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(Securities Code 9301)

June 4, 2020

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 217TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby notify you of the 217th Annual General Meeting of Shareholders of Mitsubishi Logistics Corporation (the "Company"). The meeting will be held for the purposes as described below.

From the viewpoint of preventing the spread of the novel coronavirus (COVID-19), we recommend you refrain from attending the meeting and 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 44 through 61), and return your form no later than 5 p.m. Japan time on Thursday, June 25, 2020, or cast your vote via the Internet, etc., by 5 p.m. Japan time on Thursday, June 25, 2020.

(Please refer to the page 62 for the detailed procedures for exercising voting rights via the Internet, etc.)

- 1. Date and Time:** Friday, June 26, 2020 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 217th Fiscal Year (April 1, 2019 - March 31, 2020) 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 217th Fiscal Year (April 1, 2019 - March 31, 2020)

Proposals to be resolved:

Company Proposals (Proposal No. 1 through Proposal No. 5)

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Fourteen (14) Directors

Proposal No. 3: Election of Three (3) Corporate Auditors

Proposal No. 4: Payment of Bonuses to Directors

Proposal No. 5: Determination of the Amount and Content of Remuneration for Granting of Restricted Stock to Directors

Shareholder Proposals (Proposal No. 6 through Proposal No. 10)

Proposal No. 6: Implementation of Share Buyback

- Proposal No. 7:** Election of One (1) Director to the Company’s Board of Directors
Proposal No. 8: Election of One (1) Director to the Company’s Board of Directors
Proposal No. 9: Revisions to a Portion of the Articles of Incorporation (Change to a Company with a Three Committee Structure)
Proposal No. 10: Revisions to a Portion of the Articles of Incorporation (Abolish *Sodanyaku* / *Komon* System)

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.

(3) From the viewpoint of preventing the spread of COVID-19, please refrain from attending the meeting and exercise your voting rights in writing or via the Internet, etc. as the preferred method.

If you plan to attend, please check your physical condition and take necessary measures to prevent the spread of infection such as wearing face masks.

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>).

Business Report

(April 1, 2019 - March 31, 2020)

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 continued to slow moderately, economic recovery continued in the United States, and the economy in Europe also continued to follow a mild recovery. Japan, despite a weakness in exports, recovered moderately with improved employment environment and a recovery in consumer spending. However, from the fourth quarter of the fiscal year, the economy, both in Japan and overseas, deteriorated drastically and currently faces an extremely severe situation due to the impact of the COVID-19 pandemic worldwide.

In these economic situations, the business environment surrounding the Group presents an even more adverse situation in the warehousing and harbor transportation business in the Logistics Segment due to a decline in export cargo, intensifying competition with other companies and increased costs owing to labor shortages and other factors, as well as the impact of COVID-19 from the fourth quarter of the fiscal year. 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 229,057 million yen, an increase of 1,871 million yen, or 0.8% from the previous fiscal year. In the Logistics Segment, revenue increased due to an increase in freight handled both in the warehousing & distribution and land transportation businesses, while revenue decreased due to a decrease in freight handled in both harbor transportation and international transportation businesses. In the Real Estate Segment, revenue increased mainly due to an increase in property sales in the condominiums sales business, despite a decline in the revenue due mainly to change of tenants. Also, cost of services overall increased 2,315 million yen, or 1.1% from the previous fiscal year to 206,141 million yen. In the Logistics Segment, operational and transportation consignment costs decreased. However, in the Real Estate Segment, real estate sales costs increased in line with an increase in condominiums sold. Selling, general and administrative expenses amounted to 10,721 million yen, the same level as the previous fiscal year.

As a result, operating income decreased by 465 million yen, or 3.7% year on year to 12,195 million yen, reflecting the decline in income in the Logistics Segment and the rise in income in the Real Estate Segment. Ordinary income decreased by 511 million yen, or 3.0% to 16,822 million yen. Profit attributable to owners of parent increased by 286 million yen, or 2.5% from the previous fiscal year to 11,851 million yen despite posting loss on valuation of marketable securities and investments in securities, 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 food/beverage, pharmaceuticals, and automotive components, etc. increased, resulting in revenue to rise 2.9% from the previous fiscal year to 56,507 million yen in the warehousing & distribution business, and revenue in the land transportation business increased by 0.5% from the previous fiscal year to 52,132 million yen. On the other hand, in the harbor transportation business, revenue decreased by 2.5% from the previous fiscal year to 23,295 million yen due mainly to a decrease in container freight handling volume. In the international transportation business, factors such as a decline in export and import freight handled and the effects of a stronger yen resulted in a 5.4% decline in revenue from the previous

fiscal year to 50,138 million yen.

As a result, overall revenue in the Logistics Segment was 189,709 million yen, down 725 million yen, or 0.4% from the previous fiscal year. On the other hand, operating expenses were down by 300 million yen, or 0.2%, from the previous fiscal year to 182,525 million yen due to a decrease in operational and transportation consignment costs, despite increases in temporary expenses such as real estate acquisition tax associated with the start of operations at a new distribution center and depreciation and amortization, and facility rental expenses associated with lease of harbor facilities. Due to the above, operating income was 7,184 million yen, a decrease of 425 million yen, or 5.6% from the previous fiscal year.

2) Real Estate Segment

In the mainstay real estate leasing business, revenue decreased by 2.2% from the previous fiscal year to 28,787 million yen due mainly to change of tenants. Other revenue increased by 34.1% from the previous fiscal year to 12,412 million yen due mainly to an increase in property sales in the condominium sales business.

As a result, overall revenue in the Real Estate Segment was 41,199 million yen, up 2,520 million yen, or 6.5% from the previous fiscal year. Operating expenses were up by 2,444 million yen, or 8.8% from the previous fiscal year to 30,340 million yen, primarily due to an increase in real estate sales costs as sales of condominiums increased. Due to the above, operating income was 10,859 million yen, an increase of 75 million yen, or 0.7% from the previous fiscal year.

Revenue by segment

(Millions of yen unless otherwise stated)

Categories	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2019	Year-on-year change	
			Amount	Percentage (%)
Logistics Segment	189,709	190,434	(725)	(0.4)
[Warehousing & Distribution Business]	[56,507]	[54,903]	[1,603]	[2.9]
[Land Transportation Business]	[52,132]	[51,850]	[282]	[0.5]
[Harbor Transportation Business]	[23,295]	[23,890]	[(595)]	[(2.5)]
[International Transportation Business]	[50,138]	[53,015]	[(2,876)]	[(5.4)]
[Other]	[7,635]	[6,775]	[860]	[12.7]
Real Estate Segment	41,199	38,679	2,520	6.5
[Real Estate Leasing Business]	[28,787]	[29,424]	[(637)]	[(2.2)]
[Other]	[12,412]	[9,254]	[3,157]	[34.1]
Elimination of inter-segment transactions	(1,851)	(1,928)	76	-
Total	229,057	227,185	1,871	0.8

(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 26,387 million yen for construction of warehouses and facilities for lease, etc.

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

1) Completed Warehouses

Kobe: Seishin Distribution Center (Second phase) [Completed in November 2019]
Warehouses

(four stories, floor area of approx. 57,400 m²)

Yokohama: Minami-Honmoku Distribution Center [Completed in February 2020]
Warehouses

(five stories, floor area of approx. 35,600 m²)

2) Construction completed facilities for lease

Indonesia: P.T. Mitsubishi Logistics Indonesia MM2100 [Completed in November 2019]
Factory Facility

Factory facility for lease

(one story, floor area of approx. 8,000 m²)

Kanagawa: Diacrest Ryujogaoka [Completed in February 2020]
Staff quarters, Kanagawa Prefectural Police
(Second phase)

Residential units for lease

(five stories, floor area of approx. 8,200 m²)

3) Warehouses under construction

Saitama: Misato No.2 Distribution Center (Second phase) [Scheduled for completion in
October 2020]

Warehouses

(four stories, floor area of approx. 27,700 m²)

4) Facilities for lease under large-scale renovation

Tokyo: Eitai Dia Building [Scheduled for completion in
March 2022]

Rental building for computer-processing center

(14 stories, floor area of approx. 29,900 m²)

(3) Financing

The Company issued bonds as shown below to use for capital investment and repayment of loans.

1) 18th series of unsecured bonds 10 billion yen (issued on December 5, 2019)

2) 19th series of unsecured bonds 10 billion yen (issued on December 5, 2019)

The capital investments and operating capital of the Group were funded by cash on hand, borrowings from financial institutions and proceeds from issuance of the bonds mentioned above.

Additionally, the Company redeemed the 12th unsecured bonds (total face value 5 billion yen; issued December 9, 2011) on December 9, 2019.

(4) Future Outlook and Issues

For the time being, the world economy will face even more risk of downfall due to the impact of COVID-19. The Japanese economy is expected to continue to face an extremely difficult situation due to the impact of COVID-19.

In this economic climate, under the business environment surrounding the Group, extremely harsh situations continue in the warehousing & distribution business and harbor transportation business due to a decrease in freight volume caused by the impact of COVID-19, intensified competition and an increase in cost resulting from labor shortage. There is concern that business conditions may become stagnant in the real estate business due to a decline in demand for rental office buildings caused by a downturn in the economy, in addition to the expectation of measures such as rent reductions at commercial facilities due to the impact of COVID-19.

Under these circumstances, the Group upholds a 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, according to the Medium-term Management Plan FY2019–2021 which positions 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 214th fiscal year (April 1, 2016 - March 31, 2017)	The 215th fiscal year (April 1, 2017 - March 31, 2018)	The 216th fiscal year (April 1, 2018 - March 31, 2019)	Fiscal year under review (April 1, 2019 - March 31, 2020)
The Group	Revenue	208,718	215,407	227,185	229,057
	Operating income	12,748	12,421	12,660	12,195
	Ordinary income	16,056	16,160	17,333	16,822
	Profit attributable to owners of parent	10,665	10,517	11,564	11,851
	Basic earnings per share (yen)	121.75	120.07	132.03	137.31
	Total assets	435,354	462,031	482,575	468,243
	Total net assets	276,870	294,550	299,104	286,356
The Company	Revenue	146,896	148,610	157,432	160,031
	Operating income	10,284	9,665	9,016	8,899
	Ordinary income	13,073	15,382	14,619	13,616
	Net income	9,074	10,701	10,125	10,109
	Basic earnings per share (yen)	103.55	122.12	115.55	117.08
	Total assets	383,730	412,693	433,462	416,534
	Total net assets	252,899	270,422	274,400	260,685

(Notes)

- 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 214th fiscal year.
- 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 216th fiscal year, total assets of the Group and the Company in the 215th fiscal year are amounts after applying the accounting standard etc., retroactively.
- The decrease in operating income, ordinary income, net income, and basic earnings per share in the 216th fiscal year 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.
- The decrease in operating income and ordinary income of the Group and the Company in the fiscal year under review was primarily due to a decrease in freight handled in the harbor transportation and international transportation businesses.
- 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	IDR631,665 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

(Note) P.T. Mitsubishi Logistics Indonesia implemented a capital increase on August 29, 2019, which increased its capital by IDR420,000 million.

