



April 28, 2022

FY2021 (Year Ended March 31, 2022) Financial Results Briefing

 **Hitachi Transport System, Ltd.**



I. Summary of FY2021 Results



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

| | FY2020 | | FY2021 | | | | | | |
|---|-------------|--|------------------------|--|--------------------------|------|-------------|---------|------------------------|
| | Results | | Plan (as of Jan.31) | | Results | | Y o Y | | Plan (as of Jan.31) |
| | | | | | | | % | Change | |
| Revenues | 6,524 | | 7,200 | | 7,436 | 114% | +912 | 103% | |
| Adjusted Operating Income | <5.6> 367.1 | | <5.2> 375.0 | | <5.2> 387.0 | 105% | +19.9 | 103% | |
| EBIT (Earnings before interest and taxes) | <6.8> 444.3 | | < - > - | | <4.0> 294.2 | 66% | -150.1 | - | |
| Net income attributable to stockholders of the parent company | <3.5> 228.7 | | < - > - | | <1.8> 135.1 | 59% | -93.6 | - | |
| ROE | 11.8% | | < - > - | | 8.3% | - | (-3.5%) | - | |
| Stock Price | ¥3,720 | | < - > - | | ¥6,720 | 181% | (+ ¥ 3,000) | - | |
| Dividend Per Share | ¥50 | | ¥56 | | ¥56 [*] | 112% | (+ ¥ 6) | (+ ¥ 0) | |

* To be resolved at the Board of Directors meeting in May.



Impact on the Company's earnings and future outlook

1. Impact on the consolidated earnings for the year ended March 31, 2022

- Other expenses (loss by fire): ¥7,294 million (result)
<Major components> Provision of allowance for loss by fire, loss on disposal of fixed assets for assets owned by the Company, etc.
(Loss related to rental properties including costs to dismantle and remove buildings burned, payments to customers and other affected parties that can be reasonably estimated, etc.)
- Other income (insurance proceeds): ¥352 million (result)
<Major components> Insurance for assets owned by the Company, etc.

2. Future outlook

- Shipping, etc.: Secure alternative locations and continue operation. Alternative location will start operation in June 2022.
- Earnings: If the discussion with relevant parties currently underway results in a review of accounting estimates, it may affect the Company's earnings. The amount of insurance proceeds that may be received from other insurance contracts is yet to be determined at this point.

We express our sincere apologies for causing a great deal of inconvenience and concern to our stakeholders.



FY2021 Results (Breakdown by Group)

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

| | | Revenues | | | Adjusted Operating income | | |
|--|---|--|-------|-----------|---------------------------|-----------|----------|
| | | Full year | Y o Y | Full year | Y o Y | | |
| Organic | Domestic logistics | <55> | 3,644 | 99% | 224.0 | 97% | |
| | Global Logistics | Overseas | <35> | 2,334 | 146% | 116.6 | 131% |
| | | Allocated to domestic companies(forwarding and others) | <7> | 465 | 144% | 13.0 | 176% |
| | | Subtotal | <42> | 2,800 | 146% | 129.6 | 135% |
| | Others (logistics-related businesses, etc.) | <2> | 145 | 90% | 13.8 | 115% | |
| Total | | <100> | 6,589 | 114% | 367.3 | 108% | |
| VANTEC group | Domestic logistics | <61> | 557 | 102% | 21.2 | 76% | |
| | Global logistics(overseas) | <39> | 360 | 121% | 8.3 | 140% | |
| | Total | <100> | 917 | 108% | 29.5 | 87% | |
| Consolidated adjustment/amortization of customer-related intangible assets of VANTEC Group, etc. | | - | -69 | (+19) | -9.9 | (-3.2) | |
| Total | Domestic logistics | <56> | 4,172 | 99% | 236.8 | 94% | |
| | Global Logistics | Overseas | <36> | 2,687 | 144% | 123.4 | 129% |
| | | Allocated to domestic companies(forwarding and others) | <6> | 448 | 149% | 13.0 | 176% |
| | | Total | 42% | 3,135 | +9% 145% | 35% 136.4 | +7% 132% |
| | Others (logistics-related businesses, etc.) | <2> | 130 | 87% | 13.8 | 115% | |
| Total | | <100> | 7,436 | 114% | 387.0 | 105% | |

Indicates a ratio of Global logistics.



