

# Summary of Consolidated Financial Results [IFRS] for the Second Quarter Ended September 30, 2022

October 27, 2022

Listed Company: **Hitachi Transport System, Ltd.**

Stock Exchange: Prime Market of Tokyo

Code Number: 9086

URL: <https://www.hitachi-transportssystem.com/en/>

Representative: Hiroaki Takagi, Representative Executive Officer, President and Chief Operating Officer (COO)

Person in Charge: Tetsuro Taga, General Manager of Public Relations Department, Corporate Strategy Office

Date of the Release of Quarterly Report (Schedule): November 14, 2022

Date of the Start of Dividend Payment (Schedule): –

Creates Supplementary Materials for Quarterly Summaries: Yes

Briefing Held on Quarterly Settlement of Accounts: Yes (for analysts, institutional investors and media)

(Figures are rounded off to the nearest million yen)

## 1. Consolidated Financial Highlights for the Second Quarter Ended September 30, 2022 (April 1, 2022 to September 30, 2022)

### (1) Consolidated Financial Results (Cumulative)

(% indicates the percentage change over year)

	Revenues		Adjusted operating income <sup>*1</sup>		EBIT <sup>*2</sup>		Income before income taxes		Net income		Net income attributable to stockholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2022	412,034	14.4	23,907	26.4	24,786	41.9	22,190	47.3	16,225	67.5	15,086	66.1
September 30, 2021	360,061	17.5	18,910	22.8	17,463	(26.8)	15,061	(28.4)	9,684	(27.9)	9,082	(31.0)

	Basic earnings per share attributable to stockholders of the parent company
	Yen
September 30, 2022	180.26
September 30, 2021	108.52

\*1. [Adjusted operating income] = [Revenues] - [Cost of sales] - [Selling, general and administrative expenses]

\*2. EBIT (Earnings Before Interest and Taxes) = [Income before income taxes] - [Interest income] + [Interest expenses]

### (2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to stockholders of the parent company	Total equity attributable to stockholders of the parent company ratio
	Million yen	Million yen	Million yen	%
September 30, 2022	801,543	200,339	191,449	23.9
March 31, 2022	791,878	178,213	170,170	21.5

## 2. Dividends

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
March 31, 2022	–	28.00	–	28.00	56.00
March 31, 2023	–	0.00	–	–	–
March 31, 2023 (Forecasts)	–	–	–	0.00	0.00

(Note) Revision of the latest dividends forecasts: None

(Note) As stated in the “Announcement of Expression of Opinion in Support of the Scheduled Commencement of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender” and “Notice regarding Dividend Distribution (No Dividend)” released on April 28, 2022 as well as “Announcement of Expression of Opinion in Support of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender” released on October 27, 2022, we do not plan to pay an interim and a year-end dividends for the fiscal year ending March 31, 2023 in light of the commencement of the tender offer by HTSK Co., Ltd. for the Company’s common shares.

## 3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

The Company’s common shares are planned to be delisted through the Transaction including the Tender Offer and a series of procedures scheduled thereafter by HTSK Co., Ltd. as stated in the “Announcement of Expression of Opinion in Support of the Scheduled Commencement of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender” released on April 28, 2022 and “Announcement of Expression of Opinion in Support of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender” released on October 27, 2022. The consolidated financial forecasts for the year ending March 31, 2023 are not disclosed as it is not calculated on the assumption that the company shares will be delisted.

**\* Notes**

- (1) Changes in significant subsidiaries during the term (Change in specified subsidiaries causing changes in scope of consolidation): None
- (2) Changes in accounting policies, accounting estimates
  - (a) Changes in accounting policies required by IFRS: None
  - (b) Changes other than (a) above: None
  - (c) Changes in accounting estimates: None
- (3) Number of shares issued (Common stock)
  - (a) Number of shares at the end of the term (Including treasury stock)
    - As of September 30, 2022: 84,101,714 shares,
    - As of March 31, 2022: 84,101,714 shares
  - (b) Number of treasury stock at the end of the term
    - As of September 30, 2022: 405,878 shares,
    - As of March 31, 2022: 413,230 shares
  - (c) Average number of shares during the term
    - Six Months ended September 30, 2022: 83,690,866 shares,
    - Six Months ended September 30, 2021: 83,688,107 shares

(Note) Quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit corporation.