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 (Jawa Barat, 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	4,255 (increased 149)
Real Estate Segment	297 (increased 11)
Administrative segment, Headquarters of the Company	73 (decreased 1)
Total	4,625 (increased 159)

(Notes)

- The figures in the above table do not include 40 persons on leave and seconded outside of the Group.
- Separate from the above, there are 1,298 temporary employees and 1,266 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
952 (increased 26)	39 years, 10 months	16 years, 1 month

(Notes)

- The figures in the above table do not include 107 persons on leave and seconded outside of the Company.
- Separate from the above, there are 156 temporary employees and 638 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.	21,699
The Norinchukin Bank	8,570

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)	6,714	6,538	176 (increased)

(Notes) Total number of shares outstanding includes 2,017,892 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)	11,376	13.2
Japan Trustee Services Bank, Ltd. (trust account)	5,997	7.0
Meiji Yasuda Life Insurance Company	5,153	6.0
MITSUBISHI ESTATE CO., LTD.	3,665	4.3
Kirin Holdings Company, Limited	2,224	2.6
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,041	2.4
State Street Bank and Trust Company 505001	2,025	2.4
MUFG Bank, Ltd.	1,864	2.2
AGC Inc.	1,657	1.9
TAKENAKA CORPORATION	1,505	1.8

(Notes) 1. In addition to the above, the Company holds 2,017 thousand shares of treasury shares.

2. 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.

3. The Company's treasury shares (2,017,892 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 The Japan Warehousing Association Inc.
President *	Masao Fujikura	
Managing Director	Yoshiji Ohara	Responsible for Harbor Transportation Business
Managing Director	Hitoshi Wakabayashi	Responsible for Warehousing & Distribution Business, General Manager, Warehousing & Distribution Business Division
Managing Director	Yasushi Saito	Responsible for Accounting & Financing, Information System
Managing Director	Shinji Kimura	Responsible for Planning, Technical and Real Estate Business
Managing Director *	Saburo Naraba	Responsible for General Affairs, Corporate Communications, Personnel, and Internal Audit
Managing Director	Hiroshi Nishikawa	Responsible for International Transportation Business, General Manager, International Business Coordination Chamber
Director	Koji Miyahara	Senior Advisor of Nippon Yusen Kabushiki Kaisha
Director	Tatsuo Wakabayashi	Chairman of Mitsubishi UFJ Trust and Banking Corporation
Director	Toshifumi Kitazawa	Vice Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd.
Director	Tatsushi Nakashima	General Manager, Nagoya Branch
Director	Akira Yamao	General Manager, Planning & Business Coordination Division
Director	Akio Miura	General Manager, International Transportation Business Division
Corporate Auditor (full time)	Tohru Watanabe	
Corporate Auditor (full time)	Mikine Hasegawa	
Corporate Auditor	Yohnosuke Yamada	Lawyer
Corporate Auditor	Kenji Sakurai	Certified Public Accountant
Corporate Auditor	Hiroshi Imai	

- (Notes)
1. Directors with an asterisk (*) are Representative Directors.
 2. Of Directors, Mr. Koji Miyahara, Mr. Tatsuo Wakabayashi and Mr. Toshifumi Kitazawa 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.
 3. Of Corporate Auditors, Mr. Mikine Hasegawa, 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.
 4. Corporate Auditor Mr. Kenji Sakurai is a Certified Public Accountant and has a considerable knowledge regarding finance and accounting.
 5. Corporate Auditor Mr. Hiroshi Imai retired as Standing Auditor of FUJI LOGISTICS CO., LTD. on June 26, 2019.
 6. Director Mr. Tatsuo Wakabayashi retired as Chairman of Mitsubishi UFJ Trust and Banking Corporation and took office as Senior Advisor of the said company on April 1, 2020.
 7. The Company has transactions such as pension fund operation consignment, etc. with Mitsubishi UFJ Trust and Banking Corporation.
 8. The Company has transactions such as insurance contract with Tokio Marine & Nichido Fire Insurance Co., Ltd.
 9. 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.
 10. The Directors and Corporate Auditors who retired during the fiscal year under review were as follows
 - (1) retired on June 27, 2019

Director Noboru Hiraoka	Director Fumihito Shinohara
Director Shigemitsu Miki	Corporate Auditor (full-time) Yoshihito Yoshizawa
 - (2) resigned on February 28, 2020

Director Minoru Makihara	
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 11. Of Directors shown above, responsibilities were changed as follows on April 1, 2020.

		New responsibilities (Previous responsibilities)
Managing Director	Hitoshi Wakabayashi	Responsible for Warehousing & Distribution Business (Responsible for Warehousing & Distribution Business, General Manager, Warehousing & Distribution Business Division)
Managing Director	Shinji Kimura	Responsible for Planning, Technical and Real Estate Business, General Manager, Technical Division (Responsible for Planning, Technical and Real Estate Business)
Director	Tatsushi Nakashima	General Manager, Yokohama Branch (General Manager, Nagoya Branch)
Director	Akira Yamao	General Manager, Osaka Branch (General Manager, Planning & Business Coordination Division)
Director	Akio Miura	General Manager, Nagoya Branch (General Manager, International Transportation Business Division)

(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 (of which, Outside Directors)	18 (5)	499 (36)
Corporate Auditors (of which, Outside Corporate Auditors)	6 (4)	72 (40)

- (Notes)
1. Amount of payment above includes Directors' bonuses in the total amount of 50 million yen which will be paid subject to the approval and resolution of Proposal No. 4 "Payment of Bonuses to Directors" at the 217th Annual General Meeting of Shareholders to be held on June 26, 2020.
 2. In addition to the amounts in the above table, to Directors concurrently serving as employees (3 persons during the fiscal year under review), the portions of their remuneration as employees of 49 million yen were paid.
 3. The upper limit on total compensation for Directors is 600 million yen per year (of which, 100 million yen per year for Outside Directors; resolved at the 216th Annual General Meeting of Shareholders held on June 27, 2019; not including the portion of employees' salary for Directors who concurrently serve as employees), with 120 million yen per year for Corporate Auditors (resolved at the 216th Annual General Meeting of Shareholders held on June 27, 2019).

In addition to the above, retirement benefits of 25 million yen were paid to Mr. Minoru Makihara, a Director who resigned on February 28, 2020 (based on the proposal, "Final Payment of Retirement Benefits to Directors and Corporate Auditors upon the Abolition of the Directors' and Corporate Auditors' Retirement Benefits System," approved and 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
Tatsuo Wakabayashi	Mitsubishi Materials Corporation	Outside Director
Toshifumi Kitazawa	MUFG Bank, Ltd.	Member of the Board of Directors (Outside Director) and Member of the Audit & Supervisory Committee

- (Notes)
1. Mr. Minoru Makihara retired as Director of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. on June 25, 2019.
 2. The Company has transactions such as logistics operation consignment, etc. with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
 3. The Company has transactions such as logistics operation consignment, etc. with Mitsubishi Materials Corporation.
 4. The Company has transactions such as loans and logistics operation consignment, etc. with MUFG Bank, Ltd.

2) Main activities

During the fiscal year under review, the Company held 12 meetings of the Board of Directors. Mr. Minoru Makihara participated in 5 meetings, Mr. Koji Miyahara participated in 12 meetings, Mr. Tatsuo Wakabayashi in 9 meetings, and Mr. Toshifumi Kitazawa in 9 meetings. Outside Directors stated invaluable opinions based on their distinguished insight and broad perspectives.

(Note) As Mr. Minoru Makihara resigned as Director on February 28, 2020, the number indicated is his attendance at 11 meetings of the Board of Directors held before that date. As Mr. Tatsuo Wakabayashi and Mr. Toshifumi Kitazawa were elected as Director at the 216th Annual General Meeting of Shareholders held on June 27, 2019, the number indicated is their attendance at the subsequent 9 meetings of the Board of Directors.

(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. Mr. Yohnosuke Yamada retired as Audit & Supervisory Board Member of KANEMATSU CORPORATION. on June 21, 2019.
 2. Mr. Kenji Sakurai retired as Audit & Supervisory Board Member of Japan Drilling Co., Ltd. on October 31, 2019.
 3. The Company has transactions such as logistics operation consignment, etc. with SANYO TRADING CO., LTD.
 4. The Company has transactions such as logistics operation consignment, etc. with KANEMATSU CORPORATION.
 5. 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. Mikine Hasegawa participated in 12 meetings, Mr. Yohnosuke Yamada in 16 meetings, and Mr. Kenji Sakurai in 16 meetings. During the fiscal year under review, the Company held 12 meetings of the Board of Directors. Mr. Mikine Hasegawa participated in 9 meetings, Mr. Yohnosuke Yamada in 12 meetings, and Mr. Kenji Sakurai in 12 meetings. Each of Outside Corporate Auditors stated invaluable opinions from an objective and professional standpoint backed by their accumulated experiences as a lawyer and a certified public accountant, respectively.

- (Note) As Mr. Mikine Hasegawa was elected as Corporate Auditor at the 216th Annual General Meeting of Shareholders held on June 27, 2019, the number indicated is his attendance at the subsequent 12 meetings of the Board of Directors and 9 meetings of the Board of Corporate Auditors.

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) Description of Service other than those Set Forth in Article 2, Paragraph 1 of the Certified Public Accountants Act

The Company entrusts the Accounting Auditor with advisory services and the preparation of a comfort letter for the issuance of corporate bonds, which are services other than those set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act (Non-Audit Service).

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

157 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.

