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Dear Shareholders,

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

We hereby notify you of the 221st Annual General Meeting of Shareholders of Mitsubishi Logistics Corporation (the “Company”), to be held on Thursday, June 27, 2024.

Please refer to the explanation of the agenda and business overview, etc. of the General Meeting of Shareholders.

Hidechika Saito

Representative Director and President

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#### Corporate Philosophy

Engage in sincere and fair business activities to secure appropriate profits and promote steady growth, appropriately compensating our stakeholders while contributing to the realization of an affluent and sustainable society.

#### The MLC2030 Vision

##### Vision

Contributing to the improvement of customer value, we offer comprehensive logistics solutions to the management of customers’ supply chains, from procurement to distribution/sales, as their partner.

(Securities Code 9301)

June 5, 2024

(Commencement date of electronic provision measures: May 29, 2024)

**To Shareholders with Voting Rights:**

Hidechika Saito  
Representative Director and President  
Mitsubishi Logistics Corporation  
19-1, Nihonbashi, 1-chome,  
Chuo-ku, Tokyo, Japan

**NOTICE OF  
THE 221ST 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 221st Annual General Meeting of Shareholders of Mitsubishi Logistics Corporation (the “Company”). The meeting will be held for the purposes as described below.

We have adopted measures for electronic provision for this General Meeting of Shareholders. The electronic provision measures matters are posted on the Company’s website, shown below.

The Company’s website

[https://www.mitsubishi-logistics.co.jp/english/ir/stockholders\\_meeting.html](https://www.mitsubishi-logistics.co.jp/english/ir/stockholders_meeting.html)

This information is also posted on the website of the Tokyo Stock Exchange. If you are unable to view it from the Company’s website, please access the Tokyo Stock Exchange website, shown below. Enter the issue name “Mitsubishi Logistics” or code “9301” to search, then click on “Basic information” then “Documents for public inspection/PR information” to view the information.

Tokyo Stock Exchange website

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 5 p.m. Japan time on Wednesday, June 26, 2024. (Please refer to the Guide to Exercising Voting Rights on page 4 for the detailed procedures for exercising voting rights, etc.)

We plan to present part of the proceedings of this General Meeting of Shareholders on the Company’s website, shown above, after the meeting.

- 1. Date and Time:** Thursday, June 27, 2024 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 221st Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 221st Fiscal Year (April 1, 2023 - March 31, 2024)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Revisions to a Portion of the Articles of Incorporation
- Proposal No. 3:** Election of Ten (10) Directors
- Proposal No. 4:** Election of Three (3) Audit & Supervisory Board Members

**4. Other Electronic Provision Measures of the 221st Annual General Meeting of Shareholders (Items Excluded from Notice of the 221st Annual General Meeting of Shareholders)**

In accordance with the provisions of applicable laws, regulations and Article 15 of the Articles of Incorporation of the Company, the following items have been omitted from the documents sent to shareholders who have requested a written copy of the electronic provision measures matters. The following matters are part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor.

- (i) Company's Systems and Policies in the Business Report
- (ii) Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
- (iii) Non-consolidated Statements of Changes in Net Assets and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements

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When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Any updates to the electronic provision measures matters will be posted on each of the websites shown above.

## **Guide to Exercising Voting Rights**

Please exercise your voting rights by one of the following methods.

### **Exercising Voting Rights in Writing (by Mail)**

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form, and return your form to arrive before the deadline for exercising voting rights.

If you do not indicate a vote to a proposal on the Voting Rights Exercise Form, this will be treated as a vote in favor of that proposal.

**Deadline for exercising voting rights: Arrive no later than 5:00 p.m. Japan time on Wednesday, June 26, 2024**

### **Exercising Voting Rights via the Internet**

Please follow the instructions on the next page to access the voting rights exercise website, and enter your vote for or against each proposal.

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.

**Deadline for exercising voting rights: 5:00 p.m. Japan time on Wednesday, June 26, 2024**

### **Exercising Voting Rights by Attending the Meeting in Person**

Please submit the enclosed Voting Rights Exercise Form at the reception desk.

If you wish to exercise your voting rights by proxy, 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.

**Date and time: Thursday, June 27, 2024 at 10:00 a.m. Japan time**

## Instructions for Voting via the Internet

**Deadline for exercising voting rights: 5:00 p.m. Japan time on Wednesday, June 26, 2024**

### **By scanning the QR Code**

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

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

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

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

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

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

1. Access the voting rights exercise website.

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

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

About the voting rights exercise website

(1) The website will be inactive between 2:30 a.m. and 4:30 a.m. each day.

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

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

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

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

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

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

As to the appropriation of surplus, the Company adheres to a policy of maintaining stable dividend in consideration of the retained earnings level in addition to profits for the period while paying attention to the systematic development of the Logistics Business centered on the Warehousing & Distribution Business, the Company's mainstay business, and of the Real Estate Business centered on building leases, strengthening its financial structure in preparation for changes in its business environment. Additionally, under the Management Plan (2022-2024), launched in the fiscal year ended March 31, 2023, the Company positions shareholder returns as one of the most important management issues, and aims to further enhance shareholder returns. For dividends, the Company has adopted a policy of achieving stable and continuous dividends with a DOE of 2% or above, while taking into account the balance among corporate performance, growth investments, and capital efficiency.

For the fiscal year ended March 31, 2024, we propose the year-end dividend of 70 yen per share, taking into account such factors as the above basic policies, and operating results for the year and the retained earnings level. As a result, the annual dividend, including 50 yen, the interim dividend, will be 120 yen per share, an increase of 30 yen compared to the previous fiscal year.

1. Type of dividend property  
Cash
2. Matters concerning the allotment of dividend property and its total amount  
70 yen per share of common stock of the Company  
The total amount: 5,308,362,780 yen
3. Effective date of the dividend of surplus  
June 28, 2024

**Proposal No. 2: Revisions to a Portion of the Articles of Incorporation**

1. Reasons for the Revisions

The Company proposes that the number of Directors be reduced from the current fourteen (14) to eleven (11) to keep the number of Directors at an appropriate level in order to strengthen the supervisory functions of the Board of Directors and further promote the separation of management and execution.

2. Details of the Revisions

The current Articles of Incorporation and proposed change is as follows.

(Underlines indicate amended sections)

Current Articles of Incorporation	Amended Articles of Incorporation
Article 19 The number of Directors of the Company shall not be more than <u>14</u> .	Article 19 The number of Directors of the Company shall not be more than <u>11</u> .

### Proposal No. 3: Election of Ten (10) Directors

The terms of office of all twelve (12) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, we nominate the following ten (10) candidates for Directors:

No.	Name	Gender		Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	Masao Fujikura	Male	[Reappointment]	Chairman	100% 12/12
2	Hidechika Saito	Male	[Reappointment]	Representative Director and President	100% 12/12
3	Munenori Kimura	Male	[Reappointment]	Director and Managing Executive Officer responsible for Planning, International Transportation Business and Overseas Business General Manager, Corporate Planning Division	100% 12/12
4	Akira Yamao	Male	[Reappointment]	Director and Managing Executive Officer responsible for Accounting & Financing and Information System	100% 12/12
5	Masanori Maekawa	Male	[Reappointment]	Representative Director and Managing Executive Officer responsible for General Affairs, Corporate Communications, Human Resources, and Sustainability Promotion General Manager, General Affairs Division, Corporate Communications Chamber	100% 9/9
6	Tatsuo Wakabayashi	Male	[Reappointment] [Outside] [Independent]	Outside Director	100% 12/12
7	Toshifumi Kitazawa	Male	[Reappointment] [Outside] [Independent]	Outside Director	100% 12/12
8	Tadaaki Naito	Male	[Reappointment] [Outside] [Independent]	Outside Director	92% 11/12
9	Tetsuya Shoji	Male	[Reappointment] [Outside] [Independent]	Outside Director	92% 11/12
10	Kazuko Kimura	Female	[Reappointment] [Outside] [Independent]	Outside Director	100% 12/12





		Expertise and Experience (Skill Matrix)							
	Term of office as Director	Corporate Management	Finance and Accounting	Marketing	ESG and Sustainability	HR Strategy	Legal Affairs, Compliance and Risk Management	Technology	Contribution to the Company's Growth*
	8 years	○	○	○	○	○	○		Overall
	2 years	○	○	○	○	○	○		Overall
	2 years	○		○	○				1, 2
	5 years	○	○					○	4
	1 year	○			○	○	○		5
	5 years	○	○		○	○	○		5
	5 years	○	○		○	○	○		5
	4 years	○	○		○	○	○		5
	3 years	○			○	○	○	○	4
	3 years				○	○	○	○	1

\*Contribution to the Company's Growth: Contribution to the growth strategies aimed at achieving MLC2030 Vision (terms generally quoted from MLC2030 Vision)


1. Establish a customer-oriented support system (take on comprehensive supply chain challenges with a focus on the medical/health care, food/beverage, machinery/electrical machine, and new materials industries as priority areas)
2. Expand overseas businesses
3. Secure stable profits in the Port and Harbor Transportation and the Real Estate Businesses
4. Improve operational processes and further utilization of new technologies
5. Strengthen the Group management base


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


No.	Name Date of birth (Age)	Past experience, positions, and responsibilities		
1	 Masao Fujikura March 20, 1959 (65 years old)  <u>Reappointment</u>	April 1982 June 2012 April 2015 June 2016 April 2017 April 2018 June 2021 June 2022 April 2023 June 2023	Joined the Company General Manager, International Business Coordination Chamber General Manager, Osaka Branch Director and General Manager, Osaka Branch Managing Director; and General Manager, Osaka Branch President President and Chief Executive Officer Representative Director and President Representative Director and Chairman Chairman (current position)	Number of shares of the Company held: 39,333  Term of office as Director: 8 years (at the conclusion of this General Meeting of Shareholders)  Attendance at meetings of the Board of Directors: 100% 12/12
<p>[Reason for nomination as candidate for Director] Mr. Masao Fujikura had served as General Manager of International Business Coordination Chamber, etc. After his term of office as Managing Director and General Manager of Osaka Branch, he served as President, overseeing overall business operation as a chief executive of the Company from 2018 to 2023. He is currently serving as Chairman. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>				
2	 Hidechika Saito July 5, 1964 (59 years old)  <u>Reappointment</u>	April 1987 April 2018 April 2020  June 2021  April 2022 June 2022 April 2023	Joined the Company General Manager, Osaka Branch General Manager, International Transportation Business Division Executive Officer and General Manager, International Transportation Business Division Managing Executive Officer Representative Director and Managing Executive Officer Representative Director and President (current position)	Number of shares of the Company held: 13,326  Term of office as Director: 2 years (at the conclusion of this General Meeting of Shareholders)  Attendance at meetings of the Board of Directors: 100% 12/12
<p>[Reason for nomination as candidate for Director] Mr. Hidechika Saito had served as General Manager of Osaka Branch and International Transportation Business Division. After his term of office as Managing Executive Officer responsible for General Affairs, Corporate Communications, Human Resources, and Sustainability Promotion, he is currently serving as Representative Director and President and oversees overall business operation as a chief executive of the Company. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>				


No.	Name Date of birth (Age)	Past experience, positions, and responsibilities		
3	 Munenori Kimura June 14, 1964 (60 years old) <u>Reappointment</u>	April 1987 April 2018 April 2020 June 2021 April 2022 June 2022 April 2023 November 2023  <Responsibilities> Responsible for Planning, International Transportation Business and Overseas Business General Manager of Corporate Planning Division	Joined the Company General Manager, Yokohama Branch General Manager, Planning & Business Coordination Division (currently Corporate Planning Division) Executive Officer and General Manager, Corporate Planning Division Managing Executive Officer and General Manager, International Transportation Business Division Director and Managing Executive Officer; and General Manager, International Transportation Business Division Director and Managing Executive Officer Director and Managing Executive Officer; and General Manager, Corporate Planning Division (current position)	Number of shares of the Company held: 11,039  Term of office as Director: 2 years (at the conclusion of this General Meeting of Shareholders)  Attendance at meetings of the Board of Directors: 100% 12/12
<p>[Reason for nomination as candidate for Director]  Mr. Munenori Kimura had long served in the International Transportation Business division including overseas assignment in addition to his term of office as General Manager of Yokohama Branch, General Manager of Corporate Planning Division, etc. He is currently Director, serving as Managing Executive Officer responsible for Planning, International Transportation Business and Overseas Business. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Director.</p>				

No.	Name Date of birth (Age)	Past experience, positions, and responsibilities		
4	 Akira Yamao June 13, 1960 (64 years old) <u>Reappointment</u>	April 1983 April 2015 June 2019  April 2020 June 2021  April 2023	Joined the Company General Manager, Planning & Business Coordination Division Director and General Manager, Planning & Business Coordination Division Director and General Manager, Osaka Branch Director, Senior Executive Officer and General Manager, Osaka Branch Director and Managing Executive Officer (current position)  <Responsibilities> Responsible for Accounting & Financing and Information System	Number of shares of the Company held: 12,826  Term of office as Director: 5 years (at the conclusion of this General Meeting of Shareholders)  Attendance at meetings of the Board of Directors: 100% 12/12
<p>[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 and his term of office as General Manager of Planning &amp; Business Coordination Division and General Manager of Osaka Branch. He is currently Director, serving as Managing Executive Officer responsible for Accounting &amp; 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.</p>				


No.	Name Date of birth (Age)	Past experience, positions, and responsibilities		
5		April 1986 April 2018 June 2020 June 2021 April 2023 June 2023	Joined the Company General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division Director and General Manager, General Affairs Division and Corporate Communications Chamber Senior Executive Officer and General Manager, General Affairs Division and Corporate Communications Chamber Managing Executive Officer and General Manager, General Affairs Division and Corporate Communications Chamber Representative Director, Managing Executive Officer and General Manager, General Affairs Division and Corporate Communications Chamber (current position)	Number of shares of the Company held: 11,926  Term of office as Director: 1 year (at the conclusion of this General Meeting of Shareholders)  Attendance at meetings of the Board of Directors: 100% 9/9
	Masanori Maekawa April 13, 1962 (62 years old)  <u>Reappointment</u>	<Responsibilities> Responsible for General Affairs, Corporate Communications, Human Resources, and Sustainability Promotion General Manager of General Affairs Division and Corporate Communications Chamber	[Reason for nomination as candidate for Director] Mr. Masanori Maekawa had long served in the Warehousing & Distribution Business Division in addition to his term of office as General Manager, General Affairs Division, Corporate Communications Chamber and Personnel Division. He is currently Representative Director, serving as Managing Executive Officer responsible for General Affairs, Corporate Communications, Human Resources, and Sustainability Promotion. 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 (Age)	Past experience, positions, and responsibilities		
6	 Tatsuo Wakabayashi September 29, 1952 (71 years old)  <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Independent</div>	April 1977 April 2012 April 2013 December 2013  June 2015  April 2016  June 2016 April 2020  June 2019  [Significant concurrent positions] Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation Outside Director of Mitsubishi Materials Corporation	Joined Mitsubishi Trust and Banking Corporation President of Mitsubishi UFJ Trust and Banking Corporation Deputy Chairman of Mitsubishi UFJ Financial Group, Inc. President and Chairman of Mitsubishi UFJ Trust and Banking Corporation Director; Deputy Chairman of Mitsubishi UFJ Financial Group, Inc. Chairman of Mitsubishi UFJ Trust and Banking Corporation; Director of Mitsubishi UFJ Financial Group, Inc. Retired from Director of Mitsubishi UFJ Financial Group, Inc. Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation (current position) Outside Director of the Company (current position)	Number of shares of the Company held: 0  Term of office as Director: 5 years (at the conclusion of this General Meeting of Shareholders)  Attendance at meetings of the Board of Directors: 100% 12/12
<p>[Reason for nomination as candidate for Outside Director and a summary of expected roles]            Mr. Tatsuo Wakabayashi has long been engaged in the corporate management of Mitsubishi UFJ Trust and Banking Corporation and holds abundant knowledge and experience relating to banking and finance, etc. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.</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> <p>[Independence]            Mr. Tatsuo Wakabayashi is a Senior Advisor of Mitsubishi UFJ Trust and Banking Corporation, which is a business partner and shareholder of the Company. The Group has transactions with Mitsubishi UFJ Trust and Banking Corporation, including the entrustment, etc. of pension assets, as well as transactions such as logistics operation consignment, etc., and the amount of these transactions is less than 1% of the Company's consolidated revenue. Mr. Tatsuo Wakabayashi is a candidate for Outside Director. If his election as Director is approved, the Company plans to designate him as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. and register him with the said Exchange.</p>				