FY2021 Results (Detail of Variations for Revenues)

FY2021 Revenues (Result)

(100 million yen)

- Expansion of existing operations: +106
- Increase in customer logistics, others: +378 (includes COVID-19 impacts)

Environmental/
volume changes, etc.
+484

FY2020 rate → FY2021 rate

- USD: ¥ 106 → ¥ 112
- EUR: ¥ 124 → ¥ 131
- CNY: ¥ 15.6 → ¥ 17.51

Effect of exchange
fluctuation
+179

- Domestic : +74
- Global : +137

New orders
+ 211

New collaborative
innovation
+39

■ Deviation from the plan released
on January 31: **+236**

- Volume increase in Global logistics

+ 250

7,436

7,200
Plan
(Announced
on January 31)

6,524

+912

| Item | 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 | 90 | - 230 | - 140 | 74 | 25 | - 40 | |
| Global | 16 | 628 | 644 | 179 | 137 | 972 | |
| Others | | - 21 | - 21 | | 1 | - 20 | |
| Total | 106 | 378 | 484 | 179 | 211 | 39 | 912 |

FY2020 (Result)

FY2021 (Result)



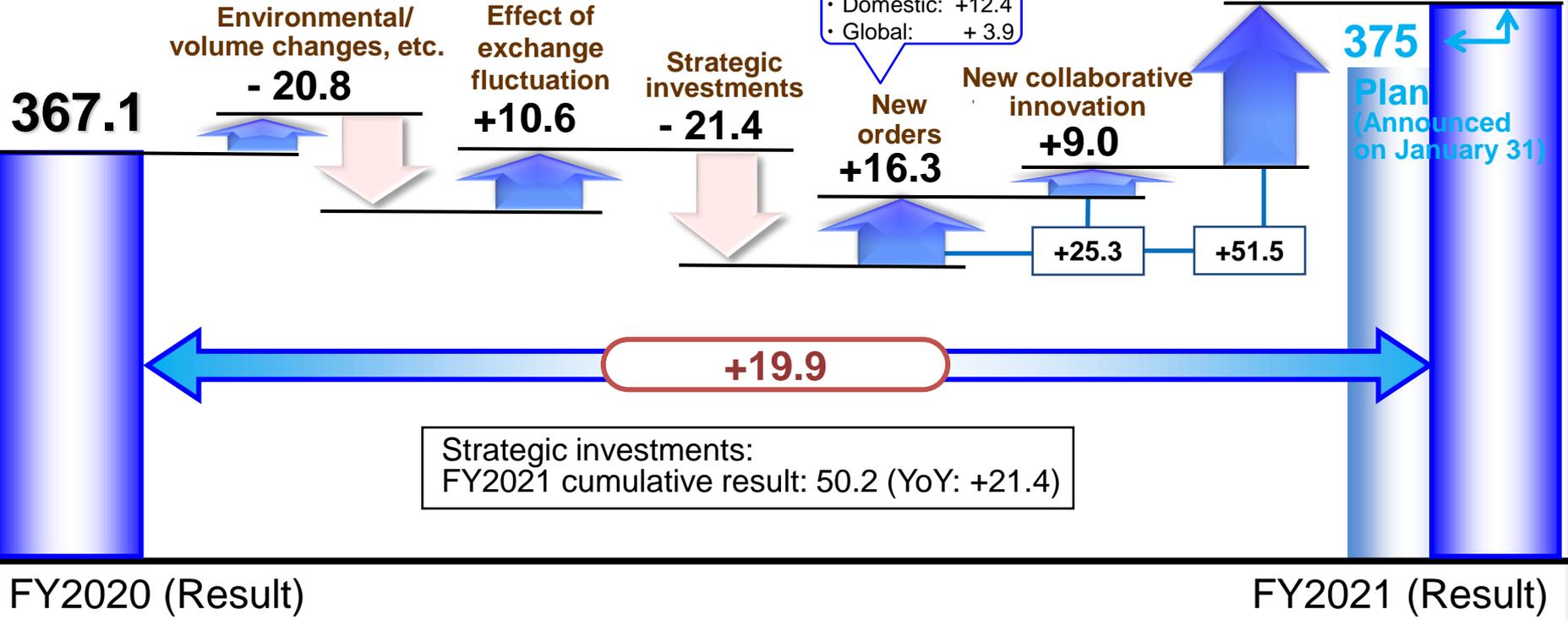
FY2021 Results (Detail of Variations for Adjusted Operating Income) LOGISTEED

