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(Securities Code 9301)

June 7, 2021

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 218TH 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 218th 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 10), and return your form no later than 5 p.m. Japan time on Monday, June 28, 2021, or cast your vote via the Internet, etc., by 5 p.m. Japan time on Monday, June 28, 2021.

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

- 1. Date and Time:** Tuesday, June 29, 2021 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 218th Fiscal Year (April 1, 2020 - March 31, 2021) 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 218th Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Thirteen (13) Directors
- Proposal No. 3:** Payment of Bonuses to 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, only your vote placed via the Internet will be valid.

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

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

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 Monday, June 28, 2021.

How to scan 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.”

How to enter 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)

< 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, for which fiscal year 2019 is the initial year, the Company will aim to further enhance shareholder returns while improving corporate performance and capital efficiency during the period of the management plan.

For the fiscal year ended March 31, 2021, we propose the year-end dividend of 30 yen per share, which is equivalent to the interim dividend, taking into account such factors as the above basic policies, and operating results for the year and the retained earnings level. As a result, the annual dividend, including the interim dividend, will be 60 yen per share, same as the previous fiscal year.

1. Matters regarding year-end dividends

(1) Type of dividend property

Cash

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

30 yen per share of common stock of the Company

The total amount: 2,480,930,190 yen

(3) Effective date of the dividend of surplus

June 30, 2021

2. Other matters regarding appropriation of surplus

(1) Item of surplus increased and its amount

Reserve for private insurance: 200,000,000 yen

(2) Item of surplus decreased and its amount

Retained earnings brought forward: 200,000,000 yen

Proposal No. 2: Election of Thirteen (13) Directors

The terms of office of all fourteen (14) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, we nominate the following 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	17,162
		June 2012	General Manager, International Business Coordination Chamber	
		April 2015	General Manager, Osaka Branch	
		June 2016	Director and General Manager, Osaka Branch	
		April 2017	Managing Director; and General Manager, Osaka Branch	
		April 2018	President (current position)	
		[Reason for nomination as candidate for Director] Mr. Masao Fujikura had served as General Manager of International Business Coordination Chamber, etc. After his term of office as Managing Director and General Manager of Osaka Branch, he is currently serving as President and oversees overall business operation as a chief executive of the Company. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.		
2	Hitoshi Wakabayashi (January 22, 1960)	April 1982	Joined the Company	13,174
		June 2012	General Manager, Warehousing and Distribution Business Division	
		April 2015	Chairman of the Board of Mitsubishi Logistics China Co., Ltd.	
		April 2016	General Manager, Warehousing and Distribution Business Division of the Company	
		June 2016	Director and General Manager, Warehousing and Distribution Business Division	
		April 2017	Managing Director	
		April 2019	Managing Director; and General Manager, Warehousing and Distribution Business Division	
		April 2020	Managing Director (current position)	
		[Reason for nomination as candidate for Director] Mr. Hitoshi Wakabayashi had long served in the General Affairs division and the Warehousing & Distribution Business division in addition to his term of office as General Manager of Warehousing and Distribution Business Division and an officer in charge of an overseas subsidiary controlling the business in China, etc. He is currently serving as Managing Director responsible for Warehousing and Distribution Business Division. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.		
3	Yasushi Saito (October 16, 1958)	April 1982	Joined the Company	8,876
		June 2011	General Manager, Accounting & Financing Division	
		June 2016	Director and General Manager, Accounting & Financing Division	
		April 2018	Managing Director; and General Manager, Accounting & Financing Division	
		June 2018	Managing Director (current position)	
		[Reason for nomination as candidate for Director] Mr. Yasushi Saito had long served in the Accounting & Financing division in addition to his term of office as General Manager of Accounting & Financing Division, etc. He is currently serving as Managing Director responsible for Accounting & Financing and Information System. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.		

No.	Name (Date of birth)	Past experience and significant concurrent positions		Number of shares of the Company held
4	Shinji Kimura (July 18, 1958)	April 1982	Joined the Company	7,974
		April 2014	General Manager, Personnel Division	
April 2016	General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division			
June 2017	Director and General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division			
April 2018	Managing Director			
April 2020 April 2021	Managing Director; and General Manager, Technical Division Managing Director (current position)			
[Reason for nomination as candidate for Director] Mr. Shinji Kimura had long served in the management division such as planning and the Harbor Transportation Business division, in addition to his term of office as General Manager of General Affairs Division, Corporate Communications Chamber and Personnel Division. He is currently serving as Managing Director responsible for Technical, Port and Harbor Operation and Real Estate Business. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				
5	Saburo Naraba (October 17, 1958)	April 1982	Joined the Company	10,374
		April 2014	General Manager, Nagoya Branch	
April 2017	General Manager, Tokyo Branch			
June 2018	Director and General Manager, Tokyo Branch			
April 2019	Managing Director (current position)			
[Reason for nomination as candidate for Director] Mr. Saburo Naraba had served as General Manager of Nagoya Branch and Tokyo Branch, and has long experience in the Harbor Transportation Business division, as well as in the management division such as personnel. He is currently serving as Managing Director responsible for General Affairs, Corporate Communications, Personnel, Planning and Internal Audit. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				
6	Hiroshi Nishikawa (April 10, 1960)	April 1983	Joined the Company	10,174
		April 2015	General Manager, Tokyo Branch	
April 2017	General Manager, Warehousing and Distribution Business Division			
June 2018	Director and General Manager, Warehousing and Distribution Business Division			
April 2019	Managing Director; and General Manager, International Business Coordination Chamber			
April 2021	Managing Director; and General Manager, Overseas Business Planning & Coordination Division (current position)			
[Reason for nomination as candidate for Director] Mr. Hiroshi Nishikawa had served as General Manager of Tokyo Branch and General Manager of Warehousing and Distribution Business Division, and has long experience in the International Transportation Business division including overseas assignment, as well as in the Warehousing & Distribution Business division. He is currently serving as Managing Director responsible for International Transportation Business Division. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
7	Tatsuo Wakabayashi (September 29, 1952)	<p>April 1977 Joined Mitsubishi Trust and Banking Corporation</p> <p>April 2012 President of Mitsubishi UFJ Trust and Banking Corporation</p> <p>April 2013 Deputy Chairman of Mitsubishi UFJ Financial Group, Inc.</p> <p>December 2013 President and Chairman of Mitsubishi UFJ Trust and Banking Corporation</p> <p>June 2015 Director; Deputy Chairman of Mitsubishi UFJ Financial Group, Inc.</p> <p>April 2016 Chairman of Mitsubishi UFJ Trust and Banking Corporation; Director of Mitsubishi UFJ Financial Group, Inc.</p> <p>June 2016 Retired from Director of Mitsubishi UFJ Financial Group, Inc.</p> <p>April 2020 Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation (current position)</p> <p>June 2019 Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation</p> <p>Outside Director of Mitsubishi Materials Corporation</p>	0
<p>[Reason for nomination as candidate for Outside Director and a summary of expected roles]</p> <p>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.</p> <p>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>			
8	Toshifumi Kitazawa (November 18, 1953)	<p>April 1977 Joined The Tokio Marine and Fire Insurance Co., Ltd.</p> <p>April 2016 President & Chief Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd.</p> <p>June 2016 Director of Tokio Marine Holdings, Inc.</p> <p>April 2019 Vice Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd. (current position)</p> <p>June 2019 Retired from Director of Tokio Marine Holdings, Inc.</p> <p>June 2019 Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Vice Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd.</p> <p>Member of the Board of Directors (Outside Director) and Member of the Audit & Supervisory Committee of MUFG Bank, Ltd.</p> <p>Outside Director of Sekisui House, Ltd.</p>	0
<p>[Reason for nomination as candidate for Outside Director and a summary of expected roles]</p> <p>Mr. Toshifumi Kitazawa has long been engaged in the corporate management of Tokio Marine & 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>			

