		-
Provision of reserve for special depreciation		(15)		-		-
Provision of general reserve	8,000	(8,000)		-		-
Purchase of treasury shares			(3)	(3)		(3)
Disposal of treasury shares			0	0		0
Changes other than to shareholders' equity, net					(3,603)	(3,603)
Total changes of items during the period	8,000	(555)	(2)	7,581	(3,603)	3,977
Balance as of March 31, 2019	138,240	12,089	(808)	218,049	56,350	274,400

(Figures are rounded down to the nearest million yen.)



## Notes to the Non-consolidated Financial Statements

### Notes to Significant Accounting Policies

1. Standards and methods of valuation of securities

(1) Stocks of subsidiaries and affiliates

Stated at cost using the moving-average method.

(2) Available-for-sale securities

Securities with market quotations

Stated at market based on the market price, etc. on the balance sheet date. (Valuation difference is transferred directly to net assets. The cost of sales is calculated using the moving average method.)

Securities without market quotations

Stated at cost using the moving-average method.

2. Standards and methods of valuation of derivatives

Stated using the market value method.

3. Standards and methods of valuation of inventories

Valuation for real estate held for sale is recorded using the cost accounting method (method to reduce book values based on declines in profitability) on an individual basis.

4. Depreciation and amortization method for non-current assets

(1) Property and equipment (excluding leased assets)

The declining-balance method is applied.

Warehouse facilities (actual buildings), commercial facilities for lease (actual buildings) and facilities and structures attached to buildings acquired on or after April 1, 2016 are calculated using the straight-line method.

Furthermore, useful lives are estimated according to stipulations of the Corporation Tax Act, and commercial facilities for lease (actual buildings) are determined with a standard of 20 years, with adjustments made for factors such as the lease agreement period, etc.

(2) Intangible assets (excluding leased assets)

The straight-line method is applied.

Computer software for internal use is amortized over the estimated internal useful life (5 to 10 years) using the straight-line method.

(3) Leased assets

Leased assets relating to finance lease transactions without the transfer of ownership.

Leased assets are depreciated using the straight-line method with no residual value over the lease term of the leased assets.

## 5. Standards of accounting for reserves

### Allowance for doubtful accounts

To provide for losses resulting from unrecoverable claims such as accounts and loans receivable, allowance for doubtful accounts is recorded based on the historical write-off rate for ordinary receivables, and based on expected uncollectable amounts individually for receivables.

### Allowance for investment loss

To provide for losses resulting from a decline in the substantial price of stock and investment without market value, allowance is recorded taking into account the possibility of recovery if total net assets of the issuing company fall below the book value.

### Provision for directors' bonuses

To provide for bonuses to Directors, of estimated payment amount, amounts to be borne during the fiscal year under review are recorded.

### Provision for retirement benefits

Provision for retirement benefits is provided based on the estimated benefit obligation and pension assets as of March 31, 2019.

#### 1) Method of attributing the estimated benefit obligation to periods

Upon calculating the retirement benefit obligation, the estimated benefit obligation is attributed to the period up until the fiscal year under review on a benefit formula basis.

#### 2) Amortization method of actuarial calculation differences

Actuarial calculation differences are amortized using the straight-line method over a certain period (5 years) within the average remaining years of service of employees, beginning from the fiscal year following the incurred year.

#### 3) Accounting treatment of retirement benefits

The method of accounting treatment of unrecognized actuarial calculation differences on retirement benefits differs from the method of accounting for these in the consolidated financial statements.

## 6. Accounting treatment of consumption taxes, etc.

For accounting treatment of consumption tax and local consumption tax, the tax exclusion method is applied.

## **Changes in presentation methods**

(Changes due to the Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

In accordance with the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018), the “Ministerial Ordinance for Partial Amendments to the Regulation for Enforcement of the Companies Act and the Regulation on Corporate Accounting” (Ministry of Justice Ordinance No. 5, March 26, 2018) has been applied from the fiscal year under review. Deferred income tax assets are presented as investments and other assets, and deferred income tax liabilities are presented as long-term liabilities.

