



January 30, 2023

The 3rd Quarter of FY2022 (Ended December 31, 2022) Financial Results Briefing

 **Hitachi Transport System, Ltd.**

3Q 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
- 3Q Topics
(Change in Capital Structure/New Execution Structure/Change in Corporate Name, Solidification of ESG Management Base)



3Q of FY2022 Results (Overview)

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

	FY2021		FY2022		
	3Q (9 months)		3Q (9 months)		
	Results	Results	YoY		
			%	Change	
Revenues	5,514	6,180	112%	+666	
Adjusted operating income	<5.3> 292.5	<6.0> 369.5	126%	+77.0	
EBIT (Earnings before interest and taxes)	<4.8> 266.5	<5.6> 346.5	130%	+80.1	
Net income attributable to stockholders of the parent company	<2.4> 130.5	<3.2> 200.3	153%	+69.8	



3Q 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		
		3Q (9 months)		YoY	3Q (9 months)	YoY	
Organic	Domestic logistics	<49>	2,756	100%	164.3	93%	
	Global logistics	Overseas	2,377	140%	153.3	183%	
		Allocated to domestic companies (freight forwarding and others)	<7>	394	117%	21.4	215%
		Total	<49>	2,772	136%	174.7	187%
	Others (logistics-related businesses, etc.)	<2>	116	106%	12.3	123%	
	Total	<100>	5,644	115%	351.4	126%	
Vantec Group	Domestic logistics	<77>	441	106%	20.9	134%	
	Global logistics (overseas)	<23>	129	124% 50%	3.1	283% 83%	
	Total	<100>	571	85%	24.0	124%	
Consolidated adjustment/amortization of customer-related intangible assets of VANTEC Group, etc.		-	-35	(+16)	-5.9	(+0.5)	
Total	Domestic logistics	<51>	3,178	101%	<48> 178.9	97%	
	Global logistics	Overseas	2,506	128%	<42> 156.9	180%	
		Allocated to domestic companies (freight forwarding and others)	<6>	393	121%	<6> 21.4	215%
		Total	47%	2,899	127%	48% 178.3	183%
	Others (logistics-related businesses, etc.)	<2>	103	105%	<3> 12.3	123%	
	Total	<100>	6,180	112%	<100> 369.5	126%	

*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.



3Q of FY2022 Results (Detail of Variations for Revenues)

Revenues (Results)

(100 million yen)

- Expansion of existing operations: +104
- Increase in customer logistics, others: +63

**Environmental/
volume changes, etc.**

+167

5,514

3Q of FY21 → 3Q of FY22

- USD: ¥ 111 → ¥137
- EUR: ¥ 131 → ¥141
- CNY: ¥ 17.3 → ¥19.9

**Effect of exchange
fluctuation**

+297

**New orders
+170**

- Domestic: +61
- Global: +109

**New
collaborative
innovation**

+31

+201

6,180

+666

	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	64	-110	-46		61	24	38
Global	40	169	209	297	109	7	622
Others		4	4			1	5
Total	104	63	167	297	170	31	666

3Q (9 months) of FY2021 (Results)

3Q (9 months) of FY2022 (Results)

