The 1st Quarter of FY2020 (Ended June 30, 2020) Financial Results Briefing

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Overview, Plan(Breakdown by Group), Detail of Variations for Revenues/Operating Income, Topics (Strategic Investments, ECPF, Labor saving technologies, ESG initiatives, etc)
1Q of FY2020
Financial Results
## 1Q of FY2020 Results

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>Y o Y</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>1Q</td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td>Results</td>
<td>%</td>
<td>Change</td>
</tr>
<tr>
<td>Revenues</td>
<td>1,697</td>
<td>1,473</td>
<td>87%</td>
</tr>
<tr>
<td>Operating income</td>
<td>&lt;4.7&gt;</td>
<td>&lt;4.7&gt;</td>
<td>88%</td>
</tr>
<tr>
<td>EBIT (Earnings before interest and taxes)</td>
<td>&lt;5.6&gt;</td>
<td>&lt;7.3&gt;</td>
<td>113%</td>
</tr>
<tr>
<td>Net income attributable to stockholders of the parent company</td>
<td>&lt;2.8&gt;</td>
<td>&lt;4.3&gt;</td>
<td>133%</td>
</tr>
</tbody>
</table>

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

*Operating income in this document represents “Adjusted operating income.”*
## 1Q of FY2020 Results (Breakdown by Group)

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

<table>
<thead>
<tr>
<th></th>
<th>Revenues 1Q</th>
<th>Y o Y</th>
<th>Operating income 1Q</th>
<th>Y o Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic logistics</td>
<td>&lt;68&gt; 902</td>
<td>98%</td>
<td>62.9</td>
<td>116%</td>
</tr>
<tr>
<td>Overseas</td>
<td>&lt;24&gt; 321</td>
<td>74%</td>
<td>12.2</td>
<td>73%</td>
</tr>
<tr>
<td>Allocated to domestic companies (forwarding and others)</td>
<td>&lt;5&gt; 66</td>
<td>79%</td>
<td>-1.2</td>
<td>(-1.6)</td>
</tr>
<tr>
<td>Total</td>
<td>&lt;29&gt; 387</td>
<td>75%</td>
<td>11.1</td>
<td>65%</td>
</tr>
<tr>
<td>Others (logistics-related businesses, etc.)</td>
<td>&lt;3&gt; 39</td>
<td>89%</td>
<td>1.7</td>
<td>40%</td>
</tr>
<tr>
<td>Total</td>
<td>&lt;100&gt; 1,327</td>
<td>90%</td>
<td>75.6</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Vantec Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic logistics</td>
<td>&lt;68&gt; 112</td>
<td>69%</td>
<td>-3.5</td>
<td>(-8.5)</td>
</tr>
<tr>
<td>Overseas</td>
<td>&lt;32&gt; 53</td>
<td>64%</td>
<td>-0.6</td>
<td>(-2.2)</td>
</tr>
<tr>
<td>Total</td>
<td>&lt;100&gt; 166</td>
<td>68%</td>
<td>-4.1</td>
<td>(-10.7)</td>
</tr>
<tr>
<td>Consolidated Adjustment/Amortization of customer-related intangible assets of VANTEC Group, etc.</td>
<td>-</td>
<td>-20</td>
<td>(+5)</td>
<td>-1.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic logistics</td>
<td>&lt;68&gt; 1,009</td>
<td>94%</td>
<td>57.5</td>
<td>101%</td>
</tr>
<tr>
<td>Overseas</td>
<td>&lt;25&gt; 368</td>
<td>72%</td>
<td>11.8</td>
<td>67%</td>
</tr>
<tr>
<td>Allocated to domestic companies (forwarding and others)</td>
<td>&lt;4&gt; 60</td>
<td>79%</td>
<td>-1.2</td>
<td>(-1.6)</td>
</tr>
<tr>
<td>Total</td>
<td>&lt;29&gt; 428</td>
<td>73%</td>
<td>10.6</td>
<td>59%</td>
</tr>
<tr>
<td>Others (logistics-related businesses, etc.)</td>
<td>&lt;2&gt; 36</td>
<td>88%</td>
<td>1.7</td>
<td>40%</td>
</tr>
<tr>
<td>Total</td>
<td>&lt;100&gt; 1,473</td>
<td>87%</td>
<td>69.8</td>
<td>88%</td>
</tr>
</tbody>
</table>
### Summary of Results (Impact of COVID-19)