No.	Name Date of birth (Age)	Past experience, positions, and responsibilities		
7	 Toshifumi Kitazawa November 18, 1953 (70 years old)  <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">             Reappointment              Outside              Independent           </div>	April 1977 April 2016  June 2016 April 2019  June 2019 April 2022  June 2019  [Significant concurrent positions]	Joined The Tokio Marine and Fire Insurance Co., Ltd. President & Chief Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd. Director of Tokio Marine Holdings, Inc. Vice Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd. Retired from Director of Tokio Marine Holdings, Inc. Senior Executive Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (current position) Outside Director of the Company (current position)  Senior Executive Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. Member of the Board of Directors (Outside Director) and Member of the Audit & Supervisory Committee of MUFG Bank, Ltd. Outside Director of Sekisui House, Ltd.	Number of shares of the Company held: 0  Term of office as Director: 5 years (at the conclusion of this General Meeting of Shareholders)  Attendance at meetings of the Board of Directors: 100% 12/12
<p>[Reason for nomination as candidate for Outside Director and a summary of expected roles]            Mr. Toshifumi Kitazawa has long been engaged in the corporate management of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. and holds abundant knowledge and experience relating to risk management, finance, etc. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.</p> <p>He currently serves as a member of the Nomination and Compensation Committee of the Company. In addition to his continuing contribution to ensuring and enhancing the objectivity and transparency of the procedures for determining the nomination and compensation of Directors as a member of the Committee, we expect his contribution to the Company's corporate governance through appropriate suggestions and recommendations from an objective standpoint independent of executive management.</p> <p>[Independence]            Mr. Toshifumi Kitazawa is a Senior Executive Advisor of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd., which is a business partner and shareholder of the Company. The Group has transactions with Tokio Marine &amp; Nichido Fire Insurance Co., Ltd., including insurance contracts, as well as transactions such as logistics operation consignment, etc., and the amount of these transactions is less than 1% of the Company's consolidated revenue. Mr. Toshifumi Kitazawa is a candidate for Outside Director. If his election as Director is approved, the Company plans to designate him as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. and register him with the said Exchange.</p>				

No.	Name Date of birth (Age)	Past experience, positions, and responsibilities		
8	 <p data-bbox="258 519 459 609">Tadaaki Naito September 30, 1955 (68 years old)</p> <p data-bbox="274 631 443 721"> <span style="border: 1px solid black; padding: 2px;">Reappointment</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p>	<p data-bbox="491 273 609 295">April 1978</p> <p data-bbox="491 304 609 327">April 2015</p> <p data-bbox="491 362 609 385">June 2019</p> <p data-bbox="491 421 609 443">June 2020</p> <p data-bbox="491 479 609 501">April 2022</p> <p data-bbox="491 510 609 533">April 2023</p> <p data-bbox="491 542 609 564">June 2023</p> <p data-bbox="491 600 609 622">June 2020</p>	<p data-bbox="683 273 1337 362">Joined Nippon Yusen Kabushiki Kaisha President, Representative Director, President Corporate Officer of Nippon Yusen Kabushiki Kaisha</p> <p data-bbox="683 371 1337 416">Chairman, Director, Chairman Corporate Officer of Nippon Yusen Kabushiki Kaisha</p> <p data-bbox="683 425 1337 470">Chairman, Director, Chairman and Executive Officer of Nippon Yusen Kabushiki Kaisha</p> <p data-bbox="683 479 1337 501">Chairman, Director of Nippon Yusen Kabushiki Kaisha</p> <p data-bbox="683 510 1337 533">Director of Nippon Yusen Kabushiki Kaisha</p> <p data-bbox="683 542 1337 586">Senior Advisor of Nippon Yusen Kabushiki Kaisha (current position)</p> <p data-bbox="683 595 1337 618">Outside Director of the Company (current position)</p> <p data-bbox="491 663 1002 721">[Significant concurrent positions] Senior Advisor of Nippon Yusen Kabushiki Kaisha</p>	<p data-bbox="1375 273 1513 421">Number of shares of the Company held: 0</p> <p data-bbox="1375 456 1513 698">Term of office as Director: 4 years (at the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="1375 734 1513 913">Attendance at meetings of the Board of Directors: 92% 11/12</p>
<p data-bbox="252 922 1193 945">[Reason for nomination as candidate for Outside Director and a summary of expected roles]</p> <p data-bbox="252 954 1519 1088">Mr. Tadaaki Naito has long been engaged in the corporate management of Nippon Yusen Kabushiki Kaisha and holds abundant knowledge and experience relating to logistics operations, etc. which is the Company's mainstay business. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.</p> <p data-bbox="252 1097 1519 1142">We expect his contribution to the Company's corporate governance through appropriate suggestions and recommendations from an objective standpoint independent of executive management.</p> <p data-bbox="252 1151 411 1173">[Independence]</p> <p data-bbox="252 1182 1519 1317">Mr. Tadaaki Naito is a Senior Advisor of Nippon Yusen Kabushiki Kaisha, which is a business partner and shareholder of the Company. The Group has transactions with Nippon Yusen Kabushiki Kaisha, such as logistics operation consignment, etc., and the amount of these transactions is less than 1% of the Company's consolidated revenue. Mr. Tadaaki Naito is a candidate for Outside Director. If his election as Director is approved, the Company plans to designate him as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. and register him with the said Exchange.</p>				



No.	Name Date of birth (Age)	Past experience, positions, and responsibilities	
9	 <p data-bbox="268 517 459 607">Tetsuya Shoji February 28, 1954 (70 years old)</p> <p data-bbox="280 633 443 723"> <input type="checkbox"/> Reappointment  <input type="checkbox"/> Outside  <input type="checkbox"/> Independent </p>	<p data-bbox="491 271 1305 533"> April 1977    Joined Nippon Telegraph and Telephone Public Corporation  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)  June 2021    Outside Director of the Company (current position) </p> <p data-bbox="491 562 1066 734"> [Significant concurrent positions]  Corporate Advisor of NTT Communications Corporation  Outside Director of Sapporo Holdings Limited  Outside Director of Hitachi Zosen Corporation  Outside Director of Japan Tobacco Inc.  Outside Director of circlace Inc. </p>	<p data-bbox="1385 271 1513 421">Number of shares of the Company held: 0</p> <p data-bbox="1385 450 1513 696">Term of office as Director: 3 years (at the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="1385 725 1513 907">Attendance at meetings of the Board of Directors: 92% 11/12</p>
<p data-bbox="252 913 1193 943">[Reason for nomination as candidate for Outside Director and a summary of expected roles]</p> <p data-bbox="252 943 1519 1086">Mr. Tetsuya Shoji has long been engaged in the corporate management of NTT Communications Corporation and holds abundant knowledge and experience relating to business operation innovation, etc. utilizing new digital technologies which the Company has been promoting. The Company nominated him in the belief that reflecting his broad insight and invaluable advice in the Company's management is beneficial to the Company's growth and enhancement of corporate value and he is capable of supervising the Company's management and Directors effectively.</p> <p data-bbox="252 1086 1519 1232">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> <p data-bbox="252 1232 416 1261">[Independence]</p> <p data-bbox="252 1261 1519 1404">Mr. Tetsuya Shoji is a Corporate Advisor of NTT Communications Corporation, which is a business partner of the Company. The Group has transactions with NTT Communications Corporation, such as real estate leasing, etc., and the amount of these transactions is less than 1% of the Company's consolidated revenue. Mr. Tetsuya Shoji is a candidate for Outside Director. If his election as Director is approved, the Company plans to designate him as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. and register him with the said Exchange.</p>			

No.	Name Date of birth (Age)	Past experience, positions, and responsibilities		
10	 Kazuko Kimura May 1, 1951 (73 years old) <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	April 1976 July 1996 July 1999 April 2000 April 2017 October 2017 March 2023 June 2021  [Significant concurrent positions] Professor Emerita of National University Corporation Kanazawa University External Director of Takara Bio Inc. Representative Director of Medicines Security Workshop	Joined the Ministry of Health and Welfare Drug Management and Policy Department of World Health Organization (on secondment) Organization for Pharmaceutical Safety and Research (on secondment) Professor of Drug Management and Policy Department, Institute of Medical, Pharmaceutical and Health Sciences, Kanazawa University Professor Emerita of National University Corporation Kanazawa University (current position) Specially Appointed Professor of Graduate School of Medical Sciences of National University Corporation Kanazawa University Retired as Specially Appointed Professor of Graduate School of Medical Sciences of National University Corporation Kanazawa University Outside Director of the Company (current position)	Number of shares of the Company held: 0  Term of office as Director: 3 years (at the conclusion of this General Meeting of Shareholders)  Attendance at meetings of the Board of Directors: 100% 12/12
<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> <p>[Independence]</p> <p>Ms. Kazuko Kimura is a Professor Emerita of National University Corporation Kanazawa University, to which the Company makes donations. The Company has made a donation to National University Corporation Kanazawa University for the foundation of donated courses, but the amount is immaterial and has not exceeded an average of 10 million yen per annum for the past three fiscal years. Ms. Kazuko Kimura is a candidate for Outside Director. If her election as Director is approved, the Company plans to designate her as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. and register her with the said Exchange.</p>				

(Notes)

1. There are no special interests between each candidate and the Company.
2. 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, Audit & Supervisory Board Members, and Executive Officers, etc., of the Company. The Company plans to renew the contract at expiration. The outline of the said insurance contract is as stated in the Electronic Provision Measures Matters section on page 36 of the Notice of the 221st Annual General Meeting of Shareholders. If the election of each candidate for Director is approved, they will be insured under the said insurance contract.
3. Violation of laws and regulations, etc. at a company where a candidate for Outside Director concurrently holds office  
Tokio Marine & Nichido Fire Insurance Co., Ltd., where Mr. Toshifumi Kitazawa served as Director, engaged in acts that were considered to be in violation of the Antimonopoly Act and acts that were inappropriate in view of the intention of the Act, and organizational issues behind these acts were identified. In December 2023, the Company was subject to a Business Improvement Order from the Financial Services Agency, based on the Insurance Business Act.
4. Mr. Masanori Maekawa's attendance at meetings of the Board of Directors is stated as of his appointment as Director on June 29, 2023.

[Reference] Initiatives to Reduce Cross-shareholdings

1. Policy concerning cross-shareholdings

We will accelerate the reduction of equity investments held for purposes other than pure investment (cross-shareholdings) after continuously verifying the rationality of such holdings, and utilize the funds generated from these sales for strategic investments, business investments, and shareholder returns.

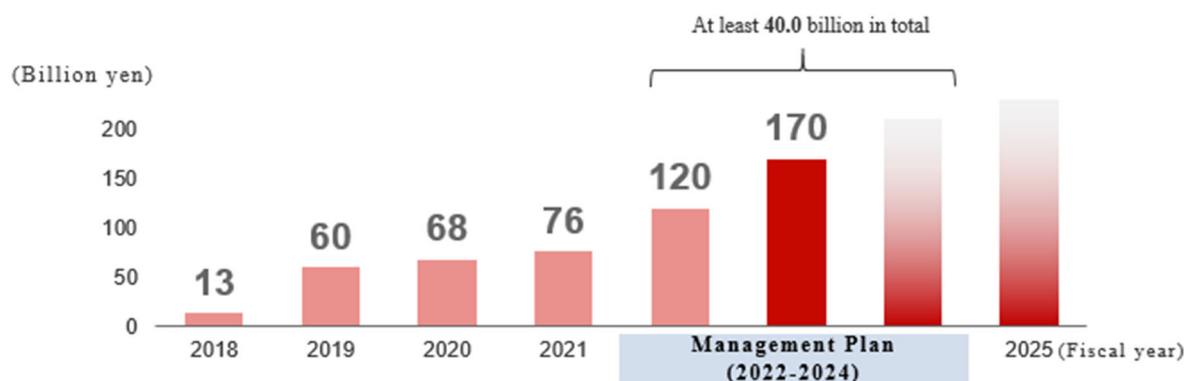
2. Status of cross-shareholdings

Of cross-shareholdings totaling 118.2 billion yen at the end of the previous fiscal year, we have sold-down approximately 17.0 billion yen as of the end of the fiscal year under review (up by 5 billion yen from the previous fiscal year), an increase over the previous fiscal year, while the total value of cross-shareholdings was 168.6 billion yen at the end of the fiscal year under review, partly due to a significant rise in the market prices of the shares held (approximately 75.0 billion yen), and the ratio of cross-shareholdings to net assets stood at 41.0%.

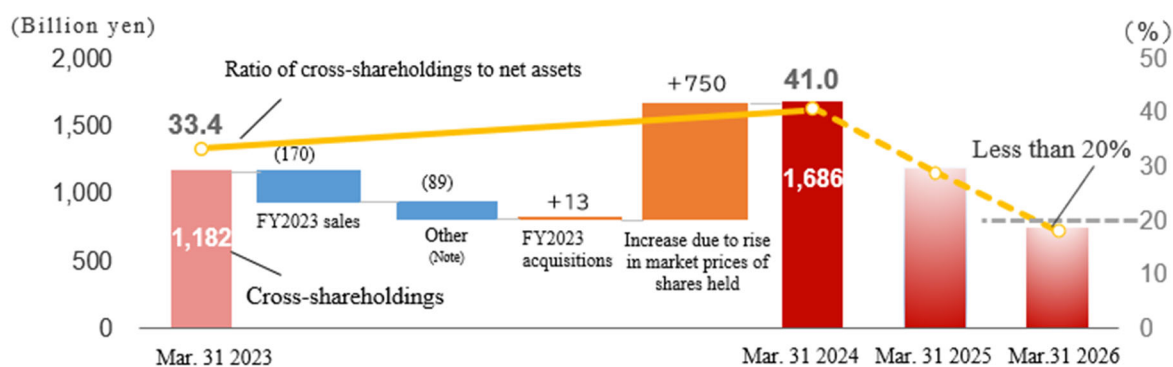
3. Plan for the reduction of cross-shareholdings

During the term of the Management Plan (2022-2024), we will reduce cross-shareholdings by at least 40.0 billion yen, in accordance with our plan, after engaging in dialogue with our investee companies, and sold-down approximately 29.0 billion yen by the end of the current fiscal year. For the fiscal year ending March 31, 2025, as disclosed on April 30, 2024, we firstly plan to sell 4 stockholdings in the first half of the year, and expect to record a gain on sale of marketable securities and investments in securities of approximately 11.5 billion yen. Going forward, we plan to further accelerate the sale of cross-shareholdings until we reduce the ratio of cross-shareholdings to net assets to below 20% by the end of the fiscal year ending March 31, 2026, after which we will continue to reduce these shareholdings.