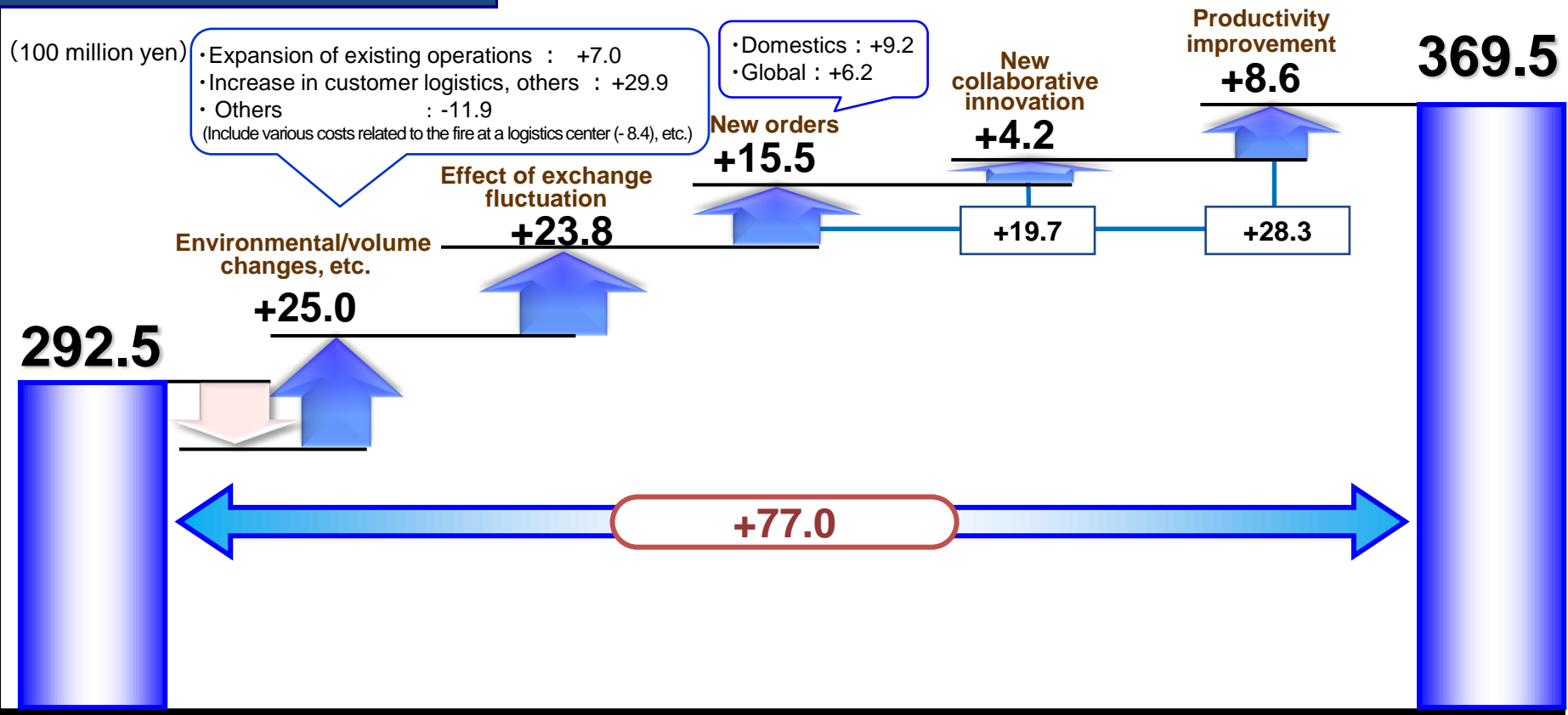
3Q of FY2022 Results (Detail of Variations for Adjusted Operating Income) **LOGISTEED**

Adjusted operating income (results)

(100 million yen)

- Expansion of existing operations : +7.0
 - Increase in customer logistics, others : +29.9
 - Others : -11.9
- (Include various costs related to the fire at a logistics center (- 8.4), etc.)

- Domestic : +9.2
- Global : +6.2



3Q (9 months) of FY2021 (Results)

3Q (9 months) of FY2022 (Results)

3Q 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	
	3Q (9 months)	3Q (9 months)	Y o Y	3Q (9 months)	3Q (9 months)	Y o Y
North America	421	637	151%	9.8	30.3	309%
Europe* ¹	625	888	142%	37.3	74.6	200%
Asia* ²	445	548	123%	26.1	35.8	137%
China	467	434	93%	21.8	22.8	104%
Consolidated adjustment, etc.	-5	-1	(+4) 100Million yen	-7.7	-6.6	(+1.0) 100Million yen
Total	1,953	2,506	128%	<4.5%> 87.3	<6.3%> 156.9	180%

*¹ Including Turkey

*² Including Oceania and others


(Ref.) 3Q of FY2022 Results (Breakdown by Business Category) **LOGISTEED**
Reference**Results by Business Category (estimated)**

(Unit: 100 million yen)

		3Q of FY2021			3Q of FY2022		
		Revenues	Adjusted operating income	Adjusted operating margin	Revenues	Adjusted operating income	Adjusted operating margin
	Domestic	2,758	177.0	6.4% (6.5%)	2,771	167.2	6.0% (6.1%)
	Global	684	41.3	6.0% (6.5%)	951	70.0	7.4% (7.7%)
	3PL	3,442	218.3	6.3% (6.5%)	3,722	237.2	6.4% (6.5%)
	Domestic	323	9.5	2.9% (4.0%)	389	20.7	5.3% (6.2%)
	Global	905	41.0	4.5% (4.7%)	1,006	63.4	6.3% (6.5%)
	Freight forwarding	1,228	50.5	4.1% (4.5%)	1,395	84.1	6.0% (6.4%)
	Domestic	387	6.9	1.8% (3.5%)	416	13.0	3.1% (4.7%)
	Global	360	4.3	1.2% (1.3%)	545	21.9	4.0% (4.1%)
	Automobile	746	11.2	1.5% (2.4%)	961	34.9	3.6% (4.3%)
Other services		98	12.6	12.8% (12.8%)	102	13.4	13.1% (13.1%)
Total		5,514	292.5	5.3%	6,180	369.5	6.0%