(5) 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, the Executive Committee, 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 the Executive Committee held about once per week (observed by full-time Corporate Auditors), 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 12 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.
 - The Executive Committee, comprised of all Executive Directors (Chairman of the Board, President, and Managing Directors) chaired by President, was held about once per week (observed by full-time Corporate Auditors), and deliberated on important matters regarding management.
 - In light of deliberations at the Executive Committee, each Executive Director executed duties responsibly, including measures based on the Medium-term Management Plan [2019-2021], 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 10 times, and the status of the execution of duties were reported and confirmed.
 - The Internal Control Committee and CSR and Compliance Committee were each held once, and the status of execution of duties companywide was evaluated from the independent viewpoints of each committee. As a measure against COVID-19, the Company set up a task force headed by the President based on the Basic Risk Management Manual after consultation with the Risk Management 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 [2019 – 2021].
 - 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, the Executive Committee, 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 and conducted hearings with the Board of Directors, 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.

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, 2020)

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	98,494	Current liabilities	68,257
Cash and deposits	38,854	Notes and accounts payable	22,249
Notes and accounts receivable	36,392	Short-term bank loans and current maturities of long-term debt	25,403
Marketable securities	2,000	Current portion of bonds	5,000
Real estate held for sale	14,882	Income taxes payable	2,868
Other	6,404	Provision for directors' bonuses	50
Allowance for doubtful accounts	(39)	Other	12,685
Non-current assets	369,749	Long-term liabilities	113,629
Property and equipment	233,061	Bonds payable	46,000
Buildings and structures	127,987	Long-term loans payable	19,680
Machinery and equipment	4,368	Deposits on long-term leases	20,987
Land	89,630	Deferred income tax liabilities	14,925
Construction in progress	2,421	Provision for directors' retirement benefits	130
Other	8,653	Net defined benefit liability	10,268
Intangible assets	14,505	Other	1,638
Leasehold right	7,732	Total liabilities	181,886
Goodwill	329	(Net assets)	
Other	6,443	Shareholders' equity	240,453
Investments and other assets	122,182	Common stock	22,393
Investments in securities	111,587	Capital surplus	19,587
Long-term loans receivable	360	Retained earnings	204,319
Deferred income tax assets	2,966	Treasury shares	(5,847)
Other	7,330	Accumulated other comprehensive income	42,887
Allowance for doubtful accounts	(13)	Net unrealized holding gains on securities	43,252
Allowance for investment loss	(48)	Foreign currency translation adjustments	389
		Remeasurements of defined benefit plans	(754)
		Non-controlling interests	3,015
		Total net assets	286,356
Total assets	468,243	Total liabilities and net assets	468,243

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

Consolidated Statement of Income

(April 1, 2019 - March 31, 2020)

(Millions of yen)

Description	Breakdown	Amount
Revenue		
Warehousing fee income	27,469	
Stevedoring income	18,224	
Land transportation income	52,132	
Harbor stevedoring income	17,814	
International transportation income	50,032	
Rent of real estate for investment	31,550	
Other	31,835	229,057
Cost of services		
Operational and transportation consignment costs	96,071	
Personnel expenses	38,288	
Facility rental expenses	9,281	
Depreciation and amortization	13,792	
Other	48,707	206,141
Gross profit		22,916
Selling, general and administrative expenses		10,721
Operating income		12,195
Non-operating income		
Interest and dividend income	3,831	
Equity in earnings of unconsolidated subsidiaries and affiliates	1,410	
Other	484	5,727
Non-operating expenses		
Interest expense	577	
Foreign exchange losses	316	
Other	206	1,100
Ordinary income		16,822
Extraordinary income		
Gain on disposal of non-current assets	75	
Gain on sale of marketable securities and investments in securities	3,686	
Compensation income	159	3,921
Extraordinary losses		
Loss on disposal of non-current assets	1,494	
Impairment loss	162	
Loss on sale of marketable securities and investments in securities	410	
Loss on valuation of marketable securities and investments in securities	1,908	
Provision of allowance for investment loss	30	4,006
Profit before income taxes		16,737
Income taxes - current	5,232	
Income taxes - deferred	(526)	4,705
Profit		12,031
Profit attributable to non-controlling interests		180
Profit attributable to owners of parent		11,851

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

Consolidated Statement of Changes in Net Assets

(April 1, 2019 - March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2019	22,393	19,564	197,675	(844)	238,788
Changes of items during period					
Cash dividends			(5,207)		(5,207)
Profit attributable to owners of parent			11,851		11,851
Purchase of treasury shares				(5,003)	(5,003)
Change in ownership interest of parent due to transactions with non-controlling interests		23			23
Changes other than to shareholders' equity, net					
Total changes of items during period	-	23	6,644	(5,003)	1,664
Balance as of March 31, 2020	22,393	19,587	204,319	(5,847)	240,453

	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, 2019	57,098	233	45	57,377	2,938	299,104
Changes of items during period						
Cash dividends						(5,207)
Profit attributable to owners of parent						11,851
Purchase of treasury shares						(5,003)
Change in ownership interest of parent due to transactions with non-controlling interests						23
Changes other than to shareholders' equity, net	(13,845)	155	(800)	(14,490)	77	(14,413)
Total changes of items during period	(13,845)	155	(800)	(14,490)	77	(12,748)
Balance as of March 31, 2020	43,252	389	(754)	42,887	3,015	286,356

(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.

(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 accounting procedures

Subsidiaries of the Company that apply international financial accounting standards have applied the International Financial Reporting Standard 16 “Leases” (“IFRS 16”) from the fiscal year under review. As a result, the lessee of a lease generally recognizes all leases as assets and liabilities in the balance sheet. In applying IFRS 16, the cumulative effect of a change in accounting policy is recognized on the application date in accordance with the transitional treatment.

The impact of this change on consolidated financial statements is immaterial.

Notes to Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment	317,653 million yen
2. Accumulated deferred tax reserves for non-current assets	3,229 million yen
3. Collateral assets	
Assets pledged as collateral	
Land	744 million yen
Obligations related to the above	
Short-term bank loans	150 million yen
“Other” of current liabilities	160 million yen
Long-term loans payable	555 million yen
Deposits on long-term leases	1,000 million yen
4. Guarantee liability	
Liability guarantees for borrowings of other companies	871 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)
Osaka City, Osaka	Warehouse facilities	Buildings and others	69
Kobe City, Hyogo	Warehouse facilities	Buildings, software, and others	92

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 groups have been recognized to have reduced profitability from operating activities, and as short-term recovery is not expected, book values for assets related to said asset groups have been reduced to the recoverable amounts, and the reduction amount of 162 million yen (80 million yen in buildings, 38 million yen in software and 43 million yen in others) has been recorded as impairment loss in extraordinary losses.

The recoverable amounts are measured based on net selling price or value in use. Net selling prices are derived from estimated disposal prices and value in use is 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, 2020: 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 27, 2019	Common stock	2,628	30	March 31, 2019	June 28, 2019
Meeting of the Board of Directors on October 31, 2019	Common stock	2,578	30	September 30, 2019	December 2, 2019

(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 26, 2020.

A. Total dividends	2,578 million yen
B. Source of dividends	Retained earnings
C. Dividend per share	30 yen
D. Record date	March 31, 2020
E. Effective date	June 29, 2020

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 may be 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, 2020 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	38,854	38,854	-
(2) Notes and accounts receivable	36,392	36,392	-
(3) Marketable securities	2,000	2,000	-
(4) Investments in securities available for-sale securities	88,903	88,903	-
Total assets	166,150	166,150	-
(1) Notes and accounts payable	22,249	22,249	-
(2) Short-term bank loans	20,122	20,122	-
(3) Bonds payable (*1)	51,000	50,924	(75)
(4) Long-term loans payable (*2)	24,961	25,019	57
(5) Deposits on long-term leases	1,165	1,173	8
Total liabilities	119,498	119,489	(9)

(*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

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.

(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.

(Note 2) Unlisted securities and others (consolidated balance sheet amount of 22,683 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 19,822 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
93,966	368,047

(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, 2020 was the amount mainly based on appraisal by an external real estate appraiser.

Notes to Per Share Information

1. Net assets per share 3,298.18 yen
2. Basic earnings per share 137.31 yen

Notes to Significant Subsequent Events

(Introduction of a Restricted Stock Remuneration Plan)

At the meeting of the Board of Directors held on April 30, 2020, the Company reviewed the officer remuneration system and resolved to introduce a restricted stock remuneration plan (the “Plan”) for Directors. The proposal related to this Plan is to be submitted to the 217th Annual General Meeting of Shareholders held on June 26, 2020.

(1) Overview of the Plan

The Company will provide remuneration in the form of monetary remuneration claims (hereinafter referred to as “Monetary Remuneration”) for the purpose of granting of restricted stock to Directors (excluding Outside Directors; hereinafter referred to as “eligible Directors”), and eligible Directors shall pay in all the monetary remuneration claims as contribution in kind, and receive issuance or disposal of common stock of the Company. The Company shall sign a restricted stock allotment agreement with the eligible Directors for the issuance or disposal of common stock of the Company with the provisions that eligible Directors shall not transfer, pledge as collateral, or otherwise dispose of the shares, during the period from the date of the issuance of the restricted stock until the date when an eligible Director retires or resigns as the Company’s Director or other position determined by the Board of Directors. The specific timing of provision and distribution to each eligible Director shall be determined by the Board of Directors.

(2) Total amount of Monetary Remuneration

It shall be not more than 150 million yen per year, within the scope of 600 million yen per year in total including monthly remuneration as remuneration for Directors resolved at the 216th Annual General Meeting of Shareholders held on June 27, 2019.