[Trend in sales of cross-shareholdings]



[Value of cross-shareholdings and ratio to net assets]




(Note) Due to the transfer to stocks of subsidiaries and affiliates, etc., in association with the conversion of ITL Corporation to an equity-method affiliate of the Company.



#### Proposal No. 4: Election of Three (3) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Yohnosuke Yamada, Takao Sato and Junya Miura will expire at the conclusion of this year's Annual General Meeting of Shareholders.

Accordingly, we nominate the following three (3) candidates for Audit & Supervisory Board Member.

Furthermore, the approval of the Audit & Supervisory Board has been obtained regarding the submission of this Proposal.

No.	Name Date of birth (Age)	Past experience and positions	
1	 Takao Sato July 17, 1954 (69 years old)  <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	March 1988 Registered as Certified Public Accountant May 2003 Representative Partner of Asahi & Co. (currently KPMG AZSA LLC) July 2007 Board Member of KPMG AZSA & Co. (currently KPMG AZSA LLC) June 2009 Retired from Board Member of KPMG AZSA & Co. July 2014 Auditor of KPMG AZSA LLC June 2016 Retired from Auditor of KPMG AZSA LLC July 2017 Representative of Takao Sato Accounting Office (current position) June 2020 Outside Audit & Supervisory Board Member of the Company (current position)  [Significant concurrent positions] Outside Director of IX Knowledge Inc.	Number of shares of the Company held: 0  Term of office as Audit & Supervisory Board Member: 4 years (at the conclusion of this General Meeting of Shareholders)  Attendance at meetings of the Board of Directors: 100% 12/12  Attendance at meetings of the Audit & Supervisory Board: 100% 18/18
<p>[Reason for nomination as candidate for Outside Audit &amp; Supervisory Board Member]            The Company nominated Mr. Takao Sato as Audit &amp; Supervisory Board Member so that the Company's auditing may benefit from his wealth of knowledge and broad insight based on his long experience as a Certified Public Accountant. Although he has not been involved in corporate management other than serving as outside director or outside audit &amp; supervisory board member in the past, the Company believes that he can appropriately perform his duties as Outside Audit &amp; Supervisory Board Member for the reasons described above.</p> <p>[Independence]            Mr. Takao Sato is a certified public accountant with a background at KPMG AZSA LLC, which is the Company's Accounting Auditor. The Group has transactions with KPMG AZSA LLC, including the outsourcing of audit certification services for the fiscal year ended March 31, 2024, and the amount of those transactions is 155 million yen. Mr. Takao Sato is a candidate for Outside Audit &amp; Supervisory Board Member, and if his election as Audit &amp; Supervisory Board Member is approved, the Company plans to designate him as an Independent Auditor as stipulated by Tokyo Stock Exchange, Inc. and register him with the said Exchange.</p>			

No.	Name Date of birth (Age)	Past experience and positions	
2	 Yusaku Kurahashi October 29, 1980 (43 years old)  <input type="checkbox"/> New candidate <input type="checkbox"/> Outside <input type="checkbox"/> Independent	December 2007 Registered as an attorney-at-law (Daini Tokyo Bar Association) and joined Nakamura, Tsunoda & Matsumoto April 2023 Representative Partner of Kurahashi Law Office (current position)  [Significant concurrent positions] Outside Audit & Supervisory Board Member of Kanematsu Corporation Outside Director, Audit and Supervisory Committee Member of United Arrows Ltd. Independent Audit and Supervisory Board Member of Nissha Co., Ltd.	Number of shares of the Company held: 0
<p>[Reason for nomination as candidate for Outside Audit &amp; Supervisory Board Member]            The Company nominated Mr. Yusaku Kurahashi as Audit &amp; Supervisory Board Member so that the Company's auditing may benefit from his wealth of knowledge and broad insight based on his long experience as an attorney-at-law. Although he has not been involved in corporate management other than serving as outside director or outside audit &amp; supervisory board member in the past, the Company believes that he can appropriately perform his duties as Outside Audit &amp; Supervisory Board Member for the reasons described above.</p> <p>[Independence]            Mr. Yusaku Kurahashi is an attorney-at-law at Kurahashi Law Office (based in Tokyo). The Company requests legal advice from him as necessary, but the amount of that compensation is immaterial and has been less than an average of 1 million yen per annum for the past three fiscal years. Mr. Yusaku Kurahashi is a candidate for Outside Audit &amp; Supervisory Board Member, and if his election as Audit &amp; Supervisory Board Member is approved, the Company plans to designate him as an Independent Auditor as stipulated by Tokyo Stock Exchange, Inc. and register him with the said Exchange.</p>			
3	 Jiro Kodaka September 11, 1963 (60 years old)  <input type="checkbox"/> New candidate	April 1987 Joined the Company July 2015 Deputy General Manager, Osaka Branch June 2019 General Manager, Audit & Supervisory Board Member's Chamber (current position)  [Significant concurrent positions] Full-time Corporate Auditor (Audit & Supervisory Board Member) of Ryoso Transportation Co., Ltd. (scheduled to take office in June 2024)	Number of shares of the Company held: 500
<p>[Reason for nomination as candidate for Audit &amp; Supervisory Board Member]            Mr. Jiro Kodaka has extensive experience in the management division, such as accounting &amp; financing. He is currently serving as General Manager of the Audit &amp; Supervisory Board Member's Chamber. He possesses a wealth of experience and professional knowledge for the Company's business operation, therefore, the Company nominated him as Audit &amp; Supervisory Board Member.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. 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, Audit & Supervisory Board Members, and Executive Officers, etc., of the Company. The Company plans to renew the contract at expiration. The outline of the said insurance contract is as stated in the Electronic Provision Measures Matters section on page 36 of the Notice of the 221st Annual General Meeting of Shareholders. If the election of each candidate for Audit & Supervisory Board Member is approved, they will be insured under the said insurance contract.

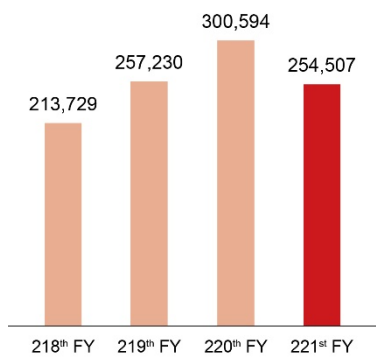
# Business Report

(April 1, 2023 - March 31, 2024)

## Consolidated Financial Highlights

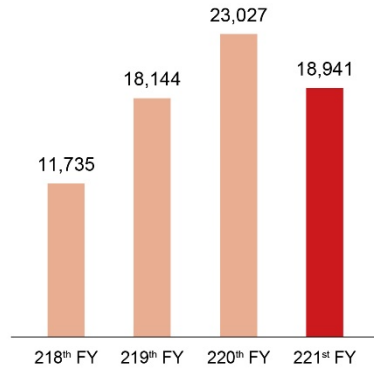
### Revenue

(Unit: Millions of yen)



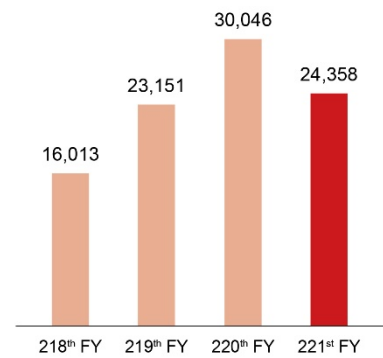
### Operating income

(Unit: Millions of yen)



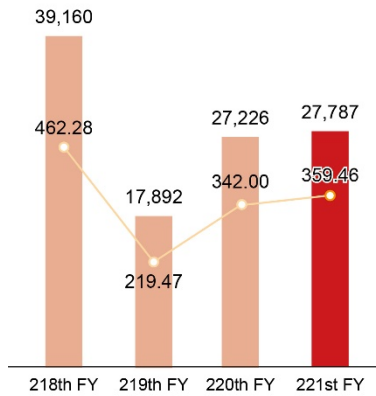
### Ordinary income

(Unit: Millions of yen)



### Profit attributable to owners of parent/ Basic earnings per share (EPS)

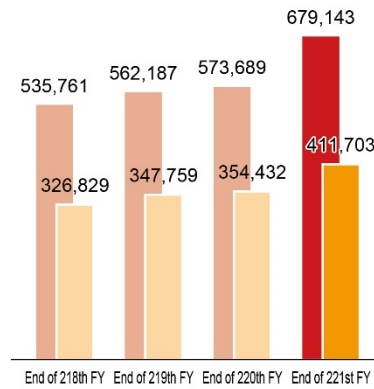
■ Net income (Unit: Millions of yen)  
○ EPS (Unit: yen)



### Total assets/Net assets

(Unit: yen)

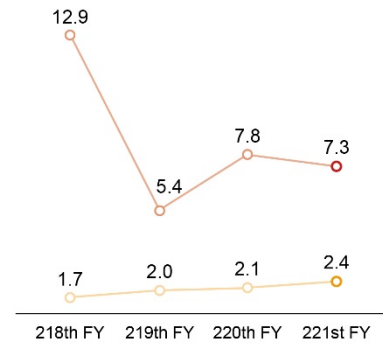
■ Total assets    ■ Net assets



### ROE (Return on equity)/ DOE (Dividend on equity)

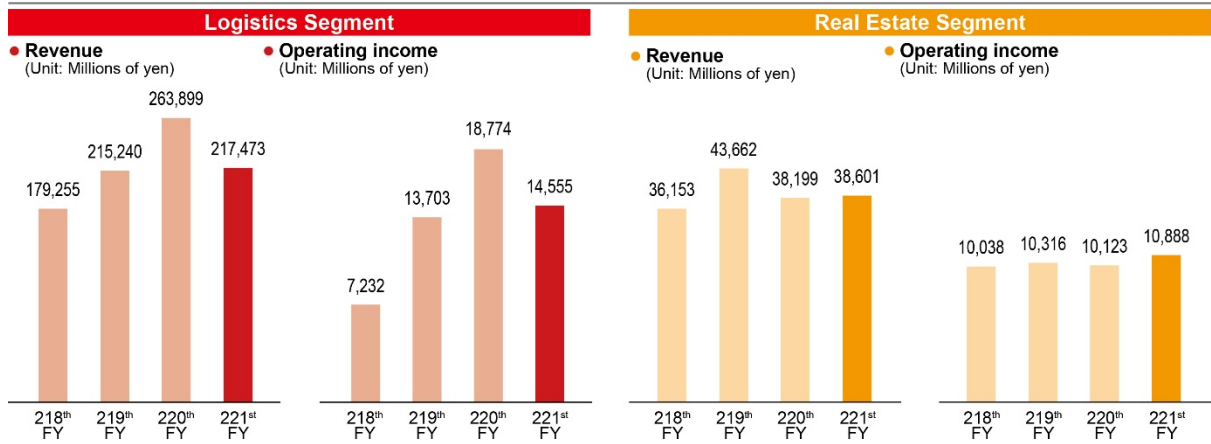
(Unit: %)

○ ROE    ○ DOE

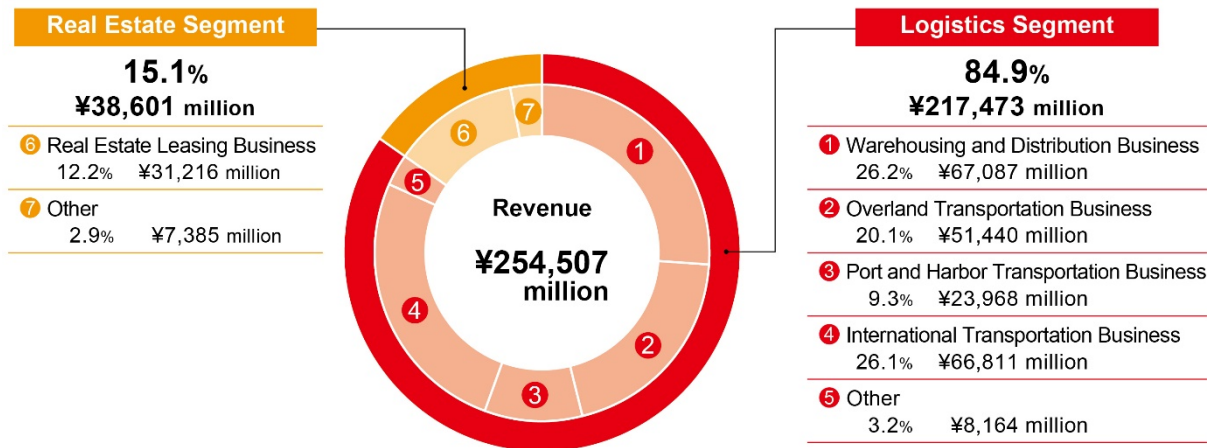




## Performance by segment



## Revenue by segment



(Note) Composition ratios are based on values before adjustments such as intersegmental elimination(△¥1,566 million).

## Principal Business

### Logistics Segment

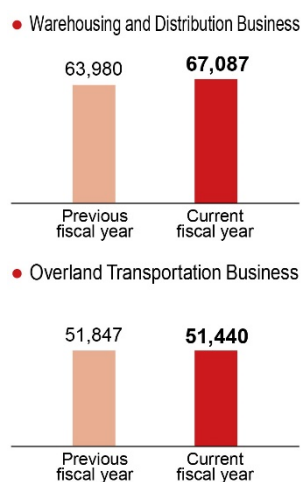
- Warehousing & Distribution Business: Business conducting storage and handling of incoming and outgoing cargo, etc. at warehouses containing consigned items
- Overland Transportation Business: Business conducting transport and usage transport, etc. by freight automobiles

The Group's Warehousing & Distribution Business and Overland Transportation Business provide a variety of logistics services, including storage and transportation, for a wide variety of raw materials and products, such as food/beverage, pharmaceutical and healthcare supplies, and machinery and electrical equipment, including automotive components. Furthermore, by promoting investments (logistics DX investments) aimed at improving the efficiency of entire supply chains, such as Disaster-Resistant and Eco-Friendly Warehouses, strengthening relationships with domestic and overseas partners, and building the ML Chain pharmaceutical logistics data platform, we are working to solve a range of issues in domestic logistics, such as the 2024 issue, and to help everyone realize affluent lives.

#### Overview of revenue

Revenue in the Warehousing & Distribution Business increased by 4.9% from the previous fiscal year, mainly due to an increase in the volume of automotive-related freight and the handling of foodstuffs. Revenue in the Overland Transportation Business decreased by 0.8% from the previous fiscal year due to a decrease in freight handling.