### Notes to Non-Consolidated Balance Sheet

1. Monetary receivables from and payables to affiliates				
Short-term monetary asset	1,486 million yen	Long-term monetary asset	7,368 million yen	
Short-term monetary liability	8,891 million yen	Long-term monetary liability	616 million yen	
2. Accumulated depreciation of property and equipment			272,860 million yen	
3. Accumulated deferred tax reserves for non-current assets			3,243 million yen	
4. Collateral assets				
Assets pledged as collateral				
Land	750 million yen			
Obligations related to the above				
Short-term bank loans	150 million yen	Advances received	192 million yen	
Long-term loans payable	2,386 million yen	Long-term deposits received	1,000 million yen	
5. Guarantee liability				
Liability guarantees for borrowings of other companies			1,014 million yen	

### Notes to Non-consolidated Statement of Income

#### Transactions with affiliates

Operating transactions	Revenue	9,647 million yen	Cost	48,498 million yen
Transactions other than operating transactions		2,351 million yen		

### Notes to Non-consolidated Statement of Changes in Net Assets

#### Number of treasury shares as of March 31, 2019

Common stock	334,099 shares
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### Notes to Tax Effect Accounting

#### Major factors for deferred tax assets and liabilities

##### [Deferred income tax assets]

Enterprise taxes payable	153 million yen
Allowance for investment loss	709 million yen
Accrued bonuses	441 million yen
Retirement benefits	850 million yen
Depreciation	6,022 million yen
Impairment loss	2,186 million yen
Other	1,559 million yen
Total deferred income tax assets	<u>11,923 million yen</u>

##### [Deferred income tax liabilities]

Net unrealized holding gains on securities	(24,635) million yen
Reserve for reduction entry	(6,895) million yen
Reserve for special depreciation	(114) million yen
Total deferred income tax liabilities	<u>(31,644) million yen</u>
Net deferred income tax liabilities	<u>(19,720) million yen</u>

## Notes to Related-party Transactions

Subsidiaries, etc.

(Millions of yen)

Type	Name of company, etc.	Percentage ownership of voting rights held	Relationship with related parties	Summary of transactions	Transaction amount	Item	Balance at period end
Subsidiary	P.T. Mitsubishi Logistics Indonesia	99.9% [ - ]	Funding assistance	Lending of funds	-	Long-term loans receivable	6,300

(Note) Interest is determined in consideration of market interest rates.

## Notes to Per Share Information

1. Net assets per share 3,131.47 yen
2. Basic earnings per share 115.55 yen

## Notes to Significant Subsequent Events

At the meeting of the Board of Directors held on April 26, 2019, the Company resolved matters relating to the purchase of treasury shares pursuant to the provisions of Article 156 of the Companies Act, which is applied by replacing certain terms pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act.

### 1. Reasons for purchasing treasury shares

In accordance with the policy of returning profits to shareholders in the New Medium-term Management Plan FY2019–2021 announced on March 22, 2019, the Company will flexibly purchase treasury shares.

### 2. Details of the matters concerning purchase

- |                                            |                                                                                                              |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| (1) Type of shares to be purchased         | Common stock of the Company                                                                                  |
| (2) Total number of shares to be purchased | 2,000,000 shares (maximum)<br>(Ratio to the total number of issued shares (excluding treasury shares): 2.3%) |
| (3) Total purchase price of shares         | 5 billion yen (maximum)                                                                                      |
| (4) Purchase period                        | May 7, 2019 - September 30, 2019                                                                             |
| (5) Purchase method                        | Market purchase on the Tokyo Stock Exchange                                                                  |

## **Independent Auditor's Report**

April 26, 2019

The Board of Directors  
Mitsubishi Logistics Corporation

KPMG AZSA LLC

Atsuki Kanazuka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yasuyuki Nagasaki  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Taro Nakamura  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Mitsubishi Logistics Corporation as at March 31, 2019 and for the year from April 1, 2018 to March 31, 2019 in accordance with Article 444-4 of the Companies Act.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Mitsubishi Logistics Corporation and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

**Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

## **Independent Auditor's Report**

April 26, 2019

The Board of Directors  
Mitsubishi Logistics Corporation

KPMG AZSA LLC

Atsuki Kanazuka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yasuyuki Nagasaki  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Taro Nakamura  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Mitsubishi Logistics Corporation as at March 31, 2019 and for the year from April 1, 2018 to March 31, 2019 in accordance with Article 436-2-1 of the Companies Act.