(Unit: 100 million yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Impact</th>
<th>Details of Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>▲ 32</td>
<td>▲ 6.8 • Decrease in volume due to customer store closures and inbound decrease</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Increasing the volume of daily necessities related customers such as daily</td>
</tr>
<tr>
<td></td>
<td></td>
<td>commodities, medical care, EC, etc.</td>
</tr>
<tr>
<td>North America</td>
<td>▲ 33</td>
<td>▲ 3.5 [North America・Europe・Asia] • Decrease in volume due to decline in customer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>factory operation</td>
</tr>
<tr>
<td>Europe</td>
<td>▲ 25</td>
<td>▲ 6.3 • Decrease in volume due to transportation restrictions</td>
</tr>
<tr>
<td>Asia</td>
<td>▲ 6</td>
<td>▲ 1.5 • Decrease in import/export cargo handling</td>
</tr>
<tr>
<td>China</td>
<td>3</td>
<td>1.4 [China] • Recovery of domestic production and consumption</td>
</tr>
<tr>
<td>Total</td>
<td>▲ 61</td>
<td>▲ 9.9 • Decrease in import/export cargo handling</td>
</tr>
<tr>
<td>VHF*</td>
<td>▲ 9</td>
<td>▲ 2.0 • Decrease in import/export cargo handling</td>
</tr>
<tr>
<td>Other</td>
<td>▲ 2</td>
<td>▲ 0.4 • Delay in project in information system development business</td>
</tr>
<tr>
<td>Subtotal</td>
<td>▲ 104</td>
<td>▲ 19</td>
</tr>
</tbody>
</table>

**Vantec Group**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Impact</th>
<th>Details of Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>▲ 33</td>
<td>▲ 12.1 • Decrease in volume due to production stop at customer factories</td>
</tr>
<tr>
<td>Global</td>
<td>▲ 18</td>
<td>▲ 2.9 • Decrease in volume due to customer factory downtime and transportation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>regulations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Decreased import/export cargo handling (however, production and consumption</td>
</tr>
<tr>
<td></td>
<td></td>
<td>recovered in China)</td>
</tr>
<tr>
<td>Subtotal</td>
<td>▲ 52</td>
<td>▲ 15</td>
</tr>
<tr>
<td>Total (simple sum)</td>
<td>▲ 156</td>
<td>▲ 34 • The above figures are estimates on a business basis (before the impact of IFRS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>reclassification (including lease) and some company-wide cost allocation)</td>
</tr>
</tbody>
</table>

*Abbreviated name of Hitachi Transport System Vantec Forwarding Co., Ltd.

Approximately 0.5 billion yen was recorded for subsidies (mainly overseas) in "other income" in the consolidated statement of income, and approximately 1.3 billion yen for fixed costs associated with non-operation of distribution centers and vehicles in "other expenses" Accounting.
1Q of FY2020 Results (Revenues)

1Q of FY2020 Revenues (Result)

(100million yen)

1,697

-253

1Q of FY2019 Results

1Q of FY2020 Results

Environmental/volume changes

Effect of exchange fluctuation

19/1Q → 20/1Q

-19

USD: ¥110 → ¥108
EUR: ¥123 → ¥118
CNY: ¥16.1 → ¥15.2

Domestic/other: -110
Forwarding/overseas: -159
Expansion of existing operations: +15

<Including>
VANTEC Gr: Domestic: -49
Global: -22

Impact of COVID-19: -156

New collaborative innovation

+8

+49

-224

Domestic -113 11 -101 8 23 6 -64
Global -159 4 -155 -19 0 18 1 -156
Others 3 3 -8 0 -5
Total -269 15 -253 -19 -1 41 8 -224

New Orders

Environmental/volume changes, etc.

