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(Securities Code 9301)

June 7, 2022

**To Shareholders with Voting Rights:**

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

**NOTICE OF  
THE 219TH 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 219th 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 4 through 14), and return your form no later than 5 p.m. Japan time on Tuesday, June 28, 2022, or cast your vote via the Internet, etc., by 5 p.m. Japan time on Tuesday, June 28, 2022.

(Please refer to the page 3 for the detailed procedures for exercising voting rights via the Internet, etc.)

- 1. Date and Time:** Wednesday, June 29, 2022 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 219th Fiscal Year (April 1, 2021 - March 31, 2022) 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 219th Fiscal Year (April 1, 2021 - March 31, 2022)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Revisions to a Portion of the Articles of Incorporation
- Proposal No. 3:** Election of Thirteen (13) Directors

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

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

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

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

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

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

## 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 Tuesday, June 28, 2022.

### By scanning the QR Code

You can exercise your voting rights without entering the “Login ID” or “temporary password.”

1. Scan the QR Code printed on the tab of the Voting Rights Exercise Form (on the right).

\* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

2. Please vote for or against each proposal following the on-screen guidance.

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.”

### By entering the “Login ID” and “Temporary password”

Voting rights exercise website: <https://evote.tr.mufg.jp/>

1. Access the voting rights exercise website.

2. Enter the “Login ID” and “Temporary password” printed on the Voting Rights Exercise Form and click “Login.”

3. Register a new password.

4. Please vote for or against each proposal following the on-screen guidance.

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.

About the voting rights exercise website

(1) The website will be inactive between 2 a.m. and 5 a.m. each day.

(2) It may not be possible to use the website depending upon the Internet environment, the Internet service, or the model of device that you are using.

(3) Please note that the shareholder is solely responsible for any expenses (Internet connection fees, etc.) incurred while accessing the voting rights exercise website.

(4) If you have any questions, please contact the following:

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)
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< For institutional investors >

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

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

As to the appropriation of surplus, the Company adheres to a policy of maintaining stable dividend in consideration of the retained earnings level in addition to profits for the period while paying attention to the systematic development of the Logistics Business centered on the Warehousing & Distribution Business, the Company's mainstay business, and of the Real Estate Business centered on building leases, strengthening its financial structure in preparation for changes in its business environment. Additionally, under the Medium-term Management Plan (2019-2021), the Company aims to further enhance shareholder returns while improving corporate performance and capital efficiency during the period of the management plan, and plans to pay dividends targeting DOE (dividend on equity) ratio of 2% for the fiscal year ended March 31, 2022, the final year of the Medium-term Management Plan.

For the fiscal year ended March 31, 2022, we propose the year-end dividend of 41 yen per share, taking into account such factors as the above basic policies, and operating results for the year and the retained earnings level. As a result, the annual dividend, including 39 yen, the interim dividend, will be 80 yen per share, an increase of 20 yen compared to 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

41 yen per share of common stock of the Company

The total amount: 3,329,560,759 yen

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

June 30, 2022

#### 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: Revisions to a Portion of the Articles of Incorporation**

### **1. Reasons for the Revisions**

- (1) The Company proposes the following changes to the current Articles of Incorporation to strengthen the supervisory functions of the Board of Directors and promote the separation of management and execution.
  - 1) Article 14 of the proposed changes revises and establishes new stipulations required on the convocation of general meetings of shareholders and its chairperson in line with the decision that the President assumes the position of Executive Officer.
  - 2) Article 19 of the proposed changes reduces the number of Directors from the current maximum of 18 to the maximum of 14 in line with the decision that Executive Officers assume the responsibility for business execution.
  - 3) Article 23, Paragraph 2 of the proposed changes revises stipulations required in line with the abolition of the position of Executive Director except for Chairman of the Board, and Article 23, Paragraph 3 of the proposed changes shall be deleted in line with the decision that the President assumes the position of Executive Officer.
  - 4) Article 26 of the proposed changes stipulates that the Board of Directors elects Executive Officers and appoints the President and other Executive Officers with special titles, and that the President that is an Executive Officer exercises general control over the full range of business operations of the Company.
  - 5) The number of Articles shall be changed in line with the changes above.
- (2) The revised stipulations stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced (on September 1, 2022), and the Company proposes the following changes to the current Articles of Incorporation in preparation for the implementation of the system for electronic provision of materials for general meetings of shareholders.
  - 1) Article 15, Paragraph 1 of the proposed changes stipulates the electronic provision of the information comprising the content of reference documents for the general meeting of shareholders, etc.
  - 2) Article 15, Paragraph 2 of the proposed changes establishes stipulations to limits on the scope of matters to be recorded in written documents to be provided to shareholders who have requested provision of such documents.
  - 3) As stipulations concerning Internet disclosure and deemed provision of reference documents for general meetings of shareholders (Article 15 of the current Articles of Incorporation) will no longer be necessary, these shall be deleted.
  - 4) Supplementary provisions shall be established concerning the effective date, etc., in line with the changes above.

2. Details of the Revisions

The current Articles of Incorporation and proposed changes are as follow.

(Underlines indicate amended sections)

Current Articles of Incorporation	Amended Articles of Incorporation
<p>Article 14 A general meeting of shareholders shall be convened by the President of the Company, <u>who shall act as chairperson</u>. If <u>the President</u> is unavailable, one of the other Directors shall assume the said duties in accordance with the order determined in advance by the Board of Directors.</p> <p>(Newly Established)</p> <p><u>Article15 When the Company convenes a general meeting of shareholders, if the Company discloses information that is required to be stated or indicated in reference documents for shareholders meeting, business reports, financial statements and/or consolidated financial statements through methods using the Internet in accordance with the provisions of the applicable ordinance of the Ministry of Justice, the Company may deem that the said information has been provided to shareholders.</u></p> <p>(Newly Established)</p> <p>(Newly Established)</p>	<p>Article 14 A general meeting of shareholders shall be convened by the President of the Company, <u>who is a Representative Director</u>. If there is <u>no President who is a Representative Director in place or the President who is a Representative Director</u> is unavailable, one of the other Directors shall assume the said duties in accordance with the order determined in advance by the Board of Directors.</p> <p><u>2 At a general meeting of shareholders, the President shall act as chairperson. If the President is unavailable, one of the other Directors shall assume the said duties in accordance with the order determined in advance by the Board of Directors.</u></p> <p>(Deleted)</p> <p><u>Article 15 In convocation of a general meeting of shareholders, the Company shall take measures for electronic provision of information comprising the content of reference documents for a general meeting of shareholders, etc.</u></p> <p><u>2 Of the matters to which electronic provision measures apply, the Company may choose not to record all or part of matters stipulated in the Ordinance of the Ministry of Justice in the written documents to be provided to shareholders who have requested provision of such documents by the record date for voting rights.</u></p>

Current Articles of Incorporation	Proposed Changes
Chapter 4 Directors <u>and</u> Board of Directors	Chapter 4 Directors, <u>Board of Directors and Executive Officers</u>
Article 19 The Company shall have not more than <u>eighteen (18)</u> Directors.	Article 19 The Company shall have not more than <u>fourteen (14)</u> Directors.
Article 23 The Board of Directors shall appoint one or more Representative Directors.	Article 23 <as current Article 23, Paragraph 1>
2 The Board of Directors <u>shall</u> appoint <u>one (1) Chairman of the Board, one (1) President and one (1) Vice President, as well as one or more Senior Managing Directors and Managing Directors. Provided, however, that it shall be possible to leave vacant the posts of Chairman of the Board, Vice President and Senior Managing Director.</u>	2. The Board of Directors <u>may</u> appoint a <u>Chairman</u> of the Board.
3 <u>The President shall exercise general control over the full range of business operations of the Company.</u>	(Deleted)
(Newly Established)	<u>Article 26 The Board of Directors shall elect Executive Officers.</u>
(Newly Established)	2 <u>The Board of Directors shall appoint, among Executive Officers, the President and other Executive Officers with special titles.</u>
(Newly Established)	3 <u>The President shall exercise general control over the full range of business operations of the Company.</u>
Articles <u>26-38</u> (Omitted)	Articles <u>27-39</u> <as current Articles 26-38>
(Newly Established)	<u>Supplementary Provisions</u>
(Newly Established)	Article 1 <u>The deletion of current Article 15 and newly establishment of Article 15 of the proposed changes shall take effect from September 1, 2022, the date of enforcement of the revised stipulations stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Enforcement Date”).</u>
(Newly Established)	Article 2 <u>Notwithstanding the provisions of the previous Article, Article 15 of the current Articles of Incorporation shall remain valid for general meeting of shareholders held on a date within six months of the Enforcement Date.</u>
(Newly Established)	Article 3 <u>These supplementary provisions shall be deleted after six months have elapsed from the Enforcement Date or three months have elapsed from the date of the general meeting of shareholders in the previous Article, whichever is later.</u>

### Proposal No. 3: Election of Thirteen (13) Directors

The terms of office of all thirteen (13) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, we nominate the following thirteen (13) 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	22,576
		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	
		June 2021	President and Chief Executive Officer (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 Chief Executive Officer 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	Hitoshi Wakabayashi (January 22, 1960)	April 1982	Joined the Company	16,038
		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	
		June 2021	Managing Director and Managing Executive Officer (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 Managing Director, serving as Managing Executive Officer responsible for Warehousing & Distribution Business. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				
3	Yasushi Saito (October 16, 1958)	April 1982	Joined the Company	10,840
		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	
		June 2021	Managing Director and Managing Executive Officer (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 Managing Director, serving as Managing Executive Officer 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	
4	Shinji Kimura (July 18, 1958)	April 1982 April 2014 April 2016  June 2017  April 2018 April 2020 April 2021 June 2021	Joined the Company General Manager, Personnel Division General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division Director and General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division Managing Director Managing Director; and General Manager, Technical Division Managing Director Managing Director and Managing Executive Officer (current position)	9,938
		<p>[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 Managing Director, serving as Managing Executive Officer responsible for Technical, Harbor Transportation and Real Estate Businesses. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>		
5	Tatsuo Wakabayashi (September 29, 1952)	April 1977 April 2012 April 2013 December 2013  June 2015  April 2016 June 2016 April 2020 June 2019	Joined Mitsubishi Trust and Banking Corporation President of Mitsubishi UFJ Trust and Banking Corporation Deputy Chairman of Mitsubishi UFJ Financial Group, Inc. President and Chairman of Mitsubishi UFJ Trust and Banking Corporation Director; Deputy Chairman of Mitsubishi UFJ Financial Group, Inc. Chairman of Mitsubishi UFJ Trust and Banking Corporation; Director of Mitsubishi UFJ Financial Group, Inc. Retired from Director of Mitsubishi UFJ Financial Group, Inc. Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation (current position) Director of the Company (current position)	0
		<p>[Significant concurrent positions] Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation Outside Director of Mitsubishi Materials Corporation</p> <p>[Reason for nomination as candidate for Outside Director and a summary of expected roles] Mr. Tatsuo Wakabayashi has long been engaged in the corporate management of Mitsubishi UFJ Trust and Banking Corporation and holds abundant knowledge and experience relating to banking and finance, etc. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively. He currently serves as the chair of the Nomination and Compensation Committee of the Company. In addition to his continuing contribution to ensuring and enhancing the objectivity and transparency of the procedures for determining the nomination and compensation of Directors as a member of the Committee, we expect his contribution to the Company's corporate governance through appropriate suggestions and recommendations from an objective standpoint independent of executive management.</p>		