No.	Name (Date of birth)	Past experience and significant concurrent positions		Number of shares of the Company held
9	Tadaaki Naito (September 30, 1955)	April 1978	Joined Nippon Yusen Kabushiki Kaisha	0
		April 2015	President, Representative Director, President Corporate Officer of Nippon Yusen Kabushiki Kaisha	
		June 2019	Chairman, Director, Chairman Corporate Officer of Nippon Yusen Kabushiki Kaisha	
		June 2020	Chairman, Director, Chairman and Executive Officer of Nippon Yusen Kabushiki Kaisha (current position)	
		June 2020	Director of the Company (current position)	
			[Significant concurrent positions] Chairman, Director, Chairman and Executive Officer of Nippon Yusen Kabushiki Kaisha	
[Reason for nomination as candidate for Outside Director and a summary of expected roles] 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. We expect his contribution to the Company's corporate governance through appropriate suggestions and recommendations from an objective standpoint independent of executive management.				
10	Tatsushi Nakashima (November 29, 1957)	April 1976	Joined the Company	8,197
		April 2017	General Manager, Nagoya Branch	
		June 2018	Director and General Manager, Nagoya Branch	
		April 2020	Director 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 and General Manager of Yokohama Branch. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				
11	Akira Yamao (June 13, 1960)	April 1983	Joined the Company	6,397
		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 (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 and General Manager of Osaka Branch. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.				
12	Tetsuya Shoji (February 28, 1954) <u>New candidate</u>	April 1977	Joined Nippon Telegraph and Telephone Public Corporation	0
		June 2009	Director of the General Affairs Department of Nippon Telegraph and Telephone Corporation	
		June 2012	Senior Executive Vice President of NTT Communications Corporation	
		June 2015	President and CEO of NTT Communications Corporation	
		June 2020	Corporate Advisor of NTT Communications Corporation (current position)	
			[Significant concurrent positions] Corporate Advisor of NTT Communications Corporation Outside Director of Sapporo Holdings Limited	
[Reason for nomination as candidate for Outside Director and a summary of expected roles] 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. We expect his contribution to the Company's corporate governance through appropriate suggestions and recommendations from an objective standpoint independent of executive management.				

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
13	Kazuko Kimura (May 1, 1951) New candidate	<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>[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>			

(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 19 through 20).
Additionally, the three Directors, Mr. Tatsuo Wakabayashi, Mr. Toshifumi Kitazawa and Mr. Tadaaki Naito 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 and Corporate Auditors. 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. The Company plans to renew the contract at expiration. The Company fully covers the insurance premiums. If the election of each candidate for Director is approved, they will be insured under the said insurance contract.
- Matters regarding the candidates for Outside Director are as follows.
 - Five Directors, Mr. Tatsuo Wakabayashi, Mr. Toshifumi Kitazawa and 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.
 - 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: 2 years Mr. Toshifumi Kitazawa: 2 years Mr. Tadaaki Naito: 1 year

Proposal No. 3: Payment of Bonuses to Directors

We propose to pay bonuses to Directors, excluding Outside Directors, at the amount of 45,000,000 yen to eleven (11) Directors as of the end of the fiscal year under review.

The Company has decided on a policy for determining compensation of each Director at a meeting of the Board of Directors held on February 26, 2021 and a summary of the policy is described on page 21 of the Business Report. The Board of Directors has decided to pay bonuses to Directors in this Proposal based on suggestions from the Nomination and Compensation Committee, which deliberated on the matter according to the policy for determination. Therefore, the Company considers it is appropriate given factors such as the business results of the fiscal year under review.

(Appendix)

Business Report

(April 1, 2020 - March 31, 2021)

I. Overview of the Company Group

1. Business Progress and Results

(1) Business Conditions

During the fiscal year under review, the global economy has remained in a difficult situation due to the impact of the COVID-19 pandemic worldwide. Amid such circumstances, although the European economy remained weak, the United States is steadily improving along with China showing a moderate recovery. In Japan, the economy is still in a severe situation due to COVID-19 and although capital investment and production have continued to improve, some indicators including consumer spending were weak.

In these economic situations, the business environment surrounding the Group experienced an adverse situation for both of the segments. In the Logistics Segment including the Warehousing and Harbor Transportation operations, import and export cargoes decreased due to the impact of COVID-19 in addition to intensifying competition with other companies and increased costs owing to labor shortages. In the Real Estate Segment, customer footfall dropped in some commercial facilities due to changes in consumer behavior and other factors, and the declaration of a state of emergency was issued twice.

Under these circumstances, Mitsubishi Logistics Corporation and its subsidiaries and affiliates (collectively, the “Group”) promoted marketing activities while taking measures to prevent the spread of infection. In the Logistics Segment, we made efforts including the expansion of distribution operations especially for pharmaceuticals, and maintaining 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 thorough cost management and further improvement of efficiency in business operations.

As a result, revenue for the fiscal year under review amounted to 213,729 million yen, a decrease of 15,328 million yen, or 6.7% from the previous fiscal year. In the Logistics Segment, revenue decreased due to a reduction in freight handled in the Warehousing & Distribution, Overland Transportation, Harbor Transportation, and international transportation businesses owing to the impact of COVID-19. In the Real Estate Segment, revenue decreased due mainly to the temporary closure of tenants at some commercial facilities caused by the impact of COVID-19 in the real estate leasing business and a decrease in property sales in the condominium sales business. On the other hand, cost of services overall decreased 14,265 million yen, or 6.9% from the previous fiscal year to 191,875 million yen. In the Logistics Segment, operational and transportation consignment costs decreased with a decrease in freight handled. Also in the Real Estate Segment, real estate sales costs mainly decreased in line with a decrease in condominiums sold. Selling, general and administrative expenses decreased 602 million yen, or 5.6% from the previous fiscal year to 10,118 million yen due mainly to a decrease in expenses.

As a result, operating income decreased by 460 million yen, or 3.8% year on year to 11,735 million yen, reflecting the decrease in income in the Real Estate Segment offsetting a slight increase in income in the Logistics Segment. Ordinary income decreased by 808 million yen, or 4.8% to 16,013 million yen, reflecting a decrease in dividend income and other factors. Profit attributable to owners of parent increased by 27,308 million yen, or 230.4% from the previous fiscal year to 39,160 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) as a result of factors such as the partial transfer of a site for the Company’s Real Estate Business around Nagoya Station. In addition, an increase in gain on sale of marketable securities and investments in securities generated from sales of some cross-shareholdings also contributed.

Performance by business segment of the Group was as follows.

1) Logistics Segment

Although cargo storage and logistics facilities leasing has remained steady in the Warehousing & Distribution Business, the volume of freight handled has decreased due to the impact of COVID-19 in each of the Warehousing & Distribution, Overland Transportation, Harbor Transportation, and

international transportation businesses. In the Warehousing & Distribution and Overland Transportation Businesses, despite increased transactions for pharmaceuticals and household goods, etc., transactions for automotive components and beverages, etc. decreased, resulting in a 1.0% decline in revenue from the previous fiscal year to 55,954 million yen in the Warehousing & Distribution Business, and revenue in the Overland Transportation Business decreased by 7.5% from the previous fiscal year to 48,214 million yen. Also in the Harbor Transportation Business, revenue decreased by 8.4% from the previous fiscal year to 21,332 million yen due mainly to a decrease in container freight handling volume. In the international transportation business, factors such as a decline in export and import freight handled resulted in a 7.2% decline in revenue from the previous fiscal year to 46,514 million yen.