(3) Total number of shares of common stock to be issued or disposed of

Not more than 100,000 shares per year

Non-consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	60,423	Current liabilities	57,305
Cash and deposits	17,911	Accounts payable	13,272
Notes receivable	258	Short-term bank loans and current maturities of long-term debt	27,198
Accounts receivable	21,740	Current portion of bonds	5,000
Marketable securities	2,000	Accounts payable - other	4,797
Real estate held for sale	14,882	Income taxes payable	2,435
Prepaid expenses	689	Advances received	2,445
Short-term loans receivable	352	Deposits received	1,159
Advances paid	1,780	Provision for directors' bonuses	50
Other	827	Other	947
Allowance for doubtful accounts	(20)	Long-term liabilities	98,543
Non-current assets	356,111	Bonds payable	46,000
Property and equipment	204,103	Long-term loans payable	18,139
Buildings	113,936	Deposits on long-term leases	19,311
Structures	2,990	Deferred income tax liabilities	13,119
Machinery and equipment	3,115	Retirement benefits	1,972
Transportation equipment	106	Total liabilities	155,849
Tools, furniture and fixtures	1,732	(Net assets)	
Land	76,921	Shareholders' equity	217,948
Leased assets	3,207	Common stock	22,393
Construction in progress	2,094	Capital surplus	19,387
Intangible assets	11,958	Legal capital surplus	19,383
Leasehold right	7,673	Other capital surplus	4
Software	3,894	Retained earnings	181,978
Other	390	Legal retained earnings	3,121
Investments and other assets	140,049	Other retained earnings	178,857
Investments in securities	88,806	Reserve for private insurance	7,928
Investments in capital of subsidiaries and affiliates	43,986	Reserve for reduction entry	15,558
Long-term loans receivable	4,965	Reserve for special depreciation	160
Guarantee deposits	4,228	General reserve	138,240
Other	409	Retained earnings brought forward	16,971
Allowance for doubtful accounts	(15)	Treasury shares	(5,811)
Allowance for investment loss	(2,331)	Valuation and translation adjustments	42,736
		Net unrealized holding gains on securities	42,736
		Total net assets	260,685
Total assets	416,534	Total liabilities and net assets	416,534

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

Non-consolidated Statement of Income

(April 1, 2019 - March 31, 2020)

(Millions of yen)

Description	Breakdown	Amount
Revenue		
Warehousing fee income	19,545	
Stevedoring income	10,195	
Land transportation income	28,225	
Harbor stevedoring income	16,194	
International transportation income	32,829	
Rent of real estate for investment	28,886	
Other	24,154	160,031
Cost of services		
Operational and transportation consignment costs	74,598	
Personnel expenses	13,529	
Facility rental expenses	6,587	
Depreciation and amortization	10,653	
Other	40,167	145,536
Gross profit		14,494
Selling, general and administrative expenses		5,595
Operating income		8,899
Non-operating income		
Interest and dividend income	5,082	
Other	401	5,483
Non-operating expenses		
Interest expense	448	
Other	316	765
Ordinary income		13,616
Extraordinary income		
Gain on disposal of non-current assets	51	
Gain on sale of marketable securities and investments in securities	3,686	
Compensation income	155	3,892
Extraordinary losses		
Loss on disposal of non-current assets	1,348	
Impairment loss	92	
Loss on sale of marketable securities and investments in securities	410	
Loss on valuation of marketable securities and investments in securities	1,908	
Provision of allowance for investment loss	13	3,773
Income before income taxes		13,735
Income taxes - current	4,225	
Income taxes - deferred	(598)	3,626
Net income		10,109

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

Non-consolidated Statement of Changes in Net Assets

(April 1, 2019 - March 31, 2020)

(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, 2019	22,393	19,383	4	3,121	7,728	15,637	259
Changes of items during period							
Cash dividends							
Net income							
Provision of reserve for private insurance					200		
Reversal of reserve for reduction entry						(107)	
Provision of reserve for reduction entry						27	
Reversal of reserve for special depreciation							(119)
Provision of reserve for special depreciation							19
Purchase of treasury shares							
Changes other than to shareholders' equity, net							
Total changes of items during the period	-	-	-	-	200	(79)	(99)
Balance as of March 31, 2020	22,393	19,383	4	3,121	7,928	15,558	160

(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, 2019	138,240	12,089	(808)	218,049	56,350	274,400
Changes of items during period						
Cash dividends		(5,207)		(5,207)		(5,207)
Net income		10,109		10,109		10,109
Provision of reserve for private insurance		(200)		-		-
Reversal of reserve for reduction entry		107		-		-
Provision of reserve for reduction entry		(27)		-		-
Reversal of reserve for special depreciation		119		-		-
Provision of reserve for special depreciation		(19)		-		-
Purchase of treasury shares			(5,003)	(5,003)		(5,003)
Changes other than to shareholders' equity, net					(13,613)	(13,613)
Total changes of items during the period	-	4,881	(5,003)	(100)	(13,613)	(13,714)
Balance as of March 31, 2020	138,240	16,971	(5,811)	217,948	42,736	260,685

(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, 2020.

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.

Notes to Non-Consolidated Balance Sheet

1. Monetary receivables from and payables to affiliates				
Short-term monetary asset	1,250 million yen	Long-term monetary asset	5,207 million yen	
Short-term monetary liability	8,819 million yen	Long-term monetary liability	656 million yen	
2. Accumulated depreciation of property and equipment			281,038 million yen	
3. Accumulated deferred tax reserves for non-current assets			3,229 million yen	
4. Collateral assets				
Assets pledged as collateral				
Land	744 million yen			
Obligations related to the above				
Short-term bank loans	150 million yen	Advances received	160 million yen	
Long-term loans payable	555 million yen	Long-term deposits received	1,000 million yen	
5. Guarantee liability				
Liability guarantees for borrowings of other companies			901 million yen	

Notes to Non-consolidated Statement of Income

Transactions with affiliates

Operating transactions	Revenue	9,501 million yen	Cost	47,454 million yen
Transactions other than operating transactions		2,072 million yen		

Notes to Non-consolidated Statement of Changes in Net Assets

Number of treasury shares as of March 31, 2020

Common stock	2,017,892 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	178 million yen
Allowance for investment loss	713 million yen
Accrued bonuses	455 million yen
Retirement benefits	603 million yen
Depreciation	6,171 million yen
Impairment loss	2,132 million yen
Other	2,164 million yen
Total deferred income tax assets	<u>12,418 million yen</u>

[Deferred income tax liabilities]

Net unrealized holding gains on securities	(18,607) million yen
Reserve for reduction entry	(6,859) million yen
Reserve for special depreciation	(70) million yen
Total deferred income tax liabilities	<u>(25,537) million yen</u>
Net deferred income tax liabilities	<u>(13,119) 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	4,300

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

Notes to Per Share Information

1. Net assets per share 3,033.24 yen
2. Basic earnings per share 117.08 yen

Notes to Significant Subsequent Events

(Introduction of a Restricted Stock Remuneration Plan)

At the meeting of the Board of Directors held on April 30, 2020, the Company reviewed the officer remuneration system and resolved to introduce a restricted stock remuneration plan (the “Plan”) for Directors. The proposal related to this Plan is to be submitted to the 217th Annual General Meeting of Shareholders held on June 26, 2020.

(4) Overview of the Plan

The Company will provide remuneration in the form of monetary remuneration claims (hereinafter referred to as “Monetary Remuneration”) for the purpose of granting of restricted stock to Directors (excluding Outside Directors; hereinafter referred to as “eligible Directors”), and eligible Directors shall pay in all the monetary remuneration claims as contribution in kind, and receive issuance or disposal of common stock of the Company. The Company shall sign a restricted stock allotment agreement with the eligible Directors for the issuance or disposal of common stock of the Company with the provisions that eligible Directors shall not transfer, pledge as collateral, or otherwise dispose of the shares, during the period from the date of the issuance of the restricted stock until the date when an eligible Director retires or resigns as the Company’s Director or other position determined by the Board of Directors. The specific timing of provision and distribution to each eligible Director shall be determined by the Board of Directors.

(5) Total amount of Monetary Remuneration

It shall be not more than 150 million yen per year, within the scope of 600 million yen per year in total including monthly remuneration as remuneration for Directors resolved at the 216th Annual General Meeting of Shareholders held on June 27, 2019.

(6) Total number of shares of common stock to be issued or disposed of

Not more than 100,000 shares per year

Independent Auditor's Report

The Board of Directors of Mitsubishi Logistics Corporation :

Opinion

We have audited the consolidated financial statements, which comprise 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 ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 444-4 of the Companies Act.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Corporate auditors and the board of corporate auditors 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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Atsuki Kanazuka
Designated Engagement Partner
Certified Public Accountant

Taro Nakamura
Designated Engagement Partner
Certified Public Accountant

Masaya Ariyoshi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
April 30, 2020

Independent Auditor's Report

The Board of Directors of Mitsubishi Logistics Corporation :

Opinion

We have audited the financial statements, which comprise 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 ("the Company") as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 436-2-1 of the Companies Act.

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 the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors 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.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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Atsuki Kanazuka
Designated Engagement Partner
Certified Public Accountant

Taro Nakamura
Designated Engagement Partner
Certified Public Accountant

Masaya Ariyoshi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
April 30, 2020

Audit Report

(English Translation)

Regarding the performance of duties by the Directors for the 217th fiscal year from April 1, 2019 to March 31, 2020, 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, the Executive Committee, 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 7, 2020

Board of Corporate Auditors, Mitsubishi Logistics Corporation

Corporate Auditor (Full-time Corporate Auditor)	Tohru Watanabe
Corporate Auditor (Full-time Outside Corporate Auditor)	Mikine Hasegawa
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

Company Proposals (Proposal No. 1 through Proposal No. 5)

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 Medium-term Management Plan, 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, 2020, we propose the year-end dividend of 30 yen per share, which is equivalent to the interim dividend, taking into account such factors as the above basic policies, and operating results for the year and the retained earnings level. As a result, the annual dividend, including the interim dividend, will be 60 yen per share, an increase of 15 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: 2,578,285,410 yen
- (3) Effective date of the dividend of surplus
June 29, 2020

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 Fourteen (14) 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 fourteen (14) candidates for Directors:

No.	Name (Date of birth)	Past experience and significant concurrent positions		Number of shares of the Company held
1	Masao Fujikura (March 20, 1959)	April 1982	Joined the Company	10,500
		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)	
		[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.		
2	Yoshiji Ohara (August 5, 1954)	October 1977	Joined the Company	6,800
		June 2011	General Manager, Harbor Transportation Business Division	
		June 2014	Director and General Manager, Harbor Transportation Business Division	
		April 2016	Managing Director (current position)	
		[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.		
3	Hitoshi Wakabayashi (January 22, 1960)	April 1982	Joined the Company	9,700
		June 2012	General Manager, Warehousing & Distribution Business Division	
		April 2015	Chairman of the Board of Mitsubishi Logistics China Co., Ltd.	
		April 2016	General Manager, Warehousing & Distribution Business Division of the Company	
		June 2016	Director and General Manager, Warehousing & Distribution Business Division	
		April 2017	Managing Director	
		April 2019	Managing Director; and General Manager, Warehousing & Distribution Business Division	
		April 2020	Managing Director (current position)	
		[Reason for nomination as candidate for Director] Mr. Hitoshi Wakabayashi had long served in the General Affairs division and the Warehousing & Distribution Business division in addition to his term of office as General Manager of Warehousing & 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 & 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.		
4	Yasushi Saito (October 16, 1958)	April 1982	Joined the Company	6,402
		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.		

