



July 28, 2022

The 1st Quarter of FY2022 (Ended June 30, 2022) Financial Results Briefing

 **Hitachi Transport System, Ltd.**

1Q of FY2022 Financial Results

- **Overview**
- **Breakdown by Group**
- **Detail of Variations for Revenues/Adjusted Operating Income**
- **Overseas Results by Region**
- **<Reference> Results by Business Category**
- **1QTopics**
(Expand Business Domains with New Added Value, Solidify ESG management base, External Evaluation)



1Q of FY2022 Results

(Unit: 100 million yen, rounded off to the nearest integer. < > profit ratios (%).)

	FY2021		FY2022			
	1Q		1Q			
	Results		Results		Y o Y	
					%	Change
Revenues	1,781	1,995	112%	+214		
Adjusted operating income	<5.7> 102.3	<5.6> 110.8	108%	+8.5		
EBIT (Earnings before interest and taxes)	<5.4> 95.8	<6.0> 120.1	125%	+24.3		
Net income attributable to stockholders of the parent company	<2.7> 48.2	<3.5> 70.3	146%	+22.1		



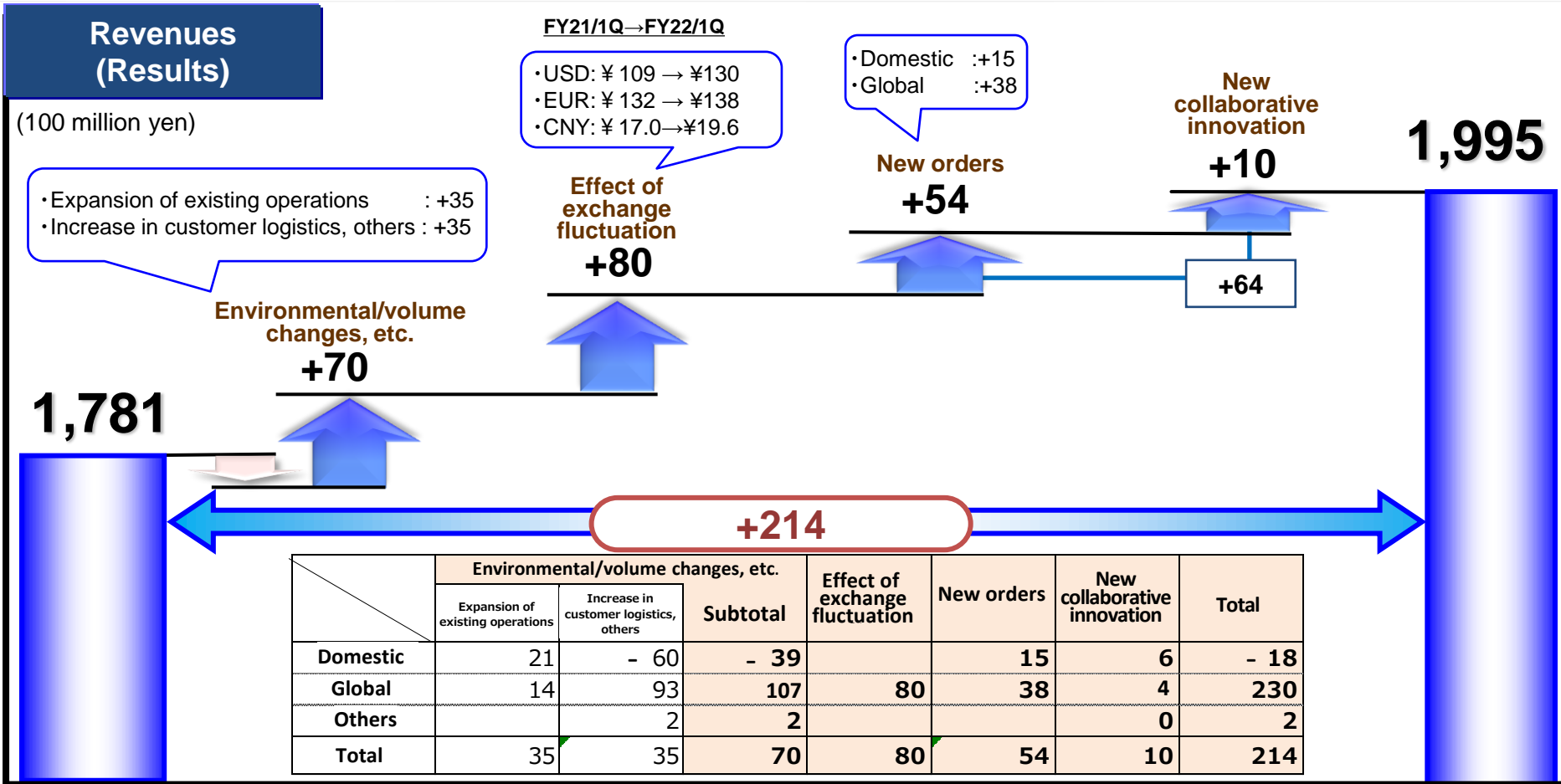
1Q of FY2022 Results (Breakdown by Group)