(Note) Explanation on the appropriate use of financial forecasts and other important items

- The Company's common shares are planned to be delisted through the Transaction including the Tender Offer and a series of procedures scheduled thereafter by HTSK Co., Ltd. as stated in the "Announcement of Expression of Opinion in Support of the Scheduled Commencement of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender" released on April 28, 2022 and "Announcement of Expression of Opinion in Support of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender" released on October 27, 2022. The consolidated financial forecasts for the year ending March 31, 2023 are not disclosed as it is not calculated on the assumption that the company shares will be delisted.
- The supplementary material on financial results will be posted on the Company's website.
- The Company plans to hold a conference call for analysts, institutional investors, and media on October 27, 2022.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

For the second quarter ended September 30, 2022, consolidated financial results of the Hitachi Transport System Group (hereinafter called “the Group”) are as follows.

(Million yen)

	Six Months Ended September 30, 2021	Six Months Ended September 30, 2022	Y on Y change
Revenues	360,061	412,034	114%
Adjusted operating income	18,910	23,907	126%
EBIT	17,463	24,786	142%
Net income attributable to stockholders of the parent company	9,082	15,086	166%

Revenues, adjusted operating income, EBIT, and net income attributable to stockholders of the parent company increased by 14%, 26%, 42%, and 66% year-on-year to ¥412,034 million, ¥23,907 million, ¥24,786 million, and ¥15,086 million, respectively.

Results by business segment during the period are as follows.

#### 【Domestic logistics business】

(Million yen)

	Six Months Ended September 30, 2021	Six Months Ended September 30, 2022	Y on Y change
Revenues	208,924	209,691	100%
Segment profit (Adjusted operating income)	12,305	11,263	92%

Revenues of domestic logistics business remained flat year-on-year at ¥209,691 million.

Segment profit decreased by 8% year-on-year to ¥11,263 million mainly due to the fire at a logistics center of our consolidated subsidiary.

#### 【Global logistics business】

(Million yen)

	Six Months Ended September 30, 2021	Six Months Ended September 30, 2022	Y on Y change
Revenues	144,537	195,309	135%
Segment profit (Adjusted operating income)	5,945	11,885	200%

Revenues of global logistics business increased by 35% year-on-year to ¥195,309 million mainly due to contributions from the freight forwarding business, operation of new projects, and the effect of foreign exchange rate fluctuations.

Segment profit increased by 100% year-on-year to ¥11,885 million mainly due to an increase in revenues, improved profitability, and the effect of foreign exchange rate fluctuations.

#### 【Other services (logistics related businesses)】

(Million yen)

	Six Months Ended September 30, 2021	Six Months Ended September 30, 2022	Y on Y change
Revenues	6,600	7,034	107%
Segment profit (Adjusted operating income)	660	759	115%

Revenues of other services increased by 7% year-on-year to ¥7,034 million.

Segment profit increased by 15% year-on-year to ¥759 million.

## (2) Explanation of Financial Position

### 1) Assets, Liabilities and Net Assets

Total assets as of September 30, 2022 amounted to ¥801,543 million, an increase of ¥9,665 million compared with the end of the previous fiscal year. Current assets decreased by ¥9,054 million due to a decrease of ¥19,743 million in cash and cash equivalents despite increases of ¥6,140 million in trade receivables and contract assets and ¥4,251 million in other financial assets. Non-current assets increased by ¥18,719 million due to increases of ¥10,725 million in property, plant and equipment and ¥6,379 million in right-of-use assets.

Total liabilities as of September 30, 2022 amounted to ¥601,204 million, a decrease of ¥12,461 million compared with the end of the previous fiscal year. Current liabilities decreased by ¥2,816 million due to a decrease of ¥9,980 million in current portion of long-term debt despite an increase of ¥11,664 million in other financial liabilities. Non-current liabilities decreased by ¥9,645 million due to decreases of ¥9,872 million in long-term debt and ¥9,414 million in other financial liabilities despite an increase of ¥6,650 million in lease liabilities.