(): Excluding amortization of customer-related intangible assets

Change in capital structure

- **Nov. 30, 2022: Tender offer by HTSK Co., Ltd. was completed** (HTSK Co., Ltd. obtained approx. 51%* and became the parent company)
* Voting rights ratio
- **Dec. 27, 2022: Determination on share consolidation, etc.**
(Extraordinary shareholders' meeting is scheduled on Feb. 2, 2023)
- **Jan. 25, 2023: Resolutions on capital increase through third-party allotment, capital reduction, etc.**
(Subject to the condition that resolutions on share consolidation, etc. are approved and take effect)
- **Feb. 28, 2023: Share consolidation takes effect (planned)**
- **Mar. 1, 2023: Capital increase/reduction and acquisition of treasury shares (planned)**

New execution structure

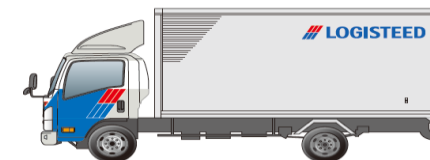
- **Effective April 1, 2023: New execution structure (unofficial decision)**
 - Organization structure: A company with company auditors (planned)
 - Officers: Directors, company auditors, executive officers, operating officers
 - No change in Chairman (CEO)/President (COO)
- * Following the shift to a company with board of company auditors effective March 1, 2023, all officers as of February 28 will become executive officers on March 1.

Change in corporate name · LOGISTEED brand <current status>

- Corporate name will be changed to “LOGISTEED, Ltd.” on April 1, 2023



- Corporate logo is being replaced to “LOGISTEED” in Japan and overseas (logistics centers, vehicles, etc.)

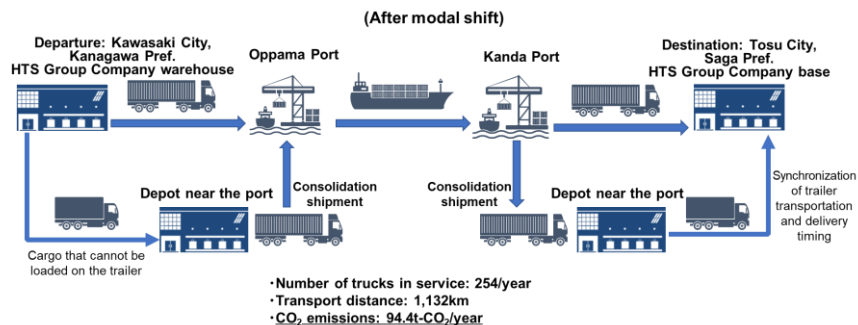


Received the “Award of Modal Shift Initiative Excellent Business Operator (new development category)” (November 2022)

■ Outline of the initiatives

Realize modal shift enabling flexible response

- Modal shift from truck transportation to trailer/coastal transportation (Use coastal vessels from Oppama Port to Kanda Port rather than using trailer transportation from Kawasaki to Tosu)
- Use consolidated transportation to flexibly meet customers’ logistics needs



■ Improvement effect

- CO₂ emissions Down by 71%
- Number of vehicles Down by 24%
- Drivers’ driving hours Down by 83%

Received “Green Logistics Partnership Conference Special Award” at Excellent Logistics Partnership Commendation program 2022 (December 2022)

■ Outline of the initiatives

“Improve efficiency of the entire logistics process from upstream to downstream to reduce environmental/labor burden and improve sustainability — improve efficiency of BtoB small and medium-sized delivery network by establishing mother centers — ”

■ Co-winner business operators

Ezaki Glico Co., Ltd., Glico Channel Create, Inc., suppliers, and HTS

■ Improvement effect

- Number of vehicles Down by 94%
- CO₂ emissions Down by 61%

Received “A-” in CDP Climate Change Report for three consecutive year (December 2022)

■ Received “**leadership level**” score of “**A-**” in CDP Climate Change Report 2022 for three consecutive year

■ Score band: Eight grades (from “D- (lowest)” to “A (highest)”) ”

*Only two domestic land transportation companies including HTS received “A-” or better

• In recognition that we identify “Contribute to decarbonized society” as one of our material issues and priority items in the business strategy



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Toward New Dimensions

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