#### Revenue (Unit: Millions of yen)



- Port and Harbor Transportation Business: Business conducting coastal cargo handling and onboard cargo handling, etc. at ports

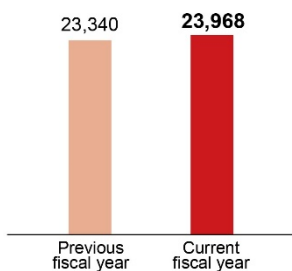
We provide meticulous, high-quality logistics services, including container terminal operations, for integrated port and harbor transportation at all major Japanese ports, namely Tokyo, Yokohama, Nagoya, Osaka, Kobe and Hakata. We also offer a wide range of other marine shipping-related services, such as importing/exporting of vessels, ship registration, and agency operations for special ships such as oil-drilling rigs.

#### Overview of revenue

Revenue in the Port and Harbor Transportation Business increased by 2.7% from the previous fiscal year, mainly due to an increase in container freight handling volume.



Revenue (Unit: Millions of yen)



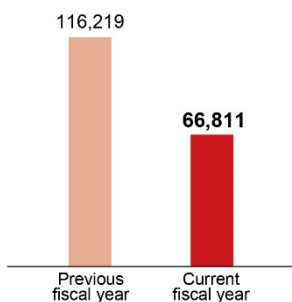
- **International Transportation Business:** Business conducting handling of international product transport, etc. (including handling domestic marine cargo transport)

We propose optimum transportation routes door-to-door worldwide tailored to every customer's request by taking advantage of our global network and a variety of transportation means, such as vessels, aircraft, railways and trucks. Meanwhile, the Group's overseas operating bases provide comprehensive logistics services, such as cargo transportation, customs clearance and the storage of goods as well as logistics-related support services, such as consulting on legal systems, procedures and tariff costs utilizing economic partnership agreements in the respective areas for customers who plan to launch into foreign markets.

Overview of revenue

Revenue in the International Transportation Business decreased by 42.5% from the previous fiscal year due to a reduction in ocean freight rates and a decrease in freight handling volume.

Revenue (Unit: Millions of yen)



- **Real Estate Segment:** Business conducting purchase, leasing and management of real estate

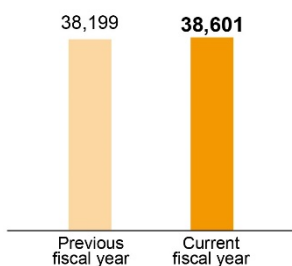
We are involved in the Real Estate Business in all six major cities of Japan—Tokyo, Yokohama, Nagoya, Osaka, Kobe and Fukuoka. In addition to activities such as the optimum property redevelopment suited to each property's location and the leasing of approximately 50 real estate facilities (offices, retail facilities and residences), totaling almost 1 million m<sup>2</sup> of total floor space, we are involved in the sales of condominiums.

We are also active in developing Disaster-Resistant and Eco-Friendly Office Buildings, which meet business continuity needs and reduce environmental burden.

Overview of revenue

Revenue in the Real Estate Segment increased by 1.1% from the previous fiscal year due to an increase in the occupancy rate in the Real Estate Leasing Business.

Revenue (Unit: Millions of yen)



# I. Overview of the Company Group

## 1. Business Progress and Results

### (1) Business Conditions

During the fiscal year under review, although the economy in Europe was weak, the global economy on the whole improved due to signs of recovery in China and economic expansion in the United States. The Japanese economy experienced a gradual recovery amid signs of an upturn in capital investment, despite concerns regarding the continued impact of the recent rise in consumer prices on household budgets, and a slowdown in the recovery of consumer spending.

In these economic situations, the business environment surrounding Mitsubishi Logistics Corporation and its subsidiaries and affiliates (collectively, the “Group”) saw the logistics industry experience a continued increase in costs, partly due to declining freight volumes and labor shortages, despite ocean freight rates starting to bottom out. In the real estate industry, the vacancy rate of office buildings in lease remained high due to the slump in demand.

Under these circumstances, the Group worked on DX in accordance with the Management Plan (2022-2024), and promoted marketing activities utilizing new approaches. In the Logistics Segment, we made efforts expanding operations such as distribution operations especially for pharmaceuticals, automotive, etc., and increasing the volume of international freight, etc. In the Real Estate Segment, we focused our efforts on securing tenants, and maintaining and improving rent levels. Meanwhile, we endeavored to secure business performance through measures such as the collection of appropriate fees in line with cost increases, as well as cost management and the further improvement of efficiency in business operations.

However, revenue for the fiscal year under review amounted to 254,507 million yen, a decrease of 46,086 million yen, or 15.3% from the previous fiscal year. In the Logistics Segment, revenue decreased mainly in the International Transportation Business due to a decline in the unit prices of ocean freight rates and a decrease in freight handled, despite an increase in revenue in the Real Estate Leasing Business in the Real Estate Segment. In addition, cost of services overall decreased by 43,627 million yen, or 16.4%, to 222,271 million yen, and selling, general and administrative expenses increased 1,627 million yen, or 13.9% from the previous fiscal year to 13,294 million yen due mainly to an increase in personnel expenses.

Operating income decreased by 4,086 million yen, or 17.7% year on year to 18,941 million yen, reflecting the decrease in income in the Logistics Segment, despite the increase in income in the Real Estate Segment. Ordinary income decreased by 5,687 million yen, or 18.9% to 24,358 million yen, reflecting decreases in dividend income and equity in earnings of unconsolidated subsidiaries and affiliates. Profit attributable to owners of parent increased by 561 million yen, or 2.1% from the previous fiscal year to 27,787 million yen. This was due to an increase in extraordinary income from gain on sale of marketable securities and investments in securities associated with the reduction of cross-shareholdings, despite a decrease in gain on disposal of non-current assets.

Performance by business segment of the Group was as follows.

#### 1) Logistics Segment

- Revenue in the Warehousing & Distribution Business increased by 4.9% from the previous fiscal year, mainly due to increases in the volume of automotive-related freight and the handling of foodstuffs
- Revenue in the Overland Transportation Business decreased by 0.8% from the previous fiscal year due to a decrease in freight handling volume
- Revenue in the Harbor Transportation Business increased by 2.7% from the previous fiscal year, mainly due to an increase in container freight handling volume
- Revenue in the International Transportation Business decreased by 42.5% from the previous fiscal year, mainly due to a reduction in ocean freight rates and a decrease in freight handling volume

As a result, overall revenue in the Logistics Segment was 217,473 million yen, down 46,426 million yen, or 17.6% from the previous fiscal year. Also, operating expenses were down by 42,207 million yen, or 17.2%, from the previous fiscal year to 202,917 million yen due to a decrease in operational and transportation consignment costs. As a result, operating income was 14,555 million yen, a decrease of 4,218 million yen, or 22.5% from the previous fiscal year.

#### 2) Real Estate Segment

- Revenue in the Real Estate Leasing Business increased by 2.2% from the previous fiscal year due to an increase in the occupancy rate
- Other revenue decreased by 3.7% from the previous fiscal year due to a decrease in the design and construction business

As a result, overall revenue in the Real Estate Segment was 38,601 million yen, up 402 million yen, or 1.1% from the previous fiscal year. Operating expenses were down by 363 million yen, or 1.3% from the previous fiscal year to 27,712 million yen due to a decrease in design and construction costs in line with a decrease in orders for design and construction. As a result, operating income was 10,888 million yen, an increase of 765 million yen, or 7.6% from the previous fiscal year, partly due to an upturn in profit ratio in the condominium sales business.

### Revenue by segment

(Millions of yen unless otherwise stated)

Categories	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change	
			Amount	Percentage (%)
Logistics Segment	263,899	217,473	(46,426)	(17.6)
[Warehousing & Distribution Business]	[63,980]	[67,087]	[3,107]	[4.9]
[Overland Transportation Business]	[51,847]	[51,440]	[(406)]	[(0.8)]
[Harbor Transportation Business]	[23,340]	[23,968]	[628]	[2.7]
[International Transportation Business]	[116,219]	[66,811]	[(49,408)]	[(42.5)]
[Other]	[8,512]	[8,164]	[(347)]	[(4.1)]
Real Estate Segment	38,199	38,601	402	1.1
[Real Estate Leasing Business]	[30,531]	[31,216]	[684]	[2.2]
[Other]	[7,667]	[7,385]	[(282)]	[(3.7)]
Elimination of inter-segment transactions	(1,504)	(1,566)	(62)	—
Total	300,594	254,507	(46,086)	(15.3)

(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 53,795 million yen for construction of facilities for lease, etc. (including an increase in non-current assets due to Cavalier Logistics Group becoming a consolidated subsidiary).

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

### 1) Facilities for lease under construction

- Tokyo: Shibaura Dia Building  
[Completed in April 2024]  
Rental building for data center  
(9 stories, floor area of approx. 34,800 m<sup>2</sup>)
- Kobe: Suma Aqualife Park/Seaside Park Restructuring Project  
(the Company's business ratio: 27.8%)  
[Scheduled for completion in May 2024]  
Commercial facilities for lease (development area of approx. 101,900 m<sup>2</sup>)
- Kobe: Kobe Sannomiya Kumoi 5-chome District Category 1 Urban Redevelopment Project  
(the Company's business ratio for reserved floor area: 24.5%)  
[Scheduled for completion in December 2027]  
Offices and hotel for lease (3 stories below ground, 32 stories above ground, floor area of approx. 99,000 m<sup>2</sup>)

### 2) Facilities for lease under major renovation

- Yokohama: Yokohama Dia Building Kohoku Annex  
[Power receiving and transforming equipment renewal scheduled for completion in March 2025]  
Data center-compatible building  
(1 story below ground, 5 stories above ground, floor area of approx. 28,100 m<sup>2</sup>)

## (3) Financing

The Company has issued the following corporate bonds in order to allocate funds for loan repayments.

- (1) 20<sup>th</sup> unsecured bonds of 10.0 billion yen (issued March 14, 2024)
- (2) 21<sup>st</sup> unsecured bonds of 10.0 billion yen (issued March 14, 2024)

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 15<sup>th</sup> unsecured bonds (total face value 5.0 billion yen; issued March 12, 2014) on March 12, 2024.

## (4) Status of Acquisition or Disposal of Shares of Other Companies

On April 26, 2023, the Company made an acquisition of additional shares (6.8% of the total number of issued shares) in In Do Trans Logistics Corporation, a logistics company in Vietnam, making it an equity-method affiliate of the Company. (Total shareholding ratio by the Company: 20.5%. In Do Trans Logistics Corporation changed its name to ITL Corporation on March 22, 2024).

In addition, on October 2, 2023, the Company acquired the shares of four companies that make up the Cavalier Logistics Group, which operates a pharmaceutical and healthcare logistics business based in the United States and the United Kingdom, through Project Hermes Holding Company, a holding company established in the United States, and made these five companies consolidated subsidiaries (total shareholding ratio by the Company: 90.0%).

## (5) Future Outlook and Issues

In the future world economy, although the impact of global monetary tightening, the stagnation of the real estate market in China, and geopolitical risks are concerning, an improvement is expected to continue. In addition, the state of the Japanese economy is expected to continue a moderate recovery, partly owing to the effects of various policies, as the employment and income environment improves.

In this economic climate, under the business environment surrounding the Group, costs are increasing due to factors such as a lack of truck transportation capacity, a slump in ocean freight rates, and labor shortages in the logistics industry. There is concern in the real estate industry over a decline in demand for rental office buildings.

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. We will continue to aim for sustainable growth by steadily implementing the basic strategies set forth in the Management Plan (2022-2024) that is the second stage toward the achievement of the MLC2030 Vision.

Specifically, we will implement the following measures.

- 1) The Group will establish a customer-oriented support system in the priority categories including medical/health care, food/beverage, and machinery/electrical machine industries, as well as in the new materials industry, which was added in the Management Plan (2022-2024) as the market is expected to expand toward 2030.
- 2) Overseas, the Group will move forward with system enhancements to support customer supply chains in the medical/health care and food/beverage industries and strengthen its forwarding business to capture the demand for high quality cold chains expected to grow in a number of regions such as Southeast Asia (ASEAN).
- 3) The Group will further enhance the competitiveness of its Harbor Transportation Business by leveraging its cargo handling services, the efficiency of which is ranked among the highest globally, while at the same time developing complexes and facilities and boosting its operational capability in the Real Estate Business. By doing so, it will seek to secure stable profits.
- 4) The Group will review the operational processes of all businesses and facilitate efficient operations by utilizing new technologies such as IoT, AI and robotics. Through these efforts, it aims to improve service quality and production efficiency.
- 5) The Group aims for growth by strengthening cost competitiveness through organizational management across the Company and its Group companies and securing/developing human resources, particularly in the priority areas.

In the Management Plan (2022-2024) that is the second stage toward the achievement of the MLC2030 Vision, the Group has established the five basic policies as follows. The Group, as a whole, will promote the measures to ensure we achieve our targets of operating income of 20,000 million yen and ROE (return on equity) of 7%.

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

We will work on enhancing shareholder returns and improving capital efficiency to further enhance the corporate value, under a strong earnings foundation and an appropriate financial base.

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

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

## 2. Trends in Assets and Income

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

(Millions of yen unless otherwise stated)

Item		The 218th fiscal year (April 1, 2020 - March 31, 2021)	The 219th fiscal year (April 1, 2021 - March 31, 2022)	The 220th fiscal year (April 1, 2022 - March 31, 2023)	Fiscal year under review (April 1, 2023 - March 31, 2024)
The Group	Revenue	213,729	257,230	300,594	254,507
	Operating income	11,735	18,144	23,027	18,941
	Ordinary income	16,013	23,151	30,046	24,358
	Profit attributable to owners of parent	39,160	17,892	27,226	27,787
	Basic earnings per share (yen)	462.28	219.47	342.00	359.46
	Total assets	535,761	562,187	573,689	679,143
	Total net assets	326,829	347,759	354,432	411,703
The Company	Revenue	151,553	184,137	200,601	162,100
	Operating income	9,376	12,046	14,832	12,263
	Ordinary income	13,964	17,952	21,853	19,078
	Net income	38,573	17,646	22,108	24,814
	Basic earnings per share (yen)	455.16	216.37	277.60	320.86
	Total assets	483,917	505,990	504,309	585,918
	Total net assets	299,249	317,611	317,847	366,406

(Notes)

1. In the fiscal year under review, the Group and the Company's revenue, operating income, and ordinary income decreased as a result of unit prices of ocean and air freight rates, which had remained at high levels for a period of time, returning to their pre-elevated levels, and the absence of factors that had contributed to significant increases in sales and profits in the previous two fiscal years, etc.
2. The Group's profit attributable to owners of parent and basic earnings per share, and the Company's net income and basic earnings per share decreased in the 219th fiscal year 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, in the 218th fiscal year. The increase in the fiscal year under review is due to a higher gain on sale of marketable securities and investments in securities associated with the reduction of cross-shareholdings.
3. Basic earnings per share of the Group and of the Company are calculated based on the weighted-average number of shares issued during the relevant period and are rounded off to the second decimal place.