### **Management's Responsibility for the Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Mitsubishi Logistics Corporation for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

### **Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.



## **Audit Report**

(English Translation)

Regarding the performance of duties by the Directors for the 216th fiscal year from April 1, 2018 to March 31, 2019, the Board of Corporate Auditors hereby submits its audit report, which has been prepared upon careful consideration based on the audit report prepared by each Corporate Auditor.

### 1. Summary of Auditing Methods by the Corporate Auditors and Board of Corporate Auditors

- (1) The Board of Corporate Auditors established auditing policies, allocation of duties, and other relevant matters, and received reports from each Corporate Auditor regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel and the Accounting Auditor regarding performance of their duties, and sought explanations as necessary.
- (2) Each Corporate Auditor complied with the auditing standards of the Corporate Auditors established by the Board of Corporate Auditors, followed the auditing policies, allocation of duties, and other relevant matters, communicated with Directors, the Internal Audit Department, other employees, and any other relevant personnel, and made efforts to prepare the environment for information collection and audit, as well as conducted the audit through the methods described below.
  1. We participated in meetings of the Board of Directors and other important meetings, received reports from the Directors, employees and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions at the headquarters and principal business offices. With respect to subsidiaries, we communicated with, and collected information from, Directors and Corporate Auditors of subsidiaries as well as received reports from subsidiaries on their business as necessary.
  2. In addition, with respect to the system for ensuring that the performance of duties by the Directors as stated in the Business Report conforms to the related laws and regulations and the Articles of Incorporation, and the contents of the resolutions of the Board of Directors regarding preparation of other system to ensure the properness of operations of a group of enterprises consisting of a stock company and its subsidiaries as stipulated in Article 100, Paragraphs 1 and 3, of the Ordinance for Enforcement of the Companies Act and such other system prepared based on such resolutions (internal controls system), we received regular reports from Directors, employees and other relevant personnel regarding the development and the operation of the system, requested explanations as needed and expressed opinions. With respect to internal control over Financial Reporting, we received reports from Directors and other relevant personnel as well as KPMG AZSA LLC regarding the status of evaluation and audit of the internal control, and requested explanations as needed.
  3. We examined the details of the basic policies pursuant to Article 118, Item 3 of the Ordinance for Enforcement of the Companies Act set forth in the Business Report.
  4. Furthermore, we monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that “the system for ensuring that duties are performed properly” (matters set forth in each item of Article 131 of the Ordinance for Corporate Accounting) had been prepared in accordance with the Product Quality Management Standards Regarding Audits (issued by the Business Accounting Deliberation Council on October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the Business Report and the supplementary schedules thereof, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and non-consolidated notes) and the supplementary schedules thereof, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and consolidated notes) related to the relevant fiscal year.

## 2. Results of Audit

### (1) Results of Audit of Business Report and Other Relevant Documents

1. In our opinion, the Business Report and the supplementary schedules are in accordance with the related laws and regulations, and the Articles of Incorporation, and fairly represent the Company's condition.
2. We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to performance of duties by the Directors.
3. In our opinion, the contents of the resolutions of the Board of Directors related to the internal control systems are fair and reasonable. In addition, we have found no matters on which to remark regarding the description in the Business Report and the performance of duties by the Directors related to such internal control systems, as well as internal control over Financial Reporting.
4. We have found no matters to point out with respect to the basic policies regarding the Company's control as described in the Business Report.

### (2) Results of Audit of Non-consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by Accounting Auditor KPMG AZSA LLC are fair and reasonable.

### (3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by Accounting Auditor KPMG AZSA LLC are fair and reasonable.

May 8, 2019

Board of Corporate Auditors, Mitsubishi Logistics Corporation

Standing Corporate Auditor	Tohru Watanabe
Standing Corporate Auditor (Outside Corporate Auditor)	Yoshihito Yoshizawa
Corporate Auditor (Outside Corporate Auditor)	Yohnosuke Yamada
Corporate Auditor (Outside Corporate Auditor)	Kenji Sakurai
Corporate Auditor	Hiroshi Imai

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

As to the appropriation of surplus, the Company adheres to a policy of maintaining stable dividend in consideration of the retained earnings level in addition to profits for the period while paying attention to the systematic development of the logistics business centered on the warehousing & distribution business, the Company's mainstay business, and of the real estate business centered on building leases, strengthening its financial structure in preparation for changes in its business environment. Additionally, under the New Medium-term Management Plan, which was newly formulated and for which fiscal year 2019 is the initial year, the Company will aim to further enhance shareholder returns while improving corporate performance and capital efficiency during the period of the management plan.

