3PL Business (Domestic)

For logistics operation at any stage of customer’s supply chain and in peripheral operations, we provide a comprehensive outsourcing service and excellent IT/technological capabilities to support it to improve service quality and logistics efficiency. As a leading 3PL company, we provide the best logistics solution by drawing on our abundant experience and consulting capabilities and comprehensive infrastructure, as well as always lead the industry evolution by continuing to work with customers and partners to promote collaborative innovation through installation of the next-generation logistics technology using the latest technology.

Positioning of the HTS Group in the Market

As a market leader in the ever-expanding domestic 3PL market, the HTS Group comprehensively undertakes logistics operations of customers in a wide range of sectors and industries (see chart on the right). We are a pioneer of 3PL and have been providing service since the 1980s. We support supply chains in Japan with our proposal capabilities backed by abundant experience and management capabilities offered by professionals with deep customer knowledge.

Major Services

Procurement logistics: We provide a comprehensive service from picking up purchased products to acceptance, storage, and delivery. Our high value-added services include VMI, assembly/painting, and delivery to production lines.

Production logistics: We undertake various logistics operations in the manufacturing process including management, packaging, and shipping of materials and products. Our packaging professionals provide optimal packaging solutions according to product features and logistics conditions.

Distribution logistics: We provide comprehensive support from the supply chain design stage, including a review of site allocation and inventory level. We support customers to expand orders, receive and deliver goods through high-quality and highly efficient logistics design and operation making full use of the latest technology.

Solutions: We provide a number of high-value-added solutions such as services integrating logistics and CE’s skills for ICT equipment and collaborative logistics services for hazardous/chemical products.

R&D of the Next-generation Logistics Technology through Collaborative Innovation

Sophisticated logistics using 5G (collaborative initiative with KDDI CORPORATION)

The Company and KDDI CORPORATION are jointly working on the initiatives to sophisticated logistics using 5G in FY2020, we built a 5G environment inside the Group’s logistics center in the Tokyo metropolitan area to conduct verification experiments. We use 5G for real-time AI analysis of on-site 4K camera footage, problem detection/notification aiming at sophisticated human judgment and behaviors including preventing accidents such as collision/fall and improving work efficiency.

Development of AI forklift collaborative initiative with Hitachi, Ltd.

The Group has introduced automated forklifts in some sites, but there are certain restrictions in their operations at logistics sites such that the area must be segregated from the environment where people work from a safety perspective and that they can handle preset tasks only. The Company and Hitachi, Ltd. are undertaking a joint development aimed at realization of collaborative work between automated forklifts and workers by incorporating AI in automated forklifts and connecting them with management systems such as RAV and other equipment to control them as a group in an integrated way.

FY2020 Result

- Results (round amount)
  - Operating income: ¥23.13 billion (YoY +0.52 billion)

- New orders/new startups
  - New Orders: 16 projects
  - New startups: 17 projects

East Japan II Medical DC

- A GDP*-compliant logistics center that strictly control quality through temperature and security management, etc.
- Accommodate the needs of medical supply companies to enhance BCP by adopting quake-absorbing structure and installing in-house power generation
- Adopted Advanced technology including AGV (Automated Guided Vehicle) and automated forklift to realize the next-generation labor-saving center

* GDP: Good Distribution Practice: "Appropriate distribution standard for medical supply" to ensure strict quality control

ESG Topics

- HTS’s initiatives
  - Reduction of CO2 emissions through review of transport modes, improvement of transportation efficiency, and joint delivery
  - Reduce waste through a review of packaging and reduce CO2 emissions through an improvement of loading efficiency

- FY2020 Topics
  - July 2020: Received “Logistics Environment Special Award” in the “21st Logistics Environment Awards”
  - October 2020: Received three awards of “Director General, Manufacturing Industries, Ministry of Economy, Trade and Industry Award,” “Appropriate Packaging Award,” and “Large-scale Equipment Packaging Award” at the Japan Packaging Contest 2020

- November 2020: Received “2020 Excellent Business Entities Working on Modul SHP” (effectiveness use category) for 2 years

Message from the officer in charge

In FY2020, while overall volume dropped due to COVID-19, demand for foods, hygiene products, and ICT, etc. increased, and the Group focused on maintaining stable logistics operations in social life. With the economy recovery, cargo movement is on a recovery trend, and there is an increasing momentum among customers to review their supply chains and introduce automated labor-saving equipment. So, the Group will further demonstrate its strengthening of proposal/management capabilities and advanced IT technological capabilities in order to deliver values to customers and society.

Hitachi Transport System, Ltd. Integrated Report 2021