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
6	Toshifumi Kitazawa (November 18, 1953)	<p>April 1977      Joined The Tokio Marine and Fire Insurance Co., Ltd.</p> <p>April 2016      President &amp; Chief Executive Officer of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p> <p>June 2016      Director of Tokio Marine Holdings, Inc.</p> <p>April 2019      Vice Chairman of the Board of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p> <p>June 2019      Retired from Director of Tokio Marine Holdings, Inc.</p> <p>April 2022      Senior Executive Advisor of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. (current position)</p> <p>June 2019      Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Senior Executive Advisor of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p> <p>Member of the Board of Directors (Outside Director) and Member of the Audit &amp; 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 and a summary of expected roles]</p> <p>Mr. Toshifumi Kitazawa has long been engaged in the corporate management of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. and holds abundant knowledge and experience relating to risk management, finance, etc. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.</p> <p>He currently serves as a member of the Nomination and Compensation Committee of the Company. In addition to his continuing contribution to ensuring and enhancing the objectivity and transparency of the procedures for determining the nomination and compensation of Directors as a member of the Committee, we expect his contribution to the Company's corporate governance through appropriate suggestions and recommendations from an objective standpoint independent of executive management.</p>			
7	Tadaaki Naito (September 30, 1955)	<p>April 1978      Joined Nippon Yusen Kabushiki Kaisha</p> <p>April 2015      President, Representative Director, President Corporate Officer of Nippon Yusen Kabushiki Kaisha</p> <p>June 2019      Chairman, Director, Chairman Corporate Officer of Nippon Yusen Kabushiki Kaisha</p> <p>June 2020      Chairman, Director, Chairman and Executive Officer of Nippon Yusen Kabushiki Kaisha</p> <p>April 2022      Chairman, Director of Nippon Yusen Kabushiki Kaisha (current position)</p> <p>June 2020      Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Chairman, Director of Nippon Yusen Kabushiki Kaisha</p>	0
<p>[Reason for nomination as candidate for Outside Director and a summary of expected roles]</p> <p>Mr. Tadaaki Naito has long been engaged in the corporate management of Nippon Yusen Kabushiki Kaisha and holds abundant knowledge and experience relating to logistics operations, etc. which is the Company's mainstay business. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.</p> <p>We expect his contribution to the Company's corporate governance through appropriate suggestions and recommendations from an objective standpoint independent of executive management.</p>			

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
8	Tetsuya Shoji (February 28, 1954)	<p>April 1977      Joined Nippon Telegraph and Telephone Public Corporation</p> <p>June 2009      Director of the General Affairs Department of Nippon Telegraph and Telephone Corporation</p> <p>June 2012      Senior Executive Vice President of NTT Communications Corporation</p> <p>June 2015      President and CEO of NTT Communications Corporation</p> <p>June 2020      Corporate Advisor of NTT Communications Corporation (current position)</p> <p>June 2021      Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Corporate Advisor of NTT Communications Corporation</p> <p>Outside Director of Sapporo Holdings Limited</p> <p>Outside Director of Hitachi Zosen Corporation</p> <p>Outside Director of Japan Tobacco Inc.</p> <p>Outside Director of circlace Inc.</p>	0
<p>[Reason for nomination as candidate for Outside Director and a summary of expected roles]</p> <p>Mr. Tetsuya Shoji has long been engaged in the corporate management of NTT Communications Corporation and holds abundant knowledge and experience relating to business operation innovation, etc. utilizing new digital technologies which the Company has been promoting. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.</p> <p>He currently serves as a member of the Nomination and Compensation Committee of the Company. In addition to his continuing contribution to ensuring and enhancing the objectivity and transparency of the procedures for determining the nomination and compensation of Directors as a member of the Committee, we expect his contribution to the Company's corporate governance through appropriate suggestions and recommendations from an objective standpoint independent of executive management.</p>			
9	Kazuko Kimura (May 1, 1951)	<p>April 1976      Joined the Ministry of Health and Welfare</p> <p>July 1996      Drug Management and Policy Department of World Health Organization (on secondment)</p> <p>July 1999      Organization for Pharmaceutical Safety and Research (on secondment)</p> <p>April 2000      Professor of Drug Management and Policy Department, Institute of Medical, Pharmaceutical and Health Sciences, Kanazawa University</p> <p>April 2017      Professor Emeritus of National University Corporation Kanazawa University (current position)</p> <p>October 2017      Specially Appointed Professor of Graduate School of Medical Sciences of National University Corporation Kanazawa University (current position)</p> <p>June 2021      Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Specially Appointed Professor of Graduate School of Medical Sciences of National University Corporation Kanazawa University</p> <p>External Director of Takara Bio Inc.</p> <p>Representative Director of Medicines Security Workshop</p>	0
<p>[Reason for nomination as candidate for Outside Director and a summary of expected roles]</p> <p>Ms. Kazuko Kimura, as a Ph.D. holder in pharmaceutical sciences, has served in prominent posts at external organizations such as the World Health Organization after working for the Ministry of Health and Welfare and as professor at National University Corporation Kanazawa University. In addition, she holds abundant knowledge and experience in the field of medical and health care, etc., which are the Company's core and focus areas. The Company nominated her in the belief that reflecting her broad insight and invaluable advice from the viewpoint of diversity in the Company's management is beneficial to the Company's growth and enhancement of corporate value and she is capable of supervising the Company's management and Directors effectively.</p> <p>We expect her contribution to the Company's corporate governance through appropriate suggestions and recommendations from an objective standpoint independent of executive management.</p> <p>Although she has not been involved in corporate management other than serving as an outside director in the past, the Company believes that she can appropriately perform her duties as Outside Director for the reasons described above.</p>			

No.	Name (Date of birth)	Past experience and significant concurrent positions		Number of shares of the Company held
10	Tatsushi Nakashima (November 29, 1957)	April 1976	Joined the Company	9,908
		April 2017	General Manager, Nagoya Branch	
		June 2018	Director and General Manager, Nagoya Branch	
		April 2020	Director and General Manager, Yokohama Branch	
		June 2021	Director, Senior Executive Officer and General Manager, Yokohama Branch (current position)	
[Reason for nomination as candidate for Director] Mr. Tatsushi Nakashima had long served in the Warehousing & Distribution Business division. He is currently serving as Director, Senior Executive Officer and General Manager, Yokohama Branch. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				
11	Akira Yamao (June 13, 1960)	April 1983	Joined the Company	7,508
		April 2015	General Manager, Planning & Business Coordination Division	
		June 2019	Director and General Manager, Planning & Business Coordination Division	
		April 2020	Director and General Manager, Osaka Branch	
		June 2021	Director, Senior Executive Officer and General Manager, Osaka Branch (current position)	
[Reason for nomination as candidate for Director] Mr. Akira Yamao had long served in the Real Estate Business division in addition to the management division such as planning. He is currently serving as Director, Senior Executive Officer and General Manager, Osaka Branch. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				
12	Munenori Kimura (June 14, 1964)	April 1987	Joined the Company	4,444
		April 2018	General Manager, Yokohama Branch	
		April 2020	General Manager, Planning & Business Coordination Division (currently Corporate Planning Division)	
		June 2021	Executive Officer and General Manager, Corporate Planning Division	
		April 2022	Managing Executive Officer and General Manager, International Transportation Business Division (current position)	
[Reason for nomination as candidate for Director] Mr. Munenori Kimura had long served in the International Transportation Business division including overseas assignment. He is currently serving as Managing Executive Officer responsible for Planning, International Transportation Business and Overseas Business, and General Manager, 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.				
13	Hidechika Saito (July 5, 1964)	April 1987	Joined the Company	4,244
		April 2018	General Manager, Osaka Branch	
		April 2020	General Manager, International Transportation Business Division	
		June 2021	Executive Officer and General Manager, International Transportation Business Division	
		April 2022	Managing Executive Officer (current position)	
[Reason for nomination as candidate for Director] Mr. Hidechika Saito had long served in the International Transportation Business division including overseas assignment in addition to the Management division such as Personnel. He is currently serving as Managing Executive Officer responsible for General Affairs, Corporate Communications, and Human Resources. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				

(Notes)

- There are no special interests between each candidate and the Company.
- Responsibilities of the candidates at the Company who are incumbent Directors of the Company are as stated in the Business Report (pages 23 through 24).  
Additionally, the five Directors, Mr. Tatsuo Wakabayashi, Mr. Toshifumi Kitazawa, Mr. Tadaaki Naito, Mr. Tetsuya Shoji and Ms. Kazuko Kimura are incumbent Outside Directors of the Company.
- The Company has concluded a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure Directors, Corporate Auditors, and Executive Officers, etc., of the Company. The Company plans to renew the contract at expiration. The outline of the said insurance contract is as stated in the Business Report (page 25). If the election of each candidate for Director is approved, they will be insured under the said insurance contract.

4. Matters regarding the candidates for Outside Director are as follows.

(1) Five Directors, Mr. Tatsuo Wakabayashi, Mr. Toshifumi Kitazawa, Mr. Tadaaki Naito, Mr. Tetsuya Shoji and Ms. Kazuko Kimura 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: 3 years	Mr. Toshifumi Kitazawa: 3 years	Mr. Tadaaki Naito: 2 years
Mr. Tetsuya Shoji: 1 year	Ms. Kazuko Kimura: 1 year	

[Reference]

The expertise and experience of each Director are as follows.

Name	Current position at the Company	Expertise and Experience						Contribution to the Company's Growth*
		Corporate Management	Finance and Accounting	Marketing	ESG and Sustainability	Legal Affairs, Compliance and Risk Management	Technology	
Masao Fujikura	President and Chief Executive Officer	○	○	○	○	○		○
Hitoshi Wakabayashi	Managing Director and Managing Executive Officer	○		○				○
Yasushi Saito	Managing Director and Managing Executive Officer	○	○			○	○	○
Shinji Kimura	Managing Director and Managing Executive Officer	○		○				○
Tatsuo Wakabayashi	Outside Director	○	○		○	○		○
Toshifumi Kitazawa	Outside Director	○	○		○	○		○
Tadaaki Naito	Outside Director	○	○		○	○		○
Tetsuya Shoji	Outside Director	○			○	○	○	○
Kazuko Kimura	Outside Director				○	○	○	○
Tatsushi Nakashima	Director and Senior Executive Officer			○				○
Akira Yamao	Director and Senior Executive Officer			○				○
Munenori Kimura	(New candidate) Managing Executive Officer	○		○	○			○
Hidechika Saito	(New candidate) Managing Executive Officer	○		○		○		○

\*Contribution to the Company's Growth: MLC2030 Vision "Supply chains in the medical/health care," "Expand overseas business," and "Strengthen organization and develop human resources," etc.

(Note) This table does not represent all the skills that each Director possesses.

(Appendix)

## **Business Report**

(April 1, 2021 - March 31, 2022)

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

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

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

During the fiscal year under review, although due to the resurgence of COVID-19 in China, economic activities in some regions have been dampened and difficult situations remain in some areas in Europe, the global economy on the whole improved as the impact of COVID-19 is mitigating. In Japan, the economy showed improved performance mainly in consumer spending, capital investment, and production, as the severe situation due to COVID-19 is mitigating.

In these economic situations, the business environment surrounding the Group experienced an adverse situation for both of the segments. In the Logistics Segment, the recovery trend in freight volumes has become slower and costs increased owing to the tightness of global transportation supplies resulting from intensifying competition with other companies and labor shortage in Japan. In the Real Estate Segment, some of the commercial facilities experienced a slump in customer footfall due to the issues of the declaration of a state of emergency and priority preventative measures, and the vacancy rate of office buildings in lease has increased because of declined demands.

