October 27, 2022

The 2nd Quarter of FY2022
(Ended September 30, 2022)
Financial Results Briefing

© Hitachi Transport System, Ltd.
Contents

2Q of FY2022 Financial Results

■ Overview
■ Breakdown by Group
■ Detail of Variations for Revenues/Adjusted Operating Income
■ Overseas Results by Region
■ 2Q Topics
   (Reinforce/Expand Overseas Business, Evolve Smart Logistics, Others)
■ Supplementary Material
   Financial position, Cash flows, Key Financial Indicators/Operating Expenses, etc.
■ <Reference> Results by Business Category
### 1H of FY2022 Results (Overview)

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

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2021</th>
<th>FY2022</th>
<th>YoY</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Results</td>
<td></td>
<td>Results</td>
<td></td>
<td>%</td>
<td>Change</td>
</tr>
<tr>
<td>Revenues</td>
<td>3,601</td>
<td></td>
<td>4,120</td>
<td></td>
<td>114%</td>
<td>+520</td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>&lt;5.3&gt;</td>
<td>189.1</td>
<td>&lt;5.8&gt;</td>
<td>239.1</td>
<td>126%</td>
<td>+50.0</td>
</tr>
<tr>
<td>EBIT (Earnings before interest and taxes)</td>
<td>&lt;4.9&gt;</td>
<td>174.6</td>
<td>&lt;6.0&gt;</td>
<td>247.9</td>
<td>142%</td>
<td>+73.2</td>
</tr>
<tr>
<td>Net income attributable to stockholders of the parent company</td>
<td>&lt;2.5&gt;</td>
<td>90.8</td>
<td>&lt;3.7&gt;</td>
<td>150.9</td>
<td>166%</td>
<td>+60.0</td>
</tr>
</tbody>
</table>
## 1H of FY2022 Results (Breakdown by Group)

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

<table>
<thead>
<tr>
<th></th>
<th>Revenues</th>
<th></th>
<th>Adjusted operating income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1H</td>
<td>YoY</td>
<td>1H</td>
<td>YoY</td>
</tr>
<tr>
<td><strong>Organic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic logistics</td>
<td>&lt;48&gt;</td>
<td>1,822</td>
<td>100%</td>
<td>106.1</td>
</tr>
<tr>
<td>Overseas</td>
<td>&lt;42&gt;</td>
<td>1,598</td>
<td>149%</td>
<td>103.6</td>
</tr>
<tr>
<td>Allocated to domestic companies (freight forwarding and others)</td>
<td>&lt;7&gt;</td>
<td>269</td>
<td>125%</td>
<td>13.4</td>
</tr>
<tr>
<td>Total</td>
<td>&lt;50&gt;</td>
<td>1,867</td>
<td>145%</td>
<td>116.9</td>
</tr>
<tr>
<td>Others (logistics-related businesses, etc.)</td>
<td>&lt;2&gt;</td>
<td>79</td>
<td>108%</td>
<td>7.6</td>
</tr>
<tr>
<td>Subtotal</td>
<td>&lt;100&gt;</td>
<td>3,768</td>
<td>118%</td>
<td>230.6</td>
</tr>
<tr>
<td><strong>Vantec</strong> Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic logistics</td>
<td>&lt;77&gt;</td>
<td>287</td>
<td>103%</td>
<td>10.7</td>
</tr>
<tr>
<td>Global logistics (overseas)</td>
<td>&lt;23&gt;</td>
<td>87</td>
<td>134% 53%</td>
<td>1.5</td>
</tr>
<tr>
<td>Subtotal</td>
<td>&lt;100&gt;</td>
<td>375</td>
<td>84%</td>
<td>12.2</td>
</tr>
<tr>
<td>Consolidated adjustment/amortization of customer-related intangible assets of VANTEC Group, etc.</td>
<td>-</td>
<td>-22</td>
<td>(+8)</td>
<td>-3.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic logistics</td>
<td>&lt;51&gt;</td>
<td>2,097</td>
<td>100%</td>
<td>&lt;47&gt; 112.6</td>
</tr>
<tr>
<td>Overseas</td>
<td>&lt;41&gt;</td>
<td>1,685</td>
<td>136%</td>
<td>&lt;44&gt; 105.5</td>
</tr>
<tr>
<td>Allocated to domestic companies (freight forwarding and others)</td>
<td>&lt;7&gt;</td>
<td>268</td>
<td>128%</td>
<td>&lt;6&gt; 13.4</td>
</tr>
<tr>
<td>Subtotal</td>
<td>47%</td>
<td>1,953</td>
<td>135% 50%</td>
<td>118.9</td>
</tr>
<tr>
<td>Others (logistics-related businesses, etc.)</td>
<td>&lt;2&gt;</td>
<td>70</td>
<td>107%</td>
<td>&lt;3&gt; 7.6</td>
</tr>
<tr>
<td></td>
<td>&lt;100&gt;</td>
<td>4,120</td>
<td>114%</td>
<td>&lt;100&gt; 239.1</td>
</tr>
</tbody>
</table>