As a result, overall revenue in the Logistics Segment was 179,255 million yen, down 10,453 million yen, or 5.5% from the previous fiscal year. Also, operating expenses were down by 10,501 million yen, or 5.8%, from the previous fiscal year to 172,023 million yen due to a decrease in operational and transportation consignment costs in line with a decrease in freight handling volume as well as declines in expenses such as personnel expenses and repair expenses. Due to the above, operating income was 7,232 million yen, an increase of 48 million yen, or 0.7% from the previous fiscal year.

2) Real Estate Segment

In the mainstay real estate leasing business, revenue decreased by 1.2% from the previous fiscal year to 28,446 million yen due mainly to the temporary closure of tenants at some commercial facilities caused by the impact of COVID-19. Other revenue decreased by 37.9% from the previous fiscal year to 7,706 million yen due mainly to a decrease in property sales in the condominium sales business.

As a result, overall revenue in the Real Estate Segment was 36,153 million yen, down 5,046 million yen, or 12.2% from the previous fiscal year. Operating expenses were down by 4,225 million yen, or 13.9% from the previous fiscal year to 26,114 million yen, primarily due to a decrease in real estate sales costs as sales of condominiums decreased. Due to the above, operating income was 10,038 million yen, a decrease of 820 million yen, or 7.6% from the previous fiscal year.

Revenue by segment

(Millions of yen unless otherwise stated)

Categories	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Year-on-year change	
			Amount	Percentage (%)
Logistics Segment	179,255	189,709	(10,453)	(5.5)
[Warehousing & Distribution Business]	[55,954]	[56,507]	[(552)]	[(1.0)]
[Overland Transportation Business]	[48,214]	[52,132]	[(3,918)]	[(7.5)]
[Harbor Transportation Business]	[21,332]	[23,295]	[(1,962)]	[(8.4)]
[International Transportation Business]	[46,514]	[50,138]	[(3,623)]	[(7.2)]
[Other]	[7,239]	[7,635]	[(396)]	[(5.2)]
Real Estate Segment	36,153	41,199	(5,046)	(12.2)
[Real Estate Leasing Business]	[28,446]	[28,787]	[(341)]	[(1.2)]
[Other]	[7,706]	[12,412]	[(4,705)]	[(37.9)]
Elimination of inter-segment transactions	(1,679)	(1,851)	171	—
Total	213,729	229,057	(15,328)	(6.7)

(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 38,817 million yen for construction of warehouses, purchase of land and facilities for lease, etc.

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

1) Completed Warehouses

Saitama: Misato Distribution Center No. 2 (Phase 2) [Completed in October 2020]
Warehouses
(four stories, floor area of approx. 27,700 m²)

2) Purchased land and facilities for lease

Nagoya: Site for Real Estate Business in Meieki 3-chome, [Purchased in April 2020]
Nakamura-ku
(approx. 2,500 m², of which the Company holds 74.6% joint equity)

Nagoya: Meieki Dia Meitetsu Building [Purchased in June 2020]
Offices and stores for lease
(14 stories, floor area of approx. 18,900 m², of which the Company holds 78.6% joint equity)
Land
(approx. 2,200 m², of which the Company holds 1,400 m²)

Tokyo: Office building for lease in Nihonbashi 1-chome, [Purchased in December 2020]
Chuo-ku (two buildings)
• Offices for lease (seven stories, floor area of approx. 2,200 m²)
Land (approx. 400 m²)
• Offices for lease (eight stories, floor area of approx. 1,000 m²)
Land (approx. 200 m²)

3) Facilities for lease under large-scale renovation

Tokyo: Eitai Dia Building [Renewal work for power substation facilities: Scheduled for completion in March 2022]
Rental building for computer-processing center
(14 stories, floor area of approx. 29,900 m²)

(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 14th unsecured bonds (total face value 5 billion yen; issued March 12, 2014) on March 12, 2021.

(4) Future Outlook and Issues

In the future world economy, although the risk due to resurgence of COVID-19 is concerning, a steady improvement in the U.S. and a gradual recovery in China are expected to continue. In addition, the state of the Japanese economy is expected to continue improving owing to the effects of various policies and improvements in overseas economies, as measures are taken to prevent the spread of COVID-19.

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, despite recovery in freight movement expected in the logistics industry including the Warehousing & Distribution as well as Harbor Transportation Businesses. There is concern that business conditions may become stagnant in the Real Estate Business 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 with a focus on the medical/health care, food/beverage, and machinery/electrical machine industries as priority areas, and will take on comprehensive supply chain challenges as the customer’s partner. Through these efforts, the Group will seek to expand its business domain and boost its market share.

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

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

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

Furthermore, we have created a value-creation story mainly based on our corporate philosophy, MLC2030 Vision, the basic policy of the Management Plan (2019-2021), and CSR activities to date. In addition, we have set six key themes based on social issues to be addressed ((i) Safety, security and disaster response, (ii) Environmental measures, (iii) Cutting-edge technology, innovation, (iv) Partnership, (v) Human resource development, employee satisfaction, (vi) Compliance, human rights, gender) as well as measures, evaluation indicators, and target values for each theme to promote initiatives to realize ESG management and contribute to achieving targets of SDGs.

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 215th fiscal year (April 1, 2017 - March 31, 2018)	The 216th fiscal year (April 1, 2018 - March 31, 2019)	The 217th fiscal year (April 1, 2019 - March 31, 2020)	Fiscal year under review (April 1, 2020 - March 31, 2021)
The Group	Revenue	215,407	227,185	229,057	213,729
	Operating income	12,421	12,660	12,195	11,735
	Ordinary income	16,160	17,333	16,822	16,013
	Profit attributable to owners of parent	10,517	11,564	11,851	39,160
	Basic earnings per share (yen)	120.07	132.03	137.31	462.28
	Total assets	462,031	482,575	468,243	535,761
	Total net assets	294,550	299,104	286,356	326,829
The Company	Revenue	148,610	157,432	160,031	151,553
	Operating income	9,665	9,016	8,899	9,376
	Ordinary income	15,382	14,619	13,616	13,964
	Net income	10,701	10,125	10,109	38,573
	Basic earnings per share (yen)	122.12	115.55	117.08	455.16
	Total assets	412,693	433,462	416,534	483,917
	Total net assets	270,422	274,400	260,685	299,249

(Notes)

1. As the Company carried out the reverse stock split at a ratio of one share for every two shares of common stock, with an effective date of October 1, 2017, basic earnings per share of the Group and the Company are calculated based on the assumption that the reverse stock split was conducted at the beginning of the 215th fiscal year.
2. As the Company applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018), etc., from the beginning of the 216th fiscal year, total assets of the Group and the Company in the 215th fiscal year are amounts after applying the accounting standard etc., retroactively.
3. The decrease in operating income, ordinary income, net income, and basic earnings per share in the 216th fiscal year was primarily due to an increase in personnel expenses and depreciation and amortization in addition to initial expenses associated with the start of operations at a new distribution center.
4. The decrease in operating income and ordinary income of the Group and the Company in the 217th fiscal year was primarily due to a decrease in freight handled in the Harbor Transportation and international transportation businesses.
5. The Company's operating income and ordinary income increased in the fiscal year under review mainly because selling, general and administrative expenses decreased in addition to cargo storage and logistics facilities rental in the Warehousing & Distribution Business remaining steady. 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.
6. 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 BusinessTB
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 50 (a decrease of 1 company 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	4,229 (decreased 26)
Real Estate Segment	288 (decreased 9)
Administrative segment, Headquarters of the Company	81 (increased 8)
Total	4,598 (decreased 27)

