

News Release

April 1, 2022

Opening remarks by CEO Yasuo Nakatani and COO Hiroaki Takagi at the press conference for the appointment of the new CEO and COO

1. Yasuo Nakatani, Representative Executive Officer, Chairman and Chief Executive Officer (CEO) and Director

As already announced in our news release, the change of our Chief Executive Officer was resolved at the Board of Directors meeting held on January 20, 2022. I am pleased to inform you that we have adopted a new corporate structure as of today, April 1.

First, I have been appointed Representative Executive Officer, Chairman and Chief Executive Officer (CEO), and Director. Mr. Hiroaki Takagi, former Vice President and Executive Officer, Chief Executive for China has been appointed President and Chief Operating Officer (COO) at Hitachi Transport System, Ltd.

Since 2013, I have been managing our company as CEO. I would like to sincerely thank everyone who offered their support and encouragement during my presidency.

Starting today, we will be working on a new medium-term management plan, called LOGISTEED 2024. With this milestone, COO Mr. Takagi and I are determined to carry out our intention to go beyond logistics and lead the business into new areas as expressed in our business concept LOGISTEED. As we work toward our goal, we hope for everyone's continued support.

Under the previous medium-term management plan, LOGISTEED 2021, we worked to solve issues and create value through various forms of collaborative creation. In the process, we identified issues that needed to be addressed in the following medium-term management plan, LOGISTEED 2024. Our goal is to become the leading 3PL company in Asia, and we recognize that there are three hurdles to clear as described below in order to achieve this goal:

1. Evolve into a regional leader in Asia while defending our strong position in Japan
2. Build and strengthen a solid management foundation
3. Take a leadership role in next-generation logistics which will support Society 5.0

In order to accomplish these goals in three years, a number of measures, including M&As, must be implemented simultaneously and speedily. The CEO will be responsible for formulating and deciding management strategies, such as portfolio strategy and capital policy, while the COO will concentrate on maintaining and expanding existing businesses that form the foundation for our sustainable growth and on implementing management strategies. Thus, we will ensure the realization of LOGISTEED 2024.

Here is a brief introduction to President and COO Mr. Takagi. After joining the company, Mr. Takagi was in charge of logistics for manufacturing clients in Ibaraki Prefecture's Hitachinaka area. Subsequently, he gained experience in 3PL sales and operation in the information communication and distribution sectors at our Headquarters Sales and Development Division and in the Tokyo area. In 2016, after serving as president of our domestic land transportation group company, he was appointed to be the Chief Executive for China and returned to Japan this February.

Previously, our business in China found itself under severe business conditions, with deteriorating performance of acquired companies and materializing non-performing loans. Immediately after Mr. Takagi's appointment, we were forced to liquidate and downsize our business. In addition, for the last two years, we have been operating our business amid the COVID-19 pandemic, which has made it even more difficult to receive support staff from Japan.

Under such demanding circumstances, we implemented the consolidation and elimination of several operating companies in China, and introduced automation and labor-saving equipment to improve productivity. We can declare that our immediate business strategy is to implement domestic 3PL automated equipment and value-added operations into our overseas businesses, and that we have already begun so in China.

Future business conditions are unpredictable and are likely to become increasingly difficult. Top management will need to have the ambition and leadership to overcome these adversities and headwinds. In the Chinese history book, "Book of the Later Han," there is a phrase, "You can tell a person's ability by how they face difficulties." We hope you will understand that our Nominating Committee appointed Mr. Takagi for the position of COO by quoting this phrase, based on his excellent management performance in China over the past six years.

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

My name is Hiroaki Takagi, and I will be assuming the position of President and Chief Executive Officer (COO) as of today, April 1.

I am prepared to do my utmost to ensure the sustainable growth of the Hitachi Transport System Group and to enhance its corporate value. I thank you all in advance for your guidance and encouragement.

I spent a long time after joining the company working at a manufacturing client's factory-attached office in the Hitachinaka area of Ibaraki Prefecture. There, I learned that you and customers are always in the same boat, and that trust and work can only be gained by sharing hardships as well as joys together. Since then, this has been my philosophy in sales activities for new 3PL development, in business operations for information and telecommunications facilities and distribution customers in the southern Kanto region, and in my overall company life as the former Chief Executive for China. Moving forward, I intend to continue with this philosophy as well.

Under the business concept LOGISTEED, our group is strengthening its logistics functions, and expanding its business domain through collaborative creation with a range of partners. In Japan and overseas, we have aimed to expand our market share by building a strong business structure with advanced logistics technologies, on-site expertise, and a diverse array of services, which are the source of our group's competitive edge. We will continue to enhance our competitiveness on a global scale and further promote LOGISTEED under the new executive team.

My personal belief in work is "Action is the first step to success." Together with CEO Mr. Nakatani, I would like to create a company that takes action to create opportunities. We look forward to everyone's continued guidance and support.

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