Under these circumstances, Mitsubishi Logistics Corporation and its subsidiaries and affiliates (collectively, the “Group”) promoted marketing activities while utilizing new approaches such as IT, etc. In the Logistics Segment, we made efforts expanding distribution operations especially for pharmaceuticals, and increasing the volume of international freight. 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 through cost management and further improvement of efficiency in business operations.

As a result, revenue for the fiscal year under review amounted to 257,230 million yen, an increase of 43,501 million yen, or 20.4% from the previous fiscal year. In the Logistics Segment, revenue increased due to a recovery in freight handled in the Warehousing & Distribution, Overland Transportation, Harbor Transportation, and International Transportation businesses in addition to the contribution of higher unit prices of ocean and air freight rates in the International Transportation Business. In the Real Estate Segment, revenue increased due mainly to new acquisition of facilities in Osaka in the Real Estate Leasing Business and an increase in property sales in the condominium sales business. On the other hand, cost of services overall increased 36,722 million yen, or 19.1% from the previous fiscal year to 228,598 million yen. In the Logistics Segment, operational and transportation consignment costs increased with a recovery in freight handled. Also in the Real Estate Segment, temporary expenses such as real estate acquisition tax associated with newly acquired facilities in Osaka were recognized, and real estate sales costs in condominium sales increased. Selling, general and administrative expenses increased 368 million yen, or 3.6% from the previous fiscal year to 10,487 million yen due mainly to an increase in personnel and other expenses.

As a result, operating income increased by 6,409 million yen, or 54.6% year on year to 18,144 million yen, reflecting the increase in income both in the Logistics Segment and the Real Estate Segment. Ordinary income increased by 7,137 million yen, or 44.6% to 23,151 million yen, reflecting an increase in dividend income and a decrease in foreign exchange losses despite a decrease in equity in earnings of unconsolidated subsidiaries and affiliates. Profit attributable to owners of parent decreased by 21,267 million yen, or 54.3% from the previous fiscal year to 17,892 million yen. This was mainly due to recognizing extraordinary income from gain on disposal of non-current assets, compensation income, etc. (36,600 million yen in total) in the previous fiscal year as a result of factors such as the partial transfer of a site for the Company’s Real Estate Business around Nagoya Station.

Performance by business segment of the Group was as follows.

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

The volume of freight handled is in recovery in each of the Warehousing & Distribution, Overland Transportation, Harbor Transportation, and International Transportation businesses. In the Warehousing

& Distribution and Overland Transportation businesses, due to increased transactions for pharmaceuticals and recovery in transactions for automotive components and other factors, revenue in the Warehousing & Distribution Business increased by 4.7% from the previous fiscal year to 58,562 million yen and revenue in the Overland Transportation Business increased by 7.9% from the previous fiscal year to 52,017 million yen. Also in the Harbor Transportation Business, revenue increased by 7.6% from the previous fiscal year to 22,950 million yen due mainly to a recovery in container freight handling volume. In the International Transportation Business, factors such as an increase in export and import freight handled and contribution of higher unit price of ocean and air freight rates resulted in a 58.2% increase in revenue from the previous fiscal year to 73,593 million yen.

As a result, overall revenue in the Logistics Segment was 215,240 million yen, up 35,984 million yen, or 20.1% from the previous fiscal year. Also, operating expenses were up by 29,512 million yen, or 17.2%, from the previous fiscal year to 201,536 million yen due to an increase in operational and transportation consignment costs in line with a recovery in freight handling volume. As a result, operating income was 13,703 million yen, an increase of 6,471 million yen, or 89.5% from the previous fiscal year, due mainly to initiatives for the improvement of business efficiency.

#### 2) Real Estate Segment

In the mainstay real estate leasing business, revenue increased by 4.5% from the previous fiscal year to 29,735 million yen due mainly to the contribution of newly acquired facilities in Osaka. Other revenue increased by 80.7% from the previous fiscal year to 13,926 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 43,662 million yen, up 7,509 million yen, or 20.8% from the previous fiscal year. Operating expenses were up by 7,230 million yen, or 27.7% from the previous fiscal year to 33,345 million yen, because temporary expenses such as real estate acquisition tax associated with newly acquired facilities in Osaka was recognized and real estate sales costs in condominium sales increased. Due to the above, operating income was 10,316 million yen, an increase of 278 million yen, or 2.8% from the previous fiscal year.

### Revenue by segment

(Millions of yen unless otherwise stated)

Categories	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Year-on-year change	
			Amount	Percentage (%)
Logistics Segment	215,240	179,255	35,984	20.1
[Warehousing & Distribution Business]	[58,562]	[55,954]	[2,607]	[4.7]
[Overland Transportation Business]	[52,017]	[48,214]	[3,802]	[7.9]
[Harbor Transportation Business]	[22,950]	[21,332]	[1,618]	[7.6]
[International Transportation Business]	[73,593]	[46,514]	[27,078]	[58.2]
[Other]	[8,116]	[7,239]	[877]	[12.1]
Real Estate Segment	43,662	36,153	7,509	20.8
[Real Estate Leasing Business]	[29,735]	[28,446]	[1,289]	[4.5]
[Other]	[13,926]	[7,706]	[6,220]	[80.7]
Elimination of inter-segment transactions	(1,672)	(1,679)	7	—
Total	257,230	213,729	43,501	20.4

(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 42,383 million yen for construction of warehouses and facilities for lease, purchase of facilities for lease and land, etc.

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

### 1) Completed Warehouses

Ibaraki: Tsukuba Distribution Center, Fuji Logistics Co., Ltd.

[Completed in March 2022]

Warehouses

(three stories, floor area of approx. 20,300 m<sup>2</sup>)

### 2) Purchased facilities for lease and land

Osaka: GRAND FRONT OSAKA "the Company's ownership ratio is 4.9%)

[Purchased in April 2021]

Offices and stores for lease (two-story building and 38-story building, floor area of approx. 481,600 m<sup>2</sup>)

Land (approx. 43,200 m<sup>2</sup>, of which the Company leases approx. 9,900 m<sup>2</sup>)

### 3) Facilities for lease that underwent large-scale renovation

Tokyo: Eitai Dia Building

[Renewal work for power substation facilities: Completed in March 2022]

Rental building for computer-processing center

(14 stories, floor area of approx. 29,900 m<sup>2</sup>)

### 4) Warehouses under construction

Osaka: Ibaraki Distribution Center No. 5

[Scheduled for completion in October 2022]

Warehouses (four stories, floor area of approx. 26,100 m<sup>2</sup>)

### 5) Facilities for lease under construction

Tokyo: Rental building for tenants

[Scheduled for completion in April 2024]

Rental building for computer-processing center

(nine stories, floor area of approx. 34,800 m<sup>2</sup>)

Kobe: Suma Aqualife Park/Kaihin Park Restructuring Project

(the Company's business ratio is 27.8%)

[Scheduled for completion in Spring in 2024]

Commercial facilities for lease (development area of approx. 101,900 m<sup>2</sup>)

## (3) Financing

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

Additionally, the Company redeemed the 13th unsecured bonds (total face value 5.0 billion yen; issued December 9, 2011) on December 9, 2021.

## (4) Future Outlook and Issues

In the future world economy, although the COVID-19 infection trend and the situation in Ukraine are concerning, a steady improvement is expected to continue. In addition, the state of the Japanese economy is expected to improve owing to the effects of various policies and improvements in overseas economies, while robust measures to prevent the infection are implemented and social and economic activities are moving toward normalization.

In this economic climate, under the business environment surrounding the Group, extremely harsh situations continue due to intensified competition and an increase in cost resulting from labor shortages and tightness of international transportation supplies, although the recovery in freight movement is expected in the logistics industry. There is concern that business conditions may become stagnant in the real estate industry due mainly to a decrease in sales at commercial facilities affected by COVID-19 and a decline in demand for rental office buildings.

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 in the priority categories including

medical/health care, food/beverage, and machinery/electrical machine industries, as well as in the new materials industry, which was added in the newly formed Management Plan (2022-2024) as the market is expected to expand toward 2030.

- 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 to capture the 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 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.

In the Management Plan (2019-2021) that is the first stage to achieve the MLC2030 Vision, the Group has endeavored to provide safe, high-quality and socially useful services centering on our Warehousing & Distribution Business, strengthen business foundations of the priority areas, establish a system that leverages new technologies, and increase shareholder returns, despite unexpected business environment of the pandemic of COVID-19.

To further promote these initiatives, in the Management Plan (2022-2024) that is the second stage toward the achievement of the MLC2030 Vision, the Group has established the five basic policies as follows.

- 1) Improving profitability of the logistics business
- 2) Expanding the growth base of overseas business
- 3) Expanding the real estate business by improving development capacity
- 4) Developing high value-added services by utilizing cutting-edge technologies
- 5) Strengthening the Group management base

The Group, as a whole, will promote the measures to achieve both record operating income of 20,000 million yen and ROE (return on equity) of 7% as our new financial goals. We will work on enhancing shareholder returns and improving capital efficiency to further enhance the corporate value, under a strong earnings foundation / revenue base and an appropriate financial base.

Furthermore, in order to promote initiatives for the ESG (Environment, Social, Governance) management and the SDGs proposed by the United Nations, we have set six key themes: (i) Safety and security, Disaster response, (ii) Environmental measures, (iii) Cutting-edge technology, Innovation, (iv) Partnership, (v) Human resource development, Employee satisfaction, and (vi) Compliance, Human rights, Gender. By establishing measures, evaluation indicators, and target values for each theme, we will aim to achieve them, as well as the MLC2030 Vision, in the fiscal year ending March 31, 2031. To ensure that we achieve the targets, we publish the main initiatives for each theme in the Management Plan (2022-2024) and promote quality initiatives, led by the Sustainability Committee, through progress management, periodic inspection and replacement of measures, evaluation indicators and targets, and expanding communication with internal and external parties via the Integrated Report and the Group's official websites, etc.

The Group engages in the business of logistics and real estate, which function as social infrastructure, and help to achieve a "sustainable" society, very much in the spirit of the SDGs. The Group will aim for its sustainable growth by identifying growth opportunities for business as it strives to solve environmental and other social issues.

