Freight Forwarding Business

The HTS Group makes full use of its global network and seamlessly connects various transport modes including ocean, air, truck, and rail to provide optimal transport services to customers. We meet a wide range of global logistics needs of customers including one-stop logistics service integrating freight forwarding, 3PL, and heavy machinery and plant logistics and operations that require high level of expertise such as agency service for trade administration, service related to exhibitions and overseas events, and trade agreement consultation.

**FY2020 Result**

- **Revenues (round amount):** ¥101.1 billion
- ** Freight forwarding volume (round amount):**
  - Ocean transportation 441 thousand TEUs*
  - Air transportation 148 thousand tons

**Business outline by region**

- **Japan**
  - Ocean 94 thousand TEUs
  - Air 14 thousand tons
  - Major export products: For China/Asean: Hygiene products, electronic parts
  - For North America/Europe: Automobile parts

- **North America**
  - Ocean 47 thousand TEUs
  - Air 10 thousand tons
  - Major export goods: For Japan/China: Food products
  - For China/Europe: Hygiene products, automobile parts

- **Asia**
  - Ocean 162 thousand TEUs
  - Air 27 thousand tons
  - Major export goods: For Japan/China/Europe: Electronic parts
  - Within Asian region: Hygiene products for North America: Tires

- **Europe**
  - Ocean 35 thousand TEUs
  - Air 14 thousand tons
  - Major export products: For Japan/Furniture, tires
  - For China: Hygiene products for Asia/North America: Food products

**FY2020 Topics**

- Acquired "CEIV Pharma", a quality certification for air transport of pharmaceutical products, in Narita Airport.
- In March 2021, VANTEC HTS FORWARDING, LTD., a freight forwarding business company of the Group, acquired the "CEIV Pharma" certification, a quality certification program for air transport of pharmaceutical products, in Narita Airport.
- We are certified as "a business operator capable of high-quality air transport of pharmaceutical products that meets global standards" and striving to enhance safe and secure international one-stop logistics service for pharmaceutical products, along with such initiatives as Medical DC (P. 46) in the domestic, 3PL business.

**DX Initiatives in the Freight Forwarding Business**

The Group promotes digital transformation (DX) as one of its priority measures in the Mid-term Management Plan (P. 29-30). The freight forwarding business is also working on DX initiatives, including collaborative innovation initiatives with our partners, with an aim to streamline administrative work and communication through digitalization of trade administration and optimize customers' global supply chains through data accumulation and analysis.

**Value Creation Achievements**

- **Customers (cargo owners)**
  - Propose data-driven optimization of global supply chain
  - Aggregate logistics big data to the Company's digital platform
  - HTS’s digital platform
  - SCDOS*
  - Digital business platform
  - Accumulation and analysis of big data

**Business Enhancement Project Team**

- Yuichi Kuroume

**Revenues (round amount):**

- Freight forwarding volume (round amount):
  - Ocean transportation 441 thousand TEUs*
  - Air transportation 148 thousand tons

**Operating system**

- HTS's freight forwarding system

**Logistics sites, etc.**

- HTS’s freight forwarding business

**International transport information**

- Order from overseas
- Overseas locations
- Covered areas
- Freight forwarding
- 3PL business

**Enhance Cross-border EC-related Services**

We are enhancing freight forwarding services related to the growing cross-border EC market. In FY2020, we have tied up with a leading overseas EC platformer and provide one-stop delivery of EC cargo exported from Japan to local sellers mainly in Asia with efficient consolidated transport service. We support our customers in expanding their sales opportunities through logistics by optimizing costs and shortening lead time.

**Launched Full-scale Freight Forwarding Service in Eastern Europe**

ESA s.r.o., our group company headquartered in the Czech Republic, operates a comprehensive logistics business mainly in three Eastern European countries of the Czech Republic, Poland, and Slovakia.

- The company had been engaged in cross-border transport service in Europe using its transport/delivery network from and to Eastern Europe.
- Have its own transport/delivery network from and to Eastern Europe
- Develop cross-border rail transport service from China to Poland or Germany (both FCL and LCL are available)
- Provide one-stop service from freight forwarding to 3PL
- Have its own customs to handle customs clearance

**Message from the officer in charge**

Amid drastically changing environment due to COVID-19 including a disruption of global transport network and surging cost in FY2020, the Group has made all-out effort to maintain our customers' global supply chains. We expect the global transport market to become more diversified and complicated, and the Group will ensure to promote the expansion of collaborative innovation with partners’ and “DX” and support global business activities of our customers by providing more seamless and higher value-added freight forwarding services.

Yuichi Kuroume