Total equity as of September 30, 2022 amounted to ¥200,339 million, an increase of ¥22,126 million compared with the end of the previous fiscal year. Total equity attributable to stockholders of the parent company ratio increased from 21.5% at the end of the previous fiscal year to 23.9%.

### 2) Cash flows

Cash and cash equivalents (hereinafter called “cash”) as of September 30, 2022 was ¥75,164 million, a decrease of ¥19,743 million from March 31, 2022.

Cash flows from each activity for the six months ended September 30, 2022 and their significant components are as follows:

Net cash provided by operating activities was ¥36,492 million, an increase of ¥1,436 million from the six months ended September 30, 2021. This is mainly due to increases in cash from depreciation and amortization of ¥27,678 million and recording net income of ¥16,225 million despite a decrease in cash from income taxes paid of ¥7,088 million.

Net cash used in investing activities was ¥16,945 million, an increase of ¥8,216 million compared with the six months ended September 30, 2021. This is mainly due to decreases in cash from purchase of property, plant and equipment and intangible assets of ¥13,760 million and payments into time deposits of ¥9,946 million, despite an increase in cash from proceeds from withdrawal of time deposits of ¥6,543 million.

Net cash used in financing activities was ¥41,011 million, an increase of ¥11,220 million compared with the six months ended September 30, 2021. This is mainly due to decreases in cash from repayments of long-term debt of ¥20,055 million and repayments of lease liabilities of ¥17,378 million.

## (3) Explanation of Future Forecast Information including Consolidated Financial Forecasts

The Company’s common shares are planned to be delisted through the Transaction including the Tender Offer and a series of procedures scheduled thereafter by HTSK Co., Ltd. as stated in the “Announcement of Expression of Opinion in Support of the Scheduled Commencement of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender” released on April 28, 2022 and “Announcement of Expression of Opinion in Support of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender” released on October 27, 2022. The consolidated financial forecasts for the year ending March 31, 2023 are not disclosed as it is not calculated on the assumption that the company shares will be delisted.

The supplementary material on financial results will be posted on the Company’s website.

[URL] <https://www.hitachi-transportssystem.com/en/ir/library/presentations/>

## 2. Summary of Condensed Quarterly Consolidated Financial Statements and Major Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2022	As of September 30, 2022
(Assets)		
Current assets		
Cash and cash equivalents	94,907	75,164
Trade receivables and contract assets	131,862	138,002
Inventories	1,363	1,642
Other financial assets	10,580	14,831
Other current assets	10,758	10,777
Total current assets	249,470	240,416
Non-current assets		
Investments accounted for using the equity method	6,762	7,140
Property, plant and equipment	169,290	180,015
Right-of-use assets	281,265	287,644
Goodwill	25,881	26,909
Intangible assets	21,270	20,869
Deferred tax assets	14,022	14,058
Other financial assets	17,259	17,661
Other non-current assets	6,659	6,831
Total non-current assets	542,408	561,127
Total assets	791,878	801,543

(Million yen)

	As of March 31, 2022	As of September 30, 2022
(Liabilities)		
Current liabilities		
Trade payables	54,561	52,640
Short-term debt	1,114	511
Current portion of long-term debt	20,092	10,112
Lease liabilities	31,926	32,401
Income tax payable	5,385	5,031
Other financial liabilities	22,019	33,683
Other current liabilities	38,044	35,947
Total current liabilities	173,141	170,325
Non-current liabilities		
Long-term debt	120,386	110,514
Lease liabilities	251,343	257,993
Retirement and severance benefits	39,436	39,580
Deferred tax liabilities	7,969	8,686
Other financial liabilities	18,435	9,021
Other non-current liabilities	2,955	5,085
Total non-current liabilities	440,524	430,879
Total liabilities	613,665	601,204
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	16,803	16,803
Retained earnings	145,026	157,373
Accumulated other comprehensive income	9,162	18,071
Treasury stock, at cost	(821)	(798)
Total equity attributable to stockholders of the parent company	170,170	191,449
Non-controlling interests	8,043	8,890
Total equity	178,213	200,339
Total liabilities and equity	791,878	801,543