### 3. Material Subsidiaries

Company name	Capital (Millions of yen)	The Company's percentage of equity participation (%)	Principal business
Fuji Logistics Co., Ltd.	2,979	95.0	Warehousing & Distribution Business
Ryoso Transportation Co., Ltd.	360	100	Overland Transportation Business
Dia Buil-Tech Co., Ltd.	100	100	Real Estate Managing Business
Shinryo Koun Co., Ltd.	36	86.0	Port and Harbor Operation Business
Mitsubishi Logistics China Co., Ltd.	RMB250 million	100	Investment in Logistics Business in China and management of affiliate logistics companies
P.T. Mitsubishi Logistics Indonesia	IDR631,665 million	99.9	Warehousing & Distribution Business
Project Hermes Holding Company	USD10	90.0	Investment in the Cavalier Logistics Group and management thereof
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 54 (an increase of 6 companies from the previous fiscal year), including 9 material subsidiaries shown above, while the number of affiliates subject to the equity method is 4 (an increase of 1 company from the previous fiscal year). 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 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)

Project Hermes Holding Company (Wilmington City, State of Delaware, U.S.A.)

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)

## 5. Employees

### (1) Employees of the Group

Categories	Number of employees (Changes from previous fiscal year-end)
Logistics Segment	4,560 (increased 207)
Real Estate Segment	258 (decreased 6)
Administrative segment, Headquarters of the Company	104 (increased 13)
Total	4,922 (increased 214)

(Notes)

1. The figures in the above table do not include 47 persons on leave and seconded outside of the Group.
2. Separate from the above, there are 1,241 temporary employees and 1,376 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
976 (increased 19)	40 years, 5 months	15 years, 10 months

(Notes)

1. The figures in the above table do not include 132 persons on leave and seconded outside of the Company.
2. Separate from the above, there are 188 temporary employees and 606 seconded and contracted employees from within and outside of the Group.
3. Average age and average years of service are rounded down to the nearest month.

## 6. Material Lenders

Lender	Amount of borrowings (Millions of yen)
MUFG Bank, Ltd.	23,927
Syndicated loans	8,000
The Norinchukin Bank	5,930

(Note) Syndicated loans are co-financed by a group of 15 institutions (including MUFG Bank, Ltd., The Norinchukin Bank, and others) led by MUFG Bank, Ltd.



## 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	Previous fiscal year-end	End of fiscal year under review	Changes from the previous fiscal year-end
Number of shares issued (shares)	81,960,739	81,960,739	0
Capital (yen)	22,393,986,570	22,393,986,570	0
Number of shareholders (persons)	7,764	7,429	335 (decreased)

- (Notes)
- Number of shares issued includes 6,126,985 treasury shares.
  - The Company cancelled 2,376,500 treasury shares on April 12, 2024, bringing the total number of shares issued to 79,584,239 shares.

#### (3) Major shareholders

Shareholder name	Number of shares	Shareholding ratio
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (trust account)	16,148	21.3
Custody Bank of Japan, Ltd. (trust account)	6,257	8.3
Meiji Yasuda Life Insurance Company	5,153	6.8
MITSUBISHI ESTATE CO., LTD.	3,665	4.8
STATE STREET BANK AND TRUST COMPANY 505001	2,667	3.5
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,041	2.7
MUFG Bank, Ltd.	1,505	2.0
TAKENAKA CORPORATION	1,505	2.0
TODA CORPORATION	1,077	1.4
Mitsubishi Logistics Employee Shareholding Association	1,074	1.4

- (Notes)
- In addition to the above, the Company holds 6,126 thousand shares of treasury shares.
  - MUFG Bank, Ltd. has set 375 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.
  - “Shareholding ratio” is calculated after excluding treasury shares (6,126,985 shares).

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

	Type and number of shares	Number of eligible officers
Directors (excluding Outside Directors)	Common stock of the Company 27,311 shares	7 persons
Outside Directors	-	-
Audit & Supervisory Board Members	-	-

(Note) Details of the Company’s stock compensation program are stated in the “Policy for determining details of compensation for each Director” from page 36 to page 37.

## 2. Company Officers

### (1) Directors and Audit & Supervisory Board Members

Position	Name	Areas of responsibility or significant concurrent positions
Chairman	Masao Fujikura	
Representative Director and President	Hidechika Saito	
Director Senior Managing Executive Officer	Hitoshi Wakabayashi	Responsible for Warehousing & Distribution Business
Director Managing Executive Officer	Shinji Kimura	Responsible for Technical, Harbor Transportation and Real Estate Businesses
Director Managing Executive Officer	Munenori Kimura	Responsible for Planning, International Transportation Business and Overseas Business General Manager, Corporate Planning Division
Director Managing Executive Officer	Akira Yamao	Responsible for Accounting & Financing and Information System
Representative Director Managing Executive Officer	Masanori Maekawa	Responsible for General Affairs, Corporate Communications, Human Resources and Sustainability Promotion General Manager, General Affairs Division and Corporate Communications Chamber
Director	Tatsuo Wakabayashi	Senior Advisor, Mitsubishi UFJ Trust and Banking Corporation
Director	Toshifumi Kitazawa	Senior Executive Advisor, Tokio Marine & Nichido Fire Insurance Co., Ltd.
Director	Tadaaki Naito	Senior Advisor, Nippon Yusen Kabushiki Kaisha
Director	Tetsuya Shoji	Corporate Advisor, NTT Communications Corporation
Director	Kazuko Kimura	Professor Emerita, National University Corporation Kanazawa University
Senior Audit & Supervisory Board Member (Full-time)	Yasushi Saito	
Audit & Supervisory Board Member (Full-time)	Masanao Yamato	
Audit & Supervisory Board Member	Yohnosuke Yamada	Lawyer
Audit & Supervisory Board Member	Takao Sato	Certified Public Accountant
Audit & Supervisory Board Member	Junya Miura	Corporate Auditor (Audit & Supervisory Board Member), Fuji Logistics Co., Ltd.

- (Notes)
1. Of Directors, Mr. Tatsuo Wakabayashi, Mr. Toshifumi Kitazawa, Mr. Tadaaki Naito, Mr. Tetsuya Shoji, and Ms. Kazuko Kimura are Outside Directors as stipulated by Article 2, item 15 of the Companies Act. The Company designated them as Independent Directors as stipulated by Tokyo Stock Exchange, Inc. and registered them with the said Exchange.
  2. Of Audit & Supervisory Board Members, Mr. Masanao Yamato, Mr. Yohnosuke Yamada and Mr. Takao Sato are Outside Audit & Supervisory Board Members as stipulated by Article 2, item 16 of the Companies Act. The Company designated them as Independent Auditors as stipulated by Tokyo Stock Exchange, Inc. and registered them with the said Exchange.
  3. Audit & Supervisory Board Member Mr. Takao Sato is a Certified Public Accountant and has a considerable knowledge regarding finance and accounting.
  4. The Directors and the Audit & Supervisory Board Members who retired during the fiscal year under review were as follows:  
(Retired on June 29, 2023)  
Director Yasushi Saito  
Director Tatsushi Nakashima  
Senior Audit & Supervisory Board Member (Full-time) Tohru Watanabe  
Audit & Supervisory Board Member (Full-time) Mikine Hasegawa
  5. Of Directors shown above, positions and responsibilities were changed as follows on April 1, 2024.  
(Previous positions) (New positions and responsibilities)  
Director  
Senior Managing Executive Officer Hitoshi Wakabayashi Director (-)  
Director  
Managing Executive Officer Shinji Kimura Director (-)

[Reference] Executive Officers (As of April 1, 2024)

Position	Name	Responsibilities
* President	Hidechika Saito	Responsible for Planning, International Transportation Business and Overseas Business
* Managing Executive Officer	Munenori Kimura	General Manager, Corporate Planning Division
* Managing Executive Officer	Akira Yamao	Responsible for Accounting & Financing and Information System
* Managing Executive Officer	Masanori Maekawa	Responsible for General Affairs, Corporate Communications, Human Resources, and Sustainability Promotion General Manager, General Affairs Division, Corporate Communications Chamber
Managing Executive Officer	Takashi Mukai	Responsible for Technical and Real Estate Businesses
Managing Executive Officer	Misao Kawamura	Responsible for Harbor Transportation Business
Managing Executive Officer	Eiichi Kato	Responsible for Warehousing & Distribution Business
Senior Executive Officer	Akio Miura	General Manager, Nagoya Branch
Executive Officer	Manabu Kusuyama	General Manager, Information Systems Division
Executive Officer	Naoyuki Inamo	General Manager, Tokyo Branch
Executive Officer	Chikara Kurimata	Chairman, Project Hermes Holding Company

(Note) \* Executive Officers who hold concurrent position as Director

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

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

## **(3) Compensation to Directors and Audit & Supervisory Board Members for the Fiscal Year under Review**

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

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

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

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

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

Performance-based compensation shall be bonuses for Directors excluding Outside Directors. Payment is to be made at a specific timing every year at an amount calculated based on the performance indicators of the previous fiscal year within the compensation limit that is common with basic compensation. Four performance indicators (changed at the meeting of the Board of Directors on February 22, 2024) are used: operating income, which is considered an appropriate indicator of the results of the company's business activities; ROE (return on equity), which is considered appropriate as a capital efficiency indicator; the reduction rate of CO<sub>2</sub> emissions, which is used to evaluate environmental initiatives under the Initiatives by the Mitsubishi Logistics Group for ESG Management and the SDGs; and ratio of female managers, which is used to evaluate compliance, human rights, and gender. The amount of bonuses is calculated based on the performance indicators of the previous fiscal year, using a predetermined calculation table. A certain degree of addition or subtraction can be made in this calculation, based on the evaluation of initiatives for issues set for each individual.

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

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

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

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

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

Based on the above policy, matters such as the compensation limit to be submitted to the general meeting of shareholders, drafts of proposals regarding stock compensation, and allotment of each type of compensation for each individual shall be discussed by the Nomination and Compensation

Committee. The Committee was established as an advisory body to the Board of Directors mainly comprising independent Outside Directors to further enhance the objectivity and transparency of the procedures for determining the nomination and compensation of Directors. Based on the suggestions of the Committee, the Board of Directors shall discuss and resolve the matter at its meetings attended by Outside Directors and Outside Audit & Supervisory Board Members.

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 Audit & Supervisory Board Members and its calculation method

Compensation for Audit & Supervisory Board Members is determined by discussion between Audit & Supervisory Board Members within the compensation limit resolved at a general meeting of shareholders.

3) Resolution of the general meeting of shareholders concerning compensation for Directors and Audit & Supervisory Board Members

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 Audit & Supervisory Board Members (resolved at the 216th Annual General Meeting of Shareholders held on June 27, 2019). There were 15 Directors (including 4 Outside Directors) and 5 Audit & Supervisory Board Members at the conclusion of the 216th Annual General Meeting of Shareholders held on June 27, 2019.

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

4) Total amount of compensation for Directors and Audit & Supervisory Board Members, etc.

Category	Total amount of compensation (Millions of yen)	Total amount per type of compensation (Millions of yen)			Number of eligible executives (Persons)
		Basic compensation	Bonuses (performance-based compensation)	Restricted stock compensation (nonmonetary compensation)	
Directors [of which, Outside Directors]	508 [52]	357 [52]	65 [—]	85 [—]	14 [5]
Audit & Supervisory Board Members [of which, Outside Audit & Supervisory Board Members]	75 [42]	75 [42]	— [—]	— [—]	7 [4]

(Notes) 1. Bonuses are performance-based compensation paid to Directors, excluding Outside Directors, within the compensation limit that is common with basic compensation. As presented in “(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)” on page 36, four performance indicators are used: operating income, ROE (return on equity), the reduction rate of CO<sub>2</sub> emissions, and the ratio of female managers. The amount of bonuses is calculated based on the performance indicators of the previous fiscal year (performance indicators are changed at the meeting of the Board of Directors on February 22, 2024). The amount of bonuses above represents the total amount expensed in the fiscal year under review for the bonuses paid in June 2023 (58 million yen) and the total amount expensed in the fiscal year under review for the bonuses to be paid in June 2024 (67 million yen).

The results of each performance indicator for calculating bonuses are shown below (a provisional figure is presented for reduction rate of CO<sub>2</sub> emissions, as more time is required for a precise calculation).

	Portion paid in June 2023	Portion to be paid in June 2024
Performance indicator	The 220th fiscal year (April 1, 2022–March 31, 2023)	The 221st fiscal year (April 1, 2023–March 31, 2024)
Operating income (consolidated)	23,027 million yen	18,941 million yen
ROE (consolidated)	7.8%	7.3%
Reduction rate of CO <sub>2</sub> emissions	(33.2)%	(18.4)%
Ratio of female managers	(Not applicable)	4.7%

- 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.”

#### (4) Matters concerning Outside Directors

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

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

- (Notes)
- The Company has transactions such as logistics operation consignment, etc. with Mitsubishi Materials Corporation.
  - The Company has transactions such as loans and logistics operation consignment, etc. with MUFG Bank, Ltd.
  - The Company has transactions such as logistics operation consignment, etc. with Sekisui House, Ltd.
  - The Company has mutual transactions in logistics operation consignment, etc. with Japan Tobacco Inc.
  - The Company has paid lecture fees to Medicines Security Workshop.

## 2) Main activities

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

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

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

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

Mr. Tadaaki Naito participated in 11 meetings out of 12 meetings of the Board of Directors held during the fiscal year under review. He has adequately fulfilled his responsibilities as Director by expressing his opinions actively at the meetings of the Board of Directors from an independent and objective standpoint and striving to supervise the Company's management and Directors based on insight gained through having long been engaged in the corporate management of Nippon Yusen Kabushiki Kaisha and his abundant knowledge and experience in logistics operations, etc.

Mr. Tetsuya Shoji participated in 11 meetings out of 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 NTT Communications Corporation and his abundant knowledge and experience in business operation innovation, etc., utilizing new digital technologies.

As a member of the Nomination and Compensation Committee, he participated in all 2 of the 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.

Ms. Kazuko Kimura participated in all 12 meetings of the Board of Directors held during the fiscal year under review. She has adequately fulfilled her responsibilities as Director by expressing her opinions actively at the meetings of the Board of Directors from an independent and objective standpoint and striving to supervise the Company's management and Directors based on insight gained through having served in prominent posts at external organizations such as the World Health Organization after working for the Ministry of Health and Welfare and as professor at National University Corporation Kanazawa University, as someone who holds a Ph.D. holder in pharmaceutical sciences, and her abundant knowledge and experience in the field of medical and health care, etc.

## (5) Matters concerning Outside Audit & Supervisory Board Members

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

Name	Company name	Title
Takao Sato	IX Knowledge Inc.	Outside Director

## 2) Main activities

During the fiscal year under review, the Company held 18 meetings of the Audit & Supervisory Board. Mr. Masanao Yamato participated in 13 meetings, Mr. Yohnosuke Yamada in 12 meetings, and Mr. Takao Sato in 18 meetings. During the fiscal year under review, the Company held 12 meetings of the Board of Directors. Mr. Masanao Yamato participated in 9 meetings, Mr. Yohnosuke Yamada in 8 meetings, and Mr. Takao Sato in 12 meetings. Each of Outside Audit & Supervisory Board Members stated invaluable opinions from an objective and professional standpoint backed by their accumulated experiences at trading companies, as a lawyer and a certified public accountant, respectively.