## 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 216th fiscal year (April 1, 2018 - March 31, 2019)	The 217th fiscal year (April 1, 2019 - March 31, 2020)	The 218th fiscal year (April 1, 2020 - March 31, 2021)	Fiscal year under review (April 1, 2021 - March 31, 2022)
The Group	Revenue	227,185	229,057	213,729	257,230
	Operating income	12,660	12,195	11,735	18,144
	Ordinary income	17,333	16,822	16,013	23,151
	Profit attributable to owners of parent	11,564	11,851	39,160	17,892
	Basic earnings per share (yen)	132.03	137.31	462.28	219.47
	Total assets	482,575	468,243	535,761	562,187
	Total net assets	299,104	286,356	326,829	347,759
The Company	Revenue	157,432	160,031	151,553	184,137
	Operating income	9,016	8,899	9,376	12,046
	Ordinary income	14,619	13,616	13,964	17,952
	Net income	10,125	10,109	38,573	17,646
	Basic earnings per share (yen)	115.55	117.08	455.16	216.37
	Total assets	433,462	416,534	483,917	505,990
	Total net assets	274,400	260,685	299,249	317,611

(Notes)

1. In the 218th fiscal year, the Group's profit attributable to owners of parent and basic earnings per share, and the Company's net income and basic earnings per share increased because we recorded extraordinary income including gain on disposal of non-current assets and compensation income as a result of partial transfer of a site for the Company's Real Estate Business around Nagoya Station, among others.
2. The Group and the Company's revenue, operating income, and ordinary income increased in the fiscal year under review due to the recovery of freight handled in the Logistics Segment and the contribution of higher unit prices of ocean and air freight rates in the international transportation business, etc. Also, the Group's profit attributable to owners of parent and basic earnings per share, and the Company's net income and basic earnings per share decreased because in the 218th fiscal year, we recorded extraordinary income including gain on disposal of non-current assets and compensation income as a result of partial transfer of a site for the Company's Real Estate Business around Nagoya Station.
3. Basic earnings per share of the Group and of the Company are calculated based on the weighted-average number of shares issued 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	Overland Transportation Business
Dia Buil-Tech Co., Ltd.	100	100	Real Estate Managing Business
Shinryo Koun Co., Ltd.	36	86.0	Port and Harbor Operation 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

The number of the consolidated subsidiaries subject to consolidated accounting is 48 (a decrease of 2 companies from the previous fiscal year) 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) Overland 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	4,362 (increased 133)
Real Estate Segment	290 (increased 2)
Administrative segment, Headquarters of the Company	80 (decreased 1)
Total	4,732 (increased 134)

(Notes)

1. The figures in the above table do not include 45 persons on leave and seconded outside of the Group.
2. Separate from the above, there are 1,195 temporary employees and 1,308 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
1,014 (increased 18)	39 years, 11 months	15 years, 8 months

(Notes)

1. The figures in the above table do not include 103 persons on leave and seconded outside of the Company.
2. Separate from the above, there are 183 temporary employees and 597 seconded and contracted employees from within and outside of the Group.
3. Average age and average years of service are rounded down to the nearest month.

## 7. Material Lenders

Lender	Amount of borrowings (Millions of yen)
MUFG Bank, Ltd.	35,583
The Norinchukin Bank	10,970

## II. Status of Shares

### 1. Matters concerning Shares

(1) Authorized shares 220,000,000 shares

#### (2) Number of shares issued, capital and number of shareholders

Item	End of fiscal year under review	Previous fiscal year-end	Changes from the previous fiscal year-end
Number of shares issued (shares)	87,960,739	87,960,739	0
Capital (yen)	22,393,986,570	22,393,986,570	0
Number of shareholders (persons)	7,203	6,323	880 (increased)

(Note) Number of shares issued includes 6,751,940 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)	17,462	21.5
Meiji Yasuda Life Insurance Company	5,153	6.3
Custody Bank of Japan, Ltd. (trust account)	5,133	6.3
MITSUBISHI ESTATE CO., LTD.	3,665	4.5
STATE STREET BANK AND TRUST COMPANY 505001	2,405	3.0
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,041	2.5
AGC Inc.	1,657	2.0
MUFG Bank, Ltd.	1,505	1.9
TAKENAKA CORPORATION	1,505	1.9
The Nomura Trust and Banking Co., Ltd. (trust funds for retirement benefits, Mitsubishi UFJ Trust and Banking Corporation account)	1,414	1.7

(Notes) 1. In addition to the above, the Company holds 6,751 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. "Shareholding ratio" is calculated after excluding treasury shares (6,751,940 shares).

#### (4) Status of shares delivered to corporate executives as consideration for execution of their duties during the fiscal year under review

To incentivize eligible officers to sustainably increase the Company's corporate value and promote the further sharing of value with shareholders, shares are delivered to Directors excluding Outside Directors as compensation for granting restricted stock. The stock cannot be disposed of until the recipient retires or resigns from the position of the Company's Director or other positions decided by the Company's Board of Directors.

	Type and number of shares	Number of eligible officers
Directors (excluding Outside Directors)	Common stock of the Company 12,856 shares	8 persons
Outside Directors	-	-
Corporate Auditors	-	-

## 2. Company Officers

### (1) Directors and Corporate Auditors

Position	Name	Areas of responsibility or significant concurrent positions
President	Masao Fujikura	
Chief Executive Officer *		
Managing Director	Hitoshi Wakabayashi	Responsible for Warehousing & Distribution Business
Managing Executive Officer		
Managing Director	Yasushi Saito	Responsible for Accounting & Financing and Information System
Managing Executive Officer		
Managing Director	Shinji Kimura	Responsible for Technical, Harbor Transportation and Real Estate Businesses
Managing Executive Officer		
Managing Director	Saburo Naraba	Responsible for General Affairs, Corporate Communications, Human Resources, Planning, and Internal Audit
Managing Executive Officer *		Responsible for International Transportation Business and Overseas Business
Managing Director	Hiroshi Nishikawa	
Managing Executive Officer		
Director	Tatsuo Wakabayashi	Senior Advisor, Mitsubishi UFJ Trust and Banking Corporation
Director	Toshifumi Kitazawa	Vice Chairman of the Board, Tokio Marine & Nichido Fire Insurance Co., Ltd.
Director	Tadaaki Naito	Chairman, Director, Chairman and Executive Officer, Nippon Yusen Kabushiki Kaisha
Director	Tetsuya Shoji	Corporate Advisor, NTT Communications Corporation
Director	Kazuko Kimura	Specially Appointed Professor, Graduate School of Medical Sciences, National University Corporation Kanazawa University
Director	Tatsushi Nakashima	General Manager, Yokohama Branch
Senior Executive Officer		
Director	Akira Yamao	General Manager, Osaka Branch
Senior Executive Officer		
Standing Corporate Auditor (full time)	Tohru Watanabe	
Corporate Auditor (full time)	Mikine Hasegawa	
Corporate Auditor	Yohnosuke Yamada	Lawyer
Corporate Auditor	Takao Sato	Certified Public Accountant
Corporate Auditor	Junya Miura	Full-time Corporate Auditor, Ryoso Transportation Co., Ltd.

- (Notes)
1. Directors with an asterisk (\*) are Representative Directors.
  2. Of Directors, Mr. Tatsuo Wakabayashi, Mr. Toshifumi Kitazawa, Mr. Tadaaki Naito, Mr. Tetsuya Shoji, and Ms. Kazuko Kimura 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. Takao Sato 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. Takao Sato is a Certified Public Accountant and has a considerable knowledge regarding finance and accounting.
  5. Director Mr. Toshifumi Kitazawa retired as Vice Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd. on March 31, 2022 and took office as Senior Executive Advisor of the company on April 1, 2022.
  6. Director Mr. Tadaaki Naito retired as Chairman and Executive Officer of Nippon Yusen Kabushiki Kaisha on March 31, 2022 and continues to serve as Chairman, Director of the company.
  7. The Directors who retired during the fiscal year under review were as follows:  
(Retired on June 29, 2021)  

Director Yoshiji Ohara	Director Akio Miura
Director Masanori Maekawa	
  8. Of Directors shown above, positions and responsibilities were changed as follows on April 1, 2022.  
(Directors with an asterisk (\*) are Representative Directors.)  

(Previous positions)	(New positions and responsibilities)
Managing Director, Managing Executive Officer Saburo Naraba*	Director (-)
Managing Director, Managing Executive Officer Hiroshi Nishikawa	Director (-)
  9. In addition to the above, the seven Executive Officers who do not hold concurrent position as Director are as below. (As of April 1, 2022)

Position	Name	Areas of responsibility or positions
Managing Executive Officer	Munenori Kimura	Responsible for Planning, International Transportation Business and Overseas Business, General Manager, International Transportation Business Division
Managing Executive Officer	Hidechika Saito	Responsible for General Affairs, Corporate Communications, and Personnel
Senior Executive Officer	Akio Miura	General Manager, Nagoya Branch
Senior Executive Officer	Masanori Maekawa	General Manager, General Affairs Division, Corporate Communications Chamber
Executive Officer	Manabu Kusuyama	General Manager, Information Systems Division
Executive Officer	Naoyuki Inamo	General Manager, Accounting & Financing Division
Executive Officer	Takashi Mukai	General Manager, Real Estate Business Division



## **(2) Outline of the Directors and Officers Liability Insurance Contract**

The Company has concluded a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure Directors, Corporate Auditors and Executive Officers, etc. The contract covers damages and litigation costs resulting from liability of the insured arising in the performance of their duties or claims received in the pursuit of such liability. However, measures are taken so that the properness of the performance of duties by the insured is not impaired by excluding the damages arising from the insured's criminal acts, acts committed with the knowledge that they violate laws, insider trading, and unlawful benefit and defining deductibles not to cover damages under specific amount. The Company fully covers the insurance premiums.

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

### **1) Policy for determining details of compensation for each Director**

The Company resolved the policy at the meeting of the Board of Directors based on suggestions from the Nomination and Compensation Committee upon consulting with the Committee.

#### **(i) Policy for determining the amount of basic compensation for each Director, details of performance-based compensation and nonmonetary compensation and calculation method of their amount or figures (including policy for determining timing and conditions of providing compensation)**

Compensation for Directors shall consist of basic compensation, performance-based compensation, and stock compensation at amounts based on their duties and the compensation level of society in general.

Basic compensation shall be paid according to the position of each Director as monthly fixed compensation within the limit of compensation determined at a general meeting of shareholders.

Performance-based compensation shall be bonuses for Directors excluding Outside Directors. Payment is to be made at a specific timing every year at an amount determined according to the performance indicators of the previous fiscal year within the compensation limit that is common with basic compensation. Operating income and ordinary income that reflect profits from ordinary business activities in general and is deemed appropriate as a quantitative indicator, and ROE (return on equity) that is deemed appropriate as a capital efficiency indicator shall be adopted as the performance indicators for bonuses. The amount of bonuses shall be determined based on a calculation table providing the amounts according to the level of the performance indicators of the previous fiscal year. In addition, a certain degree of addition or subtraction can be made based on the evaluation of initiatives for issues set for each individual.

Stock compensation is intended to incentivize recipients to sustainably increase the Company's corporate value and promote the further sharing of value with shareholders. Payment is to be made at a specific timing every year at an amount deemed reasonable in light of the purpose within the compensation limit that is common with basic compensation to Directors excluding Outside Directors as compensation for granting restricted stock. The stock cannot be disposed of until the recipient retires or resigns from the position of the Company's Director or other positions decided by the Company's Board of Directors.

#### **(ii) Policy for determining the ratio of monetary compensation, performance-based compensation, and nonmonetary compensation for each Director**

The payment amount per type of compensation for each Director shall be determined so that the ratio per type of compensation for each Director will function as an appropriate incentive commensurate with the duties expected for each position.

To link compensation with medium- to long-term business performance, the Company's shares shall be acquired through the officer stock ownership plan using contributions from monthly compensation and bonuses at amounts not less than those set for each position. All the shares purchased shall be held throughout the service period and until one year after retirement.

#### **(iii) Determination of details of compensation for each Director**

Based on the above policy, matters such as the compensation limit to be submitted to the general meeting of shareholders, drafts of proposals regarding stock compensation, and allotment of each type of compensation for each individual shall be discussed by the Nomination and Compensation Committee. The Committee was established as an advisory body to the Board of Directors mainly comprising independent Outside Directors to further enhance the objectivity and transparency of the procedures for determining the nomination and compensation of Directors. Based on the suggestions

of the Committee, the Board of Directors shall discuss and resolve the matter at its meetings attended by Outside Directors and Outside Corporate Auditors.