(Unit: 100 million yen, rounded off to nearest integer. < >: composition ratio (%). (): year-on-year change)

		Revenues			Adjusted operating income		
		1Q	YoY	1Q	YoY		
Organic	Domestic logistics	<49>	898	98%	52.2	82%	
	Global logistics	Overseas	<43>	782	150%	47.3	178%
		Allocated to domestic companies (freight forwarding and others)	<6>	112	103%	7.1	157%
	Subtotal		<49>	894	142%	54.4	175%
	Others (logistics-related businesses, etc.)		<2>	37	107%	1.7	99%
	Total		<100>	1,829	116%	108.3	112%
Vantec Group	Domestic logistics	<76>	136	98%	3.1	47%	
	Overseas	<24>	42	134% 53%	1.3	201% 69%	
	Total	<100>	179	82%	4.4	52%	
Consolidated adjustment/amortization of customer-related intangible assets of VANTEC Group, etc.		-	- 13	(+3)	- 1.9	(+0.9)	
Total	Domestic logistics	<52>	1,028	98%	53.2	78%	
	Global logistics	Overseas	<41>	824	138%	48.8	175%
		Allocated to domestic companies (freight forwarding and others)	<6>	110	104%	7.1	157%
	Subtotal		47%	934	133%	50% 56.0	173%
	Others (logistics-related businesses, etc.)		<2>	33	107%	1.7	99%
	Total		<100>	1,995	112%	110.8	108%

*VANTEC U.S. and Indonesia were transferred to Organic from FY2022. Shows Y o Y change based on pre-transfer figures.

 Indicates a ratio of Global logistics.



	Environmental/volume changes, etc.			Effect of exchange fluctuation	New orders	New collaborative innovation	Total
	Expansion of existing operations	Increase in customer logistics, others	Subtotal				
Domestic	21	- 60	- 39		15	6	- 18
Global	14	93	107	80	38	4	230
Others		2	2			0	2
Total	35	35	70	80	54	10	214

1Q of FY2021 (results)

1Q of FY2022 (results)