*VANTEC U.S. and Indonesia were transferred to Organic from FY2022.  Shows YoY change based on pre-transfer figures. Indicates a ratio of Global logistics.
1H of FY2022 Results (Detail of Variations for Revenues)

**Revenues (Results)**

(100 million yen)

- Expansion of existing operations: +72
- Increase in customer logistics, others: +121

**Effect of exchange fluctuation**

- Domestic: +39
- Global: +77

**Environmental/volume changes, etc.**

+192

**New orders**

+116

**New collaborative innovation**

+19

- Domestic: +39
- Global: +77

**Total**

+520

(Unit: 100 million yen)

<table>
<thead>
<tr>
<th>Environmental/volume changes, etc.</th>
<th>Expansion of existing operations</th>
<th>Increase in customer logistics, others</th>
<th>Subtotal</th>
<th>Effect of exchange fluctuation</th>
<th>New orders</th>
<th>New collaborative innovation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>43</td>
<td>- 88</td>
<td>- 44</td>
<td>- 44</td>
<td>39</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Global</td>
<td>29</td>
<td>205</td>
<td>233</td>
<td>192</td>
<td>77</td>
<td>5</td>
<td>508</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>192</td>
<td>19</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>121</td>
<td>193</td>
<td>192</td>
<td>116</td>
<td>19</td>
<td>520</td>
</tr>
</tbody>
</table>

**1H of FY2021 (Results)**

- New orders: +116
- Effect of exchange fluctuation: +192

**1H of FY2022 (Results)**

- New orders: +116
- Effect of exchange fluctuation: +192

**Total**

- Revenues: +520

© Hitachi Transport System, Ltd. 2022. All Rights Reserved.
1H of FY2022 Results

Detail of Variations for Adjusted Operating Income

Adjusted operating income (Results)

(100 million yen)

+189.1

-17.9

Environmental/volume changes, etc.

+15.2

Strategic investments

-1.0

Effect of exchange fluctuation

+4.8

Domestic: +5.8

New orders

+3.2

+13.1

Productivity improvement

+4.7

+17.8

Strategic investments: 1H of FY2022 cumulative results: 17.0 (YoY: +1.0)

New collaborative innovation

+9.9

+17.8

Expansion of existing operations

+4.8

Domestic: +5.8

Increase in customer logistics, others

+26.9

Global: +4.1

Others

-13.7

New orders

+3.2

Strategic investments

+13.1

Productivity improvement

+4.7

1H of FY2022 (Results)

1H of FY2021 (Results)
## 1H of FY2022 Results (Overseas Results by Region)