Details of compensation for each Director for the fiscal year under review are deemed to conform to the above policy because the Board of Directors determined them based on suggestions from the Nomination and Compensation Committee which deliberated on the matter according to the above policy.

2) Policy for determining the amount of compensation for Corporate Auditors and its calculation method

Compensation for Corporate Auditors is determined by discussion between Corporate Auditors within the compensation limit resolved at a general meeting of shareholders.

3) Resolution of the general meeting of shareholders concerning compensation for Directors and Corporate Auditors

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). There were 15 Directors (including 4 Outside Directors) and 5 Corporate Auditors at the conclusion of the 216th Annual General Meeting of Shareholders held on June 27, 2019.

Within the scope of compensation limit for Directors stated above, the Company provides monetary compensation for granting restricted stock to Directors excluding Outside Directors (150 million yen per year for up to 100 thousand shares of the Company's common stock; resolved at the 217th Annual General Meeting of Shareholders held on June 26, 2020). There were 11 Directors excluding Outside Directors at the conclusion of the 217th Annual General Meeting of Shareholders held on June 26, 2020.

4) Total amount of compensation for Directors and Corporate Auditors, etc.

Category	Total amount of compensation (Millions of yen)	Total amount per type of compensation (Millions of yen)			Number of eligible executives (Persons)
		Basic compensation	Bonuses (performance-based compensation)	Restricted stock compensation (nonmonetary compensation)	
Directors [of which, Outside Directors]	434 [46]	349 [46]	38 [—]	45 [—]	16 [5]
Corporate Auditors [of which, Outside Corporate Auditors]	78 [42]	78 [42]	— [—]	— [—]	5 [3]

- (Notes)
1. Bonuses are performance-based compensation to be paid within the compensation limit that is common with basic compensation. Operating income and ordinary income that reflect profits from ordinary business activities in general and is deemed appropriate as a quantitative indicator, and ROE (return on equity) that is deemed appropriate as a capital efficiency indicator shall be adopted as the performance indicators for bonuses. The amount of bonuses shall be determined based on a calculation table providing the amounts according to the level of the performance indicators of the previous fiscal year. In addition, a certain degree of addition or subtraction can be made based on the evaluation of initiatives for issues set for each individual. Consolidated operating income for the 219th term was 18,144 million yen, consolidated ordinary income was 23,151 million yen, and consolidated ROE was 5.4%. The amount of bonuses above is the amount expensed as bonuses for the fiscal year under review.
  2. The amount of the restricted stock compensation above is the amount expensed as restricted stock compensation for the fiscal year under review. Details of stock compensation and status of their delivery are as described in "1. Matters concerning Shares, (4) Status of shares delivered to corporate executives as consideration for execution of their duties during the fiscal year under review."
  3. In addition to the payment amounts mentioned above, the portion of employees' salary of 57 million yen were paid to Directors concurrently serving as employees (4 persons during the fiscal year under review).

#### (4) Matters concerning Outside Directors

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

Name	Company name	Title
Tatsuo Wakabayashi	Mitsubishi UFJ Trust and Banking Corporation Mitsubishi Materials Corporation	Senior Advisor Outside Director
Toshifumi Kitazawa	Tokio Marine & Nichido Fire Insurance Co., Ltd.  MUFG Bank, Ltd. Sekisui House, Ltd.	Vice Chairman of the Board Member of the Board of Directors (Outside Director) and Member of the Audit & Supervisory Committee Outside Director
Tetsuya Shoji	NTT Communications Corporation Sapporo Holdings Limited Hitachi Zosen Corporation Japan Tobacco Inc.	Corporate Advisor Outside Director Outside Director Outside Director
Kazuko Kimura	Graduate School of Medical Sciences of National University Corporation Kanazawa University Takara Bio Inc. Medicines Security Workshop	Specially Appointed Professor External Director Representative Director

- (Notes)
1. The Company has transactions such as logistics operation consignment, etc. with Mitsubishi Materials Corporation.
  2. The Company has transactions such as insurance contract, etc. with Tokio Marine & Nichido Fire Insurance Co., Ltd.
  3. The Company has transactions such as loans and logistics operation consignment, etc. with MUFG Bank, Ltd.
  4. The Company has transactions such as logistics operation consignment, etc. with Sekisui House, Ltd.
  5. The Company has mutual transactions in logistics operation consignment, etc. with Nippon Yusen Kabushiki Kaisha.
  6. The Company has transactions such as logistics operation consignment, etc. with Japan Tobacco Inc.
  7. The Company has made a donation for the foundation of donated courses to National University Corporation Kanazawa University.
  8. The Company has transactions such as logistics operation consignment, etc. with Takara Bio Inc.
  9. The Company has paid lecture fees to Medicines Security Workshop.

##### 2) Main activities

Mr. Tatsuo Wakabayashi participated in all 12 meetings of the Board of Directors held during the fiscal year under review. He has adequately fulfilled his responsibilities as Director by expressing his opinions actively at the meetings of the Board of Directors from an independent and objective standpoint and striving to supervise the Company's management and Directors based on insight gained through having long been engaged in the corporate management of Mitsubishi UFJ Trust and Banking Corporation and his abundant knowledge and experience in banking and finance, etc.

As the chair of the Nomination and Compensation Committee, he participated in all 2 meetings of the Committee held during the fiscal year under review and contributed to maintaining and enhancing the objectivity and transparency of the procedures for determining the nomination and compensation of Directors.

Mr. Toshifumi Kitazawa participated in all 12 meetings of the Board of Directors held during the fiscal year under review. He has adequately fulfilled his responsibilities as Director by expressing his opinions actively at the meetings of the Board of Directors from an independent and objective standpoint and striving to supervise the Company's management and Directors based on insight gained through having long been engaged in the corporate management of Tokio Marine & Nichido Fire Insurance Co., Ltd. and his abundant knowledge and experience in risk management, finance, etc.

As a member of the Nomination and Compensation Committee, he participated in all 2 meetings of the Committee held during the fiscal year under review and contributed to maintaining and enhancing

the objectivity and transparency of the procedures for determining the nomination and compensation of Directors.

Mr. Tadaaki Naito participated in all 12 meetings of the Board of Directors held during the fiscal year under review. He has adequately fulfilled his responsibilities as Director by expressing his opinions actively at the meetings of the Board of Directors from an independent and objective standpoint and striving to supervise the Company's management and Directors based on insight gained through having long been engaged in the corporate management of Nippon Yusen Kabushiki Kaisha and his abundant knowledge and experience in logistics operations, etc.

Mr. Tetsuya Shoji participated in 9 meetings out of the 9 meetings of the Board of Directors. He has adequately fulfilled his responsibilities as Director by expressing his opinions actively at the meetings of the Board of Directors from an independent and objective standpoint and striving to supervise the Company's management and Directors based on insight gained through having long been engaged in the corporate management of NTT Communications Corporation and his abundant knowledge and experience in business operation innovation, etc., utilizing new digital technologies.

As a member of the Nomination and Compensation Committee, he participated in 1 meeting out of the one meeting of the Committee held after his assumption and contributed to maintaining and enhancing the objectivity and transparency of the procedures for determining the nomination and compensation of Directors.

Ms. Kazuko Kimura participated in 9 meetings out of the 9 meetings of the Board of Directors. She has adequately fulfilled his responsibilities as Director by expressing her opinions actively at the meetings of the Board of Directors from an independent and objective standpoint and striving to supervise the Company's management and Directors based on insight gained through having served in prominent posts at external organizations such as the World Health Organization after working for the Ministry of Health and Welfare and as professor at National University Corporation Kanazawa University, as someone who holds a Ph.D. holder in pharmaceutical sciences, and her abundant knowledge and experience in the field of medical and health care, etc.

(Note) As Mr. Tetsuya Shoji and Ms. Kazuko Kimura were elected as Directors at the 218th Annual General Meeting of Shareholders held on June 29, 2021, the number indicated is their attendance at the subsequent 9 meetings of the Board of Directors.

## (5) 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
Takao Sato	IX Knowledge Inc.	Outside Director

- (Notes)
1. Mr. Yohnosuke Yamada retired as Director of SANYO TRADING CO., LTD. on December 22, 2021.
  2. The Company has transactions such as logistics operation consignment, etc. with SANYO TRADING 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 16 meetings, Mr. Yohnosuke Yamada in 16 meetings, and Mr. Takao Sato in 16 meetings. During the fiscal year under review, the Company held 12 meetings of the Board of Directors. Mr. Mikine Hasegawa participated in 12 meetings, Mr. Yohnosuke Yamada in 12 meetings, and Mr. Takao Sato in 12 meetings. Each of Outside Corporate Auditors stated invaluable opinions from an objective and professional standpoint backed by their accumulated experiences at trading companies, as a lawyer and a certified public accountant, respectively.

### **3. Accounting Auditor**

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

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

68 million yen

(Notes)

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

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

83 million yen

(Note)

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

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

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

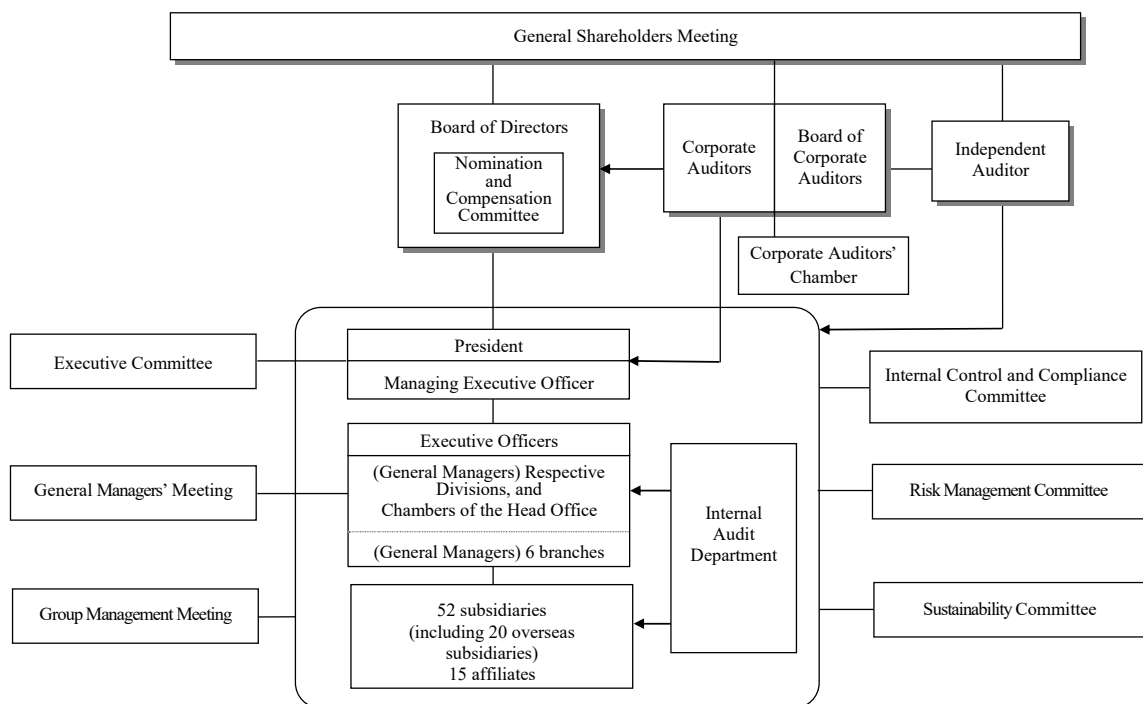
### III. Company's Systems and Policies

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

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

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

<Chart of corporate governance system> (As of March 31, 2022)



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 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 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

We have introduced an executive officer system for the purpose of further strengthening corporate governance by strengthening management and supervisory functions as well as executive functions, and by improving management efficiency and accelerating decision making.