For the fiscal year ended March 31, 2019, we propose the year-end dividend of 30 yen per share, taking into account such factors as the above basic policies, and operating results for the year and the retained earnings level. As a result, reflecting the reverse stock split with an effective date of October 1, 2017, the annual dividend, including the interim dividend of 15 yen, will be 45 yen per share, an increase of 17 yen from the previous fiscal year.

#### 1. Matters regarding year-end dividends

##### (1) Type of dividend property

Cash

##### (2) Matters concerning the allotment of dividend property and its total amount

30 yen per share of common stock of the Company

The total amount: 2,628,799,200 yen

##### (3) Effective date of the dividend of surplus

June 28, 2019

#### 2. Other matters regarding appropriation of surplus

##### (1) Item of surplus increased and its amount

Reserve for private insurance: 200,000,000 yen

##### (2) Item of surplus decreased and its amount

Retained earnings brought forward: 200,000,000 yen

## Proposal No. 2: Election of Fifteen (15) Directors

The terms of office of all fourteen (14) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, we nominate the following fifteen (15) candidates for Directors:

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
1	Akio Matsui (June 20, 1954)	<p>April 1977      Joined the Company  June 2008      General Manager, Personnel Division  June 2011      Director and General Manager, Personnel Division  June 2012      Managing Director; and General Manager, Personnel Division  April 2013      President  April 2018      Chairman of the Board (current position)  [Significant concurrent positions]  President of Japan Warehousing Association Inc.</p>	20,585
<p>[Reason for nomination as candidate for Director]  Mr. Akio Matsui had served as General Manager of Personnel Division, etc. After his term of office as Managing Director responsible for General Affairs, Corporate Communications, Personnel, and Planning, he had served as President and had overseen overall business operation as a chief executive of the Company from 2013 to 2018, and is currently serving as Chairman of the Board. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>			
2	Masao Fujikura (March 20, 1959)	<p>April 1982      Joined the Company  June 2012      General Manager, International Business Coordination Chamber  April 2015      General Manager, Osaka Branch  June 2016      Director and General Manager, Osaka Branch  April 2017      Managing Director; and General Manager, Osaka Branch  April 2018      President (current position)</p>	8,400
<p>[Reason for nomination as candidate for Director]  Mr. Masao Fujikura had served as General Manager of International Business Coordination Chamber, etc. After his term of office as Managing Director and General Manager of Osaka Branch, he is currently serving as President and oversees overall business operation as a chief executive of the Company. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>			
3	Yoshiji Ohara (August 5, 1954)	<p>October 1977    Joined the Company  June 2011      General Manager, Harbor Transportation Business Division  June 2014      Director and General Manager, Harbor Transportation Business Division  April 2016      Managing Director (current position)</p>	5,800
<p>[Reason for nomination as candidate for Director]  Mr. Yoshiji Ohara had long served in the Harbor Transportation Business division in addition to his term of office as General Manager of Harbor Transportation Business Division, etc. He is currently serving as Managing Director responsible for Harbor Transportation Business. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>			
4	Hitoshi Wakabayashi (January 22, 1960)	<p>April 1982      Joined the Company  June 2012      General Manager, Warehousing &amp; Distribution Business Division  April 2015      Chairman of the Board of Mitsubishi Logistics China Co., Ltd.  April 2016      General Manager, Warehousing &amp; Distribution Business Division of the Company  June 2016      Director and General Manager, Warehousing &amp; Distribution Business Division  April 2017      Managing Director  April 2019      Managing Director; and General Manager, Warehousing &amp; Distribution Business Division (current position)</p>	8,200
<p>[Reason for nomination as candidate for Director]  Mr. Hitoshi Wakabayashi had long served in the General Affairs division and the Warehousing &amp; Distribution Business division in addition to his term of office as General Manager of Warehousing &amp; Distribution Business Division and an officer in charge of an overseas subsidiary controlling the business in China, etc. He is currently serving as Managing Director responsible for Warehousing &amp; Distribution Business Division. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>			