(Notes)

1. The figures in the above table do not include 44 persons on leave and seconded outside of the Group.
2. Separate from the above, there are 1,259 temporary employees and 1,311 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
996 (increased 44)	39 years, 8 months	15 years, 8 months

(Notes)

1. The figures in the above table do not include 106 persons on leave and seconded outside of the Company.
2. Separate from the above, there are 172 temporary employees and 633 seconded and contracted employees from within and outside of the Group.
3. Average ages 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.	37,503
The Norinchukin Bank	8,520

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)	6,323	6,714	391 (decreased)

(Notes) Number of shares issued includes 5,263,066 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)	13,907	16.8
Custody Bank of Japan, Ltd. (trust account)	5,317	6.4
Meiji Yasuda Life Insurance Company	5,153	6.2
MITSUBISHI ESTATE CO., LTD.	3,665	4.4
STATE STREET BANK AND TRUST COMPANY 505001	2,095	2.5
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,041	2.5
AGC Inc.	1,657	2.0
MUFG Bank, Ltd.	1,505	1.8
TAKENAKA CORPORATION	1,505	1.8
Kirin Holdings Company, Limited	1,482	1.8

(Notes) 1. In addition to the above, the Company holds 5,263 thousand shares of treasury shares.

2. MUFG Bank, Ltd. has set 750 thousand shares of the Company as trust funds for retirement benefits for which voting rights are reserved, in addition to the shares stated in the table above.

3. The "Shareholding ratio" is calculated after excluding treasury shares (5,263,066 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 19,994 shares	11 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	
Managing Director	Yoshiji Ohara	Responsible for Harbor Transportation Business
Managing Director	Hitoshi Wakabayashi	Responsible for Warehousing & Distribution Business
Managing Director	Yasushi Saito	Responsible for Accounting & Financing and Information System
Managing Director	Shinji Kimura	Responsible for Planning, Technical and Real Estate Business, General Manager, Technical Division
Managing Director *	Saburo Naraba	Responsible for General Affairs, Corporate Communications, Personnel, and Internal Audit
Managing Director	Hiroshi Nishikawa	Responsible for International Transportation Business, General Manager, International Business Coordination Chamber
Director	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	Tatsushi Nakashima	General Manager, Yokohama Branch
Director	Akira Yamao	General Manager, Osaka Branch
Director	Akio Miura	General Manager, Nagoya Branch
Director	Masanori Maekawa	General Manager, General Affairs Division, Corporate Communications Chamber
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 and Mr. Tadaaki Naito 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. The Company has transactions such as insurance contract with Tokio Marine & Nichido Fire Insurance Co., Ltd.
 6. The Company has mutual transactions in logistics operation consignment, etc. with Nippon Yusen Kabushiki Kaisha.
 7. In addition to the above, the significant concurrent positions of Outside Officers are stated in “(3) Matters concerning Outside Directors” and “(4) Matters concerning Outside Corporate Auditors” below.
 8. The Directors and Corporate Auditors who retired during the fiscal year under review were as follows:
 - (1) Retired on June 26, 2020

Chairman of the Board Akio Matsui	Director Koji Miyahara
Corporate Auditor Hiroshi Imai	
 - (2) Resigned on June 26, 2020

Corporate Auditor Kenji Sakurai	
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 9. Of Directors shown above, positions and responsibilities were changed as follows on April 1, 2021.

(Previous positions)	(New positions and responsibilities)
Managing Director Yoshiji Ohara	Director (-)
Managing Director Shinji Kimura	Managing Director (Responsible for Technical, Port and Harbor Operation, and Real Estate Business)
Managing Director Saburo Naraba	Managing Director (Responsible for General Affairs, Corporate Communications, Personnel, Planning, and Internal Audit)
Managing Director Hiroshi Nishikawa	Managing Director (Responsible for International Transportation Business, General Manager, Overseas Business Planning & Coordination Division)

(2) 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. A general meeting of shareholders shall resolve the total amount determined according to the performance indicator of the previous fiscal year and payment is to be made at a specific timing every year. Ordinary income shall be adopted as the performance indicator as it reflects profits from ordinary business activities in general and is deemed appropriate as a quantitative indicator. A proposal of the total amount of bonuses shall be determined based on a calculation table providing the amounts according to the level of ordinary income for the previous fiscal year.

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 determined at a general meeting of shareholders 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 payment of bonuses and 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.

Subject to the approval and resolution of Proposal No. 3 "Payment of Bonuses to Directors" at the 218th Annual General Meeting of Shareholders to be held on June 29, 2021, the Company plans to provide a total of 45 million yen as Directors' bonuses to 11 Directors excluding Outside Directors at the end of the fiscal year under review.

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	489	404	45	40	16
[of which, Outside Directors]	[31]	[31]	[—]	[—]	[4]
Corporate Auditors	78	78	—	—	7
[of which, Outside Corporate Auditors]	[42]	[42]	[—]	[—]	[4]

- (Notes)
1. Ordinary income is adopted as the performance indicator for bonuses as it reflects profits from ordinary business activities in general and is deemed appropriate as a quantitative indicator. The total amount of bonuses shall be determined based on a calculation table providing the amounts according to the level of ordinary income. Consolidated ordinary income for the 218th term was 16,013 million yen and non-consolidated ordinary income was 13,964 million yen. Amount of bonuses above is to be paid subject to the approval and resolution of Proposal No. 3 "Payment of Bonuses to Directors" at the 218th Annual General Meeting of Shareholders to be held on June 29, 2021.
 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 78 million yen were paid to Directors concurrently serving as employees (4 persons during the fiscal year under review).

(3) Matters concerning Outside Directors

1) Significant concurrent positions at other corporations, etc.

Name	Company name	Title
Tatsuo Wakabayashi	Mitsubishi Materials Corporation	Outside Director
Toshifumi Kitazawa	MUFG Bank, Ltd.	Member of the Board of Directors (Outside Director) and Member of the Audit & Supervisory Committee
	Sekisui House, Ltd.	Outside Director

- (Notes)
1. The Company has transactions such as logistics operation consignment, etc. with Mitsubishi Materials Corporation.
 2. The Company has transactions such as loans and logistics operation consignment, etc. with MUFG Bank, Ltd.
 3. The Company has transactions such as logistics operation consignment, etc. with Sekisui House, Ltd.

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 5 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 5 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 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 Nippon Yusen Kabushiki Kaisha and his abundant knowledge and experience in logistics operations, etc.

- (Note) As Mr. Tadaaki Naito was elected as Director at the 217th Annual General Meeting of Shareholders held on June 26, 2020, the number indicated is his attendance at the subsequent 9 meetings of the Board of Directors.

(4) Matters concerning Outside Corporate Auditors

1) Significant concurrent positions at other corporations, etc.