(Note) As Mr. Masanao Yamato was elected as Audit & Supervisory Board Member at the 220<sup>th</sup> Annual General Meeting of Shareholders held on June 29, 2023, the numbers indicated are his attendance at the subsequent 13 meetings of the Audit & Supervisory Board 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

135 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 Audit & Supervisory Board 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) Details of Services Apart from Audit Service Set Forth in Article 2, Paragraph 1 of the Certified Public Accountants Act

The Company entrusts the Accounting Auditor with the compilation of a comfort letter when issuing corporate bonds apart from the audit service set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act.

### (4) Cash and Other Profits Payable by the Company or Its Subsidiaries to Accounting Auditor

155 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 Audit & Supervisory Board 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 Audit & Supervisory Board.

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

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



## Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>119,404</b>	<b>Current liabilities</b>	<b>93,828</b>
Cash and deposits	59,015	Notes and accounts payable	24,201
Notes receivable	518	Short-term bank loans and current maturities of long-term debt	29,948
Accounts receivable	40,708	Current portion of bonds payable	8,000
Marketable securities	2,000	Income taxes payable	8,045
Real estate held for sale	9,890	Other	23,633
Other	7,297	<b>Long-term liabilities</b>	<b>173,611</b>
Allowance for doubtful accounts	(26)	Bonds payable	48,000
<b>Non-current assets</b>	<b>559,738</b>	Long-term loans payable	24,135
<b>Property and equipment</b>	<b>293,372</b>	Deposits on long-term leases	24,273
Buildings and structures	129,257	Deferred income tax liabilities	61,020
Machinery and equipment	5,136	Provision for directors' retirement benefits	48
Land	130,545	Net defined benefit liability	7,663
Right-of-use assets	8,574	Lease liabilities	7,279
Construction in progress	13,870	Other	1,190
Other	5,989	<b>Total liabilities</b>	<b>267,439</b>
<b>Intangible assets</b>	<b>39,001</b>	<b>(Net assets)</b>	
Leasehold right	7,722	<b>Shareholders' equity</b>	<b>292,360</b>
Goodwill	6,162	Common stock	22,393
Customer-related intangible assets	20,334	Capital surplus	19,319
Other	4,782	Retained earnings	272,839
<b>Investments and other assets</b>	<b>227,364</b>	Treasury shares	(22,192)
Investments in securities	213,457	<b>Accumulated other comprehensive income</b>	<b>113,066</b>
Long-term loans receivable	160	Net unrealized holding gains on securities	106,923
Retirement benefit asset	1,617	Foreign currency translation adjustments	4,833
Deferred income tax assets	3,195	Remeasurements of defined benefit plans	1,309
Other	8,992	<b>Non-controlling interests</b>	<b>6,276</b>
Allowance for doubtful accounts	(38)	<b>Total net assets</b>	<b>411,703</b>
Allowance for investment loss	(20)	<b>Total liabilities and net assets</b>	<b>679,143</b>
<b>Total assets</b>	<b>679,143</b>		

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

## Consolidated Statement of Income

(April 1, 2023 - March 31, 2024)

(Millions of yen)

Description	Breakdown	Amount
Revenue		
Warehousing fee income	32,692	
Stevedoring income	21,237	
Land transportation income	51,440	
Harbor stevedoring income	18,627	
International transportation income	66,697	
Rent of real estate for investment	34,249	
Other	29,562	254,507
Cost of services		
Operational and transportation consignment costs	104,737	
Personnel expenses	43,471	
Facility rental expenses	11,077	
Depreciation and amortization	15,390	
Other	47,594	222,271
<b>Gross profit</b>		<b>32,236</b>
Selling, general and administrative expenses		13,294
<b>Operating income</b>		<b>18,941</b>
Non-operating income		
Interest income	325	
Dividend income	4,477	
Equity in earnings of unconsolidated subsidiaries and affiliates	970	
Other	531	6,305
Non-operating expenses		
Interest expense	591	
Bond issuance costs	119	
Loss on investments in investment partnerships	97	
Other	79	888
<b>Ordinary income</b>		<b>24,358</b>
Extraordinary income		
Gain on disposal of non-current assets	105	
Gain on sale of marketable securities and investments in securities	15,406	
Indemnity income of exiting facilities for lease	71	
Compensation income	107	15,691
Extraordinary losses		
Loss on disposal of non-current assets	800	
Loss on sale of marketable securities and investments in securities	10	
Loss on valuation of marketable securities and investments in securities	67	879
<b>Profit before income taxes</b>		<b>39,170</b>
Income taxes - current	11,303	
Income taxes - deferred	(278)	11,025
<b>Profit</b>		<b>28,145</b>
Profit attributable to non-controlling interests		357
<b>Profit attributable to owners of parent</b>		<b>27,787</b>

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

## Non-consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>58,875</b>	<b>Current liabilities</b>	<b>73,673</b>
Cash and deposits	22,556	Accounts payable	12,236
Notes receivable	141	Short-term bank loans and current maturities of long- term debt	28,933
Accounts receivable	21,585	Current portion of bonds payable	8,000
Marketable securities	2,000	Accounts payable - other	2,720
Real estate held for sale	9,890	Income taxes payable	7,083
Prepaid expenses	595	Advances received	12,216
Short-term loans receivable	224	Deposits received	1,238
Advances paid	1,480	Other	1,244
Other	403	<b>Long-term liabilities</b>	<b>145,839</b>
Allowance for doubtful accounts	(3)	Bonds payable	48,000
<b>Non-current assets</b>	<b>527,043</b>	Long-term loans payable	21,047
<b>Property and equipment</b>	<b>253,973</b>	Deposits on long-term leases	22,700
Buildings	112,923	Deferred income tax liabilities	53,210
Structures	2,470	Retirement benefits	823
Machinery and equipment	3,374	Other	57
Transportation equipment	144	<b>Total liabilities</b>	<b>219,512</b>
Tools, furniture and fixtures	1,512	<b>(Net assets)</b>	
Land	116,916	<b>Shareholders' equity</b>	<b>261,210</b>
Leased assets	2,854	<b>Common stock</b>	<b>22,393</b>
Construction in progress	13,777	<b>Capital surplus</b>	<b>19,397</b>
<b>Intangible assets</b>	<b>10,561</b>	Legal capital surplus	19,383
Leasehold right	7,665	Other capital surplus	14
Software	1,819	<b>Retained earnings</b>	<b>241,575</b>
Other	1,076	Legal retained earnings	3,121
<b>Investments and other assets</b>	<b>262,507</b>	Other retained earnings	238,454
Investments in securities	170,337	Reserve for private insurance	8,728
Investments in capital of subsidiaries and affiliates	83,828	Reserve for reduction entry	36,147
Long-term loans receivable	3,747	Reserve for special depreciation	105
Guarantee deposits	4,158	General reserve	138,240
Other	494	Retained earnings brought forward	55,233
Allowance for doubtful accounts	(38)	<b>Treasury shares</b>	<b>(22,156)</b>
Allowance for investment loss	(20)	<b>Valuation and translation adjustments</b>	<b>105,195</b>
		<b>Net unrealized holding gains     on securities</b>	<b>105,195</b>
		<b>Total net assets</b>	<b>366,406</b>
<b>Total assets</b>	<b>585,918</b>	<b>Total liabilities and net assets</b>	<b>585,918</b>

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

## Non-consolidated Statement of Income

(April 1, 2023- March 31, 2024)

(Millions of yen)

Description	Breakdown	Amount
Revenue		
Warehousing fee income	22,300	
Stevedoring income	11,070	
Land transportation income	25,163	
Harbor stevedoring income	16,959	
International transportation income	33,376	
Rent of real estate for investment	31,523	
Other	21,706	162,100
Cost of services		
Operational and transportation consignment costs	71,374	
Personnel expenses	15,040	
Facility rental expenses	7,424	
Depreciation and amortization	11,819	
Other	37,784	143,444
<b>Gross profit</b>		<b>18,656</b>
Selling, general and administrative expenses		6,392
<b>Operating income</b>		<b>12,263</b>
Non-operating income		
Interest and dividend income	7,401	
Other	268	7,670
Non-operating expenses		
Interest expense	441	
Other	413	855
<b>Ordinary income</b>		<b>19,078</b>
Extraordinary income		
Gain on sale of marketable securities and investments in securities	15,391	
Reversal of allowance for investment loss	17	
Indemnity income of exiting facilities for lease	71	
Compensation income	107	15,588
Extraordinary losses		
Loss on disposal of non-current assets	563	
Loss on valuation of marketable securities and investments in securities	67	631
<b>Income before income taxes</b>		<b>34,035</b>
Income taxes - current	9,112	
Income taxes - deferred	108	9,220
<b>Net income</b>		<b>24,814</b>

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

## Independent Auditor's Report

May 13, 2024

To the Board of Directors of Mitsubishi Logistics Corporation:

KPMG AZSA LLC  
Tokyo Office, Japan

Yoshiaki Uesaka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Taro Nakamura  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masaya Ariyoshi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **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, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 444-4 of the Companies Act.

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

### **Basis for Opinion**

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

### **Other Information**

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

Our opinion on the consolidated financial statements does not cover the other information and we do not

express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

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, actions taken to eliminate threats or safeguards applied.

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

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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

The Independent Auditor’s Report herein is the English translation of the Independent Auditor’s Report as required by the Companies Act for the conveniences of the reader.

## Independent Auditor's Report

May 13, 2024

To the Board of Directors of Mitsubishi Logistics Corporation:

KPMG AZSA LLC  
Tokyo Office, Japan

Yoshiaki Uesaka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Taro Nakamura  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masaya Ariyoshi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules (“the financial statements and the accompanying supplementary schedules”) of Mitsubishi Logistics Corporation (“the Company”) as at March 31, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 436-2-1 of the Companies Act.

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

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit



of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

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

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

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

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

We have nothing to report in this regard.

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

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

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary

schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Our firm and its designated engagement partners 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.

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

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

## **Audit Report**

(English Translation)

Regarding the performance of duties by the Directors for the 221st fiscal year from April 1, 2023 to March 31, 2024, the Audit & Supervisory Board hereby submits its audit report, which has been prepared upon careful consideration based on the audit report prepared by each Audit & Supervisory Board Member.

1. Summary of Auditing Methods by the Audit & Supervisory Board Members and Audit & Supervisory Board

- (1) The Audit & Supervisory Board established auditing policies, audit plans and other relevant matters, and received reports from each Audit & Supervisory Board Member 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 Audit & Supervisory Board Member complied with the auditing standards of the Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the auditing policies, audit plans and other relevant matters, communicated with Directors, the Internal Audit Department, other employees, and any other relevant personnel via 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 Audit & Supervisory Board Members 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 and expressed our opinions 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) 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 15, 2024

#### Audit & Supervisory Board, Mitsubishi Logistics Corporation

Senior Audit & Supervisory Board Member (Audit & Supervisory Board Member (Full-time))	Yasushi Saito
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member (Full-time))	Masanao Yamato
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Yohnosuke Yamada
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Takao Sato
Audit & Supervisory Board Member	Junya Miura

**The 221<sup>st</sup> Annual General  
Meeting of Shareholders  
Other Electronic Provision Measures  
Matters  
(Matters Omitted from  
Written Documents)**

**Company's Systems and Policies**

**Consolidated Statement of Changes in Net Assets**

**Notes to Consolidated Financial Statements**

**Non-consolidated Statement of Changes in Net Assets**

**Notes to Non-consolidated Financial Statements**

(April 1, 2023 to March 31, 2024)

**Mitsubishi Logistics Corporation**

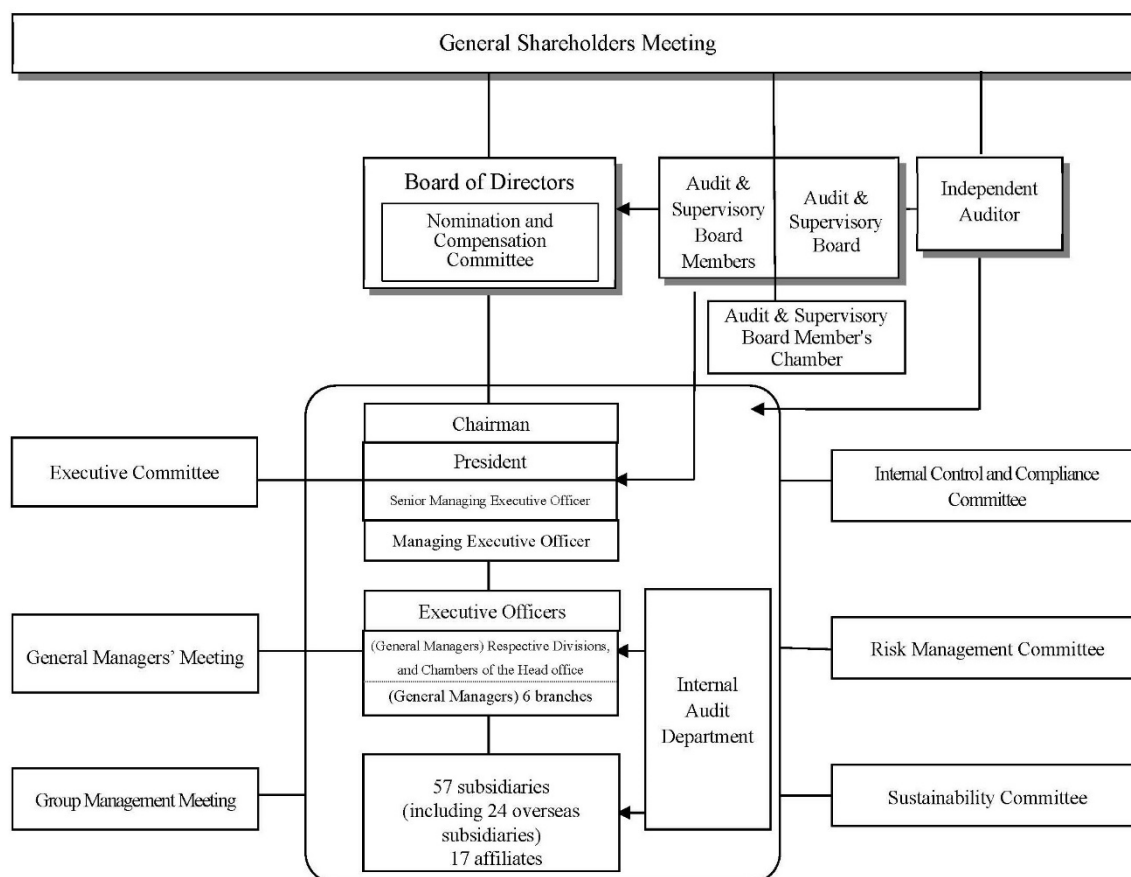
## Company's Systems and Policies

### 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, 2024)



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.

Audit & Supervisory Board Members 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 President, and evaluate the status of improvement of the audit results.

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

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

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

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

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

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

(Note) The Risk Management Committee was reorganized as the Group Risk Management Committee in May 2024 with the aim of strengthening risk management by verifying all-around risks surrounding business during normal times, and preparing for emergencies.