No.	Name (Date of birth)	Past experience and significant concurrent positions		Number of shares of the Company held
5	Yasushi Saito (October 16, 1958)	April 1982	Joined the Company	6,002
		June 2011	General Manager, Accounting & Financing Division	
		June 2016	Director and General Manager, Accounting & Financing Division	
		April 2018	Managing Director; and General Manager, Accounting & Financing Division	
		June 2018	Managing Director (current position)	
[Reason for nomination as candidate for Director] Mr. Yasushi Saito had long served in the Accounting & Financing division in addition to his term of office as General Manager of Accounting & Financing Division, etc. He is currently serving as Managing Director responsible for Accounting & Financing and Information System. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				
6	Shinji Kimura (July 18, 1958)	April 1982	Joined the Company	5,100
		April 2014	General Manager, Personnel Division	
		April 2016	General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division	
		June 2017	Director and General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division	
		April 2018	Managing Director (current position)	
[Reason for nomination as candidate for Director] Mr. Shinji Kimura had long served in the management division such as planning and the Harbor Transportation Business division, in addition to his term of office as General Manager of General Affairs Division, Corporate Communications Chamber and Personnel Division. He is currently serving as Managing Director responsible for Planning, Technical and Real Estate Business. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				
7	Saburo Naraba (October 17, 1958)	April 1982	Joined the Company	5,500
		April 2014	General Manager, Nagoya Branch	
		April 2017	General Manager, Tokyo Branch	
		June 2018	Director and General Manager, Tokyo Branch	
		April 2019	Managing Director (current position)	
[Reason for nomination as candidate for Director] Mr. Saburo Naraba had served as General Manager of Nagoya Branch and Tokyo Branch, and has long experience in the Harbor Transportation Business division, as well as in the management division such as personnel. He is currently serving as Managing Director responsible for General Affairs, Corporate Communications, Personnel, and Internal Audit. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				
8	Hiroshi Nishikawa (April 10, 1960)	April 1983	Joined the Company	5,300
		April 2015	General Manager, Tokyo Branch	
		April 2017	General Manager, Warehousing & Distribution Business Division	
		June 2018	Director and General Manager, Warehousing & Distribution Business Division	
		April 2019	Managing Director and General Manager, International Business Coordination Chamber (current position)	
[Reason for nomination as candidate for Director] Mr. Hiroshi Nishikawa had served as General Manager of Tokyo Branch and General Manager of Warehousing & Distribution Business Division, and has long experience in the International Transportation Business division including overseas assignment, as well as in the Warehousing & Distribution Business division. He is currently serving as Managing Director responsible for International Transportation Business Division. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
9	Minoru Makihara (January 12, 1930)	<p>March 1956      Joined Mitsubishi Corporation</p> <p>June 1992      President of Mitsubishi Corporation</p> <p>April 1998      Chairman of the Board of Mitsubishi Corporation</p> <p>April 2004      Member of the Board, Senior Corporate Advisor (<i>Soudanyaku</i>) of Mitsubishi Corporation</p> <p>June 2004      Senior Corporate Advisor (<i>Soudanyaku</i>) of Mitsubishi Corporation</p> <p>June 2010      Senior Corporate Advisor of Mitsubishi Corporation</p> <p>March 2019      Retired from Senior Corporate Advisor of Mitsubishi Corporation</p> <p>June 1993      Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Outside Director of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p>	21,800
<p>[Reason for nomination as candidate for Outside Director]</p> <p>Mr. Minoru Makihara has long been engaged in corporate management of Mitsubishi Corporation. The Company nominated him as Director so that the Company's management may benefit from the broad insight and invaluable advice from him who represents the business community in Japan.</p>			
10	Koji Miyahara (December 3, 1945)	<p>April 1970      Joined Nippon Yusen Kabushiki Kaisha</p> <p>April 2004      President and Corporate Officer of Nippon Yusen Kabushiki Kaisha</p> <p>April 2006      President, President Corporate Officer of Nippon Yusen Kabushiki Kaisha</p> <p>April 2009      Chairman, Chairman Corporate Officer of Nippon Yusen Kabushiki Kaisha</p> <p>April 2015      Director, Board Counselor of Nippon Yusen Kabushiki Kaisha</p> <p>June 2015      Board Counselor of Nippon Yusen Kabushiki Kaisha (current position)</p> <p>June 2014      Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Senior Advisor of Nippon Yusen Kabushiki Kaisha (scheduled to assume office in June 2019)</p> <p>Outside Director of Toho GAS Co., Ltd.</p>	0
<p>[Reason for nomination as candidate for Outside Director]</p> <p>Mr. Koji Miyahara has long been engaged in the corporate management of Nippon Yusen Kabushiki Kaisha. The Company nominated him as Director so that the Company's management may benefit from the broad insight and invaluable advice from him who represents the business community in Japan.</p>			
11	Tatsushi Nakashima (November 29, 1957)	<p>April 1976      Joined the Company</p> <p>April 2017      General Manager, Nagoya Branch</p> <p>June 2018      Director and General Manager, Nagoya Branch (current position)</p>	5,000
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Tatsushi Nakashima had long served in the Warehousing &amp; Distribution Business division. He is currently serving as Director, and General Manager of Nagoya Branch. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>			