Name	Company name	Title
Yohnosuke Yamada	SANYO TRADING CO., LTD.	Outside Director
Takao Sato	IX Knowledge Inc.	Outside Director

(Note) 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 12 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 9 meetings. Each of Outside Corporate Auditors stated invaluable opinions from an objective and professional standpoint backed by their accumulated experiences as a lawyer and a certified public accountant, respectively.

(Note) As Mr. Takao Sato was elected as Corporate Auditor at the 217th Annual General Meeting of Shareholders held on June 26, 2020, the number indicated is his attendance at the subsequent 12 meetings of the Board of Corporate Auditors and 9 meetings of the Board of Directors.

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

67 million yen

(Notes)

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

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

The Company entrusts the Accounting Auditor with advisory services which are services other than those set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act (Non-Audit Service).

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

95 million yen

(Note)

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

(5) Policy Regarding Determination of Termination or Nonreappointment of Accounting Auditor

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

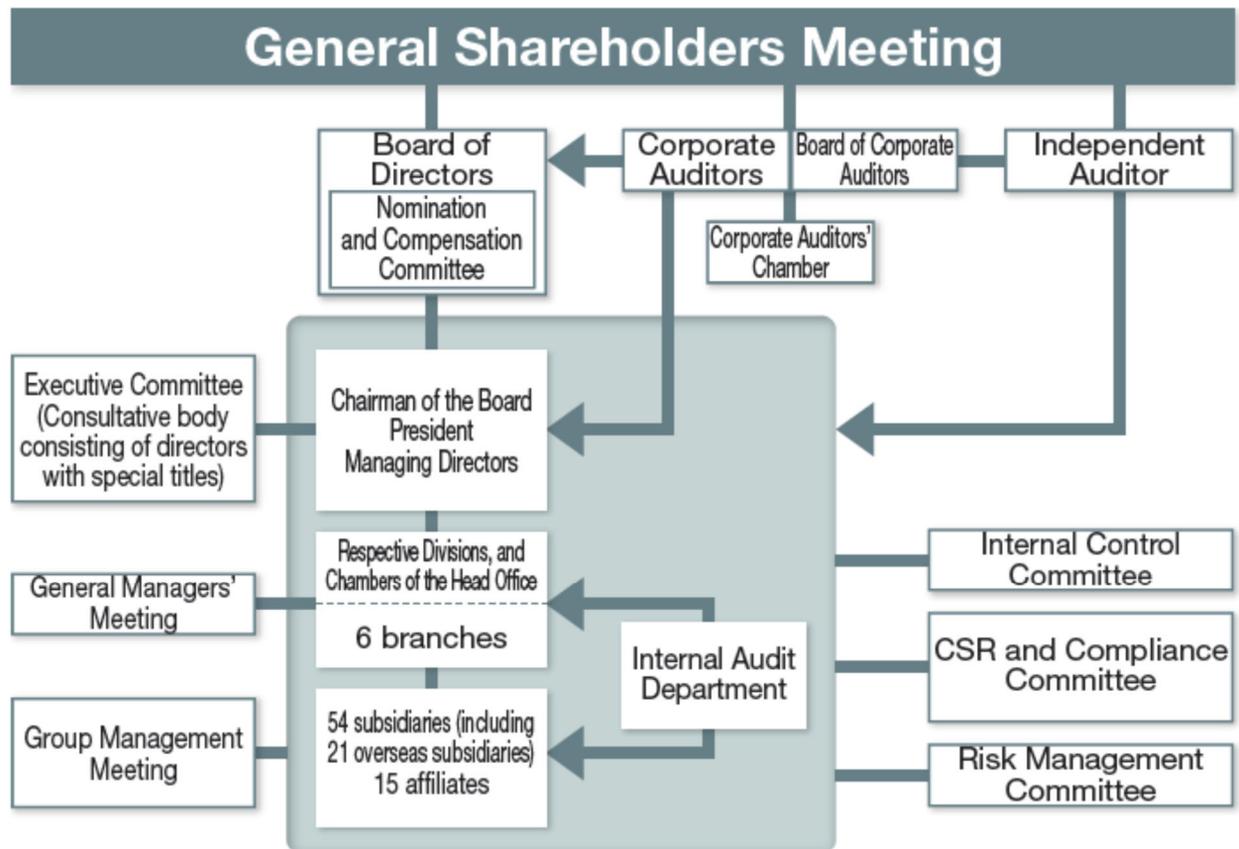
III. Company's Systems and Policies

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

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

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

<Chart of corporate governance system> (As of March 31, 2021)



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

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

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

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

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

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

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

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

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

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

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

While aiming for thorough compliance with the Basic Risk Management Manual, etc., the Risk Management Committee shall be established, working toward advance prevention of business risk and risks related to finance and legal matters, alongside with strengthening measures against natural disasters. Additionally, if risks arise, “Countermeasure Headquarters” shall be established, and companywide support and countermeasures shall be thoroughly implemented, aiming for minimization of losses and early restoration of normal operations.

- (5) System to ensure that the execution of duties of the Directors is efficient

Directors shall strictly maintain the efficiency and soundness of management while executing duties related to their responsibilities according to the management plan.

In addition, all Executive Directors shall deliberate regarding the execution of important duties based on adequate documentation at the Executive Committee held about once per week (observed by full-time Corporate Auditors), while making resolutions or reporting on execution status at meetings of the Board of Directors.

- (6) System to ensure proper business execution within the Company group consisting of the Company and its subsidiaries

- Executives shall be dispatched from the Company to subsidiaries. In addition to implementation of Codes of Conduct suited for the businesses of subsidiaries, they oversee the duties of Directors of subsidiaries to be executed efficiently in accordance with the management plan.
- The execution of important duties at subsidiaries shall be deliberated in advance with the Company in accordance with the Regulations on Affiliate and Subsidiary Administration, and Executive Directors in charge shall receive reports 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 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.
 - The Executive Committee, comprised of all Executive Directors chaired by President, was held about once per week (observed by full-time Corporate Auditors), and deliberated on important matters regarding management.
 - In light of deliberations at the Executive Committee, each Executive Director executed duties responsibly, including measures based on the Medium-term Management Plan (2019-2021), according to the division of duties.
 - Aside from General Managers of Branches, the General Managers' Meetings also comprised of Directors, Corporate Auditors and the General Managers of the Headquarters Department were held about once per month for a total of 11 times, and the status of the execution of duties were reported and confirmed.
 - The Internal Control Committee, CSR and Compliance Committee and Risk Management Committee were each held once, and the status of execution of duties companywide was evaluated from the independent viewpoints of each committee. 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 once, and business results and issues, etc. were reported and confirmed, including the progress status of measures based on the Medium-term Management Plan (2019–2021).
 - Concerning internal controls regarding financial reporting, effectiveness is evaluated based on the “Internal Control Evaluation Policy Book,” which defines the Group’s systems regarding operation and evaluation, and basic policies such as processes and methods.
- (3) Status of Corporate Auditors, internal audits, and internal reporting
 - Aside from exchanging information with the Representative Director through periodic meetings, etc., Corporate Auditors attended important meetings such as meetings of the Board of Directors, the Executive Committee, and General Managers' Meetings. In addition to the examination of important documents, etc. regarding the execution of duties by Directors such as decision-making documents, Corporate Auditors have inspected the Company’s audit and subsidiaries and conducted hearings with the Board of Directors, etc. based on the annual audit plan. Additionally, meetings of the Board of Corporate Auditors were held 16 times, and information on the status of the Company and audit results, etc. have been shared.
 - During the formulation and implementation, etc. of their respective annual audit plans, Corporate Auditors, the Internal Audit Department, Accounting Auditor and Corporate Auditors of subsidiaries have conducted periodic meetings and exchanged information as needed, executing duties effectively and efficiently.
 - To support the execution of duties of Corporate Auditors, a Corporate Auditors' Chamber (one dedicated employee) was established at the headquarters. The dedicated staff member executed duties under the direction of Corporate Auditors, and matters concerning related personnel, etc. were deliberated with the Board of Corporate Auditors in advance.
 - Expenses or liabilities that arose during the course of the execution of duties of Corporate Auditors were appropriately processed in accordance with laws and regulations upon request from Corporate

Auditors.