## (2) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income

## Condensed Quarterly Consolidated Statement of Profit or Loss

(Million yen)

	Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)	Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)
Revenues	360,061	412,034
Cost of sales	(313,850)	(356,879)
Gross profit	46,211	55,155
Selling, general and administrative expenses	(27,301)	(31,248)
Adjusted operating income	18,910	23,907
Other income	822	1,533
Other expenses	(1,774)	(3,615)
Operating income	17,958	21,825
Financial income	53	2,592
Financial expenses	(749)	(42)
Share of profits of investments accounted for using equity method	201	411
Earnings before interest and taxes	17,463	24,786
Interest income	775	366
Interest expenses	(3,177)	(2,962)
Income before income taxes	15,061	22,190
Income taxes	(5,377)	(5,965)
Net income	9,684	16,225
Attributable to:		
Stockholders of the parent company	9,082	15,086
Non-controlling interests	602	1,139

	Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)	Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)
Earnings per share attributable to stockholders of the parent company		
Basic	¥108.52	¥180.26
Diluted	—	—



Condensed Quarterly Consolidated Statement of Comprehensive Income

(Million yen)

	Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)	Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)
Net income	9,684	16,225
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	(481)	76
Remeasurements of defined benefit plans	(66)	286
Share of OCI of investments accounted for using the equity method	1	—
Total items not to be reclassified into net income	(546)	362
Items that can be reclassified into net income		
Foreign currency translation adjustments	293	8,896
Net changes in cash flow hedges	—	(12)
Share of OCI of investments accounted for using the equity method	55	140
Total items that can be reclassified into net income	348	9,024
Other comprehensive income	(198)	9,386
Comprehensive income	9,486	25,611
Attributable to:		
Stockholders of the parent company	8,986	23,983
Non-controlling interests	500	1,628

## (3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Million yen)

Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)							
					Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
	Common stock	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost			
Balance at beginning of year	16,803	236,311	1,861	(99,817)	155,158	6,949	162,107
Changes in equity							
Net income		9,082			9,082	602	9,684
Other comprehensive income			(96)		(96)	(102)	(198)
Dividends		(2,348)			(2,348)	(136)	(2,484)
Transfer to retained earnings		1	(1)		—		—
Acquisition and sales of treasury stock				(1)	(1)		(1)
Cancellation of treasury stock		(99,080)		98,994	(86)		(86)
Share-based remuneration transactions		57		3	60		60
Changes in liabilities for written put options over non-controlling interests		(374)	(28)		(402)	(189)	(591)
Total changes in equity	—	(92,662)	(125)	98,996	6,209	175	6,384
Balance at end of period	16,803	143,649	1,736	(821)	161,367	7,124	168,491

(Million yen)

Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)							
					Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
	Common stock	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost			
Balance at beginning of year	16,803	145,026	9,162	△821	170,170	8,043	178,213
Changes in equity							
Net income		15,086			15,086	1,139	16,225
Other comprehensive income			8,897		8,897	489	9,386
Dividends		(2,348)			(2,348)	(160)	(2,508)
Acquisition and sales of treasury stock				(3)	(3)		(3)
Share-based remuneration transactions		(21)		26	5		5
Changes in liabilities for written put options over non-controlling interests		(370)	12		(358)	(621)	(979)
Total changes in equity	—	12,347	8,909	23	21,279	847	22,126
Balance at end of period	16,803	157,373	18,071	(798)	191,449	8,890	200,339