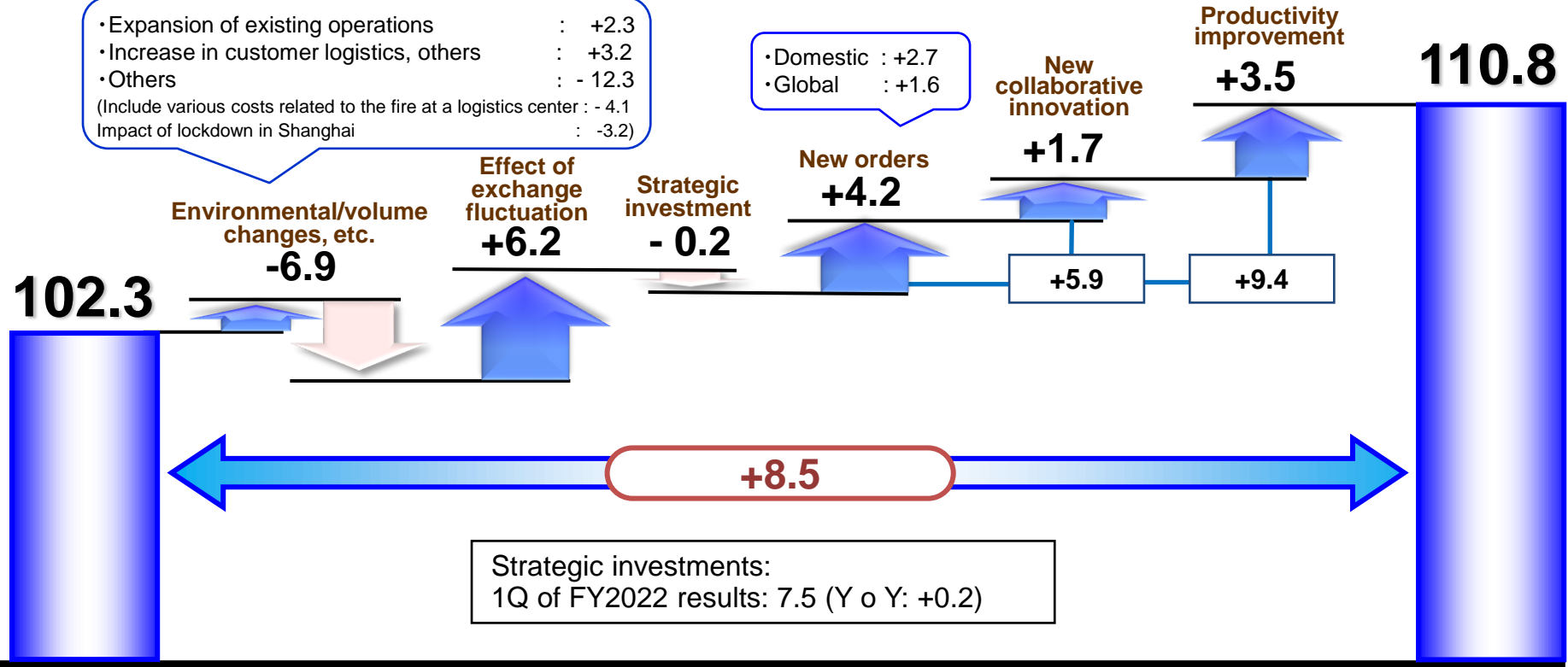
1Q of FY2022 Results (Detail of Variations for Adjusted Operating Income) **LOGISTEED**

Adjusted operating income (results)

(100 million yen)

- Expansion of existing operations : +2.3
- Increase in customer logistics, others : +3.2
- Others : - 12.3
- (Include various costs related to the fire at a logistics center : - 4.1
- Impact of lockdown in Shanghai : -3.2)

- Domestic : +2.7
- Global : +1.6



1Q of FY2021 (results)

1Q of FY2022 (results)



1Q of FY2022 Results (Overseas Results by region)

(Unit: 100 million yen, rounded off to the nearest integer. < >:profit ratio(%), ():year-on-year change)

	Revenues			Adjusted operating income		
	FY2021	FY2022		FY2021	FY2022	
	1Q	1Q	YoY	1Q	1Q	YoY
North America	135	204	152%	5.7	10.8	189%
Europe* ¹	195	286	146%	11.1	21.7	197%
Asia* ²	135	183	135%	8.6	11.2	131%
China	136	151	112%	5.9	7.1	120%
Elimination of intra-company transaction, etc.	- 3	- 0	(+2) 100Million yen	- 3.4	- 2.0	(+1.4) 100Million yen
Total	598	824	138%	<4.7%> 27.8	<5.9%> 48.8	175%

*1 Including Turkey

*2 Including Oceania and others

Reference

Results by Business Category (Estimated)

(Unit: 100 million yen)

	1Q of FY2021 (Results)			1Q of FY2022 (Results)		
	Revenues	Adjusted operating income	Adjusted Operating margin	Revenues	Adjusted operating income	Adjusted Operating margin
Domestic	916	64.0	7.0% (7.0%)	903	52.4	5.8% (5.8%)
Overseas	222	12.8	5.8% (6.2%)	304	22.4	7.4% (7.7%)
3PL	1,138	76.7	6.7% (6.9%)	1,206	74.7	6.2% (6.3%)
Domestic	106	4.5	4.2% (5.2%)	108	6.5	6.0% (7.0%)
Overseas	256	12.1	4.7% (4.9%)	352	19.5	5.5% (5.7%)
Freight Forwarding	363	16.5	4.6% (5.0%)	460	26.0	5.7% (6.0%)
Domestic	130	3.2	2.4% (4.1%)	128	0.8	0.6% (2.3%)
Overseas	120	3.3	2.7% (2.8%)	168	7.2	4.3% (4.4%)
Automobile	251	6.5	2.6% (3.5%)	296	8.0	2.7% (3.5%)
Other services	30	2.6	8.7% (8.7%)	32	2.1	6.7% (6.7%)
Total	1,781	102.3	5.7%	1,995	110.8	5.6%

*(): Excluding amortization of customer-related intangible assets

Apparel reverse logistics in Europe

■ Acquisition of reverse logistics business by ESA s.r.o.