Other volume changes

Expansion of existing operations

Subtotal

Effect of exchange fluctuation

Implementation of portfolio strategy

New orders

New collaborative innovation

+8

-253

-224

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1Q of FY2020 Results (Operating income)

Environmental/volume changes

- 19.1

79.4

-9.6

69.8

Impact of COVID-19: -34

- Expansion of existing operations: +0.9
- Cost control: +15.3
- Withdrawal, etc.: -2.6
- Other (COVID-19): -32.7

Effect of exchange fluctuation

-0.7

Implementation of portfolio strategy

-1.5

New Orders

+1.2

New collaborative innovation

+5.7

Productivity improvement

+11.8

Domestic: +3.4

Global: +1.1

1Q of FY2019 Results

1Q of FY2020 Results

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1Q of FY2020 Results (Overseas Results by Region)

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>1Q</td>
<td>Y o Y</td>
<td>1Q</td>
</tr>
<tr>
<td>North America</td>
<td>110</td>
<td>67</td>
<td>60%</td>
<td>2.3</td>
</tr>
<tr>
<td>Europe*1</td>
<td>167</td>
<td>118</td>
<td>70%</td>
<td>11.3</td>
</tr>
<tr>
<td>Asia (excluding China)</td>
<td>101</td>
<td>78</td>
<td>77%</td>
<td>3.6</td>
</tr>
<tr>
<td>China</td>
<td>127</td>
<td>98</td>
<td>78%</td>
<td>1.0</td>
</tr>
<tr>
<td>Oceania and Others</td>
<td>11</td>
<td>13</td>
<td>118%</td>
<td>0.4</td>
</tr>
<tr>
<td>Elimination of intra-company</td>
<td>-9</td>
<td>-6</td>
<td>(+3)</td>
<td>-0.8</td>
</tr>
<tr>
<td>transactions, etc.*2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>507</td>
<td>368</td>
<td>72%</td>
<td>17.7</td>
</tr>
</tbody>
</table>

*1. Turkey is treated as an European country.
*2. Amortization of Customer-related intangible assets of VANTEC Group and adjustment of costs due to non-operation are included in "Elimination of intra-company transactions, etc.”
## 1Q of FY2020: Trend of New Orders/New Startups

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>Y o Y</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>1Q</td>
<td></td>
</tr>
<tr>
<td><strong>Domestic</strong></td>
<td>4</td>
<td>1</td>
<td>-3</td>
</tr>
<tr>
<td><strong>Global</strong></td>
<td>3</td>
<td>2</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7</td>
<td>3</td>
<td>-4</td>
</tr>
<tr>
<td><strong>New Startups</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Domestic</strong></td>
<td>5</td>
<td>4</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Global</strong></td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7</td>
<td>7</td>
<td>0</td>
</tr>
</tbody>
</table>

(Reference 1) New startups 1Q of FY2020

**Domestic:** [EC] EC center operation  
[Foods] Logistics center operation  
[Machine] Logistics operation on factory premises

**Global:** [Education] Logistics center operations / transportation

(Reference 2) The number of new orders of domestic sales division

<Including new projects (both new and old definition), one-time project (Heavy Machinery and Plant Logistics, etc.) and small scale projects>

<table>
<thead>
<tr>
<th></th>
<th>2019.1Q</th>
<th>2020.1Q</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EC</strong></td>
<td>512</td>
<td>503</td>
</tr>
</tbody>
</table>

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1Q of FY2020 Results (Collaborative Innovation)

1Q of FY2020 Promotion status

**Outsourcing of AIT U.S.**

From March 2020 in U.S.

Warehouse management for food manufacturer

From June 2020 in Saitama Pref.

Consolidation/Relocation of Logistics center

From May 2020 in Kanagawa Pref.