## (4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)	Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Net income	9,684	16,225
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	25,036	27,678
Income taxes	5,377	5,965
Share of profits (losses) of investments accounted for using equity method	(201)	(411)
Loss by fire	—	2,650
Insurance proceeds	(21)	(387)
Gain on sale of property, plant and equipment	(57)	(97)
Interest and dividends income	(828)	(427)
Interest expenses	3,177	2,962
(Increase) decrease in trade receivables and contract assets	4,873	(1,150)
(Increase) decrease in inventories	(108)	(229)
Increase (decrease) in trade payables	(2,479)	(4,263)
Increase (decrease) in retirement and severance benefits	1,565	67
Decrease in other assets and liabilities	(6,791)	(2,053)
Other	842	159
Subtotal	40,069	46,689
Interest and dividends received	914	612
Interest paid	(3,116)	(2,913)
Fire-related payments	—	(1,195)
Insurance proceeds received	21	387
Income taxes paid	(2,832)	(7,088)
Net cash provided by operating activities	35,056	36,492
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(8,974)	(13,760)
Proceeds from sale of property, plant and equipment and intangible assets	385	249
Proceeds from sale of investments in associates	14	—
Payments into time deposits	(359)	(9,946)
Proceeds from withdrawal of time deposits	382	6,543
Payments for acquisition of businesses	—	(131)
Other	(177)	100
Net cash used in investing activities	(8,729)	(16,945)

	Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)	Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)
Cash flows from financing activities		
Decrease in short-term debt, net	(350)	(728)
Repayments of long-term debt	(10,204)	(20,055)
Repayments of lease liabilities	(16,473)	(17,378)
Dividends paid to stockholders of the parent company	(2,348)	(2,348)
Dividends paid to non-controlling interests	(136)	(160)
Acquisition of treasury stock	(1)	(3)
Other	(279)	(339)
Net cash used in financing activities	(29,791)	(41,011)
Effect of exchange rate changes on cash and cash equivalents	218	1,721
Net increase (decrease) in cash and cash equivalents	(3,246)	(19,743)
Cash and cash equivalents at beginning of period	104,815	94,907
Cash and cash equivalents at end of period	101,569	75,164

(5) Summary of Notes to the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

None

(Additional Information)

(Impact of the spread of the novel coronavirus infection)

We believe COVID-19 has only a limited impact in terms of valuation of the Group's assets as of September 30, 2022. However, if a significant change in the situation regarding the spread of COVID-19 further increases uncertainty, we may need to review the carrying amount of assets or liabilities after the third quarter ending December 31, 2022.

(Fire at our consolidated subsidiary)

On November 29, 2021, a fire broke out at a logistics center at Maishima Sales Office of Hitachi Transport System West Japan Co., Ltd., one of our consolidated subsidiaries, and was put out on December 4, 2021.

Provision for loss by fire as of March 31, 2022 was ¥6,423 million and included loss related to rental properties such as costs to dismantle and remove buildings burned, and the payments to customers and other affected parties that can be reasonably estimated. Provision for loss by fire as of September 30, 2022 was ¥6,067 million, and major changes from March 31, 2022 include an increase of ¥1,471 million due to additional recognition of provision, a decrease of ¥737 million due to payments to customers and other affected parties, and a decrease of ¥1,090 million due to the reclassification to other payables.

In addition, during the six months ended September 30, 2022, the Company recorded ¥313 million of various costs arising from alternative transportation in cost of sales and ¥2,650 million of "Loss by fire," including additional recognition of provision for loss by fire of ¥1,471 million mentioned above, in other expenses. Insurance money related to the fire the amount of which is fixed of ¥380 million was recorded as insurance proceeds in other income, but the impact of the insurance money still in processing on the Company's condensed quarterly consolidated financial statements in future periods is not yet to be determined at this point.

The Company is now discussing the payments, etc. related to the fire with the relevant parties, and because some of the effects stated above were calculated based on the best estimate using the information available to us at this point, in the case where it becomes necessary to review the accounting estimates as the discussion progresses, it may have an impact on the Company's condensed quarterly consolidated financial statements in future periods.