Adjusted Operating Income (Result)

(100 million yen)

- Expansion of existing operations : +7.5
- Increase in customer logistics, others : +16.9
(includes COVID-19 impacts)
- Cost increase due to logistics recovery : - 8.6
- Impact of "equal pay for equal work" : - 10.8
- Others : - 25.8
(Include various costs related to the fire at a logistics center (- 6.7))

- Deviation from the plan released on January 31: +12
- Volume increase in Global logistics





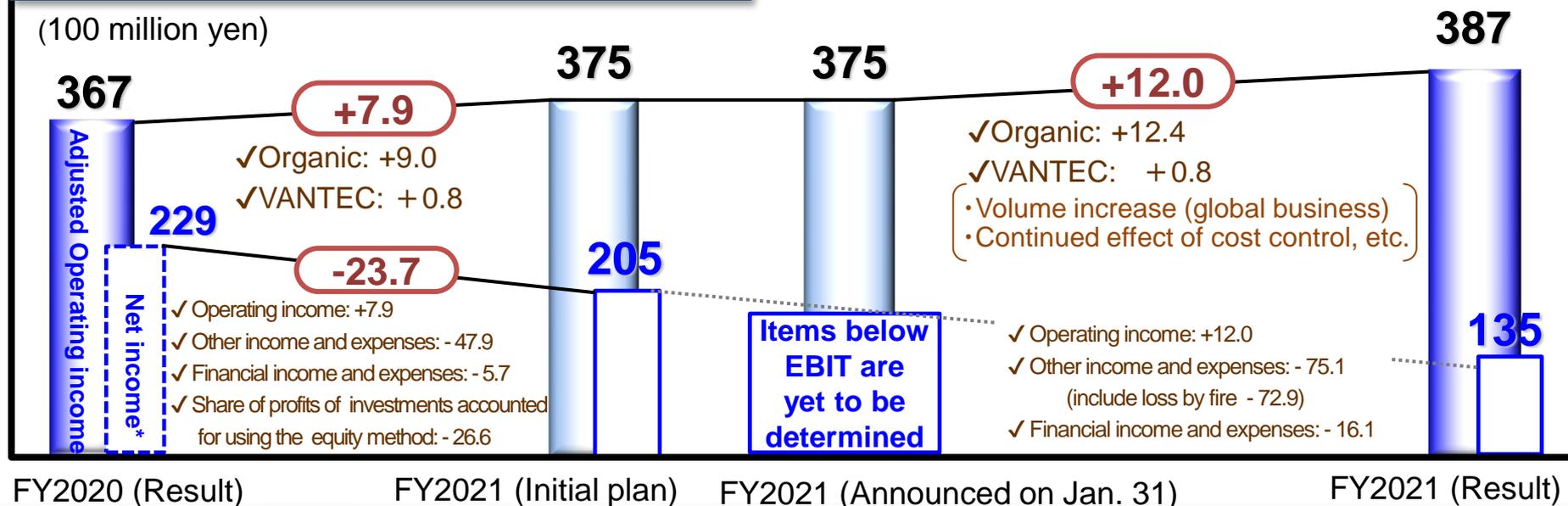
[Revenues] Revised plan: 7,200 → Result: 7,436 (+236) (100 million yen)