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

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

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

In addition, all Executive Directors and Executive Officers with a title of Managing Executive Officer or higher shall deliberate regarding the execution of important duties based on adequate documentation at the Executive Committee held about once per week (observed by Audit & Supervisory Board Members (Full-time)), 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 Officers in charge, with a title of Managing Executive Officer or higher, shall receive reports from the subsidiaries periodically or as needed regarding the status of the execution of duties and financial conditions, etc. at subsidiaries.
  - A Group Management Meeting, comprised of the Company and significant subsidiaries, shall be held about twice per year, ensuring the appropriateness of operations of the overall Group.
  - The Sustainability Committee shall be established to perform examination and progress management of measures and target values of initiatives for ESG management and SDGs of the Group to discuss matters regarding the promotion of other initiatives.
  - The Internal Audit Department shall audit compliance with laws and regulations and the status of the execution of duties at subsidiaries and report the results to the President. Audit & Supervisory Board Members, the Internal Audit Department of the Company and Audit & Supervisory Board Members 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 Audit & Supervisory Board Members  
The Audit & Supervisory Board Member's Chamber shall be established as a department to assist the duties of Audit & Supervisory Board Members, and dedicated personnel shall be assigned.
- (8) Independence of employees to assist the duties of Audit & Supervisory Board Members from Directors and matters concerning effectiveness of instructions toward said employees  
By the nature of their post, personnel dedicated to the Audit & Supervisory Board Member's Chamber shall work directly for Audit & Supervisory Board Members, and deliberation shall be made with the Audit & Supervisory Board 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 Audit & Supervisory Board Members and other systems for reporting to Audit & Supervisory Board Members  
Directors and employees as well as executives and employees of subsidiaries (including parties receiving reports from these persons) shall report periodically to Audit & Supervisory Board Members 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 Audit & Supervisory Board Members.  
Additionally, Directors and employees as well as executives and employees of subsidiaries (including parties receiving reports from these persons) shall report as required to Audit & Supervisory Board Members regarding matters that will have a significant effect on management.
- (10) System to ensure that persons reporting to Audit & Supervisory Board Members do not receive unfavorable treatment with said report as rationale  
Any unfavorable treatment shall not be incurred due to reporting to Audit & Supervisory Board Members including internal reporting.
- (11) Policies for processing expenses or liabilities incurred regarding the execution of duties by Audit & Supervisory Board Members  
Expenses or liabilities incurred regarding the execution of duties by Audit & Supervisory Board Members shall be processed appropriately in accordance with laws and regulations.
- (12) Other systems to ensure the effectiveness of audits by Audit & Supervisory Board Members  
Audit & Supervisory Board Members 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 Audit & Supervisory Board Members to provide required information at the appropriate time.

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

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

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

- (1) Status of the execution of duties by Directors and employees
  - Meetings of the Board of Directors were held 12 times, and the Board of Directors deliberated important matters and made resolutions, and Directors in charge provided reports on the status of execution of important duties.
  - Meetings of the Executive Committee, comprised of the Chairman and Executive Officers having a title of Managing Executive Officer or higher chaired by the President, was held about once per week (observed by Audit & Supervisory Board Members (Full-time)), and deliberated on important matters regarding management.
  - In light of deliberations at the Executive Committee, each Executive Officer with a title of Managing Executive Officer or higher executed duties responsibly, including measures based on the Management Plan (2022-2024), according to the division of duties.
  - The General Managers' Meetings, comprised of General Managers of Branches, Directors, Executive Officers, Audit & Supervisory Board Members, Senior Assistant To Managing Executive Officers, and the General Managers of the Headquarters Department, were held about once per month for a total of 11 times, and the status of the execution of duties were reported and confirmed.
  - Meetings of the Internal Control and Compliance Committee and Risk Management Committee were each held once, and meetings of the Sustainability Committee four times. The status of execution of duties companywide was evaluated from the independent viewpoints of each committee.
  - To ensure thorough dissemination of the Code of Conduct and internal regulations of the Company, internal training has been conducted, and the status of compliance among executives and employees has been confirmed through surveys, etc.
  - Minutes for meetings of the Board of Directors and important documents, etc. regarding the execution of duties by Directors have been managed by each responsible department according to the number of years required as defined by laws and regulations and internal regulations.
- (2) Status of the Corporate Group, composed of the Company and subsidiaries
  - To manage risk of losses arising at the Group, the Company has prepared a Basic Risk Management Manual, and worked to disseminate it.
  - Executives and employees of the Company are dispatched to subsidiaries and manage them by executing their duties and conducting audits and supervision at the subsidiaries.
  - A department to manage subsidiaries were established, and the department discusses the execution of important duties with subsidiaries, receives periodic reports from subsidiaries regarding financial conditions, etc., and reports to Executive Officers in charge, with a title of Managing Executive Officer or higher, and Audit & Supervisory Board Members. Additionally, the Group Management Meeting, comprised of the Company and significant subsidiaries, was held twice, and business results and issues, etc. were reported and confirmed, including the progress status of measures based on the Management Plan (2022-2024).
  - 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 Audit & Supervisory Board Members, internal audits, and internal reporting
  - Aside from exchanging information with the Representative Director and President through periodic meetings, etc., Audit & Supervisory Board Members 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, Audit & Supervisory Board Members 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 Audit & Supervisory

Board were held 18 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, Audit & Supervisory Board Members, the Internal Audit Department, Accounting Auditor and Audit & Supervisory Board Members of subsidiaries have conducted periodic meetings and exchanged information as needed, executing duties effectively and efficiently.
- To support the execution of duties of Audit & Supervisory Board Members, an Audit & Supervisory Board Member's Chamber (one dedicated employee) was established at the headquarters. The dedicated staff member executed duties under the direction of Audit & Supervisory Board Members, and matters concerning related personnel, etc. were deliberated with the Audit & Supervisory Board in advance.
- Expenses or liabilities that arose during the course of the execution of duties of Audit & Supervisory Board Members were appropriately processed in accordance with laws and regulations upon request from Audit & Supervisory Board Members.
- Aside from establishing an Internal Audit Division (eight dedicated employees) at the headquarters as the Internal Audit Department, audit support employees (two persons) were assigned, and auditors (one each) and audit support employees (two each) were assigned at each branch. Audits were conducted at the Company and Group companies based on the annual audit plan. Audit results were reported to the President and Audit & Supervisory Board Members, and the status of improvement is evaluated on a quarterly basis.
- Including the Audit & Supervisory Board Member's 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 DX and other new 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, which are both responsible for providing social infrastructure and supporting the country's economic activities, the Group will ensure appropriate profits and stable growth, provide returns to shareholders and employees, resolve social issues and protect society and customers' businesses by providing disaster-resistant, safe and secure infrastructure services and reducing environmental burden in business operations, and thus make a contribution to realizing a prosperous and sustainable society.

Due to the nature of both businesses, which requires us to secure land, building and facilities, etc. suited to the business, as well as formulate and implement business plans to utilize these assets, we will engage in securing and developing human resources, our human capital, and invest management resources including funds in a continuous and planned manner from a long-term standpoint with the aim of sustainably expanding and developing these 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.

## Consolidated Statement of Changes in Net Assets

(April 1, 2023 - March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2023	22,393	19,059	252,759	(12,289)	281,923
Changes of items during period					
Cash dividends			(7,707)		(7,707)
Profit attributable to owners of parent			27,787		27,787
Purchase of treasury shares				(10,003)	(10,003)
Disposal of treasury shares		10		100	110
Change in ownership interest of parent due to transactions with non-controlling interests		249			249
Changes other than to shareholders' equity, net					
Total changes of items during period	-	259	20,080	(9,903)	10,436
Balance as of March 31, 2024	22,393	19,319	272,839	(22,192)	292,360

	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, 2023	64,749	4,235	(111)	68,873	3,635	354,432
Changes of items during period						
Cash dividends						(7,707)
Profit attributable to owners of parent						27,787
Purchase of treasury shares						(10,003)
Disposal of treasury shares						110
Change in ownership interest of parent due to transactions with non-controlling interests						249
Changes other than to shareholders' equity, net	42,174	597	1,421	44,193	2,641	46,834
Total changes of items during period	42,174	597	1,421	44,193	2,641	57,271
Balance as of March 31, 2024	106,923	4,833	1,309	113,066	6,276	411,703

(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 54

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, PROJECT HERMES HOLDING COMPANY and Mitsubishi Logistics Europe B.V.

In the consolidated fiscal year under review.

w, Project Hermes Holding Company, MLC Ventures, Ltd., and MLC Innovation First Limited Partnership were established and included in the scope of consolidation. Additionally, the four companies that are Cavalier Logistics Management II, Inc., Cavalier International Air Freight, Inc., DC Dyna, Inc., and Cavalier Logistics U.K. Limited (hereinafter, the "Cavalier Logistics Group") were included in the scope of consolidation following the acquisition of their shares. Meanwhile, Osaka Dia Buil-Tech Co., Ltd., which was a consolidated subsidiary in the previous fiscal year, was removed from the scope of consolidation from the current fiscal year because it has been dissolved via an absorption-type merger with Kobe Dia Maintenance 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 4

Name of principal affiliate

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

Due to the additional acquisition of shares of ITL Corporation, it was included in the scope of non-consolidated subsidiaries and affiliates accounted for by the equity method in the consolidated fiscal year under review. In Do Trans Logistics Corporation was renamed ITL Corporation in the current fiscal year.

#### (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 22 overseas subsidiaries, such as Mitsubishi Logistics America Corporation, and MLC Innovation First Limited Partnership end their fiscal years on the same day as the Company.

The last day of the fiscal year for 22 overseas subsidiaries, such as Mitsubishi Logistics America Corporation, and MLC Innovation First Limited Partnership is December 31. The financial statements as of December 31 are used in the consolidated financial statements, and if any material transactions incur during the period from December 31 to March 31, necessary adjustments are made on the consolidated financial statements.

4. Matters concerning accounting policies

(1) Standards and methods for valuation of important assets

A. Securities

Available-for-sale securities

Securities other than stocks, etc., without market price

Market value method

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

Stocks, etc., without market price

Stated at cost using the moving-average method.

Investments in investment business limited partnerships and associations of a similar nature (investments deemed to be securities in accordance with Article 2, Paragraph 2 of the Financial Instruments and Exchange Act)

The net amount equivalent to equity based on the latest financial statements available in accordance with the financial reporting date stipulated in the partnership agreement is recorded.

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. In addition, customer-related intangible assets are amortized over the effective period (22 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) Accounting treatment of significant deferred assets

Bond issuance costs are expensed in full when incurred.

(4) Important standards of accounting for reserves

A. Allowance for doubtful accounts

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

- B. Allowance for investment loss
 

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

To provide for payments of retirement benefits for directors at certain consolidated subsidiaries, amounts to be paid at the end of the consolidated fiscal year under review are recorded, based on entity's rules.
- (5) 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 consolidated 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 11 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 (11 years) within the average remaining years of service of employees, beginning from the incurred year.
- (6) Standards of accounting for revenue and expenses
- A. Logistics business
    - (i) Warehousing and distribution business
 

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

The main performance obligations are conducting transport and usage transport, etc., by freight automobiles. The Company deems that performance obligations are satisfied and recognizes revenue when freight shipped or accepted is transported.
    - (iii) Port and harbor operation business
 

The main performance obligations are conducting coastal cargo handling and onboard cargo handling, etc., at ports. The Company deems that performance obligations are satisfied and recognizes revenue when the cargo handling operations are completed.
    - (iv) International transportation business
 

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

The business includes mainly real estate lease operations and real estate management operations. The real estate management operations are related to lease transactions and its revenue is from other sources than revenues from contracts with customers. The main performance obligations of real

estate management operations are providing services such as maintenance, cleaning, and administration of the leased facilities, and the Company deems that performance obligations are satisfied and recognizes revenue when the entire process of services is provided.

(ii) Other

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

(7) 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.

**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.

1. Decision on recognition of impairment loss of non-current assets

(1) Amount recognized in the consolidated financial statements for the consolidated fiscal year under review

Impairment loss is not recognized for two significant asset group locations (total book value: 5,120 million yen; hereinafter “the verified asset groups.”) which showed indications of impairment due to a fall in fair value of land and buildings, etc. and reduced profitability because the Company verified the necessity of recognizing impairment based on the total amount of undiscounted future cash flows that is expected to arise from the continuous use and eventual disposal of the asset groups, and determined that such undiscounted future cash flows exceeds the book value of the non-current assets of the asset group.

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

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

In the event that an asset group shows indications of impairment due to factors such as a fall in the fair value of land and buildings, etc. and reduced profitability, the Company determines whether to recognize impairment loss by comparing the undiscounted future cash flows from the asset group and its book value. As a result, if it is deemed necessary to recognize impairment loss because the undiscounted future cash flows fell below book value, the book value is reduced to the recoverable amount (the higher of net selling price or value in use) and the reduction amount of such book value is recorded as impairment loss.

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

2. Valuation of goodwill and customer-related intangible assets (Cavalier Logistics Group)

(1) Amount recognized in the consolidated financial statements for the consolidated fiscal year under review

	The consolidated fiscal year under review (Millions of yen)
Goodwill	6,162
Customer-related intangible assets	20,334
Other non-current assets	6,481



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

Goodwill and customer-related intangible assets comprise goodwill of 6,162 million yen and customer-related intangible assets of 20,334 million yen recorded by Project Hermes Holding Company, mainly resulting from that company's acquisition of all outstanding shares of the Cavalier Logistics Group.

Project Hermes Holding Company applies U.S. GAAP. When valuing non-current assets, including goodwill and customer-related intangible assets, all non-current assets of Project Hermes Holding Company, which includes the Cavalier Logistics Group, are treated as one asset group. If there are indications of impairment, it is necessary to estimate future cash flows, etc. in order to calculate the recoverable amount of the said asset group. Future cash flows, etc. are estimated based on Project Hermes Holding Company's future business plans, and since uncertainties cannot be ruled out, future developments may have a significant impact on the consolidated financial statements for the following fiscal year.

### 3. Valuation of subsidiaries and affiliates (ITL Corporation)

- (1) Amount recognized in the consolidated financial statements for the consolidated fiscal year under review

	The consolidated fiscal year under review (Millions of yen)
Investments in securities (equity-method valuation)	16,095

The amount equivalent to goodwill included in investments in securities in subsidiaries and affiliates accounted for by the equity method is as follows.

	The consolidated fiscal year under review (Millions of yen)
Amount equivalent to goodwill	9,408

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

If it is determined that there are indications of impairment in the amount equivalent to goodwill included in the investments in securities in subsidiaries and affiliates accounted for by the equity method, a decision is made on whether to recognize impairment loss for the entire investment, including the amount equivalent to goodwill. If, as a result of that decision, it is determined that it is necessary to recognize impairment loss, the book value is reduced to the recoverable amount, and the reduction in book value is recognized as an equity-method investment loss. Although there are indications of impairment with respect to the amount equivalent to goodwill included in ITL Corporation's shares, impairment loss is not recognized because the Company determined that the undiscounted future cash flow exceeds the book value.

In order to calculate the recoverable amount when evaluating ITL Corporation shares, it is necessary to estimate future cash flows, etc. Future cash flows, etc. are estimated based on ITL Corporation's future business plans, and since uncertainties cannot be ruled out, future developments may have a significant impact on the consolidated financial statements for the following fiscal year.

