Review of LOGISTEED2021

Under the Mid-term Management Plan “LOGISTEED2021,” the HTS Group had worked to solve issues and create “values” through various “collaborative innovation” with an aim to become the most preferred global supply chain solutions provider. As a result, the Group achieved record high revenues and operating income for FY2021.

<table>
<thead>
<tr>
<th>Financial results</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues (¥ billion)</td>
<td>¥743.6</td>
<td>¥830.7</td>
<td>¥842.4</td>
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<tr>
<td>Adjusted operating income (¥ billion)</td>
<td>¥38.7</td>
<td>¥39.4</td>
<td>¥43.9</td>
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<tr>
<td>EBIT (¥ billion)</td>
<td>¥29.4</td>
<td>¥30.7</td>
<td>¥34.3</td>
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<tr>
<td>ROE (%)</td>
<td>8.3</td>
<td>10.3</td>
<td>11.8</td>
</tr>
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Implementation Status of Priority Measures

1. Implemented portfolio strategy, including M&As and alliances, to build a solid core domain (Smart Logistics)
   - Realized innovations through “Finance, Commerce, Logistics, and Information”
     - Transferred 60% shares of Hitachi Auto Service Co., Ltd. to Hitachi Capital Corporation (currently, NIHINSUHI Capital Inc.) (Feb. 2019)
   - Strengthened freight forwarding business to expand 3PL
     - Exchanged 100% shares of Nihon Koei Transportation Co., Ltd. for 20% shares of AIT Corporation (Mar. 2019)
   - Reviewed portfolio
     - Transferred 70% shares of Hitachi Travel Bureau, Ltd. to BCD (currently, HTB-BCD Travel Ltd.) (Jul. 2019)
   - Launched sharing service for logistics equipment
     - Acquired 20% shares of PELCO LTD., LTD. from Hitachi Automotive Systems, Ltd. (currently, Hitachi Astemo, Ltd.) (Aug. 2019)
   - Reinforced the system to centralize undertaking of logistics operations of cargo owners
     - Required all divisional business units of Hitachi Life, Ltd. (currently, Hitachi Real Estate Partners, Ltd.) (Apr. 2020)
   - Partially amended strategic and capital and business alliance with SG Holdings Group (Sep. 2020)

2. Implemented collaborative innovation strategy aiming at enhancement of the core domain and further expansion of domains

3. Designed supply chain based on and originating from the logistics domain
   - Developed DX strategy (Jan. 2021)
   - Selected as a “DX Certified Operator” (May 2021) and “DX Stock 2022” (Jun. 2022) by METI

4. Originated and succeeded operation (hands-on approach) toward the next generation
   - Promoted VC activities*1
     - The HTS Group has been working on “VC activities” as daily improvement activities to implement the Hi Way. We have been repeating a cycle where employees in each site and department exchange ideas under different themes, register initiatives in a dedicated system and carry out and follow up the improvement activities systematically. Approximately 36,000 new improvement initiatives were registered during the period covered by the Mid-term Management Plan.
   - Continuously carried out activities to improve efficiency of the core logistics business (SG Holdings Group)

5. Environment, social, governance and corporate ethics
   - Updated of the HTS Group Medium-to-Long-term Environmental Targets (FY2020)
   - Signed the UN Global Compact (May 2020)
   - Endorsed TCFD recommendations (Sep. 2021)
   - Participated in “MyJinken Declaration (Declaration of Human Rights)” project (Jul. 2021)
   - Received “A-” in CDP Climate Change Report (2nd straight year) (Dec. 2021)

*1 Standards for Value Change & Creation and refers to daily improvement activities to implement the Hi Way...