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
12	Tatsuo Wakabayashi (September 29, 1952) <u>New candidate</u>	<p>April 1977      Joined Mitsubishi Trust and Banking Corporation</p> <p>April 2012      President of Mitsubishi UFJ Trust and Banking Corporation</p> <p>April 2013      Deputy Chairman of Mitsubishi UFJ Financial Group, Inc.</p> <p>December 2013    President and Chairman of Mitsubishi UFJ Trust and Banking Corporation</p> <p>June 2015      Director; Deputy Chairman of Mitsubishi UFJ Financial Group, Inc.</p> <p>April 2016      Chairman of Mitsubishi UFJ Trust and Banking Corporation (current position); Director of Mitsubishi UFJ Financial Group, Inc.</p> <p>June 2016      Retired from Director of Mitsubishi UFJ Financial Group, Inc.</p> <p>[Significant concurrent positions] Chairman of Mitsubishi UFJ Trust and Banking Corporation Outside Director of Mitsubishi Materials Corporation (Planned to take office in June 2019)</p>	0
[Reason for nomination as candidate for Outside Director] Mr. Tatsuo Wakabayashi has long been engaged in the corporate management of Mitsubishi UFJ Trust and Banking Corporation. The Company nominated him as Director so that the Company's management may benefit from the broad insight and invaluable advice from him who represents the business community in Japan.			
13	Toshifumi Kitazawa (November 18, 1953) <u>New candidate</u>	<p>April 1977      Joined The Tokio Marine and Fire Insurance Co., Ltd.</p> <p>April 2016      President &amp; Chief Executive Officer of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p> <p>June 2016      Director of Tokio Marine Holdings, Inc. (current position: scheduled to retire in June 2019)</p> <p>April 2019      Vice Chairman of the Board of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Vice Chairman of the Board of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p>	0
[Reason for nomination as candidate for Outside Director] Mr. Toshifumi Kitazawa has long been engaged in the corporate management of Tokio Marine & Nichido Fire Insurance Co., Ltd. The Company nominated him as Director so that the Company's management may benefit from the broad insight and invaluable advice from him who represents the business community in Japan.			
14	Akira Yamao (June 13, 1960) <u>New candidate</u>	<p>April 1983      Joined the Company</p> <p>April 2012      Deputy General Manager, Real Estate Business Division</p> <p>April 2015      General Manager, Planning &amp; Business Coordination Division (current position)</p>	4,700
[Reason for nomination as candidate for Director] Mr. Akira Yamao had long served in the Real Estate Business Division in addition to the management division such as planning. He is currently serving as General Manager of Planning & Business Coordination Division. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.			
15	Akio Miura (November 10, 1960) <u>New candidate</u>	<p>April 1984      Joined the Company</p> <p>June 2016      General Manager, Yokohama Branch</p> <p>April 2018      General Manager, International Transportation Business Division</p> <p>June 2018      General Manager, International Transportation Business Division, and International Business Coordination Chamber</p> <p>April 2019      General Manager, International Transportation Business Division (current position)</p>	4,900
[Reason for nomination as candidate for Director] Mr. Akio Miura had long served in the International Transportation Business division including overseas assignment. He is currently serving as General Manager of International Transportation Business Division. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.			