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

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenues FY2021</th>
<th>Revenues FY2022</th>
<th>YoY</th>
<th>Adjusted operating income FY2021</th>
<th>Adjusted operating income FY2022</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1H Results</td>
<td>1H Results</td>
<td>YoY</td>
<td>1H Results</td>
<td>1H Results</td>
<td>YoY</td>
</tr>
<tr>
<td>North America</td>
<td>273</td>
<td>425</td>
<td>155%</td>
<td>9.1</td>
<td>20.6</td>
<td>226%</td>
</tr>
<tr>
<td>Europe*¹</td>
<td>400</td>
<td>580</td>
<td>145%</td>
<td>21.2</td>
<td>48.9</td>
<td>231%</td>
</tr>
<tr>
<td>Asia*²</td>
<td>278</td>
<td>373</td>
<td>134%</td>
<td>16.8</td>
<td>23.1</td>
<td>138%</td>
</tr>
<tr>
<td>China</td>
<td>289</td>
<td>308</td>
<td>107%</td>
<td>12.0</td>
<td>16.8</td>
<td>140%</td>
</tr>
<tr>
<td>Elimination of intra-company transaction, etc.</td>
<td>-4</td>
<td>-1</td>
<td>(+3) 100 Million yen</td>
<td>-6.0</td>
<td>-3.9 (+2.2) 100 Million yen</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,236</td>
<td>1,685</td>
<td>136%</td>
<td>&lt;4.3%</td>
<td>&lt;6.3%</td>
<td>199%</td>
</tr>
</tbody>
</table>

*¹ Including Turkey  
*² Including Oceania and others
2Q Topics: Reinforce/Expand Overseas Business

Europe: Enhance pharmaceutical logistics business

- Acquisition of shares of Cyber Freight International Holding B.V. (Expected)
  - Name: Cyber Freight International Holding B.V.
  - Date of establishment: October 7, 1999
  - Headquarters: Nieuw-Vennep, the Netherlands
  - Description of business: Freight forwarding (ocean/air), warehousing, delivery, etc.
  - Business sites:
    1) Headquarters/warehouse (near Amsterdam Airport Schiphol)
    2) Rotterdam Office
  - Customer segments: Mainly pharmaceuticals, foods and general products
  - Results (FY2021):
    - Consolidated Revenues: 50.1M€ (approx. 7,020 million yen)/year
    - Consolidated EBITDA: 2.4M€ (approx. 340 million yen)/year

- Possess knowledge of pharmaceutical operations and forwarding network
- Expand pharmaceutical logistics business in global market
2Q Topics: Evolve Smart Logistics

Received the 28th Japan MH Grand Prize (Excellence Award) and Logistics Award 2022 (Semi Grand Prize) (August 2022)

"Automated Robotic Sorting system (ARS)" received the awards (Introduced in East Japan II Medical DC from October 2021)

Before

Automated forklift (Company A)
Conveyor (Company B)
AGV (Company C)
Robot (Company D)

RCS

No mutual linkage

After

Automated forklift (Company A)
Conveyor (Company B)
AGV (Company C)
Pallet stacking machine (Company B)
Pallet destacking machine (Company B)
Robot (Company C)

RCS

Integrated control system to optimize logistics center operation

- Fully automated processes after total picking (pallet transport, case sorting, and staging) during the case shipping operation
- Realized mutual equipment linkage of different manufacturers through an integrated control system RCS*
- Become possible for multiple customers to share equipment through a standardized WMS*² for medical logistics

*1 Resource Control System: An integrated control system to optimize logistics center operation
*2 Warehouse Management System: Logistics center management system

Received "Logistics Award" and "Electrical Equipment Packaging Award" in the Japan Packaging Contest 2022 (September 2022)

Logistics Award: Change of shipping box for steam turbine blades
- Changed the packaging specification from wooden box to reinforced carton box

[Improvement effect]
- Reduced the work processes by 20%
- Reduced the transportation costs by 60%
- Reduced CO₂ emissions by 88% when disposing of shipping boxes

Electrical Equipment Packaging Award: The electrical trolley package made of only corrugated board
- Changed to wood-free, all corrugated board specification

[Improvement effect]
- Reduced the amount of wood used by 100%
- Reduced material costs by 20%
Ultrafast vehicle assignment simulation using quantum computers (October 2022)