Directors and Executive Officers 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 and Executive Officers with a title of Managing Executive Officer or higher 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 from the subsidiaries periodically or as needed regarding

- the status of the execution of duties and financial conditions, etc. at subsidiaries.
  - 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 Sustainability Committee shall be established to perform examination and progress management of measures and target values of initiatives for ESG management and SDGs of the Group to discuss matters regarding the promotion of other initiatives.
  - The Internal Audit Department shall audit compliance with laws and regulations and the status of the execution of duties at subsidiaries and report the results to the Executive Directors in charge. Corporate Auditors, the Internal Audit Department of the Company and Corporate Auditors of the subsidiaries shall cooperate 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.
- Meetings of the Executive Committee, comprised of all Executive Directors and Executive Officers having a title of Managing Executive Officer or higher 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 and Executive Officer with a title of Managing Executive Officer or higher executed duties responsibly, including measures based on the Medium-term Management Plan (2019-2021), according to the division of duties.
- The General Managers' Meetings, comprised of General Managers of Branches, Executive Officers, Corporate Auditors and the General Managers of the Headquarters Department, were held about once per month for a total of 11 times, and the status of the execution of duties were reported and confirmed.
- Meetings of the Internal Control Committee (currently the Internal Control and Compliance Committee) and Risk Management Committee were each held once, and meetings of the Sustainability Committee twice. 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 (eight 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 status of improvement is evaluated 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 Overland 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 both businesses that needs land, building and facilities, etc. in favorable locations, both businesses require significant investment; therefore, the Company invests its management resources including funds in a continuous and planned manner from a long-term standpoint with the aim of expanding and developing businesses.

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

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

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

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

## Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>109,885</b>	<b>Current liabilities</b>	<b>91,245</b>
Cash and deposits	50,959	Notes and accounts payable	19,704
Notes receivable	622	Short-term bank loans and current maturities of long-term debt	48,296
Accounts receivable	38,652	Income taxes payable	4,015
Marketable securities	2,000	Other	19,228
Real estate held for sale	9,869	<b>Long-term liabilities</b>	<b>123,181</b>
Other	7,820	Bonds payable	41,000
Allowance for doubtful accounts	(39)	Long-term loans payable	13,600
<b>Non-current assets</b>	<b>452,301</b>	Deposits on long-term leases	22,402
<b>Property and equipment</b>	<b>283,788</b>	Deferred income tax liabilities	37,269
Buildings and structures	139,110	Provision for directors' retirement benefits	78
Machinery and equipment	4,611	Net defined benefit liability	7,860
Land	129,527	Other	971
Construction in progress	3,156	<b>Total liabilities</b>	<b>214,427</b>
Other	7,383	<b>(Net assets)</b>	
<b>Intangible assets</b>	<b>12,935</b>	<b>Shareholders' equity</b>	<b>271,775</b>
Leasehold right	7,727	Common stock	22,393
Goodwill	82	Capital surplus	19,600
Other	5,125	Retained earnings	250,528
<b>Investments and other assets</b>	<b>155,577</b>	Treasury shares	(20,747)
Investments in securities	145,185	<b>Accumulated other comprehensive income</b>	<b>72,309</b>
Long-term loans receivable	325	Net unrealized holding gains on securities	69,997
Deferred income tax assets	2,710	Foreign currency translation adjustments	1,788
Other	7,396	Remeasurements of defined benefit plans	523
Allowance for doubtful accounts	(18)	<b>Non-controlling interests</b>	<b>3,674</b>
Allowance for investment loss	(22)	<b>Total net assets</b>	<b>347,759</b>
<b>Total assets</b>	<b>562,187</b>	<b>Total liabilities and net assets</b>	<b>562,187</b>

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

## Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Millions of yen)

Description	Breakdown	Amount
Revenue		
Warehousing fee income	27,923	
Stevedoring income	19,315	
Land transportation income	52,016	
Harbor stevedoring income	17,534	
International transportation income	73,475	
Rent of real estate for investment	32,639	
Other	34,324	257,230
Cost of services		
Operational and transportation consignment costs	114,718	
Personnel expenses	39,221	
Facility rental expenses	10,384	
Depreciation and amortization	15,017	
Other	49,255	228,598
<b>Gross profit</b>		<b>28,632</b>
Selling, general and administrative expenses		10,487
<b>Operating income</b>		<b>18,144</b>
Non-operating income		
Interest and dividend income	3,979	
Equity in earnings of unconsolidated subsidiaries and affiliates	721	
Foreign exchange gains	569	
Other	340	5,611
Non-operating expenses		
Interest expense	577	
Other	27	604
<b>Ordinary income</b>		<b>23,151</b>
Extraordinary income		
Gain on disposal of non-current assets	104	
Gain on sale of marketable securities and investments in securities	3,523	
Reversal of allowance for investment loss	29	
Indemnity income of exiting facilities for lease	38	3,695
Extraordinary losses		
Loss on disposal of non-current assets	660	
Impairment loss	36	
Loss on sale of marketable securities and investments in securities	34	
Loss on temporary closure	191	922
<b>Profit before income taxes</b>		<b>25,924</b>
Income taxes - current	6,773	
Income taxes - deferred	791	7,565
<b>Profit</b>		<b>18,359</b>
Profit attributable to non-controlling interests		467
<b>Profit attributable to owners of parent</b>		<b>17,892</b>

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

## Consolidated Statement of Changes in Net Assets

(April 1, 2021 - March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2021	22,393	19,595	238,349	(15,792)	264,546
Cumulative effects of changes in accounting policies			(65)		(65)
Restated balance	22,393	19,595	238,283	(15,792)	264,480
Changes of items during period					
Cash dividends			(5,648)		(5,648)
Profit attributable to owners of parent			17,892		17,892
Purchase of treasury shares				(5,005)	(5,005)
Disposal of treasury shares		5		50	55
Changes other than to shareholders' equity, net					
Total changes of items during period	-	5	12,244	(4,955)	7,294
Balance as of March 31, 2022	22,393	19,600	250,528	(20,747)	271,775

	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, 2021	58,630	(149)	569	59,049	3,234	326,829
Cumulative effects of changes in accounting policies						(65)
Restated balance	58,630	(149)	569	59,049	3,234	326,764
Changes of items during period						
Cash dividends						(5,648)
Profit attributable to owners of parent						17,892
Purchase of treasury shares						(5,005)
Disposal of treasury shares						55
Changes other than to shareholders' equity, net	11,367	1,938	(45)	13,260	440	13,701
Total changes of items during period	11,367	1,938	(45)	13,260	440	20,995
Balance as of March 31, 2022	69,997	1,788	523	72,309	3,674	347,759

(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 48

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.

Former consolidated subsidiary Chubo Kaihatsu Co., Ltd. has been excluded from the scope of consolidation because it has been dissolved via an absorption-type merger with the Company as the surviving company. Former consolidated subsidiary Fuji Logistics (Dalian F.T.Z.) Co., Ltd. has been excluded from the scope of consolidation because it has been dissolved via an absorption-type merger with Fuji Logistics (Shanghai) Co., Ltd. as the surviving company.

#### (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 17 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 17 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 other than stocks, etc., without market price

Market value method

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

Stocks, etc., without market price

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 price, 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' 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) Standards of accounting for revenue and expenses

A. Logistics business

(i) Warehousing and distribution business

The main performance obligations are conducting storage and handling of incoming and outgoing cargo, etc., at warehouses containing consigned items. For storage, the Company deems that performance obligations are satisfied and recognizes revenue when a certain period of storage or provision of storage area for consigned items lapses. For the handling of incoming and outgoing cargo, the Company deems that performance obligations are satisfied and recognizes revenue when the cargo handling operations are completed.

(ii) Overland transportation business

The main performance obligations are conducting transport and usage transport, etc., by freight automobiles. The Company deems that performance obligations are satisfied and recognizes revenue when freight shipped or accepted is transported.

(iii) Port and harbor operation business

The main performance obligations are conducting coastal cargo handling and onboard cargo handling, etc., at ports. The Company deems that performance obligations are satisfied and recognizes revenue when the cargo handling operations are completed.

(iv) International transportation business

The main performance obligations are conducting handling of international product transport, etc., including handling marine cargo transport. For handling marine cargo, the Company deems that performance obligations are satisfied and recognizes revenue when import and export procedures such as customs clearance are completed. For the international cargo transport, the Company deems that performance obligations are satisfied and recognizes revenue when cargo loaded on vessels or aircraft are transported.

B. Real estate business

(i) Real estate leasing business

The business includes mainly real estate lease operations and real estate management operations. The real estate management operations are related to lease transactions and its revenue is from other sources than revenues from contracts with customers. The main performance obligations of real estate management operations are providing services such as maintenance, cleaning, and administration of the leased facilities, and the Company deems that performance obligations are satisfied and recognizes revenue when the entire process of services is provided.

(ii) Other

The main performance obligations are handover, etc., of real estate for sale. The Company deems that performance obligations are satisfied and recognizes revenue basically when real estate for sale is transferred to customers.

(6) 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.



## Changes in accounting policies

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter “Revenue Recognition Standard”) and other standards from the current fiscal year. The Company recognizes revenue when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

Accordingly, the revenue recognition of a certain part of revenue in the International Transportation Business has changed from the gross basis to the net basis, after considering the role (the person in question or their representative) in the provision of goods or services to customers. In addition, the revenue recognition method of the ocean transportation in the said business has changed to the method to recognize revenue on arrival, after considering the identification and timing of satisfaction of performance obligations. The Company applies the Revenue Recognition Standard, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Standard. The cumulative impact of retrospectively applying the new accounting policies to prior periods is adjusted to retained earnings at the beginning of the fiscal year under review, with the new accounting policies applied from the beginning balance.

As a result of this change, compared with the figures before the application of the Revenue Recognition Standard, etc., accounts receivable decreased by 3,987 million yen, and notes and accounts payable decreased by 3,791 million yen in the consolidated balance sheet for the fiscal year under review. In the consolidated statement of income for the fiscal year under review, revenue decreased 6,289 million yen, cost of services decreased by 6,187 million yen, and operating income, ordinary income, and profit before income taxes decreased by 101 million yen, respectively. In addition, the beginning balance of retained earnings decreased by 65 million yen.

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter “Fair Value Measurement Standard”) and other standards from the current fiscal year, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). This does not affect the consolidated financial statements.

## Notes to accounting estimates

The Company made accounting estimates at reasonable amounts calculated based on the information available at the time of preparing the consolidated financial statements.

Items of accounting estimates recorded in the consolidated financial statements for the current fiscal year that have the risk of significantly impacting the consolidated financial statements for the following fiscal year are as follows.

### Decision on recognition of impairment loss of non-current assets

#### 1. Amount recognized in the consolidated financial statements for the fiscal year under review

Impairment loss is not recognized for one significant asset group location (total book value: 4,456 million yen; hereinafter “the verified asset groups.”) which showed indications of impairment due to a fall in fair value of land and buildings, etc., because the Company verified the necessity of recognizing impairment based on the total amount of undiscounted future cash flows that is expected to arise from the continuous use and eventual disposal of the asset groups, and determined that such undiscounted future cash flows exceeds the book value of the non-current assets of the asset group.