- Aside from establishing an Internal Audit Division (seven dedicated employees) at the headquarters as the Internal Audit Department, audit support employees (two persons) were assigned, and auditors (one each) and audit support employees (two each) were assigned at each branch. Audits were conducted at the Company and Group companies based on the annual audit plan. Audit results were reported to Executive Directors in charge and Corporate Auditors, and the division responsible for compliance evaluated the status of improvement on a quarterly basis.
- Including the Corporate Auditors' Chamber, multiple common Internal Reporting Hotlines were established in the Group, and internal regulations stipulated the prohibition of unfavorable treatment to the person who made an internal report.

3. Basic policy regarding the Company's control

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

Regarding the Logistics Business, the Group aims to organically and comprehensively operate each of the 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.

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, 2021)

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	125,258	Current liabilities	79,491
Cash and deposits	59,883	Notes and accounts payable	21,094
Notes and accounts receivable	36,959	Short-term bank loans and current maturities of long-term debt	36,085
Marketable securities	2,000	Current portion of bonds	5,000
Real estate held for sale	15,151	Income taxes payable	4,744
Other	11,297	Provision for directors' bonuses	45
Allowance for doubtful accounts	(33)	Other	12,521
Non-current assets	410,503	Long-term liabilities	129,440
Property and equipment	254,428	Bonds payable	41,000
Buildings and structures	134,671	Long-term loans payable	25,268
Machinery and equipment	4,354	Deposits on long-term leases	21,916
Land	107,449	Deferred income tax liabilities	31,802
Construction in progress	325	Provision for directors' retirement benefits	116
Other	7,626	Net defined benefit liability	8,289
Intangible assets	13,486	Other	1,046
Leasehold right	7,727	Total liabilities	208,932
Goodwill	145	(Net assets)	
Other	5,613	Shareholders' equity	264,546
Investments and other assets	142,588	Common stock	22,393
Investments in securities	132,203	Capital surplus	19,595
Long-term loans receivable	357	Retained earnings	238,349
Deferred income tax assets	2,977	Treasury shares	(15,792)
Other	7,117	Accumulated other comprehensive income	59,049
Allowance for doubtful accounts	(16)	Net unrealized holding gains on securities	58,630
Allowance for investment loss	(52)	Foreign currency translation adjustments	(149)
		Remeasurements of defined benefit plans	569
		Non-controlling interests	3,234
		Total net assets	326,829
Total assets	535,761	Total liabilities and net assets	535,761

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

Consolidated Statement of Income

(April 1, 2020 - March 31, 2021)

(Millions of yen)

Description	Breakdown	Amount
Revenue		
Warehousing fee income	27,897	
Stevedoring income	17,293	
Land transportation income	48,213	
Harbor stevedoring income	16,246	
International transportation income	46,402	
Rent of real estate for investment	31,297	
Other	26,379	213,729
Cost of services		
Operational and transportation consignment costs	88,281	
Personnel expenses	37,561	
Facility rental expenses	10,158	
Depreciation and amortization	14,403	
Other	41,470	191,875
Gross profit		21,854
Selling, general and administrative expenses		10,118
Operating income		11,735
Non-operating income		
Interest and dividend income	3,324	
Equity in earnings of unconsolidated subsidiaries and affiliates	1,458	
Other	530	5,312
Non-operating expenses		
Interest expense	568	
Foreign exchange losses	353	
Other	112	1,034
Ordinary income		16,013
Extraordinary income		
Gain on disposal of non-current assets	19,196	
Gain on sale of marketable securities and investments in securities	4,304	
Indemnity income of exiting facilities for lease	51	
Compensation income	18,783	42,334
Extraordinary losses		
Loss on disposal of non-current assets	1,334	
Impairment loss	81	
Loss on valuation of marketable securities and investments in securities	362	
Loss on temporary closure	381	
Loss on closure of business facilities	77	2,236
Profit before income taxes		56,111
Income taxes - current	7,247	
Income taxes - deferred	9,466	16,714
Profit		39,397
Profit attributable to non-controlling interests		237
Profit attributable to owners of parent		39,160

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

Consolidated Statement of Changes in Net Assets

(April 1, 2020 - March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2020	22,393	19,587	204,319	(5,847)	240,453
Changes of items during period					
Cash dividends			(5,130)		(5,130)
Profit attributable to owners of parent			39,160		39,160
Purchase of treasury shares				(10,002)	(10,002)
Disposal of treasury shares		(4)		57	53
Change in ownership interest of parent due to transactions with non-controlling interests		11			11
Changes other than to shareholders' equity, net					
Total changes of items during period	-	7	34,029	(9,944)	24,092
Balance as of March 31, 2021	22,393	19,595	238,349	(15,792)	264,546

	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, 2020	43,252	389	(754)	42,887	3,015	286,356
Changes of items during period						
Cash dividends						(5,130)
Profit attributable to owners of parent						39,160
Purchase of treasury shares						(10,002)
Disposal of treasury shares						53
Change in ownership interest of parent due to transactions with non-controlling interests						11
Changes other than to shareholders' equity, net	15,377	(539)	1,324	16,162	218	16,380
Total changes of items during period	15,377	(539)	1,324	16,162	218	40,473
Balance as of March 31, 2021	58,630	(149)	569	59,049	3,234	326,829

(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 50

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 Nagoya Dia Buil-Tech Co., Ltd. has been excluded from the scope of consolidation because it has been dissolved via an absorption-type merger with Dia Buil-Tech 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 18 overseas subsidiaries such as Mitsubishi Logistics America Corporation end their fiscal years on the same day as the Company.

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

4. Matters concerning accounting policies

(1) Standards and methods for valuation of important assets

A. Securities

Available-for-sale securities

Securities with market quotations

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

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

Securities without market quotations

Stated at cost using the moving-average method.

B. Derivatives

Stated using the market value method.

C. Inventories (real estate held for sale)

Mainly stated at cost using the specific identification method.

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

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

A. Property and equipment (excluding leased assets)

The declining-balance method is applied.

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

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

B. Intangible assets (excluding leased assets)

The straight-line method is applied.

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

C. Leased assets

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

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

(3) Important standards of accounting for reserves

A. Allowance for doubtful accounts

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

B. Allowance for investment loss

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

C. Provision for directors' bonuses

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

D. Provision for directors' retirement benefits

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

(4) Accounting treatment of retirement benefits

A. Method of attributing the estimated benefit obligation to periods

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

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

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

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

(5) Amortization method and amortization period of goodwill

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

(6) Accounting treatment of consumption taxes, etc.