Outline of invention
- System that develops transport plans complying with laws and regulations and considering drivers’ working time limit
- Develop transport plans with the optimal combination of drivers/vehicles/origins/destinations/transport routes

Features
- Comply with “Standard for the improvement of vehicle drivers’ working hours, etc.” by MHLW
- Update transport plans in real time
- Update labor information by driver and reflect it next day’s transport plans

Start of operation: August 2022 (Kashiwa City, Chiba)

Address social/environmental issues
- Address 2024 problem by automating vehicle assignment
- Reduce CO₂ emissions by improving vehicle assignment efficiency and reducing the number of vehicles in use

Patent registration for “Transport planning system, method and program in compliance with laws and regulations” offered by SSCV

Patent number: 7144602
Registration date: September 20, 2022

© Hitachi Transport System, Ltd. 2022. All Rights Reserved.
The 54th National Truck Driver Contest (October 2022)

Our Group’s drivers won in 4-ton and Trailer Divisions

Mr. Matsuura won in 4-ton Division

Mr. Maura won in Trailer Division

The 37th National Forklift Driving Competition (October 2022)

Our Group’s forklift operators won in both Women and General Divisions for two consecutive years

Ms. Ujiie won in Women’s Division

Mr. Noguchi won in General Division
[Supplementary Material]

Financial Position, Cash Flows, Key Financial Indicators/Operating Expense, etc.
### (Financial Position: Consolidated Statement of Financial Position)

**As of Mar. 31, 2022**

#### (Assets)
- **Current assets**: 2,495 million yen
- **Non-current assets**: 5,424 million yen
- **Total assets**: 7,919 million yen

#### (Liabilities)
- **Current liabilities**: 1,731 million yen
- **Non-current liabilities**: 4,405 million yen
- **Total liabilities**: 6,137 million yen

#### (Equity)
- **Equity attributable to stockholders of the parent company**: 1,702 million yen
- **Non-controlling interests**: 80 million yen
- **Total equity**: 1,782 million yen

**As of Sept. 30, 2022**

#### (Assets)
- **Current assets**: 2,404 million yen
- **Non-current assets**: 5,611 million yen
- **Total assets**: 8,015 million yen

#### (Liabilities)
- **Current liabilities**: 1,703 million yen
- **Non-current liabilities**: 4,309 million yen
- **Total liabilities**: 6,012 million yen

#### (Equity)
- **Equity attributable to stockholders of the parent company**: 1,914 million yen
- **Non-controlling interests**: 89 million yen
- **Total equity**: 2,003 million yen

**YoY**

- **Total assets**: +97 million yen
- **Total liabilities**: -125 million yen
- **Total equity**: +221 million yen

**Unit**: 100 million yen
### Supplementary Material

**(CF: Consolidated Statement of Cash Flows)**

(Unit: 100 million yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2021 1H</th>
<th>FY2022 1H</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>351</td>
<td>365</td>
<td>+14</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>-87</td>
<td>-169</td>
<td>-82</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>-298</td>
<td>-410</td>
<td>-112</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>2</td>
<td>17</td>
<td>+15</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>-32</td>
<td>-197</td>
<td>-165</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>1,048</td>
<td>949</td>
<td>-99</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>1,016</td>
<td>752</td>
<td>-264</td>
</tr>
</tbody>
</table>
### Financial indicators, etc.

<table>
<thead>
<tr>
<th>Project</th>
<th>FY2021</th>
<th>1H of FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity attributable to stockholders of the parent company*¹</td>
<td>1,702 21.5%</td>
<td>1,914 23.9%</td>
</tr>
<tr>
<td>Total equity per share attributable to stockholders of the parent company</td>
<td>2,033.37</td>
<td>2,287.44</td>
</tr>
<tr>
<td>Basic earnings per share attributable to stockholders of the parent company (EPS)</td>
<td>161.47</td>
<td>180.26</td>
</tr>
<tr>
<td>Return on equity (ROE) (%)</td>
<td>8.3</td>
<td>16.7*²</td>
</tr>
<tr>
<td>Return on assets (ROA) (%)</td>
<td>1.7</td>
<td>3.8*²</td>
</tr>
<tr>
<td>Price book-value ratio (PBR) (Ratio)</td>
<td>3.30</td>
<td>3.79</td>
</tr>
</tbody>
</table>