No.	Name (Date of birth)	Past experience and significant concurrent positions		Number of shares of the Company held
5	Shinji Kimura (July 18, 1958)	April 1982	Joined the Company	5,500
		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	
		April 2020	Managing Director; and General Manager, Technical Division (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.				
6	Saburo Naraba (October 17, 1958)	April 1982	Joined the Company	6,900
		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.				
7	Hiroshi Nishikawa (April 10, 1960)	April 1983	Joined the Company	6,800
		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.				
8	Tatsuo Wakabayashi (September 29, 1952)	April 1977	Joined Mitsubishi Trust and Banking Corporation	0
		April 2012	President of Mitsubishi UFJ Trust and Banking Corporation	
		April 2013	Deputy Chairman of Mitsubishi UFJ Financial Group, Inc.	
		December 2013	President and Chairman of Mitsubishi UFJ Trust and Banking Corporation	
		June 2015	Director; Deputy Chairman of Mitsubishi UFJ Financial Group, Inc.	
		April 2016	Chairman of Mitsubishi UFJ Trust and Banking Corporation; Director of Mitsubishi UFJ Financial Group, Inc.	
		June 2016	Retired from Director of Mitsubishi UFJ Financial Group, Inc.	
		April 2020	Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation (current position)	
		June 2019	Director of the Company (current position)	
		[Significant concurrent positions] Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation Outside Director of Mitsubishi Materials Corporation		
[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.				

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
9	Toshifumi Kitazawa (November 18, 1953)	<p>April 1977 Joined The Tokio Marine and Fire Insurance Co., Ltd.</p> <p>April 2016 President & Chief Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd.</p> <p>June 2016 Director of Tokio Marine Holdings, Inc.</p> <p>April 2019 Vice Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd. (current position)</p> <p>June 2019 Retired from Director of Tokio Marine Holdings, Inc.</p> <p>June 2019 Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Vice Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd.</p> <p>Member of the Board of Directors (Outside Director) and Member of the Audit & Supervisory Committee of MUFG Bank, Ltd.</p> <p>Outside Director of Sekisui House, Ltd.</p>	0
<p>[Reason for nomination as candidate for Outside Director]</p> <p>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.</p>			
10	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</p> <p>April 2020 Director and General Manager, Yokohama Branch (current position)</p>	6,100
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Tatsushi Nakashima had long served in the Warehousing & Distribution Business division. He is currently serving as Director and General Manager of Yokohama Branch. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>			
11	Akira Yamao (June 13, 1960)	<p>April 1983 Joined the Company</p> <p>April 2012 Deputy General Manager, Real Estate Business Division</p> <p>April 2015 General Manager, Planning & Business Coordination Division</p> <p>June 2019 Director and General Manager, Planning & Business Coordination Division</p> <p>April 2020 Director and General Manager, Osaka Branch (current position)</p>	5,100
<p>[Reason for nomination as candidate for Director]</p> <p>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 Director and General Manager of Osaka Branch. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>			
12	Akio Miura (November 10, 1960)	<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</p> <p>June 2019 Director and General Manager, International Transportation Business Division</p> <p>April 2020 Director and General Manager, Nagoya Branch (current position)</p>	5,800
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Akio Miura had long served in the International Transportation Business division including overseas assignment. 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
13	Tadaaki Naito (September 30, 1955) <u>New candidate</u>	April 1978 Joined Nippon Yusen Kabushiki Kaisha April 2015 President, Representative Director, President Corporate Officer of Nippon Yusen Kabushiki Kaisha June 2019 Chairman, Director, Chairman Corporate Officer of Nippon Yusen Kabushiki Kaisha (current position) [Significant concurrent positions] Chairman, Director, Chairman and Executive Officer of Nippon Yusen Kabushiki Kaisha (scheduled to take office in June 2020)	0
		[Reason for nomination as candidate for Outside Director] Mr. Tadaaki Naito 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.	
14	Masanori Maekawa (April 13, 1962) <u>New candidate</u>	April 1986 Joined the Company April 2016 Deputy General Manager, General Affairs Division April 2018 General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division (current position)	500
		[Reason for nomination as candidate for Director] Mr. Masanori Maekawa had long served in management divisions such as general affairs and personnel, in addition to the Warehousing & Distribution Business division. He is currently serving as General Manager of General Affairs Division, Corporate Communications Chamber and Personnel 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. Tatsuo Wakabayashi and Mr. Toshifumi Kitazawa are incumbent Outside Directors of the Company.
3. Matters regarding the candidates for Outside Director are as follows.
 - (1) Three Directors, Mr. Tatsuo Wakabayashi, Mr. Toshifumi Kitazawa and Mr. Tadaaki Naito are candidates for Outside Director. If the election of each candidate for Director is approved, the Company plans to designate them as independent officers as stipulated by Tokyo Stock Exchange, Inc. and register them with the said Exchange.
 - (2) 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. Tatsuo Wakabayashi: 1 year Mr. Toshifumi Kitazawa: 1 year

Proposal No. 3: Election of Three (3) Corporate Auditors

The terms of office of Corporate Auditors Yohnosuke Yamada and Hiroshi Imai will expire, and Corporate Auditor Kenji Sakurai will resign, at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, we nominate the following three (3) 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	Yohnosuke Yamada (May 2, 1959)	<p>April 1989 Registered as lawyer (Dai-Ichi Tokyo Bar Association) Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)</p> <p>October 1989 Joined Yamada Brothers (currently Yamada, Goya & Suzuki) (current position)</p> <p>June 2004 Corporate Auditor of the Company (current position)</p> <p>[Significant concurrent positions] Outside Director of SANYO TRADING CO., LTD.</p>	525
[Reason for nomination as candidate for Outside Corporate Auditor] The Company nominated Mr. Yohnosuke Yamada as Corporate Auditor so that the Company's auditing may benefit from his wealth of knowledge and broad insight based on his long experience as a lawyer.			
2	Takao Sato (July 17, 1954) <u>New candidate</u>	<p>March 1988 Registered as Certified Public Accountant</p> <p>May 2003 Representative Partner of Asahi & Co. (currently KPMG AZSA LLC)</p> <p>July 2007 Board Member of KPMG AZSA & Co.</p> <p>June 2009 Retired from Board Member of KPMG AZSA & Co. (currently KPMG AZSA LLC)</p> <p>July 2014 Auditor of KPMG AZSA LLC</p> <p>June 2016 Retired from Auditor of KPMG AZSA LLC</p> <p>July 2017 Representative of Takao Sato Accounting Office (current position)</p> <p>[Significant concurrent positions] Outside Director of IX Knowledge Inc.</p>	0
[Reason for nomination as candidate for Outside Corporate Auditor] The Company nominated Mr. Takao Sato as Corporate Auditor so that the Company's auditing may benefit from the wealth of knowledge and broad insight based on his long experience as a Certified Public Accountant.			
3	Junya Miura (July 22, 1959) <u>New candidate</u>	<p>April 1983 Joined the Company</p> <p>April 2014 Deputy General Manager, Yokohama Branch</p> <p>June 2016 General Manager, Audit Division (current position)</p> <p>[Significant concurrent positions] Full-time Corporate Auditor of Ryoso Transportation Co., Ltd. (scheduled to take office in June 2020)</p>	5,900
[Reason for nomination as candidate for Corporate Auditor] Mr. Junya Miura had long served in management divisions such as general affairs and accounting & financing. He is currently serving as General Manager of Audit Division. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Corporate Auditor.			

(Notes)

- There are no special interests between each candidate and the Company.
- Mr. Yohnosuke Yamada is incumbent Outside Corporate Auditor of the Company.
- Mr. Yohnosuke Yamada and Mr. Takao Sato are candidates for Outside Corporate Auditor and matters regarding them are as follows.
 - If they are elected as Corporate Auditors, the Company plans to designate them as independent officers as stipulated by Tokyo Stock Exchange, Inc. and register them with the said Exchange.
 - Although they have not participated in corporate management, the Company has judged that they will be able to appropriately execute their duties as Outside Corporate Auditor owing to the reason for nomination as candidate for Outside Corporate Auditor above.
 - Years of service as Outside Corporate Auditor of the Company since their first appointment (until the conclusion of this year's Annual General Meeting of Shareholders)

Mr. Yohnosuke Yamada: 16 years

Proposal No. 4: Payment of Bonuses to Directors

Taking into consideration the current performance, among other factors, we propose to pay bonuses to Directors, excluding Outside Directors, at the amount of 50,000,000 yen to eleven (11) Directors as of the end of the fiscal year under review.

Proposal No. 5: Determination of the Amount and Content of Remuneration for Granting of Restricted Stock to Directors

At the 216th Annual General Meeting of Shareholders held on June 27, 2019, the amount of remuneration for Directors of the Company has been resolved to be 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 Directors does not include salaries for employees of Directors who also serve as employees.). However, this time, the Company proposes to provide a new remuneration for the purpose of granting restricted stock to Directors (excluding Outside Directors; hereinafter referred to as “eligible Directors”) within the amount of remuneration described above. This is intended to provide Directors with incentive for making sustainable improvements to the corporate value of the Company and to promote their further sharing of value with shareholders.

The total amount of the monetary remuneration to be paid to eligible Directors for the purpose of granting restricted stock in accordance with this Proposal shall be within the annual amount of 150 million yen per year, which is the amount deemed reasonable in order to achieve the goals listed above. The specific distribution to each eligible Director shall be resolved by the Board of Directors. However, the current monetary remuneration shall be reduced upon the granting of restricted stock.

The number of eligible Directors, if Proposal No. 2 is approved as proposed, will be eleven (11) Directors.