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

Changes in presentation methods

(Changes associated with application of “Accounting Standard for Disclosure of Accounting Estimates”)

The “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) has been applied from the consolidated financial statements relating to the end of the fiscal year under review. “Notes to accounting estimates” is provided in the Notes to 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 asset group location (total book value: 4,451 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 using value in use, and determined that the undiscounted future cash flows based on the business plan 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 estimates of future cash flows from such asset groups are based on factors such as 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	319,334 million yen
2. Accumulated deferred tax reserves for non-current assets	3,219 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	128 million yen
Long-term loans payable	421 million yen
Deposits on long-term leases	1,000 million yen
4. Guarantee liability	
Liability guarantees for borrowings of other companies	748 million yen

Notes to Consolidated Statements of Income

1. Impairment loss

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

Location	Use	Type	Amount (million yen)
Kobe City, Hyogo	Container terminal facilities	Buildings, machinery and equipment, and others	29
Kasuya-gun, Fukuoka	Real estate rental facilities	Buildings	51

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 81 million yen (59 million yen in buildings, 15 million yen in machinery and equipment and 6 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.

2. Gain on disposal of non-current assets

This is due primarily to the partial transfer of a site for the Company's Real Estate Business around Nagoya Station.

3. Compensation income

This is due primarily to compensation for transfer of the Company's rental facilities around Nagoya Station.

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, 2021: 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 26, 2020	Common stock	2,578	30	March 31, 2020	June 29, 2020
Meeting of the Board of Directors on October 30, 2020	Common stock	2,552	30	September 30, 2020	December 1, 2020

(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, 2021.

A. Total dividends	2,480 million yen
B. Source of dividends	Retained earnings
C. Dividend per share	30 yen
D. Record date	March 31, 2021
E. Effective date	June 30, 2021

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, 2021 are as follows. Items whose fair values are extremely difficult to measure are not included in the following table (please see (Note 2)).

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Cash and deposits	59,883	59,883	-
(2) Notes and accounts receivable	36,959	36,959	-
(3) Marketable securities	2,000	2,000	-
(4) Investments in securities Available for-sale securities	108,069	108,069	-
Total assets	206,912	206,912	-
(1) Notes and accounts payable	21,094	21,094	-
(2) Short-term bank loans	35,246	35,246	-
(3) Bonds payable (*1)	46,000	45,629	(370)
(4) Long-term loans payable (*2)	26,107	26,215	107
(5) Deposits on long-term leases	1,165	1,169	4
Total liabilities	129,613	129,355	(258)

(*1) Including current portion of bonds.

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

(Note 1) Calculation method of the fair value of financial instruments and securities

Assets

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

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

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

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

Liabilities

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

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

(3) Bonds payable

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

(4) Long-term loans payable

Long-term loans payable with floating interest rates require that the interest rates be amended at certain periods of time. Therefore, relevant book values are used because their fair values approximate their book values. Long-term loans payable with fixed interest rates are calculated using the present value of the amount of principal and interest discounted using the current borrowing rate for similar loans of comparable maturity.

(5) Deposits on long-term leases

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

(Note 2) Unlisted securities and others (consolidated balance sheet amount of 24,134 million yen) are not included in “(4) Available for-sale securities in investment in securities,” because the identification of their fair values is deemed extremely difficult due to the absence of market values and inability to estimate future cash flows. Of deposits on long-term leases, those with future cash flows that cannot be estimated and with fair values which are extremely difficult to measure (consolidated balance sheet amount of 20,751 million yen) are not included in “(5) Deposits on long-term leases.”

Notes to Real Estates for Rent

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

(Millions of yen)

Amount on the consolidated balance sheet	Fair value
112,290	371,219

(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, 2021 was the amount mainly based on appraisal by an external real estate appraiser.

Notes to Per Share Information

1. Net assets per share 3,914.63 yen
2. Basic earnings per share 462.28 yen

Notes to Significant Subsequent Events

At the meeting of the Board of Directors held on April 30, 2021, 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.

1. Reasons for purchasing of treasury shares

In order to further improve shareholder returns, the Company will flexibly purchase treasury shares.

2. Details of the matters concerning purchase

- (1) Type of shares to be purchased Common stock of the Company
- (2) Total number of shares to be purchased 2,000,000 shares (maximum)
(Ratio to the total number of shares issued (excluding treasury shares): 2.4%)
- (3) Total purchase price of shares 5,000 million yen (maximum)
- (4) Purchase period May 6, 2021 – September 30, 2021
- (5) Purchase method Market purchase on the Tokyo Stock Exchange

Non-consolidated Balance Sheet

(As of March 31, 2021)

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	86,421	Current liabilities	69,117
Cash and deposits	37,161	Accounts payable	13,884
Notes receivable	223	Short-term bank loans and current maturities of long- term debt	36,748
Accounts receivable	23,712	Current portion of bonds	5,000
Marketable securities	2,000	Accounts payable - other	4,233
Real estate held for sale	15,151	Income taxes payable	4,341
Prepaid expenses	713	Advances received	2,440
Short-term loans receivable	322	Deposits received	1,412
Advances paid	1,796	Provision for directors' bonuses	45
Other	5,354	Other	1,012
Allowance for doubtful accounts	(14)	Long-term liabilities	115,550
Non-current assets	397,495	Bonds payable	41,000
Property and equipment	226,058	Long-term loans payable	22,724
Buildings	119,810	Deposits on long-term leases	20,307
Structures	2,864	Deferred income tax liabilities	29,382
Machinery and equipment	3,139	Retirement benefits	2,135
Transportation equipment	116	Total liabilities	184,667
Tools, furniture and fixtures	1,726	(Net assets)	
Land	94,974	Shareholders' equity	241,442
Leased assets	3,114	Common stock	22,393
Construction in progress	312	Capital surplus	19,383
Intangible assets	11,480	Legal capital surplus	19,383
Leasehold right	7,670	Other capital surplus	0
Software	3,618	Retained earnings	215,421
Other	191	Legal retained earnings	3,121
Investments and other assets	159,955	Other retained earnings	212,300
Investments in securities	108,424	Reserve for private insurance	8,128
Investments in capital of subsidiaries and affiliates	43,986	Reserve for reduction entry	27,329
Long-term loans receivable	4,846	Reserve for property replacement	11,257
Guarantee deposits	4,227	Reserve for special depreciation	113
Other	411	General reserve	138,240
Allowance for doubtful accounts	(16)	Retained earnings brought forward	27,232
Allowance for investment loss	(1,924)	Treasury shares	(15,756)
		Valuation and translation adjustments	57,806
		Net unrealized holding gains on securities	57,806
Total assets	483,917	Total net assets	299,249
		Total liabilities and net assets	483,917

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

Non-consolidated Statement of Income

(April 1, 2020 - March 31, 2021)

(Millions of yen)

Description	Breakdown	Amount
Revenue		
Warehousing fee income	19,785	
Stevedoring income	9,787	
Land transportation income	26,446	
Harbor stevedoring income	14,660	
International transportation income	31,576	
Rent of real estate for investment	29,585	
Other	19,712	151,553
Cost of services		
Operational and transportation consignment costs	70,203	
Personnel expenses	13,857	
Facility rental expenses	7,193	
Depreciation and amortization	11,297	
Other	34,223	136,775
Gross profit		14,777
Selling, general and administrative expenses		5,401
Operating income		9,376
Non-operating income		
Interest and dividend income	4,923	
Other	274	5,198
Non-operating expenses		
Interest expense	457	
Other	152	610
Ordinary income		13,964
Extraordinary income		
Gain on disposal of non-current assets	19,134	
Gain on sale of marketable securities and investments in securities	4,297	
Reversal of allowance for investment loss	404	
Indemnity income of exiting facilities for lease	26	
Compensation income	18,463	42,326
Extraordinary losses		
Loss on disposal of non-current assets	924	
Impairment loss	81	
Loss on valuation of marketable securities and investments in securities	361	
Loss on temporary closure	256	1,623
Income before income taxes		54,667
Income taxes - current	6,475	
Income taxes - deferred	9,618	16,094
Net income		38,573