[Adjusted operating income] Revised plan 375.0 → Result: 387.0 (+12.0)

Exceeded the plan due to volume increase in Global logistics

Deviation in Adjusted operating income and Net income

(100 million yen)



*Net income attributable to stockholders of the parent company

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

| | | FY2020 | | FY2021 | | | |
|----------|---|----------|---------------------------|----------|-------------------------|---------------------------|---------------------------|
| | | Revenues | Adjusted Operating income | Revenues | Y o Y | Adjusted Operating income | Y o Y |
| Overseas | North America | 417 | 13.2 | 594 | 142% | 15.0 | 114% |
| | Europe * | 628 | 44.8 | 856 | 136% | 54.7 | 122% |
| | Asia(Excluding China) | 390 | 18.0 | 572 | 147% | 34.3 | 191% |
| | China | 411 | 21.6 | 621 | 151% | 28.5 | 132% |
| | Oceania and Others | 47 | 4.7 | 52 | 110% | 3.0 | 65% |
| | Elimination of intra-company transactions, etc. | - 31 | - 6.1 | - 7 | (+24) 100Million yen | - 12.1 | (- 6.0) 100Million yen |
| Total | | 1,862 | <5.2%> 96.0 | 2,687 | 144% | <4.6%> 123.4 | 129% |

* Turkey is treated as a European country.



Supplementary Material

<Financial Position, Cash Flows, etc.>



(Unit: 100 million yen)

| | FY2020 | FY2021 | |
|---|---------------------|---------------------|-------|
| | As of Mar . 31 2021 | As of Mar . 31 2022 | Y o Y |
| (Assets) | | | |
| Current assets | 2,474 | 2,495 | +21 |
| Non-current assets | 5,406 | 5,424 | +18 |
| Total | 7,879 | 7,919 | +39 |
| (Liabilities) | | | |
| Current liabilities | 1,567 | 1,731 | +165 |
| Non-current liabilities | 4,692 | 4,405 | -287 |
| Total | 6,258 | 6,137 | -122 |
| (Equity) | | | |
| Equity attributable to stockholders of the parent company | 1,552 | 1,702 | +150 |
| Non-controlling interests | 69 | 80 | +11 |
| Total | 1,621 | 1,782 | +161 |
| Total liabilities and equity | 7,879 | 7,919 | +39 |

(Unit: 100 million yen)

| | FY2020 | FY2021 | |
|--|---------------|--------------|--------|
| | Full Year | Full Year | YoY |
| Net cash provided by (used in) operating activities | 553 | 651 | +98 |
| Net cash provided by (used in) investing activities | 698 | -249 | -947 |
| Net cash provided by (used in) financing activities | -1,611 | -525 | +1,085 |
| Effect of exchange rate changes on cash and cash equivalents | 18 | 23 | +6 |
| Net increase in cash and cash equivalents | -342 | -99 | +243 |
| Cash and Cash equivalents at beginning of year | 1,390 | 1,048 | -342 |
| Cash and Cash equivalents at end of year | 1,048 | 949 | -99 |

**Financial Indicator etc.**

(Unit: 100 million yen)

| | | FY2020 | | FY2021 | |
|---|-------------------|-------------|----------|-------------|-----------------|
| Total equity attributable to stockholders of the parent company *1 | (100 million yen) | 19.7 | 1,552 | 21.5 | 1,702 |
| Total equity per share attributable to stockholders of the parent company | (Yen) | | 1,854.01 | | 2,033.37 |
| Basic earnings per share attributable to stockholders of the parent company (EPS) | (Yen) | | 240.02 | | 161.47 |
| Return on equity (ROE) | (%) | | 11.8 | | 8.3 |
| Return on assets (ROA) | (%) | | 2.7 | | 1.7 |
| Return on invested capital (ROIC) | (%) | | 4.4 | | 4.6 |
| Price book-value ratio (PBR) | (Ratio) | | 2.01 | | 3.30 |