(Notes)

1. There are no special interests between each candidate and the Company.
2. Responsibilities of the candidates at the Company who are incumbent Directors of the Company are as stated in the Business Report (pages 11 through 12).  
Additionally, the two Directors, Mr. Minoru Makihara and Mr. Koji Miyahara are incumbent Outside Directors of the Company.

3. Matters regarding the candidates for Outside Director are as follows.
- (1) Four Directors, Mr. Minoru Makihara, Mr. Koji Miyahara, Mr. Tatsuo Wakabayashi, and Mr. Toshifumi Kitazawa are candidates for Outside Director and satisfy the requirements for independent officers as stipulated by Tokyo Stock Exchange, Inc.
  - (2) Violation of laws and regulations, etc. at the companies where the candidates for Outside Director concurrently serve
    - 1) Mr. Minoru Makihara
      - Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., where Mr. Minoru Makihara serves as Outside Director, received an Administrative Monetary Penalty Payment Order from the Financial Services Agency in July 2018 due to allegations of conducts in violation of the Financial Instruments and Exchange Act, and received dispositions in September of the same year from the Tokyo Stock Exchange and the Osaka Exchange, and in October of the same year from the Japan Securities Dealers Association, respectively.  
Although he did not have prior knowledge of any of these facts, he emphasized the importance of legal compliance on a regular basis and worked to prevent unfair business execution. In addition, after these facts were revealed, he oversees the recurrence prevention measures formulated by management at meetings of the Board of Directors, and gives necessary opinions.
    - 2) Mr. Koji Miyahara
      - At Nippon Cargo Airlines, Co., Ltd., where Mr. Koji Miyahara served as Director, said company received an order for payment of surcharge from the Fair Trade Commission in Korea in November 2010 due to actions in the international air cargo transportation business that were in violation of the Fair Trade Law in Korea, and the orders were finalized for Japan-originating, South Korea-bound matters in May 2014, and South Korea-originating, worldwide-bound matters in September 2014, respectively.  
In addition, said company received an operation improvement order and a business improvement order from the Minister of Land, Infrastructure, Transport and Tourism in July 2018, for allegations that aircrafts were improperly maintained for several years.
  - (3) Years of service as Outside Directors of the Company since their first appointment (until the conclusion of this year's Annual General Meeting of Shareholders)  
Mr. Minoru Makihara: 26 years      Mr. Koji Miyahara: 5 years



### Proposal No. 3: Election of Two (2) Corporate Auditors

The terms of office of Corporate Auditors Tohru Watanabe and Yoshihito Yoshizawa will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, we nominate the following two (2) candidates for Corporate Auditor.

Furthermore, the approval of the Board of Corporate Auditors has been obtained regarding the submission of this Proposal.

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
1	Tohru Watanabe (June 24, 1949)	April 1972      Joined the Company June 2003      Director June 2004      Managing Director; and General Manager, Accounting & Financing Division June 2006      Managing Director June 2008      Senior Managing Director October 2010    Senior Managing Director; and General Manager, Planning & Business Coordination Division January 2011    Senior Managing Director June 2011      Standing Corporate Auditor (full time) (current position)	21,850
		[Reason for nomination as candidate for Corporate Auditor] Mr. Tohru Watanabe had long served in the Accounting & Financing division. After his term of office as Senior Managing Director, he is currently serving as full-time Standing Corporate Auditor. He is well versed in the Company's business operations, and therefore, the Company nominates him as Corporate Auditor so that the Company's auditing may continue to benefit from his experience and achievements.	
2	Mikine Hasegawa (July 5, 1961) <u>New candidate</u>	April 1985      Joined Mitsubishi Corporation June 2010      CFO of Mitsubishi Corporation India Pvt. Ltd. November 2013   Corporate Auditor of MC Healthcare, Inc. June 2016      Corporate Auditor of Mitsubishi Corporation Life Sciences Limited April 2019      Retired from Corporate Auditor of Mitsubishi Corporation Life Sciences Limited May 2019      Attached to Corporate Division of Mitsubishi Corporation (current position)	0
		[Reason for nomination as candidate for Outside Corporate Auditor] The Company nominated Mr. Mikine Hasegawa as Corporate Auditor so that the Company's auditing may benefit from the wealth of knowledge and broad insight based on his long experience of serving at companies, including Mitsubishi Corporation.	

