

News Release

January 31, 2022

Hitachi Transport System, Ltd.

Recognition of Other Expenses (Loss by Fire) Related to a Fire at a Logistics Center and Revision of Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022

For the nine months ended December 31, 2021, the Company recognized other expenses (loss by fire) related to a fire which occurred at a logistics center of our group company Hitachi Transport System West Japan Co., Ltd. on November 29, 2021.

We also revised the consolidated financial forecasts for the fiscal year ending March 31, 2022 announced on April 28, 2021 as shown below to reflect the consolidated financial results for the nine months ended December 31, 2021 and the future outlook.

1. Recognition of other expenses (loss by fire)

We recognized loss on disposal of fixed assets for property, plant and equipment destroyed or burned in the fire of ¥116 million in other expenses (loss by fire) in the nine months ended December 31, 2021.

2. Consolidated financial forecasts

(1) Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

	Revenues	Adjusted operating income*1	EBIT*2	Income before income taxes	Net income	Net income attributable to stockholders of the parent company	Basic earnings per share attributable to stockholders of the parent company
	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	690,000	37,500	37,200	31,500	21,500	20,500	244.96
Revised forecasts (B)	720,000	37,500	—	—	—	—	—
Change (B-A)	30,000	—	—	—	—	—	
Percentage change (%)	4.3	—	—	—	—	—	
(Ref.) Consolidated results for the fiscal year ended March 31, 2021	652,380	36,711	44,429	39,134	23,954	22,873	240.02

*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) Reason for the revision

For the consolidated financial forecasts for the fiscal year ending March 31, 2022, revenues are expected to exceed the initial forecast mainly due to volume increase in the global logistics. Meanwhile, we left adjusted operating income forecast unchanged considering the recognition of various costs arising from alternative transportation related to the fire during the nine months ended December 31, 2021 and the future outlook although we expect the impact of revenue increase and the profitability improvement in the freight forwarding business to continue.

We have not yet determined the amount of items other than revenues and adjusted operating income as the investigation of the fire is still underway and therefore it is difficult to reasonably estimate when and how much of

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loss by fire will be incurred and the amount of insurance proceeds to be received for our own assets is also yet to be determined. We will disclose them as soon as it becomes possible to calculate the financial forecasts.

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

(Note) The forecasts above are based on the information available to us and projections as of the date of the release of this announcement, and the actual results may differ from these forecasts.

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