



C&F LOGISTICS

FY 2022 1Q

Consolidated financial results

Chilled & Frozen Logistics Holdings Co., Ltd.

■ Operating revenue

28,158 million Yen
(+1.0% YoY)

- ▶ Acquiring new businesses with reorganization of the logistical infrastructure by starting operation of new facilities.
- ▶ Increase in handling volume of products for professional-use due to an increase in opportunities to go out.
- ▶ As for Convenience store logistics, still affected by COVID-19 pandemic, the handling volume remains sluggish due to a decrease in the number of delivery routes and operations as customers reorganized a part of their logistics.

■ Ordinary profit

1,198 million Yen
(-27.2% YoY)

- ▶ Increase in power and fuel costs due to a surge in energy costs such as crude oil prices
- ▶ Increase in total amount of compensation due to 1) the promotion of part-time/temporary employees to full-time/permanent status for employee retention and insourcing, and 2) improved treatment for employees. On the other hand, those promotion contains labor costs for part-time/temporary employees.

* Note : In this document, we express our company name and two main business operating companies (subsidiaries) as follows;
Chilled and Frozen Logistics Co., Ltd.: "CF" MEITO TRANSPORTATION CO., LTD (subsidiary): "MT"
Hutech norin Co., Ltd. (subsidiary) : "HN"

Highlights of consolidated financial results

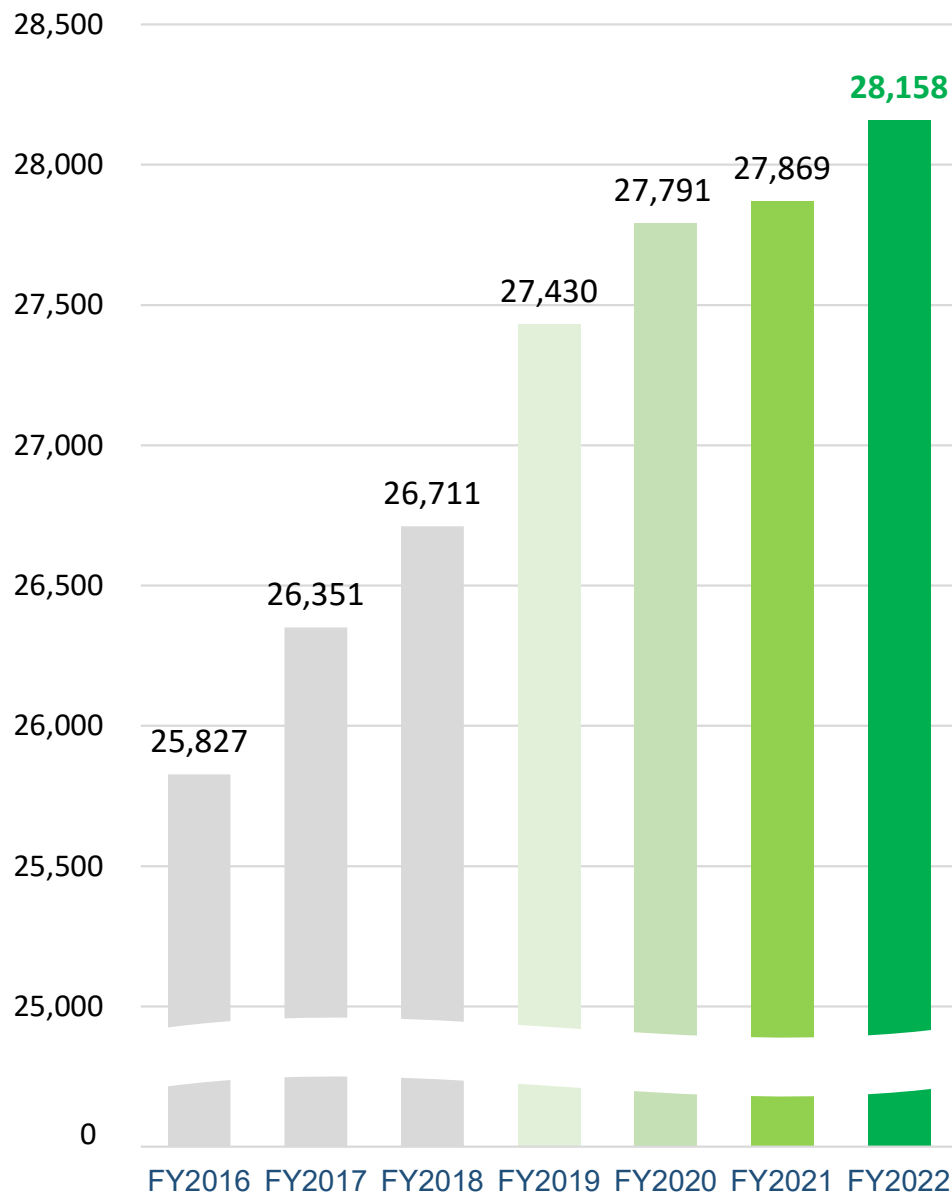
(Unit: Million Yen)