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

Major Operating Expenses

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

| | FY2020 | | FY2021 | | | |
|-----------------------|-----------|---------|---------------|----------------|-------|---------------|
| | Full Year | | Full Year | | Y o Y | |
| | | | | | % | Change |
| Subcontract Expenses | (48.5) | 3,165.2 | (52.3) | 3,892.8 | 123% | +727.5 |
| Personal Expenses | (24.1) | 1,575.1 | (22.5) | 1,669.4 | 106% | +94.3 |
| Rent Expenses | (2.8) | 181.9 | (2.8) | 209.0 | 115% | +27.1 |
| Depreciation Expenses | (8.0) | 521.6 | (6.8) | 508.3 | 97% | -13.3 |



Capital expenditure

(Unit: Person)

| | FY2020 | FY2021 |
|--------------------|-----------|--------------|
| | Full Year | Full Year |
| Purchased Assets*1 | 240.8 | 223.8 |

*1. Based on fixed assets recorded in the balance sheet.

New orders and startups

(Unit: project)

| | | FY2020 | FY2021 | |
|--------------|----------|-----------|-----------|-----------|
| | | Full year | Full year | YoY |
| New Orders | Domestic | 16 | 14 | -2 |
| | Global | 12 | 7 | -5 |
| | Total | 28 | 21 | -7 |
| New Startups | Domestic | 17 | 13 | -4 |
| | Global | 11 | 9 | -2 |
| | Total | 28 | 22 | -6 |

(Ref.) Number of employees *1

(Unit: Person)

| | FY2020 | FY2021 |
|-------------------------|-----------|-----------|
| | Full Year | Full Year |
| Regular Employees | 22,682 | 22,918 |
| Employees and others *2 | 21,047 | 22,763 |
| Total | 43,729 | 45,681 |

*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)

(Unit: 100 million yen)

| | | FY2020 (Results) | | | FY2021 (Results) | | |
|-----------------------|-------------------|------------------|---------------------------|---------------------------|------------------|---------------------------|---------------------------|
| | | Revenues | Adjusted Operating income | Adjusted Operating margin | Revenues | Adjusted Operating income | Adjusted Operating margin |
| | Domestic | 3,682 | 231.3 | 6.3% (6.3%) | 3,660 | 221.4 | 6.0% (6.1%) |
| | Overseas | 753 | 51.8 | 6.9% (7.4%) | 932 | 54.4 | 5.8% (6.3%) |
| | 3PL | 4,435 | 283.1 | 6.4% (6.5%) | 4,593 | 275.8 | 6.0% (6.1%) |
| | Domestic | 287 | 6.6 | 2.3% (3.8%) | 434 | 12.6 | 2.9% (3.9%) |
| | Overseas | 725 | 27.0 | 3.7% (4.1%) | 1,262 | 59.6 | 4.7% (4.9%) |
| | Forwarding | 1,011 | 33.6 | 3.3% (4.0%) | 1,696 | 72.2 | 4.3% (4.7%) |
| | Domestic | 533 | 18.2 | 3.4% (5.0%) | 520 | 11.4 | 2.2% (3.9%) |
| | Overseas | 392 | 17.5 | 4.5% (4.5%) | 499 | 10.5 | 2.1% (2.2%) |
| | Automobile | 925 | 35.7 | 3.9% (4.8%) | 1,019 | 21.9 | 2.2% (3.0%) |
| Other services | 152 | 14.7 | 9.7% (9.7%) | 129 | 17.0 | 13.2% (13.2%) | |
| Total | 6,524 | 367.1 | 5.6% | 7,436 | 387.0 | 5.2% | |

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



April 28, 2022

FY2021
(Year Ended March 31, 2022)
Financial Results Briefing

 **Hitachi Transport System, Ltd.**



Toward New Dimensions

LOGISTEED