#### 2. Other information relating to accounting estimates that will facilitate the understanding of the users of the consolidated financial statements

In principle, the Group classifies assets mainly into groups based on profit centers (units for calculating profit/loss such as office locations and facilities).

In the event that an asset group shows indications of impairment due to factors such as a fall in the fair value of land and buildings, etc. and reduced profitability, the Company determines whether to recognize

impairment loss by comparing the undiscounted future cash flows from the asset group and its book value. As a result, if it is deemed necessary to recognize impairment loss because the undiscounted future cash flows fell below book value, the book value is reduced to the recoverable amount (the higher of net selling price or value in use) and the reduction amount of such book value is recorded as impairment loss.

While future cash flows that is expected to arise from continuous usage of the verified asset groups are based on the management plan formulated on the basis of results of previous fiscal years, they mainly assume the recording of stable revenue, future repair plans, and the expected future use of major assets, which naturally involve uncertainties. Depending on future situations, estimates of future cash flows may be significantly affected.

#### Notes to Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment	328,648 million yen
2. Accumulated deferred tax reserves for non-current assets	3,218 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	96 million yen
Long-term loans payable	283 million yen
Deposits on long-term leases	1,000 million yen
4. Guarantee liability	
Liability guarantees for borrowings of other companies	628 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, tools and furniture, and others	36

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 36 million yen (120 thousand yen in buildings, 14 million yen in tools and furniture and 9 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 shares issued

Total number of shares issued as of March 31, 2022: 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 29, 2021	Common stock	2,480	30	March 31, 2021	June 30, 2021
Meeting of the Board of Directors on October 29, 2021	Common stock	3,167	39	September 30, 2021	December 1, 2021

#### (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 29, 2022.

- (i) Total dividends 3,329 million yen
- (ii) Source of dividends Retained earnings
- (iii) Dividend per share 41 yen
- (iv) Record date March 31, 2022
- (v) Effective date June 30, 2022

## 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, 2022 are as follows.

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Investments in securities			
Available for-sale securities (*2)	120,290	120,290	-
Total assets	120,290	120,290	-
(1) Bonds payable	41,000	40,294	(705)
(2) Long-term loans payable (*3)	26,024	26,068	43
(3) Deposits on long-term leases	22,402	22,336	(65)
Total liabilities	89,426	88,699	(727)

(\*1) "Cash and deposits," "Notes receivable," "Accounts receivable," "Marketable securities," "Notes and accounts payable," and "Short-term bank loans" are omitted because they are cash and their fair values approximate their book values as the settlement term of these items are short.

(\*2) Stocks, etc., without market price are not included in the "(1) Investments in securities." The consolidated balance sheet amount of the said financial instruments is as follow.

Categories	The fiscal year under review (Millions of yen)
Unlisted securities and others	24,894

(\*3) Including current maturities of long-term debt.

### 3. Breakdown of Fair Values of the Financial Instruments by Appropriate Levels

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

- (1) Financial instruments and securities measured at fair value in the consolidated balance sheet  
The fiscal year ended on March 31, 2022

Categories	Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investments in securities				
Available for-sale securities				
Stocks	120,290	-	-	120,290
Total assets	120,290	-	-	120,290

- (2) Financial instruments and securities other than those measured at fair value in the consolidated balance sheet

The fiscal year ended on March 31, 2022

Categories	Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Bonds payable	-	40,294	-	40,294
Long-term loans payable	-	26,068	-	26,068
Deposits on long-term leases	-	-	22,336	22,336
Total liabilities	-	66,363	22,336	88,699

(Note) A description of the valuation techniques and inputs used in the fair value measurements

Investments in securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

Bonds payable

Although the fair value of bonds payable issued by the Company is measured using market price, their fair value is classified as Level 2 as they are not traded in active markets.

Long-term loans payable

The fair value of long-term loans payable is measured using the discounted cash flow method based on the sum of principal and interest, remaining maturities, and an interest rate reflecting credit risk, and is classified as Level 2.

Deposits on long-term leases

The fair value of deposits on long-term leases is measured using the discounted cash flow method based on the future cash flows, estimated remaining maturities, and an interest rate reflecting credit risk, and is classified as Level 3.

### 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
135,665	399,730

(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, 2022 was the amount mainly based on appraisal by an external real estate appraiser.

## Notes to Revenue Recognition

### 1. Disaggregation of revenue from contracts with customers

(Millions of yen)

	Segment		
	Logistics	Real Estate	Total
Revenue			
Warehousing fee income	27,923	-	27,923
Stevedoring income	19,315	-	19,315
Land transportation income	52,016	-	52,016
Harbor stevedoring income	17,534	-	17,534
International transportation income	73,475	-	73,475
Rent of real estate for investment	185	8,376	8,562
Other	20,914	13,409	34,324
Revenue from contracts with customers	211,366	21,786	233,152
Revenue from other sources	3,184	20,892	24,077
Operating revenue to non-affiliated customers	214,550	42,679	257,230

(Note) Revenue from other sources represents income from rent of real estate, etc., included in “Accounting Standard for Lease Transactions.”

### 2. Information in understanding the amount of revenue in the current fiscal year and the following fiscal year

#### (1) Balance of contract liabilities, etc.

(Millions of yen)

	The fiscal year under review
Receivables from contracts with customers (beginning balance)	36,959
Receivables from contracts with customers (ending balance)	39,275
Contract liabilities (beginning balance)	350
Contract liabilities (ending balance)	449

(Note 1) Contract liabilities are mainly related to advances received from customers of condominium sales in the real estate business. Contract liabilities are reversed upon recognition of revenue.

(Note 2) Contract liabilities are included in “Other” on the current liabilities in the consolidated balance sheet.

#### (2) Transaction price allocated to the remaining performance obligations

The Group has no significant contract whose terms are expected to be more than one year. In addition, consideration promised in contracts with customers does not have any significant amounts not included in the transaction price.

## Notes to Per Share Information

1. Net assets per share 4,238.85 yen
2. Basic earnings per share 219.47 yen

## Notes to Significant Subsequent Events

At the meeting of the Board of Directors held on April 28, 2022, the Company resolved matters relating to the purchase of treasury shares pursuant to the provisions of Article 156 of the Companies Act, which are applied by replacing certain terms pursuant to the provisions of Article 165 Paragraph 3 of the Companies Act, and resolved to retire the treasury shares pursuant to the provisions of Article 178 of the Companies Act.

### 1. Reasons for purchasing and retirement of treasury shares

In order to further improve shareholders returns and capital efficiency flexibly in accordance with the policy of returning profits to shareholders in the Medium-term Management Plan (2022-2024) announced on March 25, 2022.

### 2. Details of the matters concerning purchase

- |  |  |
|--|--|
| (1) Type of shares to be purchased         | Common stock of the Company  |
| (2) Total number of shares to be purchased | 4,000,000 shares (maximum)<br>(Ratio to the total number of shares issued (excluding treasury shares): 4.9%) |
| (3) Total purchase price of shares         | 10,000 million yen (maximum)   |
| (4) Purchase period                        | May 2, 2022 – March 31, 2023   |
| (5) Purchase method                        | Market purchase on the Tokyo Stock Exchange  |

### 3. Details of the matters concerning retirement

- |  |  |
|--|--|
| (1) Type of shares to be retired         | Common stock of the Company  |
| (2) Total number of shares to be retired | 6,000,000 shares<br>(Ratio to the total number of shares issued before retirement: 6.8%) |
| (3) Expected date of retirement          | May 20, 2022   |

## Non-consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>68,257</b>	<b>Current liabilities</b>	<b>78,264</b>
Cash and deposits	25,271	Accounts payable	14,208
Notes receivable	279	Short-term bank loans and current maturities of long- term debt	48,148
Accounts receivable	26,891	Accounts payable - other	5,527
Marketable securities	2,000	Income taxes payable	2,960
Real estate held for sale	9,869	Advances received	4,196
Prepaid expenses	746	Deposits received	1,707
Short-term loans receivable	296	Other	1,514
Advances paid	2,605	<b>Long-term liabilities</b>	<b>110,115</b>
Other	307	Bonds payable	41,000
Allowance for doubtful accounts	(11)	Long-term loans payable	11,503
<b>Non-current assets</b>	<b>437,733</b>	Deposits on long-term leases	20,811
<b>Property and equipment</b>	<b>253,062</b>	Deferred income tax liabilities	35,144
Buildings	122,318	Retirement benefits	1,655
Structures	2,829	<b>Total liabilities</b>	<b>188,379</b>
Machinery and equipment	3,309	<b>(Net assets)</b>	
Transportation equipment	103	<b>Shareholders' equity</b>	<b>248,425</b>
Tools, furniture and fixtures	1,532	<b>Common stock</b>	<b>22,393</b>
Land	116,845	<b>Capital surplus</b>	<b>19,388</b>
Leased assets	3,027	Legal capital surplus	19,383
Construction in progress	3,095	Other capital surplus	5
<b>Intangible assets</b>	<b>10,966</b>	<b>Retained earnings</b>	<b>227,354</b>
Leasehold right	7,670	Legal retained earnings	3,121
Software	3,058	Other retained earnings	224,233
Other	237	Reserve for private insurance	8,328
<b>Investments and other assets</b>	<b>173,704</b>	Reserve for reduction entry	38,229
Investments in securities	121,766	Reserve for special depreciation	92
Investments in capital of subsidiaries and affiliates	43,736	General reserve	138,240
Long-term loans receivable	4,729	Retained earnings brought forward	39,342
Guarantee deposits	3,753	<b>Treasury shares</b>	<b>(20,711)</b>
Other	424	<b>Valuation and translation adjustments</b>	<b>69,185</b>
Allowance for doubtful accounts	(18)	<b>Net unrealized holding gains on   securities</b>	<b>69,185</b>
Allowance for investment loss	(688)	<b>Total net assets</b>	<b>317,611</b>
<b>Total assets</b>	<b>505,990</b>	<b>Total liabilities and net assets</b>	<b>505,990</b>

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



## Non-consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Millions of yen)

Description	Breakdown	Amount
Revenue		
Warehousing fee income	19,720	
Stevedoring income	10,580	
Land transportation income	27,909	
Harbor stevedoring income	15,900	
International transportation income	52,384	
Rent of real estate for investment	30,704	
Other	26,939	184,137
Cost of services		
Operational and transportation consignment costs	91,289	
Personnel expenses	14,260	
Facility rental expenses	7,056	
Depreciation and amortization	12,067	
Other	41,663	166,338
<b>Gross profit</b>		<b>17,799</b>
Selling, general and administrative expenses		5,753
<b>Operating income</b>		<b>12,046</b>
Non-operating income		
Interest and dividend income	6,012	
Other	401	6,413
Non-operating expenses		
Interest expense	458	
Other	48	506
<b>Ordinary income</b>		<b>17,952</b>
Extraordinary income		
Gain on sale of marketable securities and investments in securities	3,523	
Reversal of allowance for investment loss	1,236	
Indemnity income of exiting facilities for lease	38	
Gain on extinguishment of tie-in shares	1,704	6,503
Extraordinary losses		
Loss on disposal of non-current assets	604	
Loss on sale of marketable securities and investments in securities	34	
Loss on valuation of shares of subsidiaries and affiliates	80	
Loss on temporary closure	123	843
<b>Income before income taxes</b>		<b>23,612</b>
Income taxes - current	4,983	
Income taxes - deferred	982	5,965
<b>Net income</b>		<b>17,646</b>

