

# News Release

May 27, 2022

## **Enhancement of Reverse Logistics Business in Europe — Acquisition by HTS Group Company, ESA s.r.o. of Reverse Logistics for EC Business Operators —**

Hitachi Transport System, Ltd. (HTS) hereby announces that its group company, ESA s.r.o (ESA) reached an agreement with Vlková Partners s.r.o (VP), a Czech logistics company offering reverse logistics services to EC business operators, to acquire the business from VP.

Having a leading EC business operator in Europe as its customer, VP has expanded its business by undertaking product-return services for the apparel EC business operator against the backdrop of the recent strong e-commerce demand in Europe. While ESA has already undertaken part of VP's services and formed a partnership, it was decided to acquire all of VP's businesses based on the view that reverse logistics will grow even larger. The HTS Group has set forth "Reinforce/expand overseas business" as one of its priority measures in the Mid-term Management Plan LOGISTEED2024 and aims to further develop its business through the business transfer by adding the e-commerce reverse logistics business in Europe as one of the Group's service menus.

The e-commerce market in Europe has become the third largest market just behind China and the U.S. against the backdrop of changes in lifestyles due to COVID-19 and high penetration rate of the Internet and is expected to continue growing. In Europe and the U.S., the e-commerce return rate is high and especially high for apparel, and therefore, the return volume has been increasing in response to the market expansion. As product return management is considered to be one of the key factors in the e-commerce management, and in view of the potential entrance into Eastern Europe with high-cost competitiveness, the reverse logistics business is expected to generate more synergies with the Group's Europe business.

As a result of this business transfer, ESA's reverse logistics processing capacity will increase approximately sixfold by 2024.

### 1. Overview of VP

Company name	Vlková Partners s.r.o
Head office	Stříbro, Czech Republic
Representative	Eva Vlková, Owner and CEO
Business description	(1) Return of apparel products (2) Call centers (3) Data processing

### 2. Date of business transfer

Scheduled to be June 1, 2022

End