Based on the resolution of the Board of Directors, eligible Directors shall pay in all the monetary remuneration claims arising from this Proposal as contribution in kind, and receive issuance or disposal of the Company’s common stock. The total annual limit of the shares of common stock of the Company thus issued or disposed of shall be within 100,000 shares per year. Provided, in the event of a stock split (including gratis allotment of common stock.) or the reverse share split of common stock of the Company, or other circumstances that require an adjustment to the total number of common stock of the Company to be issued or disposed of as restricted stock, on or after the day this Proposal is approved, the total number of shares shall be adjusted to the extent reasonable. The amount to be paid in per share at issuance or disposal shall be the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately prior to the date of each resolution of the Board of Directors (if there were no transactions made on that day, the closing price on the most recent trading day before that day), at an amount resolved by the Board of Directors in a range not particularly advantageous to eligible Directors. The Company shall sign a restricted stock allotment agreement (hereinafter referred to as the “Allotment Agreement”) with the eligible Directors including the following provisions for the issuance or disposal of common stock of the Company.

- (1) For the common stock received according to the Allotment Agreement (hereinafter referred to as “Allotted Shares”), eligible Directors shall not transfer, pledge as collateral, or otherwise dispose of (hereinafter referred to as “Transfer Restrictions”) Allotted Shares, during the period from the date of the issuance of such shares until the date when an eligible Director retires or resigns as the Company’s Director or other position determined by the Board of Directors (or, if an eligible Director retires or resigns from the Company within three months after the elapse of the fiscal year in which the issuance date of the Allotted Shares falls, a date the Board of Directors separately determines within six months after the elapse of that fiscal year) (hereinafter referred to as the “Transfer Restriction Period”).
- (2) If an eligible Director retires or resigns from the position defined in (1) above prior to the expiry of the period set by the Board of Directors (hereinafter referred to as the “Period of Service”), the Company shall acquire the Allotted Shares without consideration as a matter of course, unless there is any reason deemed justified by the Board of Directors.
- (3) The Company shall remove Transfer Restrictions from all Allotted Shares at the time the Transfer Restriction Period expires, on the condition the eligible Director continued to serve in the position defined in (1) above throughout the Period of Service. However, if the eligible Director retires or resigns from the position defined in (1) above prior to the expiry of the Period of Service due to a reason deemed justified by the Board of Directors as defined in (2) above, the number of Allotted Shares subject to removal of

Transfer Restrictions shall be reasonably adjusted as necessary.

- (4) The Company shall acquire without consideration as a matter of course the Allotted Shares not subjected to removal of Transfer Restrictions according to (3) above at the time of expiry of the Transfer Restriction Period.
- (5) Regardless of the provisions stated in (1) above, if matters related to reorganization such as a merger agreement in which the Company is absorbed or a share-exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary are approved at the Company's general meeting of shareholders (or, approved by the Board of Directors for cases in which approval from the general meeting of shareholders is not required for such reorganization) during the Transfer Restriction Period, the Company shall remove Transfer Restrictions from a number of Allotted Shares reasonably determined according to the period from the start of the Period of Service until the approval date of said reorganization, prior to the effective date of the reorganization based on a resolution by the Board of Directors.
- (6) In the case of (5) above, the Company shall acquire without consideration as a matter of course the Allotted Shares not subjected to removal of Transfer Restrictions immediately following the removal of Transfer Restrictions according to (5) above.
- (7) The Allotment Agreement shall include the method of indicating intention and issuing notice under the agreement, the method of its revision and other matters decided by the Board of Directors.

Shareholder Proposals (Proposal No. 6 through Proposal No. 10)

Proposal No. 6 through Proposal No. 10 are proposed by one shareholder. The title, summary and reasons of the proposals are shown as originally submitted by the shareholder.

Proposal No. 6: Implementation of Share Buyback

(1) Summary of the Agenda Item

The Company shall acquire 4,522,840 shares of the Company's common shares ("Common Shares") by payment of an acquisition cost of up to a total of 10 billion Japanese Yen (however, if the permitted total acquisition cost under the Companies Act (Clause 461 of the Companies Act, "Distributable Amount") is less than the aforementioned acquisition cost, then up to such amount) within one year from the end of the annual shareholders' meeting in accordance with Article 156, Paragraph 1 of the Companies Act.

(2) Reasons for the Proposal

The Company announced plans to implement share buybacks of approximately 15 billion JPY between 2019 and 2021 to increase shareholder returns,¹ of which 5 billion JPY has been completed. The present considerably depressed share price² makes a discounted share buyback possible, which is now an even more effective measure to improve shareholder returns than when this plan was announced. The PBR of the Company is at historically low levels and it is currently lower than the PBR at the time of financial crisis in 2008. As such, we believe that repurchasing shares at the current price is the most efficient investment available, and that the Company should first use all of the remaining budget set for share buybacks in the Medium-Term Plan to repurchase shares and seek further buybacks. Buybacks enhance long-term corporate value, improve capital efficiency and make it possible to invest in more profitable growth. Buybacks will also improve the Company's ROE which is currently lower than 5%. Accordingly, we propose a share buyback of up to 10 billion JPY which is in line with the Company's announcement.

Opinion of the Company's Board of Directors on Proposal No. 6

The Company's Board of Directors <u>opposes</u> Proposal No. 6.
<p>Reason for opposition</p> <p>The Company has been steadily promoting share buyback plans of 15 billion yen in total between fiscal 2019 and fiscal 2021, and 5 billion yen has already been completed.</p> <p>We plan to buy back the remaining shares amounting to 10 billion yen within the period without any changes to the plan at present. In addition, we intend to substantially increase dividends following the previous fiscal year as a shareholder return measure.</p> <p>However, under the current circumstances, in which the spread of COVID-19 is expected to have a serious impact on the economy and the fact that it is not possible to reasonably predict when this situation will come to an end, we believe that making a definite commitment to promptly buy back the remaining shares of 10 billion yen may have the potential of damaging corporate value and the common interests of shareholders.</p> <p>The Company determined that buying back the remaining shares of 10 billion yen in the two years from fiscal 2020 to fiscal 2021 observing the extent of the impact of COVID-19 on the economy and the timing it settles down will contribute to corporate value and the common interests of shareholders.</p>

¹ Mitsubishi Logistics Group, Outline of the New Medium-Term Management Plan [2019-2021], p. 10, https://www.mitsubishi-logistics.co.jp/english/ir/policy/pdf/medterm_2019_2021.pdf.

² The Covid-19 outbreak is anticipated to have relatively little impact on the Company's business as the Company mainly provides logistics business to the socially important pharmaceutical and food sectors.

Proposal No. 7: Election of One (1) Director to the Company's Board of Directors

(1) Summary of the Agenda Item

The below candidate shall be elected as a Director.

Mr. Satoshi Arai

(2) Reasons for the Proposal

Japan's Corporate Governance Code ("CGC")³ requires companies to consider utilizing directors without close ties with management, to ensure effective, independent and objective board oversight.⁴ Institutional Shareholder Services' ("ISS") Japan Proxy Voting Guidelines also provide that affiliates of cross-shareholding companies should not be considered independent. While the Company committed to boost corporate governance through multiple initiatives, including appointing outside directors to enhance its board function, every Outside Director on the Board is from the Mitsubishi *keiretsu* and thus, cannot be perceived as truly independent outside directors. In addition, the Company has not provided sufficient explanation as to the necessity to elect an individual from the same Mitsubishi *keiretsu* company to replace a retiring Outside Director. It is imperative for the Company to nominate highly qualified, outside, truly independent individuals to be Outside Directors, in order to improve corporate value pursuant to CGC⁵ and METI's guidelines.⁶

(3) Brief bio of the candidate

Satoshi Arai		Birthdate: January 18, 1955
		Number of Company Shares Owned: 0 shares
■ Brief biography, position at Company, area of responsibility, other important positions		
1977 – 1979	Daiwa Securities Co. Ltd.	
1979 – 2012	Tsumura Juntendo Co. (currently TSUMURA & CO.)	
	2000	Executive Board Member
	2003	Executive Officer
	2004 – 2012	Board Director
	2012 – 2018	Special Adviser
2012 – 2014	Tsumura Combined Management Co., Board Director and Chairperson	
2014 – 2018	Logitem Tsumura Co, Ltd., Representative Director	
	<Status of important concurrent position> N/A	
(Special conflicts of interest) There are no special conflicts of interest between Mr. Arai and the Company.		
Reason for selecting as a nominee: Mr. Arai's decades of experience in business, including his service as an executive in the logistics business, specialized in the pharmaceutical sector, which is an area that the Company is trying to strengthen, would provide the Company's management with invaluable insight as an outside expert. Moreover, adding an industry expert with experience outside of the Mitsubishi <i>keiretsu</i> will add to the diversity of the Board, in line with Principle 4.11 of the Corporate Governance Code. Accordingly, we propose that Mr. Arai be elected as an Outside Director of the Board.		

(Note) Mr. Arai is an outside director candidate.

³ Japan's Corporate Governance Code, see https://www.jpx.co.jp/english/news/1020/b5b4pj000000jvxratt/20180602_en.pdf.

⁴ Principle 4.6 of Japan's Corporate Governance Code.

⁵ Principles 4.6 and 4.11 of Japan's Corporate Governance Code.

⁶ Ministry of Economy, Trade and Industry, *Practical Guidelines for Corporate Governance Systems*, p. 17, https://www.meti.go.jp/english/press/2017/pdf/0331_005b.pdf.

Proposal No. 8: Election of One (1) Director to the Company's Board of Directors

(1) Summary of the Agenda Item

The below candidate shall be elected as a Director.
Mr. Taketo Yamakawa

(2) Reasons for the Proposal

Most JPX-Nikkei 400 companies have appointed one-third or more independent directors, and the number of companies doing so has been increasing every year.⁷ In contrast, the Company's outside director ratio is 21%, or 0% excluding Mitsubishi *keiretsu* representatives.⁸

We applaud the Company's corporate governance policy to enhance its board monitoring function by means including appointing multiple Outside Directors. However, the Company's warehouse and logistics business is currently valued at negative 101 billion JPY.⁹ We believe the Company will be able to transform this into a positive number and improve its overall corporate value through measures including resolving the Company's excessive spending on overhead, which amounts to approximately 31% of the Company's total operating profit,¹⁰ and actively investing in IT to improve efficiency after a re-assessment of the Company's IT system. To implement such business innovations and to enhance corporate value pursuant to CGC¹¹ and METI's guidelines,¹² it is imperative to nominate truly independent Outside Directors with extensive experience in the industry.

