Our Resources & Value Creation

---HTS Group Management Resources and Value Creation---

The HTS Group will improve the corporate value by enhancing our “Earning capability” and “Growing power” as well as “Sustainable capability,” with the use of our management resources accumulated over the last 69 years.

**Resources — Bases for Value Creation —**

**Number of Companies**

- **105 companies**

**Locations**

- **740 sites**
  - Domestic: 27 companies 125 sites
  - Overseas: 78 companies 415 sites

**Area of Logistics Center**

- **7.34 Mm²**
  - Domestic: 5.11 Mm²
  - Overseas: 2.21 Mm²

**Total Personnel**

- **46,295 employees**
  - Domestic: 29,440 employees
  - Overseas: 16,855 employees

**Number of vehicles (including leased vehicles)**

- **16,610 vehicles**
  - Truck*: 3,939
  - Forklift: 5,780
  - Trailer: 5,188
  - Other*: 1,753

---Services — Businesses & Solutions—

**3PL business**

**Value**

- We provide the optimal logistics services for each stage of supply chain from material procurement and production to sales, distribution, after-sales service and recycling.

**Menu**

- Procurement logistics services
- Production logistics services
- Distribution logistics services
- Reverse logistics services
- Collaborative logistics services within the same industry

**Heavy Machinery and Plant Logistics business**

**Value**

- We provide sequential service including transportation, installation, setting up and import/export procedures for heavy machinery and precision instruments in a safe and reliable manner with our sophisticated technologies and know-how accumulated since our establishment.

**Menu**

- Plant-related transport
- Machinery and equipment transport
- Railway-related equipment transport
- Precision instruments transport
- Various research equipment transport

**Forwarding business**

**Value**

- We provide safe and high-quality transportation services seamlessly and efficiently leveraging our global network and expertise.

**Menu**

- International air transport services
- International ocean freight transport services
- International truck transport services
- International railway transport services

**Automobile parts logistics business**

**Value**

- VANTEC CORPORATION with a global network and other overseas subsidiaries with experiences in automobile parts logistics provide high quality services efficiently using their strong response capability and abundant know-how.

**Menu**

- Procurement logistics services
- Production logistics services
- Distribution logistics services
- Collaborative logistics services

**Other services (logistics related businesses)**

- Travel agency business
- Information system development business
- Sale and maintenance of automobiles business

Revenues:
- Revenues of domestic logistics business increased by 4% year-on-year to ¥4,327,795 million due to a steady growth of medical-related and other IPI projects.
- Segment profit increased by 2% year-on-year to ¥255,828 million due to an effect of foreign exchange rates and Nisshin Transportation Co., Ltd. becoming an associate accounted for using the equity method.
- Segment profit increased by 13% year-on-year to ¥7,108 million due to improved profitability of unprofitable projects.

FY2018 Topics
- **Collaborative innovation**
  - **May 2018:** Started collaboration with Dai Nippon Printing Co., Ltd. and Toshiba Tec Corporation for the next-generation logistics service using electronic tags.
  - **Dec. 2018:** Concluded business alliance agreement with Hitachi Capital Corporation.
  - **Oct. 2018:** Concluded capital and business alliance agreement with AIT Corporation.
  - **Oct. 2018:** Concluded a business alliance agreement with Uhuru Corporation.

- **Branding**
  - **Apr. 2018:** Started new business concept “LOGISTEED”
  - **Apr. 2018:** Started new business concept “LOGISTEED”
  - **Feb. 2019:** Launched YouTube official channel

- **Review of Operations**
  - **Domestic logistics business (FY2018)**
    - Revenues:
      - 2016: ¥2,171, 2017: ¥2,063, 2018: ¥2,550 (YoY +19%)
    - Segment profit:
      - 2016: ¥2,550, 2017: ¥2,550, 2018: ¥3,000 (YoY +19%)
  - **Global logistics business (FY2018)**
    - Revenues:
      - 2016: ¥2,171, 2017: ¥2,063, 2018: ¥2,550 (YoY +19%)
    - Segment profit:
      - 2016: ¥2,550, 2017: ¥2,550, 2018: ¥3,000 (YoY +19%)

- **Service expansion**
  - **May 2018:** Acquired license of bonded logistics center (PLB*) in Indonesia
  - **Oct. 2018:** Acquired “Eruboshi (L Star) Certification (Stage 2)” based on the Act on Promotion of Women’s Participation and Advancement in the Workplace by the Japanese Ministry of Health, Labour and Welfare
  - **Dec. 2018:** Acquired “Ebigoshi (L Star) Certification (Stage 2)” on Modal Shift: Award for Excellent Business Entities Working Together
  - **Sep. 2018:** Acquired a patent for “Image inspection recognition device” jointly with our group company Hitachi Distribution Software Co., Ltd.

- **Commendations/Recognition from outside the Company**
  - **Jun. 2018:** The 19th Logistics Environment Awards**: “logistics Environmental Impact Mitigation Technology Development Award”
  - **Aug. 2018:** Japan Packaging Contest 2018**: “Large-sized Equipment Packaging Award”
  - **Oct. 2018:** The 50th National Truck Driver Contest**: “11-ton/Female category 1st prize”
  - **Oct. 2018:** The 33rd National Forklift Driving Contest**: General category 2nd prize
  - **Nov. 2018:** 2018 Excellent Business Entities Working on Modal Shift: Award for Excellent Business Entities** (Effective use category)
  - **Sep. 2018:** “Large-sized Equipment Packaging Award”

- **Group Network**
  - **Network Extending to 29 Countries and Regions** (As of March 31, 2019)
  - Europe: 11 companies 76 sites
  - East Asia: 30 companies 131 sites
  - Japan: 27 companies 325 sites
  - Asia: 26 companies 159 sites
  - North America: 11 companies 49 sites

- **Network Extending to 29 Countries and Regions**
  - **Companies**: 105
  - **Locations**: 740

*1: China, Hong Kong, Taiwan, Korea
*2: Including Oceania area
*3: Including Mexico
*4: Number of companies includes SAGAWA EXPRESS Group and AIT Group
*5: Number of sites excludes SAGAWA EXPRESS Group and AIT Group