**1Q of FY2020 New contributions**

(Unit: 100million yen)

<table>
<thead>
<tr>
<th></th>
<th>Revenues</th>
<th>Operating income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>6</td>
<td>0.9</td>
</tr>
<tr>
<td>Global</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Collaborative Innovation Effect</strong></td>
<td><strong>8</strong></td>
<td><strong>1.2</strong></td>
</tr>
</tbody>
</table>

Collaborative innovation effect with AIT is included in figures above.
### Results by Business Category (estimated)

*(. ): Excluding amortization of customer-related intangible assets.  (Unit: 100 million yen)*

<table>
<thead>
<tr>
<th>Business Category</th>
<th>1Q of FY2019</th>
<th>1Q of FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenues</td>
<td>Operating income</td>
</tr>
<tr>
<td>Domestic</td>
<td>921</td>
<td>53.1</td>
</tr>
<tr>
<td>Global</td>
<td>200</td>
<td>13.5</td>
</tr>
<tr>
<td>3PL</td>
<td>1,121</td>
<td>66.7</td>
</tr>
<tr>
<td>Domestic</td>
<td>76</td>
<td>0.3</td>
</tr>
<tr>
<td>Global</td>
<td>184</td>
<td>1.6</td>
</tr>
<tr>
<td>Forwarding</td>
<td>260</td>
<td>1.9</td>
</tr>
<tr>
<td>Domestic</td>
<td>154</td>
<td>2.9</td>
</tr>
<tr>
<td>Global</td>
<td>117</td>
<td>2.3</td>
</tr>
<tr>
<td>Automobile</td>
<td>270</td>
<td>5.3</td>
</tr>
<tr>
<td>Other services</td>
<td>46</td>
<td>5.6</td>
</tr>
<tr>
<td>Total</td>
<td>1,697</td>
<td>79.4</td>
</tr>
</tbody>
</table>
FY2020 Plan
## FY2020 Plan

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

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2020</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Q</td>
<td>Full year</td>
<td>1 Q</td>
<td>YoY</td>
</tr>
<tr>
<td>Revenues</td>
<td>1,697</td>
<td>6,723</td>
<td>1,473</td>
<td>87%</td>
</tr>
<tr>
<td>Operating income</td>
<td>79.4 &lt;5.0&gt;</td>
<td>334.8</td>
<td>69.8</td>
<td>88% &lt;4.8&gt;</td>
</tr>
<tr>
<td>EBIT (EBIT)</td>
<td>95.0 &lt;5.9&gt;</td>
<td>396.1</td>
<td>107.1</td>
<td>113% &lt;5.9&gt;</td>
</tr>
<tr>
<td>Net income</td>
<td>47.7 &lt;3.2&gt;</td>
<td>216.1</td>
<td>63.3</td>
<td>133% &lt;3.3&gt;</td>
</tr>
<tr>
<td>attributable to stockholders of the parent company</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>8.6%</td>
<td>9.5%</td>
<td>10.7%</td>
<td>(+2.1%)</td>
</tr>
<tr>
<td>Dividend Per share</td>
<td>-</td>
<td>¥43</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
FY2020 Plan (Breakdown by Group)

Organic: Revenues 583.1 billion yen (YoY: -1%)  Operating income 30.9 billion yen (YoY: ±0%)

☑ Domestic: Daily necessities (daily commodities/medical/EC, etc.) are steady and LCM* and machinery/plant are on a recovery trend  * Life cycle management
☑ North America: The automobile industry gradually resumes operations
☑ Europe: Volume gradually recovers in the intermodal business
☑ Asia/China: Production/consumption within the region recover while import/export receives impact of overseas market
☑ VHF: Structural reform continues while volume is expected to recover to a certain level

VANTEC: Revenues 76.1 billion yen (YoY: -20%)  Operating income 1.5 billion yen (YoY: -61%)

☑ Profitability recovers gradually but severe conditions continue
⇒ Transform to a core transport company that supports 3PL (Share human resources/vehicles/facilities across businesses and regions)