## (Segment Information)

Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)

(Million yen)

	Reportable segment			Other services <sup>1</sup>	Total	Adjustments and eliminations <sup>2</sup>	Amount recorded in consolidated financial statements
	Domestic logistics	Global logistics	Subtotal				
Revenues							
Revenues from outside customers	208,924	144,537	353,461	6,600	360,061	—	360,061
Revenues from intersegment transactions or transfers	—	—	—	8,450	8,450	(8,450)	—
Total	208,924	144,537	353,461	15,050	368,511	(8,450)	360,061
Segment profit	12,305	5,945	18,250	660	18,910	—	18,910
Other income							822
Other expenses							(1,774)
Financial income							53
Financial expenses							(749)
Share of profits of investments accounted for using the equity method							201
Interest income							775
Interest expenses							(3,177)
Income before income taxes							15,061

Note: 1. "Other services" includes information system development, service, sale and maintenance of motor vehicles which are excluded from the reportable segments.

2. Company-wide expenses which do not belong to any business segment such as corporate general administration expenses incurred in the parent company are allocated to each business segment in accordance with a rational basis.

## Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(Million yen)

	Reportable segment			Other services <sup>1</sup>	Total	Adjustments and eliminations <sup>2</sup>	Amount recorded in consolidated financial statements
	Domestic logistics	Global logistics	Subtotal				
Revenues							
Revenues from outside customers	209,691	195,309	405,000	7,034	412,034	—	412,034
Revenues from intersegment transactions or transfers	—	—	—	10,516	10,516	(10,516)	—
Total	209,691	195,309	405,000	17,550	422,550	(10,516)	412,034
Segment profit	11,263	11,885	23,148	759	23,907	—	23,907
Other income							1,533
Other expenses							(3,615)
Financial income							2,592
Financial expenses							(42)
Share of profits of investments accounted for using the equity method							411
Interest income							366
Interest expenses							(2,962)
Income before income taxes							22,190

Note: 1. "Other services" includes information system development, service, sale and maintenance of motor vehicles which are excluded from the reportable segments.

2. Company-wide expenses which do not belong to any business segment such as corporate general administration expenses incurred in the parent company are allocated to each business segment in accordance with a rational basis.

## (Significant Subsequent Events)

### (Tender Offer)

Regarding the tender offer by HTSK Co., Ltd. (the “Tender Offeror”) for the common shares of the Company (the “Company Shares”) (the “Tender Offer”) as stated in the “Announcement of Expression of Opinion in Support of the Scheduled Commencement of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender” released on April 28, 2022, we were notified on October 21, 2022 that the Tender Offeror plans to commence the Tender Offer on October 28, 2022. In light of this notification, the Company, at the Board of Directors’ meeting held on October 27, 2022, resolved once again to express its opinion supporting the Tender Offer and to recommend that the Company’s shareholders tender their Shares in the Tender Offer. Please refer to “Announcement of Expression of Opinion in Support of the Tender Offer by HTSK Co., Ltd. for the Shares of Hitachi Transport System, Ltd., and Recommendation of Tender” released on October 27, 2022 for details.

The above-mentioned board resolution was made on the assumption that the Tender Offeror intends to acquire all the Company Shares and that the Company Shares are planned to be delisted through the Tender Offer and a series of procedures scheduled thereafter.

#### 1. Overview of the Tender Offeror

[1] Name	HTSK Co., Ltd.
[2] Location	Meiji Yasuda Life Insurance Building 11F, 2-1-1 Marunouchi, Chiyoda-ku, Tokyo
[3] Name and Title of Representative	Steven Codispoti, Representative Director
[4] Type of Business	Trade and any other business incidental or related to trade
[5] Amount of Capital	5,000 yen
[6] Date of Foundation	April 21, 2022
[7] Major Shareholders and Shareholding Ratio	HTSK Holdings Co., Ltd. (shareholding ratio: 100.00%)
[8] Relationship between the Company and the Tender Offeror	
Capital Relationship	N/A
Personal Relationship	N/A
Transaction Relationship	N/A
Status as a Related Party	N/A

#### 2. Overview of Tender Offer

##### (1) Period

From October 28, 2022 to November 29, 2022 (21 business days)

##### (2) Purchase Price

Common Stock JPY8,913 per share

##### (3) Number of shares to be purchased

Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
50,401,258 Shares	22,443,700 Shares	- Shares