### Notes to Changes in Presentation Method

#### Consolidated Balance Sheet

"Right-of-use assets" (1,921 million yen in the previous fiscal year), which was included in "Other" under "Property and equipment" in the previous fiscal year, is presented independently from the current fiscal year due to its increased materiality.

"Lease liabilities" (1,303 million yen in the previous fiscal year), which was included in "Other" under "Long-term liabilities" in the previous fiscal year, is presented independently from the current fiscal year due to its increased materiality.

#### Consolidated Statements of Income

“Foreign exchange gains” (330 million yen in the previous fiscal year), which was presented independently in the previous fiscal year, is included in “Other” from the current fiscal year due to its decreased materiality.

#### Notes to Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment	349,795 million yen
2. Accumulated deferred tax reserves for non-current assets	6,587 million yen
3. Collateral assets	
Assets pledged as collateral	
Land	744 million yen
Obligations related to the above	
Short-term bank loans	135 million yen
“Other” of current liabilities	32 million yen
Deposits on long-term leases	1,000 million yen
4. Guarantee liability	
Liability guarantees for borrowings of other companies	463 million yen

## 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, 2024: Common stock 81,960,739 shares

### 2. Dividends

#### (1) Dividend amount

Resolution	Type of stock	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders on June 29, 2023	Common stock	3,830	49	March 31, 2023	June 30, 2023
Meeting of the Board of Directors on October 31, 2023	Common stock	3,876	50	September 30, 2023	December 1, 2023

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

The following items are proposed at the General Meeting of Shareholders to be held on June 27, 2024.

- (i) Total dividends 5,308 million yen
- (ii) Source of dividends Retained earnings
- (iii) Dividend per share 70 yen
- (iv) Record date March 31, 2024
- (v) Effective date June 28, 2024

## 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, 2024 are as follows.

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Investments in securities Available for-sale securities (*2)	169,085	169,085	-
Total assets	169,085	169,085	-
(1) Bonds payable (*3)	56,000	54,166	(1,833)
(2) Long-term loans payable (*4)	24,973	24,932	(41)
(3) Deposits on long-term leases	24,273	22,889	(1,383)
Total liabilities	105,247	101,988	(3,258)

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

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

Categories	The consolidated fiscal year under review (Millions of yen)
Unlisted securities and others	44,371

(\*3) Including current portion of bonds payable.

(\*4) Including current maturities of long-term debt.

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

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

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

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

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

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

- (1) Financial instruments and securities measured at fair value in the consolidated balance sheet  
The fiscal year ended on March 31, 2024

Categories	Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investments in securities				
Available for-sale securities				
Stocks	169,085	-	-	169,085
Total assets	169,085	-	-	169,085

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

The fiscal year ended on March 31, 2024

Categories	Fair Value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Bonds payable	-	54,166	-	54,166
Long-term loans payable	-	24,932	-	24,932
Deposits on long-term leases	-	-	22,889	22,889
Total liabilities	-	79,099	22,889	101,988

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

Investments in securities

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

Bonds payable

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

Long-term loans payable

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

Deposits on long-term leases

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

### Notes to Real Estates for Rent

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

(Millions of yen)

Amount on the consolidated balance sheet	Fair value
143,093	415,486

(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, 2024 was the amount mainly based on appraisal by an external real estate appraiser.

## Notes to Revenue Recognition

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

(Millions of yen)

	Segment		
	Logistics	Real Estate	Total
Revenue			
Warehousing fee income	32,692	-	32,692
Stevedoring income	21,237	-	21,237
Land transportation income	51,440	-	51,440
Harbor stevedoring income	18,627	-	18,627
International transportation income	66,697	-	66,697
Rent of real estate for investment	218	7,571	7,790
Other	22,490	7,062	29,553
Revenue from contracts with customers	213,405	14,634	228,039
Revenue from other sources	3,297	23,170	26,467
Operating revenue to non-affiliated customers	216,702	37,805	254,507

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

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

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

(Millions of yen)

	The consolidated fiscal year under review
Receivables from contracts with customers (beginning balance)	44,435
Receivables from contracts with customers (ending balance)	41,227
Contract liabilities (beginning balance)	1,748
Contract liabilities (ending balance)	1,549

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

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

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

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

## Notes to Per Share Information

1. Net assets per share 5,348.71 yen
2. Basic earnings per share 359.46 yen

## Notes to Significant Subsequent Events

(Cancellation of treasury shares)

At the meeting of the Board of Directors held on July 31, 2023, the Company resolved to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act, and canceled the said treasury shares on April 12, 2024.

1. Reasons for cancellation	To enhance shareholder returns and improve capital efficiency
2. Types of shares cancelled	Common stock of the Company
3. Total number of shares cancelled	2,376,500 shares
4. Date of cancellation	April 12, 2024
5. Total number of issued shares following cancellation	79,584,239 shares

(Sale of investments in securities)

At the meeting of the Board of Directors held on April 30, 2024, the Company resolved to sell a portion of its shares held.

### 1. Reasons for sale of investments in securities

In the Company's corporate governance report, we plan to reduce the ratio of cross-shareholdings to net assets to less than 20% by the end of the fiscal year ending March 31, 2026, and as part of this plan that we will promote reductions and improve capital efficiency.

### 2. Details of the sale of investments in securities

(1) Investments in securities to be sold	4 listed investments in securities
(2) Period of sale	From May 2024 to September 30, 2024
(3) Gain on sale of marketable securities and investments in securities	11.5 billion yen (estimate) The gain on sale of marketable securities and investments in securities is an estimated amount calculated from the current price of the securities, etc., and is subject to change.

## Other Notes

(Business combinations, etc.)

Business combination through acquisition

### 1. Summary of the business combination

#### (1) Names and businesses of the acquirees

Names of the acquirees: Cavalier Logistics Management II, Inc.  
Cavalier International Air Freight, Inc.  
DC Dyna, Inc.  
Cavalier Logistics U.K. Limited.

Description of businesses: Administrative services, logistics operations

#### (2) Main reasons for the business combination

The Cavalier Logistics Group is a highly successful logistics company with an advanced supply chain in the United States and the United Kingdom, primarily focused on logistic solutions for commercial enterprises of biopharma and healthcare as well as United States government agencies, and the Company has built a good relationship as a partner in the U.S. operations over the years.

In addition, in accordance with the strategy of the Company's long-term vision, MLC2030 Vision, the Company is expanding its medical and healthcare logistics business in the United States and Europe. By affiliating Cavalier Logistics Group, the Company can build its business infrastructure in the

United States and will be able to establish an integrated structure to operate in Japan, the United States and Europe.

With a large number of cutting-edge research and treatments being conducted in the United States, the market is expected to continue to grow at a higher rate than the global pharmaceutical market. By providing high-quality logistics services to customers in such markets, the Group aims to contribute to the resolution of various social issues, and expand the medical and healthcare logistics market.

(3) Business combination date

October 2, 2023 (deemed acquisition date: October 1, 2023)

(4) Legal form of business combination

Acquisition of shares in exchange for cash consideration, and acquisition of shares in exchange for contribution in kind

(5) Name of company after combination

The company names will remain unchanged after the business combination

(6) Percentage of voting rights to be acquired

The Company has acquired 100% of the voting rights through Project Hermes Holding Company (hereinafter, the “Holding Company”) of which it holds 90% of the voting rights

(7) Basis for determining the acquiring company

For the Holding Company to acquire, in total, all the shares issued by the Cavalier Logistics Group by acquiring shares equivalent to 90% of the total number of shares issued in exchange for a cash consideration, and by acquiring shares equivalent to the remaining 10% through contribution in kind in exchange for new shares equivalent to 10% of the Holding Company as consideration

2. Period of the business results of the acquirees in the consolidated financial statements

From October 1, 2023 to December 31, 2023

3. Acquisition cost of the acquirees and breakdown of consideration by type

Acquisition consideration	Cash	22,109 million yen
Acquisition consideration	Market price of shares acquired on the date of the business combination through contribution in kind	2,542 million yen
Acquisition cost		24,652 million yen

These amounts are estimates as a portion of the acquisition consideration is yet to be determined.

4. Breakdown of major acquisition-related costs and amounts

Advisory expenses, etc. 1,374 million yen

5. Amount of goodwill recognized, reason for the recognition, and amortization method and period

(1) Amount of goodwill arising

6,804 million yen

The amount of goodwill is an estimate as a portion of the acquisition consideration is yet to be determined as of the end of the consolidated fiscal year under review.

(2) Reason for goodwill arising

Goodwill arose due to the future excess earnings power expected from future business development.

(3) Amortization method and period

Straight-line method over 10 years



6. Amounts of assets acquired and liabilities assumed on the business combination date and their major components

Current assets	4,311 million yen
Non-current assets	30,190 million yen
Total assets	34,501 million yen
Current liabilities	3,078 million yen
Long-term liabilities	13,576 million yen
Total liabilities	16,654 million yen

7. Amount allocated to intangible assets other than goodwill, breakdown by type, and amortization period

Type	Amount	Amortization period
Customer-related intangible assets	21,692 million yen	22 years

8. Estimated impact on the consolidated statement of income for the consolidated fiscal year under review and method of calculation thereof assuming that the business combination was completed on the first day of the consolidated fiscal year under review

Not stated as it is difficult to reasonably calculate the estimated amount for the consolidated fiscal year under review.

## Non-consolidated Statement of Changes in Net Assets

(April 1, 2023 - March 31, 2024)

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus		Legal retained earnings	Retained earnings	
		Legal capital surplus	Other capital surplus		Reserve for private insurance	Reserve for reduction entry
Balance as of April 1, 2023	22,393	19,383	3	3,121	8,528	36,225
Changes of items during period						
Cash dividends						
Net income						
Provision of reserve for private insurance					200	
Reversal of reserve for reduction entry						(77)
Reversal of reserve for special depreciation						
Provision of reserve for special depreciation						
Purchase of treasury shares						
Disposal of treasury shares			10			
Changes other than to shareholders' equity, net						
Total changes of items during the period	-	-	10	-	200	(77)
Balance as of March 31, 2024	22,393	19,383	14	3,121	8,728	36,147

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

(Millions of 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, 2023	110	138,240	38,243	(12,253)	253,995	63,851	317,847
Changes of items during period							
Cash dividends			(7,707)		(7,707)		(7,707)
Net income			24,814		24,814		24,814
Provision of reserve for private insurance			(200)		-		-
Reversal of reserve for reduction entry			77		-		-
Reversal of reserve for special depreciation	(22)		22		-		-
Provision of reserve for special depreciation	17		(17)		-		-
Purchase of treasury shares				(10,003)	(10,003)		(10,003)
Disposal of treasury shares				100	110		110
Changes other than to shareholders' equity, net					-	41,344	41,344
Total changes of items during the period	(5)	-	16,990	(9,903)	7,214	41,344	48,558
Balance as of March 31, 2024	105	138,240	55,233	(22,156)	261,210	105,195	366,406

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

## Notes to the Non-consolidated Financial Statements

### Notes to Significant Accounting Policies

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

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

Securities other than stocks, etc., without market price

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

Stocks, etc., without market price

Stated at cost using the moving-average method.

Investments in investment business limited partnerships and associations of a similar nature (investments deemed to be securities in accordance with Article 2, Paragraph 2 of the Financial Instruments and Exchange Act)

The net amount equivalent to equity based on the latest financial statements available in accordance with the financial reporting date stipulated in the partnership agreement is recorded.
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. Accounting treatment of significant deferred assets

Bond issuance costs are expensed in full when incurred.
6. Standards of accounting for reserves

Allowance for doubtful accounts

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

#### Allowance for investment loss

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

#### Provision for retirement benefits

Provision for retirement benefits is provided based on the estimated benefit obligation and pension assets as of March 31, 2024.

##### 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.

#### 7. Standards of accounting for revenue and expenses

##### (1) Logistics business

###### (i) Warehousing and distribution business

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

###### (ii) Overland transportation business

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

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

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

###### (iv) International transportation business

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

##### (2) Real estate business

###### (i) Real Estate Leasing Business

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

satisfied and recognizes revenue when the entire process of services is provided.

(ii) Other

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

### 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.

1. 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 two significant asset group locations (total book value: 5,120 million yen) which showed indications of impairment due to a fall in fair value of land and buildings, etc. and reduced profitability because the Company verified the necessity of recognizing impairment based on the total amount of undiscounted future cash flows that is expected to arise from continuous use and eventual disposal of the asset groups, and determined that such undiscounted future cash flows exceeds the book value of the non-current assets of the asset group.

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

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

2. Valuation of shares of subsidiaries and affiliates (Project Hermes Holding Company, ITL Corporation)

(1) Amount recognized in the non-consolidated financial statements for the fiscal year under review

Project Hermes Holding Company	22,750 million yen
ITL Corporation	16,683 million yen

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

The stocks of subsidiaries and affiliates held by the Company are stocks without market price, and when the net asset value of the investee declines significantly due to deterioration in its financial position or reduction in excess earnings power, except when substantiated by proof of sufficient recoverability, a loss on valuation of shares of subsidiaries and affiliates is recorded.

For key details, 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	1,440 million yen	Long-term monetary asset	3,619 million yen
Short-term monetary liability	7,818 million yen	Long-term monetary liability	641 million yen

2. Accumulated depreciation of property and equipment 315,026 million yen

3. Accumulated deferred tax reserves for non-current assets 6,587 million yen

4. Collateral assets				
Assets pledged as collateral				
Land	744 million yen			
Obligations related to the above				
Short-term bank loans	135 million yen	Advances received		32 million yen
Long-term deposits received	1,000 million yen			
5. Guarantee liability				
Liability guarantees for borrowings of other companies				2,087 million yen

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

1. Transactions with affiliates				
Operating transactions	Revenue	10,628 million yen	Cost	46,112 million yen
Transactions other than operating transactions		3,786 million yen		

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

Number of treasury shares as of March 31, 2024

Common stock 6,126,985 shares

#### Notes to Tax Effect Accounting

Major factors for deferred tax assets and liabilities

[Deferred income tax assets]

Enterprise taxes payable	401 million yen
Allowance for investment loss	6 million yen
Accrued bonuses	615 million yen
Retirement benefits	251 million yen
Depreciation	6,688 million yen
Impairment loss	572 million yen
Other	2,093 million yen
Deferred income tax assets – subtotal	10,630 million yen
Valuation allowance	(2,097) million yen
Total deferred income tax assets	8,532 million yen

[Deferred income tax liabilities]

Net unrealized holding gains on securities	(45,690) million yen
Reserve for reduction entry	(15,938) million yen
Reserve for special depreciation	(46) million yen
Other	(67) million yen
Total deferred income tax liabilities	(61,743) million yen
Net deferred income tax liabilities	(53,210) million yen

#### Notes to Per Share Information

1. Net assets per share 4,831.70 yen
2. Basic earnings per share 320.86 yen

#### Notes to Significant Subsequent Events

The notes are omitted because the same information is described in the Notes to Significant Subsequent Events in the Notes to the Consolidated Financial Statements.

**Other Notes**

(Business combinations, etc.)

Notes are omitted as they are stated in “Other Notes” of the Notes to the Consolidated Financial Statements.