【Full-year plan】
Revenues*: 651.0 billion yen (YoY: -3%)  Operating income*: 31.5 billion yen (YoY: -6% )

* Revenues include elimination of intra-company transactions, and operating income includes amortization of customer-related intangible assets of VANTEC Group.
FY2020 Plan (Revenues)

FY2020 Revenues income (Plan)

(100million yen)

-362

-362

Expansion of existing operations: +52
Volume changes/Other: -414
(Including Impact of COVID-19)

6,723

USD: ¥105
EUR: ¥120
CNY: ¥15

-41

Effect of exchange fluctuation

-213

6,510

New collaborative innovation

+30

New orders

+140

Productivity improvement

+170

Environmental/volume changes, etc.

FY2019(Results)

FY2020(Plan)

FY2020

Revenues income

(Plan)

USD

EUR

CNY
## FY2020 Plan (Operating income)

<table>
<thead>
<tr>
<th>FY2020 Operating income (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(100million yen)</td>
</tr>
<tr>
<td>FY2019(Results)</td>
</tr>
<tr>
<td>FY2020(Plan)</td>
</tr>
</tbody>
</table>

- **New collaborative innovation**
  - New orders: +18
  - Productivity improvement: +36

- **Environmental/volume changes, etc.**
  - Effect of exchange fluctuation: -0.8
  - Implementation of portfolio strategy: -0.4
  - Volume changes (Including Impact of COVID-19): -50
  - Other (Work cost increase, Business risk, etc.): -20

- **Expansion of existing operations**: +5
- **Strategic investments**: +10

**FY2020 Plan: 315 million yen**

**FY2020 Plan (Operating income):**

- New orders: +14
- Productivity improvement: +4
- Volume changes (Including Impact of COVID-19): -50
- Other (Work cost increase, Business risk, etc.): -20

- Expansion of existing operations: +5
- Strategic investments: +10
Strategic investments for change/evolution to “LOGISTEED”

- **Smart Warehouse**
- **Transport digital platform**
- **Establish digital business platform**

**Topics: Strategic Investments (Major Initiatives)**

- Strategic investments for change/evolution to “LOGISTEED”

**EC platform center**
- Accelerate implementation of labor-saving technology

**Sophisticate logistics using 5G**
- EC platform center
- Sophisticate logistics using 5G

**Strategic investments**
- FY2020
  - 1Q: ¥550 million*
  - FY2020 forecasts
  - Approx. ¥2,500 million*

* Based on recorded expenses
  - FY2019: ¥550 million (1Q)
  - ¥2,500 million (full-year)

**SAFETY**
- Safety
- Smart
- Vehicle
- 3 solutions

**Digital platform**
- Safety/Quality
- Productivity
- BCP
- SC optimization
- Detect problems
- Berth control
- Sharing
- Drone patrol
- Smart watch
- Face recognition
- Thermal camera
- VR

**SCDV**
- Optimization of supply chain

**Establish digital business platform**
- SCDOS
- Approx. 30%
## Logistics sharing service for EC business operators aimed at establishment of a new business model

### [Acquisition of base cargo]
Acquisition of base cargo including promotion for existing customers

- ✔ 1 existing customer/1 new customer
  - Major health food company, processed food/beverage

- ✔ Enhanced promotion for existing customers
  - Apparel, home appliance service parts, etc.

### [Increase in new orders]
Acquired new orders from approx. 20 companies (as of July 2020)

- ✔ Major customers
  - Cosmetics, health food, processed food, daily commodities, etc.

