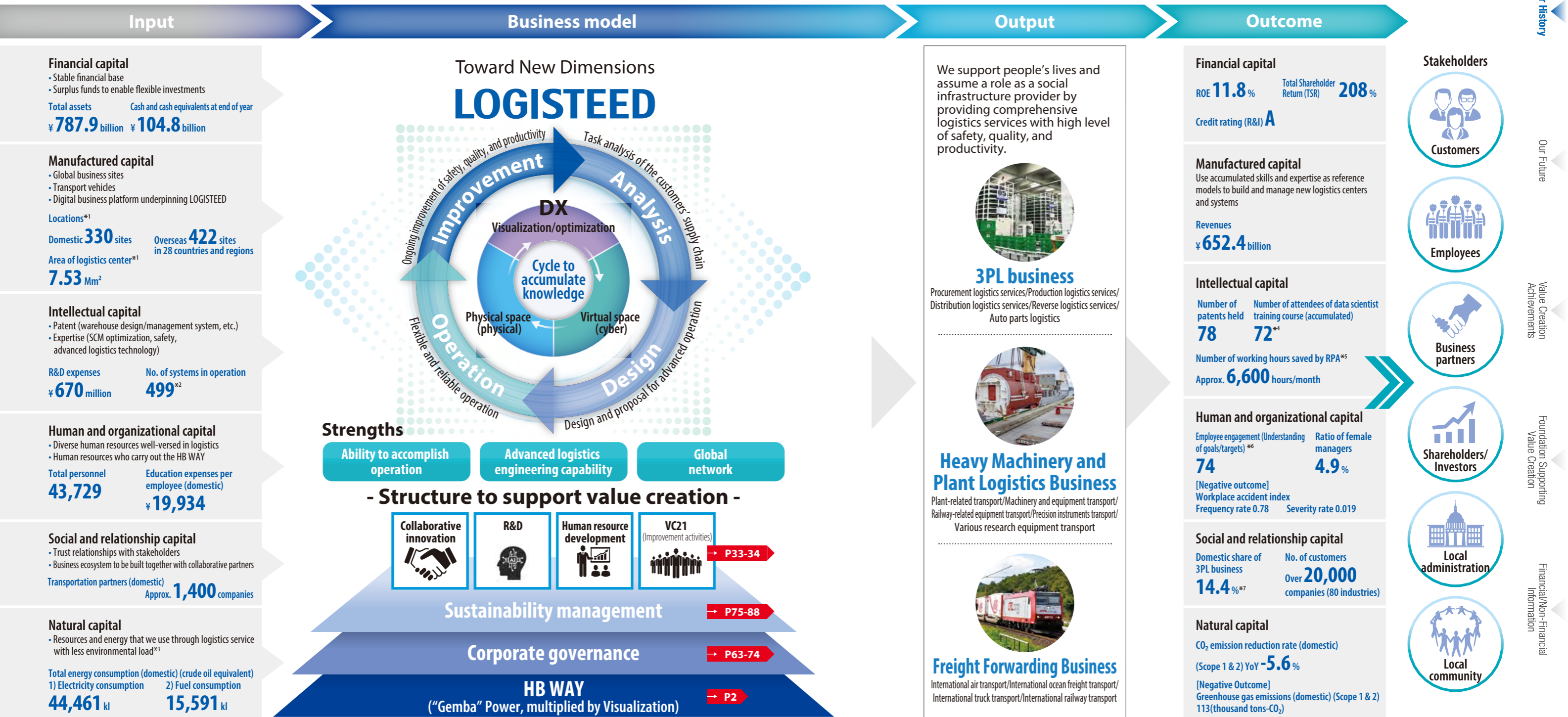


Value Creation Process of the HTS Group

A business model to realize value creation of the HTS Group consists of a value chain comprising of task analysis, design for operation, operation and improvement of the customers' supply chain and structure to support it such as collaborative innovation, R&D, human resource development, and VC21 activities, with the HB WAY indicating how the Group should be and a path to take as the source of all values.

Using our strengths of "Ability to accomplish operation," "Advanced logistics engineering capability," and "Global network" as key drivers, we strive to reinforce our value chain to sustainably create economic, social, and environmental values to our stakeholders. We will contribute to SDGs through sustainable increase of corporate value.

SDGs (Sustainable Development Goals) on which we focus for sustainable growth



External environment

- Decrease in labor population/consumers in Japan
- Rise of protectionism and escalation of trade friction
- Occurrence of big disasters and global pandemic
- Advancement of digital technologies (5G/IoT/AI, etc.)
- Increases in climate change risk and large-scale natural disasters
- Increase in geopolitical risk
- Expansion of EC market
- Changes in environment surrounding the logistics business

*1 Number of locations and area of logistics centers exclude those of AIT Group and HTB-BCD Travel Group. *2 Self-developed systems *3 Including modal shift, use of eco cars, introduction of double-trailer trucks and sharing of facilities and equipment *4 No. of attendees of in-house training to foster data scientist with advanced data analyst skills *5 Robotic Process Automation *6 Total score of favorable responses in employee engagement survey *7 Calculated by the Company using data in "Monthly Magazine LOGI-BIZ"