*¹. ○ indicates total equity attributable to stockholders of the parent company ratio (%).  *². Annualized rate

### Major operating expenses

(Unit: 100 million yen, ( ): composition ratio(%))

<table>
<thead>
<tr>
<th>Project</th>
<th>FY2021</th>
<th>FY2022</th>
<th>YoY % changes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1H</td>
<td>1H</td>
<td></td>
</tr>
<tr>
<td>Subcontract expenses</td>
<td>(51.3) 1,848.8</td>
<td>(52.4) 2,158.6</td>
<td>117% 309.8</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(22.9) 825.5</td>
<td>(21.5) 887.0</td>
<td>107% 61.5</td>
</tr>
<tr>
<td>Rent expenses</td>
<td>(2.9) 103.4</td>
<td>(2.7) 109.4</td>
<td>106% 6.0</td>
</tr>
<tr>
<td>Depreciation expenses</td>
<td>(7.0) 250.4</td>
<td>(6.7) 276.8</td>
<td>111% 26.4</td>
</tr>
</tbody>
</table>
### Capital expenditures

(Unit: 100 million yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1H</td>
<td>Full year</td>
</tr>
<tr>
<td>Purchased assets*</td>
<td>90.3</td>
<td>223.8</td>
</tr>
</tbody>
</table>

* Based on fixed assets recorded in the balance sheet

### (Ref.) Number of employees*1

(Unit: Person)

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As of Sept. 30, 2021</td>
<td>As of Mar. 31, 2022</td>
</tr>
<tr>
<td>Regular Employees</td>
<td>22,749</td>
<td>22,918</td>
</tr>
<tr>
<td>Part time/temporary/other employees*2</td>
<td>21,843</td>
<td>22,763</td>
</tr>
<tr>
<td>Total</td>
<td>44,592</td>
<td>45,681</td>
</tr>
</tbody>
</table>

*1. Excludes employees of associates accounted for by the equity method
*2. Includes employees who were reemployed after reaching mandatory retirement age
## Reference

### Results by Business Category (estimated)

<table>
<thead>
<tr>
<th></th>
<th>1H of FY2021</th>
<th>1H of FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenues</td>
<td>Adjusted Operating income</td>
</tr>
<tr>
<td><strong>Domestic</strong></td>
<td>1,830</td>
<td>115.3</td>
</tr>
<tr>
<td><strong>Global</strong></td>
<td>447</td>
<td>25.2</td>
</tr>
<tr>
<td><strong>3PL</strong></td>
<td>2,277</td>
<td>140.5</td>
</tr>
<tr>
<td><strong>Domestic</strong></td>
<td>209</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>Global</strong></td>
<td>549</td>
<td>23.7</td>
</tr>
<tr>
<td><strong>Freight Forwarding</strong></td>
<td>758</td>
<td>29.9</td>
</tr>
<tr>
<td><strong>Domestic</strong></td>
<td>261</td>
<td>5.9</td>
</tr>
<tr>
<td><strong>Global</strong></td>
<td>237</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>Automobile</strong></td>
<td>498</td>
<td>10.8</td>
</tr>
<tr>
<td><strong>Other services</strong></td>
<td>67</td>
<td>8.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,601</td>
<td>189.1</td>
</tr>
</tbody>
</table>

(Unit: 100 million yen)

(Ref.) 1H of FY2022 Results (Breakdown by Business Category)

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

© Hitachi Transport System, Ltd. 2022. All Rights Reserved.
The 2nd Quarter of FY2022
(Ended September 30, 2022)
Financial Results Briefing

Hitachi Transport System, Ltd.