Acquiree: Vlkova Partners s.r.o. (VP)

Location: Střibro, Czech Republic

Main business:

- (1) Return of apparel products
- (2) Call centers
- (3) Data processing

Date of acquisition: June 1, 2022



- Meet robust e-commerce demand in Europe
- Respond to increasing return volume in line with the expansion of e-commerce markets in Europe and the U.S.
- Further develop the business in Europe by adding a new service

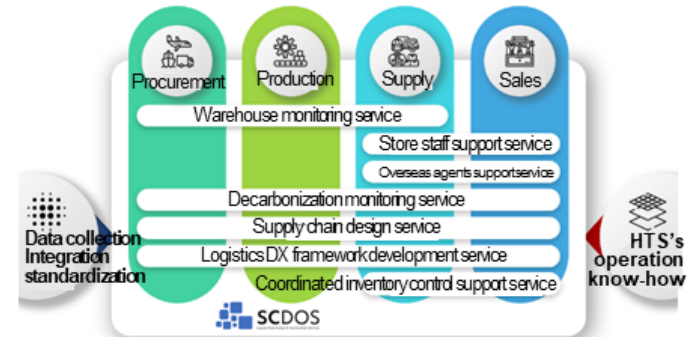


SCDOS*1: CO₂ emissions visualization function

■ Independent statement on conformity assessment from a third-party body*2

It was verified that our CO₂ emissions calculation system in SCDOS “Co₂ Emissions Visualizing Solution Ver.1.0” satisfies the calculation criteria set by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures and properly calculates CO₂ emissions.

Our services to enhance business competitiveness with DX execution capability and logistics



*1. Supply Chain Design & Optimization Services

*2. A statement that assesses that items subject to the assessment have been prepared in accordance with specifications and rules from LRQA Limited as a third-party perspective based on the conformity verification conducted in accordance with ISO14064-3: 2019 and ISAE3000, etc.



“Shipping Modal Shift Grand Prize” at Eco-Ship Modal Shift Excellent Business Awards 2021 (April 2022)
“Advanced Technology Award” at the 23rd Logistics Environment Awards (June 2022)

■ Outline of the initiatives

• Modal shift

Use coastal vessels from Kobe to Moji Ports rather than using truck transport all the way from Himeji to Kyushu

• Container round use

Use export marine containers in domestic transportation of raw materials

• Labor- and energy-saving

Use automatic vaning machine to load export products

■ Improvement effects

- | | |
|--------------------------------|---------------|
| • CO ₂ emissions | Reduction 61% |
| • Loading efficiency | Doubled |
| • Drivers' working hours | Reduction 59% |
| • Export products loading time | Reduction 92% |

HTS received “Logistics DX/Standardization Award” at the Green Logistics Excellent Business Award 2021 for these initiatives (December 2021)

Launched LOGISTEED CO₂ CHALLENGE 2022 (from June 2022)



SDGs X Esports

- Contribute to environmental conservation while enjoying Esports
- Reduce 10kg of CO₂ emissions per participant
- Use the carbon offset scheme
- Great East Japan Earthquake reconstruction activities*
- Reduction of CO₂ emissions: 24,320kg (June 2022)

*Supporting to replace fossil fuel with biomass solid fuel at hot spring facilities in Kami town, Kami gun, Miyagi Prefecture

Selected as one of “DX Stocks 2022” (June 2022)

- Recognized for practical application of SCDOS and SSCV* and the expansion through external sales



DX銘柄2022
Digital Transformation

● **DX Stocks (Digital Transformation Stocks)**
A program which selects TSE-listed companies for each industry that have established internal systems to promote DX leading to increased corporate value and are engaged in efforts for excellent digital utilization. 33 companies were selected in 2022.



*SSCV : Smart & Safety Connected Vehicle

Selected as a constituent of “FTSE Blossom Japan Index” (July 2022)

- Recognized for initiatives to promote ESG management
- Selected as a constituent of all five ESG indexes adopted by GPIF*



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index



2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

* Government Pension Investment Fund



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Toward New Dimensions

LOGISTEED