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Mikine Hasegawa is a candidate for Outside Corporate Auditor and he satisfies the requirements for independent auditors as stipulated by Tokyo Stock Exchange, Inc.

**Proposal No. 4: Payment of Bonuses to Directors**

Taking into consideration the current performance, among other factors, we propose to pay bonuses to Directors at the amount of 50,000,000 yen to fourteen (14) Directors (including the amount of 4,500,000 yen to three (3) Outside Directors) as of the end of the fiscal year under review.

**Proposal No. 5: Revision of the Amount of Remuneration for Directors and Corporate Auditors**

At the 209th Annual General Meeting of Shareholders held on June 28, 2012, the amount of remuneration for Directors of the Company has been resolved to be not more than 38 million yen per month (including not more than 3 million yen per month for Outside Directors) and the amount of remuneration for Corporate Auditors has been resolved to be not more than 7 million yen per month at the 203rd Annual General Meeting of Shareholders held on June 29, 2006, up to the present date. However, in light of the changes in the economic situation and other factors, the Company would like to request to revise the amount of remuneration for Directors to not more than 600 million yen per year (including not more than 100 million yen per year for Outside Directors) and the amount of remuneration for Corporate Auditors to not more than 120 million yen per year, changing from month base to year base. In addition, as before, the amount of remuneration for Directors does not include salaries for employees of Directors who also serve as employees.

The number of Directors and Corporate Auditors, if Proposal No. 2 and Proposal No. 3 are approved as proposed, will be fifteen (15) Directors (including four (4) Outside Directors) and five (5) Corporate Auditors.

End

## Instructions for Voting via the Internet

If you exercise your voting rights via the Internet, please view “4. Information on Exercise of Voting Rights” on page 2 and the following matters before you exercise your rights by 5 p.m. (Japan time) on Wednesday, June 26, 2019.

### 1. About the voting rights exercise website

- (1) For the exercise of voting rights via the Internet (available in Japanese only), please use the voting rights exercise website (<https://evote.tr.mufg.jp/>) designated by the Company from either a personal computer or smartphone. (However, the website will be inactive between 2 a.m. and 5 a.m. each day.)  
(Note) Voting rights cannot be exercised by feature phone, PDA, or gaming devices, etc.
- (2) If firewalls, etc., are in use for the Internet connection, antivirus software is in use, or proxy servers are in use, etc., it may not be possible to use the website depending upon the Internet environment of the shareholder.
- (3) Although the exercise of voting rights via the Internet will be available until 5 p.m. on Wednesday, June 26, 2019, please exercise in advance in consideration of vote counting, and please contact our inquiry in 4. below with any questions, etc.

### 2. Exercise method for voting rights via the Internet

- (1) Please use the “Login ID” and “Temporary password” on the enclosed Voting Rights Exercise Form on the above voting rights exercise website, and indicate your vote for or against the proposals by following the on-screen instructions.  
By reading the “QR code for Login” on the Voting Rights Exercise Form with your smartphone, you can automatically connect to the voting rights exercise website and exercise voting rights (It is not necessary to input “Login ID” and “Temporary password.”). Exercise of voting rights using the QR code is possible only once. From the second time onward, it will be necessary to input the “Login ID” and “Temporary Password.”
  - (2) To prevent unauthorized access by non-shareholders (so-called “spoofing”) and falsification of the content of the exercise of voting rights, the Company requests a change in the “Temporary password” via the voting rights exercise website.
3. Expenses arising due to accessing the voting rights exercise website  
Please note that the shareholder is solely responsible for any expenses (Internet connection fees, etc.) incurred while accessing the voting website.
4. Inquiries

<p>Stock Transfer Agency Department (Help Desk), Mitsubishi UFJ Trust and Banking Corporation Telephone: 0120-173-027 (Toll-free) Business Hours: 9 a.m. – 9 p.m. (Japan time)</p>
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< For institutional investors >

Institutional investors may exercise your voting right using the voting platform operated by ICJ, Inc.