### [Further sales expansion]
Enhanced recognition of service

- **Expanded new sales channels**
  - ✔ Enhanced non-face-to-face sales activities (marketing automation)
  - ✔ Hold web seminars regularly
  - ✔ Collaboration with collaborative innovation partners/cross-selling

- **Offering competitive price through sharing**
  - **No fixed cost**
  - **Pay-per-use**
    - Can start operation within a month at the shortest

- **Expanded services through collaborative innovation with partners**
  - ✔ Expanded from logistics core service to peripheral services
  - ✔ Increased partners for system linkage (from 3 to 5 companies)

**Expected to be monetized in second half of FY2020**

- Free web seminars are held regularly
  - Information on special website and seminars for HTS smart warehouse

**Annual sales:** approx. ¥1 billion
**Introduction in the existing logistics centers**

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**[Introduction of palletizer]**

- **<Kanagawa>**
  - Will start operation in March 2021
  - Beverage customer
  - Transfer of beverage cases (Pallet → Roll box pallet)

- **<Kyoto>**
  - Will start operation in March 2021
  - Distribution customer
  - In combination with existing shipping conveyors

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**[Introduction of depalletizer]**

- **<Shizuoka>**
  - Will start operation in June 2021
  - Daily commodities/food/beverage customer
  - In combination with existing shipping conveyors and automated warehouse

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**[Introduction of piece picking robot]**

- **<Chiba>**
  - Will start operation in March 2021
  - Sports-related customer
  - In combination with existing rotary piece sorters

- **<Kyoto>**
  - Will start operation in March 2021
  - Distribution customer
  - In combination with existing shipping conveyors

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*Collaborative innovation partner: Mujin, Inc.*
Operation of East Japan II Medical DC

Location: Saitama
Time: Scheduled to start operation in February 2021
(Full-scale operation of new technologies will start in September 2021)

✓ Logistics center conforming to GDP* and using HTS’s operation know-how

* Good Distribution Practice
✓ Find optimum combination of diverse new technologies to achieve high-efficiency operation of the entire logistics center

[New technologies, etc. under consideration for implementation]

Depalletizer
Palletizer
AGV
Automated forklift

Directly receive PL from vertical conveyor
Participated in the UN Global Compact

HTS signed the UN Global Compact and joined the “Global Compact Network Japan” in May 2020

Developed medium-to-long-term environmental target

- **Target for FY2030**
  - CO₂ gross emissions: Cut by 30% compared to base year*¹
- **Stretch target for FY2050**
  - CO₂ gross emissions: Cut by 80% compared to base year*¹

Scope of emission: Energy-related CO₂ emission by the Group through business operation
Type of energy: Electricity, fuel for vehicles, etc.

CO₂ emissions by HTS Group (Japan)

- **Scope:** HTS, domestic group companies
- **Base 2013:** 12.9
- **Target FY2030:** 9.1, -30%
- **Target FY2050 (FY):** 2.6, -80%

*¹: Base year: FY2013

Newly issue an Integrated Report in lieu of the existing Annual Report

- Explain the Group’s value creation process and business model and introduce initiatives for sustainable improvement of corporate value
**Shared Milkrun in North America** *1

Improved transport efficiency and reduced CO₂ and air pollutants through cross-docking and sharing pickup routes

### Estimated Effect

**Reduction of CO₂/NOx emission:** 22%

### The 21st Logistics Environment Awards

**Received “Logistics Environment Special Award”** *2

Improved transport efficiency through development of new dedicated transport container (introduced in container transportation of shredder residue*3)

### Estimated Effect

**CO₂ reduction:** 31.9 tons/month

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*1 Shared Milkrun: Transportation method whereby one truck visits bases of multiple suppliers to collect production parts and deliver them to a production plant

*2 Hosted by Japan Association for Logistics and Transport

*3 Residues after collecting iron and other usable materials from shredded industrial wastes
Will open a place to introduce our initiatives and activities for LOGISTEED at the head office in Kyobashi

**Purpose**

“Share and seek knowledge with partners” and “Accelerate collaborative projects with partners”

- Seminars by partners (Interactive business campus, etc.)
- Multipurpose space
- 270-degree theater room
- Show the logistics centers and good examples
- For IR-DAY/media gatherings, etc.
- Project room
- Scheduled to open in December 2020
- Workspace with partners
The 1st Quarter of FY2020
(Ended June 30, 2020)
Financial Results Briefing

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Toward New Dimensions

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