(3) Brief bio of the candidate

Taketo Yamakawa		Birthdate: September 14, 1958
		Number of Company Shares Owned: 0 shares
■ Brief biography, position at Company, area of responsibility, other important positions		
1981 – 1990	Nissho Iwai Corporation	
1990 – 2006	General Electric Company (GE)	
	1993	GE Capital Japan , Managing Director & Chief Representative
	1996	GE Consumer Finance Japan , President & CEO
	1999	GE Nissen Credit , Board Member (concurrent)
	2000	General Electric Company , Corporate Officer & Vice President
	2005	Hyundai Capital , Board Member (concurrent)
	2005	GE Consumer Finance North Asia , President & CEO (concurrent)
2006 – 2007	Kohlberg Kravis Roberts Japan Ltd. , Chief Executive & Representative Director	
2009 – 2019	DHL Japan Inc. , President & Representative Director	
	<Status of important concurrent position> N/A	

⁷ A 15.1% increase from 2018. Tokyo Stock Exchange, Inc., *Report on Appointment of Independent Directors and Establishment of Nomination and Remuneration Committees by TSE-Listed Companies* (August 1, 2019), <https://www.jpx.co.jp/english/listing/others/ind-executive/tvdivq0000001j9j-att/b5b4pj000002zfp5.pdf>.

⁸ As noted in ISS' Japan Proxy Voting Guidelines, affiliates of cross-shareholding companies should not be considered independent. Every Outside Director on the Board is from the Mitsubishi *keiretsu* and thus, cannot be perceived as truly independent outside directors.

⁹ The Company's stock price net of real estate, cross-shareholdings, debt and cash attributes a negative 101 billion JPY value to its warehouse and logistics business (Oasis calculations based on Company public disclosures and Bloomberg data as of April 9, 2020).

¹⁰ Oasis calculations based on Company public disclosures.

¹¹ Principles 4.6 and 4.11 of Japan's Corporate Governance Code.

¹² Ministry of Economy, Trade and Industry, *Practical Guidelines for Corporate Governance Systems*, p. 17, https://www.meti.go.jp/english/press/2017/pdf/0331_005b.pdf.

(Special conflicts of interest) There are no special conflicts of interest between Mr. Arai and the Company.

Reason for selecting as a nominee:

Mr. Yamakawa has substantial experience in introducing robotic process automation (RPA) to reduce the overhead cost within the logistics business. Mr. Yamakawa's broad knowledge in investment, combined with his solid experience in the logistics business, would be invaluable to the Company's management. Moreover, adding an industry expert with international experience will add to the diversity of the Board, which is in line with Principle 4.11 of the Corporate Governance Code. Accordingly, we propose that Mr. Yamakawa be elected as an Outside Director of the Board.

(Note) Mr. Yamakawa is an outside director candidate.

Opinion of the Company's Board of Directors on Proposal No. 7 and Proposal No. 8

The Company's Board of Directors **opposes** Proposal No. 7 and Proposal No. 8.

Reason for opposition

The three candidates for Outside Director proposed by the Company meet the criteria for independent officers as stipulated by Tokyo Stock Exchange, Inc., and the Company plans to designate them as independent officers and register them with said Exchange. All three candidates have experience as presidents of large corporations leading Japan, and based on their wealth of experience and broad insight, are capable of effectively providing advice and supervision from an independent and objective perspective on issues related to corporate governance such as the nomination and remuneration of Directors. They will be able to express candid and unsparing opinions at meetings of the Company's Board of Directors as Outside Directors.

In addition, if necessary, they will also be able to take on the functions of supervising management, including appointment and dismissal of top management, reduction of remuneration for officers, etc. from the perspective of shareholders as a whole.

In comparison, the candidates for Outside Director listed in the shareholder proposals are recommended by a particular major shareholder. We believe that it is necessary to fully consider the risk that a particular major shareholder prioritizes its own interests and intervene in specific management decisions through personnel serving as Outside Director, a position that is originally intended to be independent. We also believe that a sufficient period of consideration is necessary to determine a candidate's fulfillment of the qualifications for an Outside Director required by the Company and examine the potential existence of other relevant risks.

However, this proposal was made in late April. There was an extremely limited amount of time available to fully consider the content before the general meeting of shareholders, and it was difficult to schedule a direct meeting due to the spread of COVID-19. In consideration of the above, it is not possible to sufficiently and reasonably judge whether these candidates are truly appropriate for the position of Director from the viewpoint of securing corporate value and the common interests of shareholders.

Furthermore, in order to optimize the composition of the Board of Directors and continuously improve its effectiveness to contribute to the improvement of corporate value in the medium-to-long term, the election of Directors shall be carried out in a systematic manner in concert with establishing systems for various initiatives related to corporate governance.

The Company's Board of Directors believes that the structure of the Board of Directors proposed by the Company is the optimal system for management in the current business environment from the viewpoint of securing corporate value and the common interests of shareholders, and has therefore decided that it is appropriate to oppose these shareholder proposals.

Proposal No. 9: Revisions to a Portion of the Articles of Incorporation (Change to a Company with a Three Committee Structure)

(1) Summary of the Agenda Item

The current Articles of Incorporation shall be revised as follows, in order to adopt a three committee structure. The clauses related to this agenda item shall be modified to reflect the formalistic changes required (including but not limited to renumbering of the articles) to account for the other agenda items in the shareholders' meeting (including agenda items related to Company proposals) that are approved.

Current Articles of Incorporation	Proposed Changes
<p>Article 10 The procedures and fees relating to information entry and recording of the Company's shareholder registry and stock option registry, the purchase and additional purchase of shares less than one unit, and stock options, shall follow the rules of handling shares as determined by <u>the Board of Directors.</u></p>	<p>Article 10 The procedures and fees relating to information entry and recording of the Company's shareholder registry and stock option registry, the purchase and additional purchase of shares less than one unit, and stock options, shall follow the rules of handling shares as determined by <u>the Board of Directors or the Executive Officer(s) entrusted by the Board of Directors through resolution.</u></p>
<p>Article 11 The Company shall retain a shareholder registry administrator. 2. The shareholder registry administrator and its place of business operations shall be determined by <u>resolution of the Board of Directors</u> and shall be announced publicly. 3. The Company's shareholder registry and stock option registry shall be kept at the shareholder registry administrator's place of business operations. Matters related to the shareholder registry and the stock option registry shall be entrusted with the shareholder registry administrator and shall not be handled by the Company.</p>	<p>Article 11 The Company shall retain a shareholder registry administrator. 2. The shareholder registry administrator and its place of business operations shall be determined by <u>the Board of Directors or the Executive Officer(s) entrusted by the Board of Directors through resolution</u> and shall be announced publicly. 3. The Company's shareholder registry and stock option registry shall be kept at the shareholder registry administrator's place of business operations. Matters related to the shareholder registry and the stock option registry shall be entrusted with the shareholder registry administrator and shall not be handled by the Company.</p>
<p>Article 14 The <u>Director-President</u> shall convene Shareholders' Meetings and serve as chair. In the event that the <u>Director-President</u> is unavailable, another Director, chosen according to the order determined by the Board of Directors in advance, shall take his/her place.</p>	<p>Article 14 The <u>Director with a dual role as the President</u> shall convene the Shareholders' Meeting and serve as its chair. In the event that <u>there is no Director with a dual role as the President in place or if the Director with a dual role as the President</u> is unavailable, another Director, chosen according to the order determined by the Board of Directors in advance, shall take his/her place.</p>
<p>Article 23 The Board of Directors shall elect a few Representative Directors. 2. The Board of Directors shall elected one (1) Chairperson for the Board of Directors, one (1) Director-President, one (1) Director-Vice-President, and a few Senior Managing Directors and Managing Directors; provided, however, the positions of Chairperson for the Board of Directors, Director-Vice-President or Senior Managing Directors may be vacant. 3. The Director-President shall be in charge of all businesses of the Company.</p>	<p>(Deleted)</p>
<p>Article <u>24</u> The Board of Directors shall make decisions on important business and executive matters of the Company in addition to the matters as stipulated in law or this Articles of</p>	<p>Article <u>23</u> The Board of Directors shall make decisions on important business and executive matters of the Company in addition to the matters as stipulated in law or this Articles of</p>

Current Articles of Incorporation	Proposed Changes
<p>Incorporation.</p> <p>2. The <u>Director-President</u> shall convene Board of Directors Meetings and serve as the chair. In the event that there is no <u>Director-President</u> in place or the <u>Director-President</u> is unavailable, another Director, chosen according to the order determined by the Board of Directors in advance, shall take his/her place.</p> <p>3. The convocation notice of a Board of Directors Meeting shall be sent to each Director <u>and Auditor</u> at least four (4) days prior to the meeting date.</p> <p>4. A resolution of the Board of Directors shall be passed when a majority of Directors with voting rights are present and a majority of which have voted for such resolution.</p> <p>5. If all Directors have given written or electronic approvals, in writing or electronically, on the Board of Directors' resolution matters, such matters shall be deemed as passed as Board of Directors Meeting resolutions; <u>provided, that no objection was raised by the Auditor(s).</u></p> <p>6. The proceedings of the Board of Directors Meeting (its outline, result and other matters as prescribed by law) shall be noted and recorded in minutes, which shall be signed, fixed seal to or electronically signed by the Directors <u>and Auditors</u> who attended the meeting. The minutes shall be kept at the Company's headquarters for 10 years.</p>	<p>Incorporation, <u>and shall monitor the Executive Officers and Directors' performance of duties.</u></p> <p>2. The <u>Director with a dual role as the President</u> shall convene Board of Directors Meetings and serve as the chair. In the event that there is no <u>Director with a dual role as the President</u> in place or the <u>Director with a dual role as the President</u> is unavailable, another Director, chosen according to the order determined by the Board of Directors in advance, shall take his/her place.</p> <p>3. The convocation notice of a Board of Directors Meeting shall be sent to each Director at least four (4) days prior to the meeting date.</p> <p>4. A resolution of the Board of Directors shall be passed when a majority of Directors with voting rights are present and a majority of which have voted for such resolution.</p> <p>5. If all Directors have given approvals, in writing or electronically, on the Board of Directors' resolution matters, such matters shall be deemed as passed as Board of Directors Meeting resolutions.</p> <p>6. The proceedings of the Board of Directors Meeting (its outline, result and other matters as prescribed by law) shall be noted and recorded in minutes, which shall be signed, fixed seal to or electronically signed by the Directors who attended the meeting. The minutes shall be kept at the Company's headquarters for 10 years.</p>
Article <u>25</u> (omitted)	Article <u>24</u> (as present)
<u>Chapter 5 Auditor and Audit & Supervisory Board</u>	(Deleted)
<u>Article 26 The Company shall have up to five Auditors.</u>	(Deleted)
<u>Article 27 The Company shall establish an Audit & Supervisory Board.</u>	(Deleted)
<u>Article 28 Auditor(s) shall be elected by resolution of a Shareholders' Meeting.</u> <u>2. The attendance of at least one-third (1/3) of the shareholders with voting rights is required for the election of Auditor(s).</u>	(Deleted)
<u>Article 29 Term of office of an Auditor shall continue until the conclusion of the annual Shareholders' Meeting for the last business year which ends within four (4) year from the time of his or her election.</u> <u>2. The term of office of an Executive Officer elected to fill a vacancy shall continue until the expiry of term of office of the auditor who left the office.</u>	(Deleted)
<u>Article 30 The members of the Audit & Supervisory Board shall be elected from the fulltime Auditors.</u> <u>2. The Audit & Supervisory Board may elect standing Auditors from the full-time Auditors.</u>	(Deleted)
<u>Article 31 The Audit & Supervisory Board may make decisions on matters related to the execution of Auditors' duties, in addition to the auditors'</u>	(Deleted)