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

Non-consolidated Statement of Changes in Net Assets

(April 1, 2020 - March 31, 2021)

(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, 2020	22,393	19,383	4	3,121	7,928	15,558	-
Changes of items during period							
Cash dividends							
Net income							
Provision of reserve for private insurance					200		
Reversal of reserve for reduction entry						(96)	
Provision of reserve for reduction entry						11,867	
Provision 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			(4)				
Changes other than to shareholders' equity, net							
Total changes of items during the period	-	-	(4)	-	200	11,770	11,257
Balance as of March 31, 2021	22,393	19,383	0	3,121	8,128	27,329	11,257

(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						
	Reserve for special depreciation	General reserve	Retained earnings brought forward				
Balance as of April 1, 2020	160	138,240	16,971	(5,811)	217,948	42,736	260,685
Changes of items during period							
Cash dividends			(5,130)		(5,130)		(5,130)
Net income			38,573		38,573		38,573
Provision of reserve for private insurance			(200)		-		-
Reversal of reserve for reduction entry			96		-		-
Provision of reserve for reduction entry			(11,867)		-		-
Provision of reserve for property replacement			(11,257)		-		-
Reversal of reserve for special depreciation	(72)		72		-		-
Provision of reserve for special depreciation	25		(25)		-		-
Purchase of treasury shares				(10,002)	(10,002)		(10,002)
Disposal of treasury shares				57	53		53
Changes other than to shareholders' equity, net						15,070	15,070
Total changes of items during the period	(46)	-	10,260	(9,944)	23,493	15,070	38,563
Balance as of March 31, 2021	113	138,240	27,232	(15,756)	241,442	57,806	299,249

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

Notes to the Non-consolidated Financial Statements

Notes to Significant Accounting Policies

1. Standards and methods of valuation of securities
 - (1) Stocks of subsidiaries and affiliates

Stated at cost using the moving-average method.
 - (2) Available-for-sale securities

Securities with market quotations

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

Securities without market quotations

Stated at cost using the moving-average method.
2. Standards and methods of valuation of derivatives

Stated using the market value method.
3. Standards and methods of valuation of inventories

Valuation for real estate held for sale is recorded using the cost accounting method (method to reduce book values based on declines in profitability) on an individual basis.
4. Depreciation and amortization method for non-current assets
 - (1) Property and equipment (excluding leased assets)

The declining-balance method is applied.

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

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

The straight-line method is applied.

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

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

Leased assets are depreciated using the straight-line method with no residual value over the lease term of the leased assets.
5. Standards of accounting for reserves
 - Allowance for doubtful accounts

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

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

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

Provision for retirement benefits

Provision for retirement benefits is provided based on the estimated benefit obligation and pension assets as of March 31, 2021.

1) Method of attributing the estimated benefit obligation to periods

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

2) Amortization method of actuarial calculation differences

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

3) Accounting treatment of retirement benefits

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

6. Accounting treatment of consumption taxes, etc.

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

Changes in presentation methods

(Changes associated with application of “Accounting Standard for Disclosure of Accounting Estimates”)

The “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) has been applied from the non-consolidated financial statements relating to the end of the fiscal year under review. “Notes to accounting estimates” is provided in the Notes to 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 asset group location (total book value: 4,451 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 using value in use, and determined that the undiscounted future cash flows based on the business plan 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	2,249 million yen	Long-term monetary asset	5,102 million yen	
Short-term monetary liability	8,749 million yen	Long-term monetary liability	657 million yen	
2. Accumulated depreciation of property and equipment			282,406 million yen	
3. Accumulated deferred tax reserves for non-current assets			3,219 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	128 million yen	
Long-term loans payable	421 million yen	Long-term deposits received	1,000 million yen	
5. Guarantee liability				
Liability guarantees for borrowings of other companies			768 million yen	

Notes to Non-consolidated Statement of Income

1. Transactions with affiliates				
Operating transactions	Revenue	9,858 million yen	Cost	45,698 million yen
Transactions other than operating transactions		2,495 million yen		

2. Gain on disposal of non-current assets

This is due primarily to the partial transfer of a site for the Company's Real Estate Business around Nagoya Station.

3. Compensation income

This is due primarily to compensation for transfer of the Company's rental facilities around Nagoya Station.

Notes to Non-consolidated Statement of Changes in Net Assets

Number of treasury shares as of March 31, 2021

 Common stock 5,263,066 shares

Notes to Tax Effect Accounting

Major factors for deferred tax assets and liabilities

[Deferred income tax assets]

Enterprise taxes payable	279 million yen
Allowance for investment loss	588 million yen
Accrued bonuses	429 million yen
Retirement benefits	653 million yen
Depreciation	6,685 million yen
Impairment loss	2,080 million yen
Other	2,150 million yen
Total deferred income tax assets	<u>12,868 million yen</u>

[Deferred income tax liabilities]

Net unrealized holding gains on securities	(25,188) million yen
Reserve for reduction entry	(12,050) million yen
Reserve for property replacement	(4,963) million yen
Reserve for special depreciation	(49) million yen
Total deferred income tax liabilities	<u>(42,251) million yen</u>
Net deferred income tax liabilities	<u>(29,382) million yen</u>

Notes to Per Share Information

1. Net assets per share 3,618.59 yen
2. Basic earnings per share 455.16 yen

Notes to Significant Subsequent Events

At the meeting of the Board of Directors held on April 30, 2021, 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.

1. Reasons for purchasing of treasury shares

In order to further improve shareholder returns, the Company will flexibly purchase treasury shares.

2. Details of the matters concerning purchase

- | | |
|--|--|
| (1) Type of shares to be purchased | Common stock of the Company |
| (2) Total number of shares to be purchased | 2,000,000 shares (maximum) |
| | (Ratio to the total number of shares issued (excluding treasury shares): 2.4%) |
| (3) Total purchase price of shares | 5,000 million yen (maximum) |
| (4) Purchase period | May 6, 2021 – September 30, 2021 |
| (5) Purchase method | Market purchase on the Tokyo Stock Exchange |

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, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 444-4 of the Companies Act.

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

Basis for Opinion

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

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

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

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

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties 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.

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Atsuki Kanazuka
Designated Engagement Partner
Certified Public Accountant

Taro Nakamura
Designated Engagement Partner
Certified Public Accountant

Masaya Ariyoshi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
April 30, 2021

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 supplementary schedules (“the financial statements and the supplementary schedules”) of Mitsubishi Logistics Corporation (“the Company”) as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 436-2-1 of the Companies Act.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the 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.

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

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

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

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties 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 Supplementary Schedules

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

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

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

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Atsuki Kanazuka
Designated Engagement Partner
Certified Public Accountant

Taro Nakamura
Designated Engagement Partner
Certified Public Accountant

Masaya Ariyoshi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
April 30, 2021

Audit Report

(English Translation)

Regarding the performance of duties by the Directors for the 218th fiscal year from April 1, 2020 to March 31, 2021, 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 7, 2021

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