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

## Non-consolidated Statement of Changes in Net Assets

(April 1, 2021 - March 31, 2022)

(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 property replacement
Balance as of April 1, 2021	22,393	19,383	0	3,121	8,128	27,329	11,257
Cumulative effects of changes in accounting policies							
Restated balance	22,393	19,383	0	3,121	8,128	27,329	11,257
Changes of items during period							
Cash dividends							
Net income							
Provision of reserve for private insurance					200		
Reversal of reserve for reduction entry						(356)	
Provision of reserve for reduction entry						11,257	
Reversal of reserve for property replacement							(11,257)
Reversal of reserve for special depreciation							
Provision of reserve for special depreciation							
Purchase of treasury shares							
Disposal of treasury shares			5				
Changes other than to shareholders' equity, net							
Total changes of items during the period	-	-	5	-	200	10,900	(11,257)
Balance as of March 31, 2022	22,393	19,383	5	3,121	8,328	38,229	-

(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		Retained earnings brought forward				
	Reserve for special depreciation	General reserve					
Balance as of April 1, 2021	113	138,240	27,232	(15,756)	241,442	57,806	299,249
Cumulative effects of changes in accounting policies			(65)		(65)		(65)
Restated balance	113	138,240	27,166	(15,756)	241,376	57,806	299,183
Changes of items during period							
Cash dividends			(5,648)		(5,648)		(5,648)
Net income			17,646		17,646		17,646
Provision of reserve for private insurance			(200)		-		-
Reversal of reserve for reduction entry			356		-		-
Provision of reserve for reduction entry			(11,257)		-		-
Reversal of reserve for property replacement			11,257		-		-
Reversal of reserve for special depreciation	(58)		58		-		-
Provision of reserve for special depreciation	37		(37)		-		-
Purchase of treasury shares				(5,005)	(5,005)		(5,005)
Disposal of treasury shares				50	55		55
Changes other than to shareholders' equity, net						11,378	11,378
Total changes of items during the period	(21)	-	12,176	(4,955)	7,048	11,378	18,427
Balance as of March 31, 2022	92	138,240	39,342	(20,711)	248,425	69,185	317,611

(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 other than stocks, etc., without market price  
Market value method (Valuation difference is transferred directly to net assets. The cost of sales is calculated using the moving average method.)  
Stocks, etc., without market price  
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 price, 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 retirement benefits

Provision for retirement benefits is provided based on the estimated benefit obligation and pension assets as of March 31, 2022.

### 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. Standards of accounting for revenue and expenses

### (1) Logistics business

#### (i) Warehousing and distribution business

The main performance obligations are conducting storage and handling of incoming and outgoing cargo, etc., at warehouses containing consigned items. For storage, the Company deems that performance obligations are satisfied and recognizes revenue when a certain period of storage or provision of storage area for consigned items lapses. For the handling of incoming and outgoing cargo, the Company deems that performance obligations are satisfied and recognizes revenue when the cargo handling operations are completed.

#### (ii) Overland transportation business

The main performance obligations are conducting usage transport, etc., by freight automobiles. The Company deems that performance obligations are satisfied and recognizes revenue when freight shipped or accepted is transported.

#### (iii) Port and harbor operation business

The main performance obligations are conducting coastal cargo handling and onboard cargo handling, etc., at ports. The Company deems that performance obligations are satisfied and recognizes revenue when the cargo handling operations are completed.

#### (iv) International transportation business

The main performance obligations are conducting handling of international product transport, etc., including handling marine cargo transport. For handling marine cargo, the Company deems that performance obligations are satisfied and recognizes revenue when import and export procedures such as customs clearance are completed. For the international cargo transport, the Company deems that performance obligations are satisfied and recognizes revenue when cargo loaded on vessels or aircraft are transported.

### (2) Real estate business

#### (i) Real Estate Leasing Business

The business includes mainly real estate lease operations and real estate management operations. The real estate management operations are related to lease transactions and its revenue is from other sources than revenues from contracts with customers. The main performance obligations of real estate management operations are providing services such as maintenance, cleaning, and administration of the leased facilities, and the Company deems that performance obligations are satisfied and recognizes revenue when the entire process of services is provided.

(ii) Other

The main performance obligations are handover, etc., of real estate for sale. The Company deems that performance obligations are satisfied and recognizes revenue basically when real estate for sale is transferred to customers.

### **Changes in accounting policies**

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter “Revenue Recognition Standard”) and other standards from the current fiscal year. The Company recognizes revenue when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

Accordingly, the revenue recognition of a certain part of revenue in the International Transportation Business has changed from the gross basis to the net basis, after considering the role (the person in question or their representative) in the provision of goods or services to customers. In addition, the revenue recognition method of the ocean transportation in the said business has changed to the method to recognize revenue on arrival, after considering the identification and timing of satisfaction of performance obligations. The Company applies the Revenue Recognition Standard, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Standard. The cumulative impact of retrospectively applying the new accounting policies to prior periods is adjusted to retained earnings brought forward at the beginning of the fiscal year under review, with the new accounting policies applied from the beginning balance.

As a result of this change, compared with the figures before the application of the Revenue Recognition Standard, etc., accounts receivable decreased by 3,911 million yen, and accounts payable decreased by 3,725 million yen in the non-consolidated balance sheet for the fiscal year under review. In the non-consolidated statement of income for the fiscal year under review, revenue decreased 6,089 million yen, cost of services decreased by 5,997 million yen, and operating income, ordinary income, and income before income taxes decreased by 91 million yen, respectively. In addition, the beginning balance of retained earnings brought forward decreased by 65 million yen.

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter “Fair Value Measurement Standard”) and other standards from the current fiscal year, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). This does not affect the non-consolidated financial statements.

### **Notes to accounting estimates**

The Company made accounting estimates at reasonable amounts calculated based on the information available at the time of preparing the non-consolidated financial statements.

Items of accounting estimates recorded in the non-consolidated financial statements for the current fiscal year that have the risk of significantly impacting the non-consolidated financial statements for the following fiscal year are as follows.

#### **Decision on recognition of impairment loss of non-current assets**

##### **1. Amount recognized in the non-consolidated financial statements for the fiscal year under review**

Impairment loss is not recognized for one significant asset group location (total book value: 4,456 million yen) which showed indications of impairment due to a fall in fair value of land and buildings, etc., because the Company verified the necessity of recognizing impairment based on the total amount of undiscounted future cash flows that is expected to arise from continuous use and eventual disposal of the asset groups, and determined that such undiscounted future cash flows exceeds the book value of the non-current assets

of the asset group.

2. Other information relating to accounting estimates that will facilitate the understanding of the users of the non-consolidated financial statements

Please refer to “Notes to the Consolidated Financial Statements, (Notes to accounting estimates)” presented above.

#### Notes to Non-Consolidated Balance Sheet

1. Monetary receivables from and payables to affiliates

Short-term monetary asset	5,368 million yen	Long-term monetary asset	4,435 million yen
Short-term monetary liability	10,325 million yen	Long-term monetary liability	655 million yen

2. Accumulated depreciation of property and equipment 297,713 million yen

3. Accumulated deferred tax reserves for non-current assets 3,218 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	96 million yen
Long-term loans payable	283 million yen	Long-term deposits received	1,000 million yen

5. Guarantee liability

Liability guarantees for borrowings of other companies 660 million yen

#### Notes to Non-consolidated Statement of Income

1. Transactions with affiliates

Operating transactions	Revenue	19,663 million yen	Cost	52,254 million yen
Transactions other than operating transactions		2,805 million yen		

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

Number of treasury shares as of March 31, 2022

Common stock 6,751,940 shares

## Notes to Tax Effect Accounting

### Major factors for deferred tax assets and liabilities

#### [Deferred income tax assets]

Enterprise taxes payable	201 million yen
Allowance for investment loss	210 million yen
Accrued bonuses	575 million yen
Retirement benefits	506 million yen
Depreciation	6,485 million yen
Impairment loss	2,080 million yen
Other	2,025 million yen
Total deferred income tax assets	12,085 million yen

#### [Deferred income tax liabilities]

Net unrealized holding gains on securities	(30,332) million yen
Reserve for reduction entry	(16,856) million yen
Reserve for special depreciation	(40) million yen
Total deferred income tax liabilities	(47,229) million yen
Net deferred income tax liabilities	(35,144) million yen

## Notes to Related Parties

### Officers and major individual shareholders, etc.

Type	Name of person of company, etc.	Percentage ownership of voting rights held	Relationship with related parties	Summary of transactions	Transaction amount (Millions of yen)	Item	Balance at period end (Millions of yen)
Officer	Tatsuo Wakabayashi	-	Director of the Company	Sale of condominium	42	-	-

(Note) The sales price of condominium is determined under general transaction conditions.

## Notes to Per Share Information

1. Net assets per share 3,911.04 yen
2. Basic earnings per share 216.37 yen

## Notes to Significant Subsequent Events

At the meeting of the Board of Directors held on April 28, 2022, the Company resolved matters relating to the purchase of treasury shares pursuant to the provisions of Article 156 of the Companies Act, which are applied by replacing certain terms pursuant to the provisions of Article 165 Paragraph 3 of the Companies Act, and resolved to retire the treasury shares pursuant to the provisions of Article 178 of the Companies Act.

### 1. Reasons for purchasing and retirement of treasury shares

In order to further improve shareholders returns and capital efficiency flexibly in accordance with the policy of returning profits to shareholders in the Medium-term Management Plan (2022-2024) announced on March 25, 2022.

### 2. Details of the matters concerning purchase

- (1) Type of shares to be purchased Common stock of the Company
- (2) Total number of shares to be purchased 4,000,000 shares (maximum)  
(Ratio to the total number of shares issued (excluding treasury shares): 4.9%)
- (3) Total purchase price of shares 10,000 million yen (maximum)
- (4) Purchase period May 2, 2022 – March 31, 2023
- (5) Purchase method Market purchase on the Tokyo Stock Exchange



3. Details of the matters concerning retirement

- |  |  |
|--|--|
| (1) Type of shares to be retired         | Common stock of the Company  |
| (2) Total number of shares to be retired | 6,000,000 shares   |
|  | (Ratio to the total number of shares issued before retirement: 6.8%) |
| (3) Expected date of retirement          | May 20, 2022   |

## Independent Auditor's Report

To 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, 2022 and for the year from April 1, 2021 to March 31, 2022 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.

### **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 with regard to 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.

Yoshiaki Uesaka  
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  
May 16, 2022

## **Independent Auditor's Report**

To 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 accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of Mitsubishi Logistics Corporation ("the Company") as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying 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 accompanying 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 the Accompanying Supplementary Schedules* 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.

### **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying 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 accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying 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 with regard to the design, implementation and maintenance of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying 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 accompanying 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 accompanying 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 accompanying 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 accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying 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.

Yoshiaki Uesaka  
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  
May 16, 2022

## **Audit Report**

(English Translation)

Regarding the performance of duties by the Directors for the 219th fiscal year from April 1, 2021 to March 31, 2022, 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, audit plans 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, audit plans and other relevant matters, communicated with Directors, the Internal Audit Department, other employees, and any other relevant personnel over telephone lines, the Internet, or other means, 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 and exchanged information with Directors and Corporate Auditors of subsidiaries as well as received reports from subsidiaries by visiting them 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. 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 a. 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 18, 2022

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)	Takao Sato
Corporate Auditor	Junya Miura