Current Articles of Incorporation	Proposed Changes
<p><u>authorities granted by law; provided that the Audit & Supervisory Board shall not interfere with the exercise of authorities by the Auditors.</u></p> <p><u>2. In principle, the Audit & Supervisory Board Meeting shall be convened by the Auditor designated by the Audit & Supervisory Board, who shall also serve as the chair.</u></p> <p><u>3. The convocation notice for Audits shall be sent to each Auditor at least four (4) days prior to the meeting date.</u></p> <p><u>4. A resolution of the Audit & Supervisory Board shall be passed when a majority of Auditors voted for such resolution, unless otherwise required by law.</u></p> <p><u>5. The proceedings of the Audit & Supervisory Board Meeting (its outline, result and other matters as prescribed by law) shall be noted and recorded in minutes, which shall be signed, fixed seal to or electronically signed by the Auditors who attended the meeting. The minutes shall be kept at the Company's headquarters for 10 years.</u></p>	
<p><u>Article 32 To the extent permitted by law, the Company may, by resolution of the Board of Directors, exempt its Auditors (including former Auditors) from liabilities.</u></p>	(Deleted)
(Newly Established)	<u>Chapter 5 Nomination Committee, Audit Committee and Remuneration Committee</u>
(Newly Established)	<u>Article 25 The Nomination Committee, Audit Committee and Remuneration Committee members shall be elected from the Directors by resolution of the Board of Directors.</u>
(Newly Established)	<p><u>Article 26 The Nomination Committee shall determine the content of agenda items for election and dismissal of Directors to be submitted to the Shareholders' Meeting. The Nomination committee shall refer candidates for Executive Officers to the Board of Directors after selection and the Board of Directors shall give utmost respect to such nominations.</u></p> <p><u>2. The Audit Committee shall audit the execution of the duties of Executive Officers and Directors and prepare audit reports and shall determine the content of agenda items to be submitted to the Shareholders' Meetings regarding election and dismissal of accounting auditors and not reelecting accounting auditors.</u></p> <p><u>3. The Remuneration Committee shall determine the policy concerning the determination of and the content of the compensation, etc. for individual Executive Officers and Directors. The same shall apply if the Executive Officer is concurrently an employee of the Company.</u></p>
(Newly Established)	<u>Article 27 Matters concerning each committee shall be determined in accordance with the rules of committees determined by the Board of Directors in addition to law and this Articles of Incorporation.</u>

Current Articles of Incorporation	Proposed Changes
(Newly Established)	<u>Chapter 6 Executive Officers</u>
(Newly Established)	<u>Article 28 Executive Officers of the Company shall be elected by resolution of the Board of Directors.</u>
(Newly Established)	<u>Article 29 Term of office of an Executive Officer shall continue until the conclusion of the Board of Director meeting first convened after the conclusion of the annual Shareholders' Meeting for the last business year which ends within one (1) year from the time of his or her election.</u> <u>2. The term of office of an Executive Officer elected as an addition or to fill a vacancy shall continue until the expiry of term of office of other Executive Officers.</u>
(Newly Established)	<u>Article 30 The Board of Directors shall elect by resolution a Representative Executive Officer from the Executive Officers.</u> <u>2. The Board of Directors shall elect by resolution a President and Chief Executive Officer and, if necessary, a few Executive Vice Presidents, Senior Managing Executive Officers and Managing Executive Officers from the Executive Officers.</u>
(Newly Established)	<u>Article 31 To the extent permitted by law, the Company may, by resolution of the Board of Directors, exempt its Executive Officers (including former Executive Officers) from the indemnification liabilities under Article 423, Paragraph 1 of the Companies Act.</u>
Chapter <u>6</u> External Auditor	Chapter <u>7</u> External Auditor
Articles <u>33-34</u> (as present)	Articles <u>32-33</u> (as present)
Chapter <u>7</u> Calculation	Chapter <u>8</u> Calculation
Articles <u>35-38</u> (omitted)	Articles <u>34-37</u> (as present)

(2) Reasons for the Proposal

Switching to a three committee structure separates monitoring of management and execution, and therefore allows more meaningful and effective oversight,¹³ and better enables the Company to achieve its long-term growth potential and corporate value. Establishing a nomination committee and a remuneration committee will also increase transparency for all stakeholders. By August 2019, 76.3% of the JPX-Nikkei 400 companies have voluntary or legally established nomination committees and 77.6% have established remuneration committees, and the numbers have been increasing every year.¹⁴ The establishment of a remuneration committee is hoped to help the management of the Company, which has yet to set an ROE target, gain the motivation to develop an ROE target if, for example, it implements an equity-linked compensation plan.

The Company has a particularly acute need for a legally established independent nomination and remuneration committee, given its lack of any truly independent Outside Directors.¹⁵ Based on our stewardship responsibilities, we propose that the Company adopt the three committee structure.

¹³ Principle 4.6 of Japan's Corporate Governance Code.

¹⁴ Tokyo Stock Exchange, Inc., *Report on Appointment of Independent Directors and Establishment of Nomination and Remuneration Committees by TSE-Listed Companies* (August 1, 2019), <https://www.jpx.co.jp/english/listing/others/ind-executive/tvdivq0000001j9j-att/b5b4pj000002zfp5.pdf>.

¹⁵ Principles 4.6 and 4.11 of Japan's Corporate Governance Code; Ministry of Economy, Trade and Industry, *Practical Guidelines for Corporate Governance Systems*, see FN 16 *infra*.

Opinion of the Company's Board of Directors on Proposal No. 9

The Company's Board of Directors **opposes** Proposal No. 9.

Reason for opposition

As the Company already announced on April 30, 2020, the Board of Directors has decided to establish a voluntary nomination and compensation committee composed primarily of outside directors based on the Corporate Governance Code of Japan (Please refer to "Notice on Establishment of Nomination and Compensation Committee" released by the Company on April 30, 2020, for more information on the Company's reasons for introducing this committee).

This shareholder proposal calls for the legally mandated, not voluntary, introduction of a nomination committee and a remuneration committee.

Although the Companies Act requires that one of three organizational designs (a Company with Three Committees, a Company with an Audit & Supervisory Committee, and a Company with a Board of Corporate Auditors) be adopted, there is no single superior system, and each company should select a structure in accordance with their individual circumstances and policies.

The Company believes that the best choice at the current point in time is to select the structure of a Company with a Board of Corporate Auditors that can carry out audits with strong and unitary authority, and to establish a nomination and compensation committee on a voluntary basis.

Proposal No. 10: Revisions to a Portion of the Articles of Incorporation (Abolish *Sodanyaku* / *Komon* System)

(1) Summary of the Agenda Item

The following provision shall be added as a new Article in the existing Articles of Incorporation and shall be modified to reflect the formalistic changes required (including but not limited to renumbering of the articles) to account for the other agenda items in the shareholders' meeting (including agenda items related to Company proposals) that are approved:

Article 23-2 The Company shall not establish advisory positions, such as *sodanyaku* or *komon*, with whom the Representative Executive Officer consult on the general or specific businesses of the Company.

(2) Reasons for the Proposal

The METI Guidelines provide that when a former president remains at a company as a *komon/sodanyaku*, he or she may exercise unreasonably influential power on the current management.¹⁶ Even if he or she does not actively exercise such power, the current management may hesitate to make bold decisions or implement reforms that conflict with the former president's past decisions.

The Company currently retains four *komon/sodanyaku* with remuneration. All four of them are former presidents of the Company. The Company's Medium-Term Management Plan aims to achieve growth through innovation. Management that hesitates to make bold decisions and implement reforms may render growth through innovation difficult to accomplish.

Accordingly, abolishment of the *komon/sodanyaku* system is an essential reform for the Company's operation, which will enable the Company's management to make bold decisions, implement necessary corporate governance reforms and drive its business toward a profitable future.

¹⁶ See Ministry of Economy, Trade and Industry, *Practical Guidelines for Corporate Governance Systems*, p. 34, https://www.meti.go.jp/english/press/2017/pdf/0331_005b.pdf.

Opinion of the Company's Board of Directors on Proposal No. 10

The Company's Board of Directors **opposes** Proposal No. 10.

Reason for opposition

The advantages of having advisors (*soudan-yaku*) and consultants (*komon*) who are not prescribed by law can be found in their contributions to enhancing the Company's social standing through providing advice to the Representative Directors drawing on their wealth of experience, external activities leveraging their accumulated abundant human network, and social contribution activities primarily as senior officers at industry, public, and other organizations.

The Company's advisors and consultants serve the roles described above. In comparison, the business execution of the Company is properly carried out by the management team, including the President, under the independent and effective supervision of the Board of Directors. Furthermore, the Company's advisors and consultants do not attend any meetings related to management decision-making, and do not interfere with or influence management decision-making in any way. The Company also strives to ensure transparency by voluntarily disclosing information on advisors and consultants in the Corporate Governance Report.

The Company's Board of Directors will continue to examine the rationale of having advisors and consultants. Based on this policy, we have decided that it is not necessary at this General Meeting of Shareholders to venture to partially revise the Articles of Incorporation and establish a new Article to abolish advisors and consultants.

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 Thursday, June 25, 2020.

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 Thursday, June 25, 2020, 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.