	FY 2021 1Q results		FY 2022 1Q results			
		ratio to operating revenue		Structural ratio	difference	YoY change rate
Operating revenue	27,869	100.0%	28,158	100.0%	288	1.0%
Cost of sales	25,195	90.4%	25,893	92.0%	698	2.8%
Selling, general and administrative expenses	1,027	3.7%	1,066	3.8%	38	3.7%
Operating profit	1,646	5.9%	1,198	4.3%	△ 447	△27.2%
Ordinary profit	1,870	6.7%	1,358	4.8%	△ 512	△27.4%
Profit attributable to owners of parent	1,311	4.7%	854	3.0%	△ 456	△34.8%

Highlights of consolidated financial results

Operating revenue

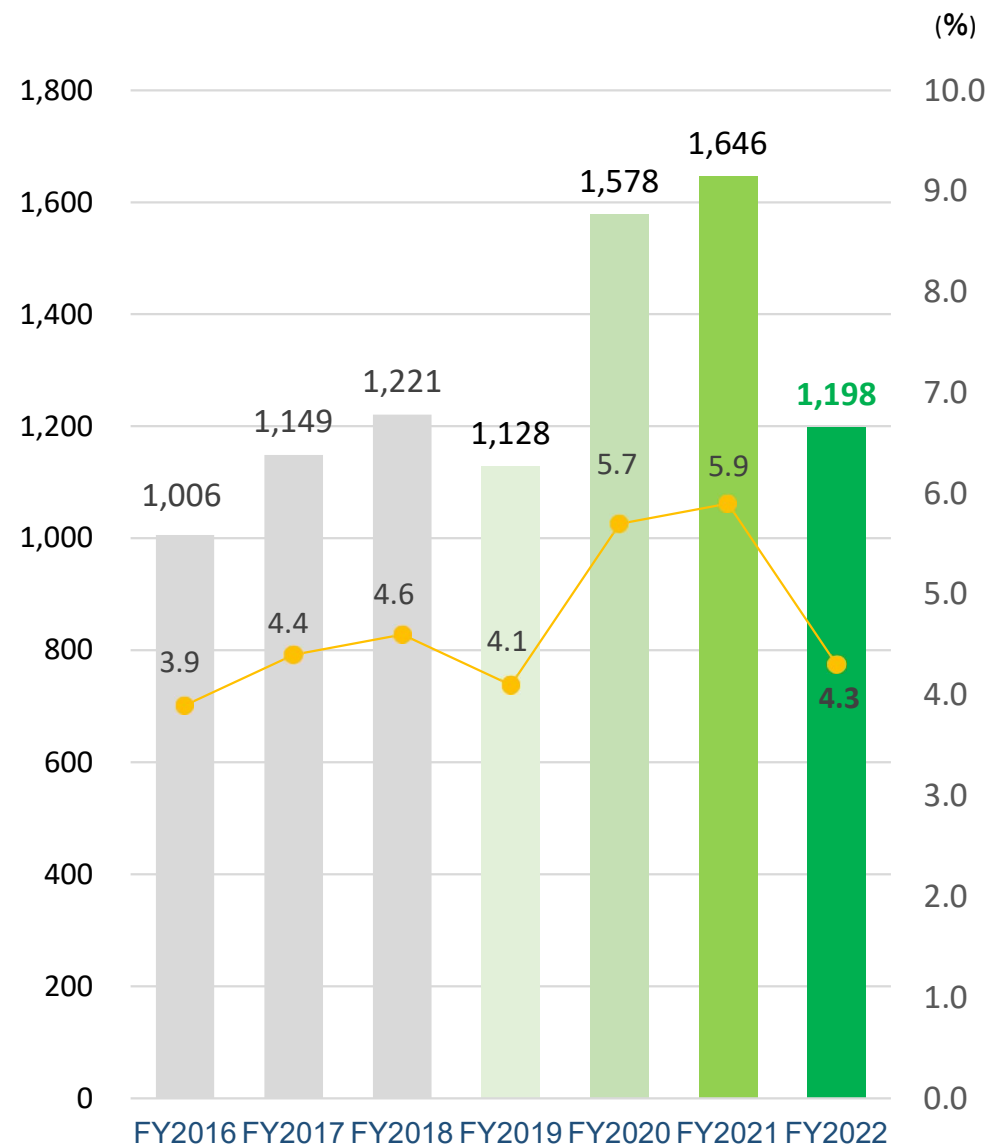
(Unit: Million Yen)



Operating profit

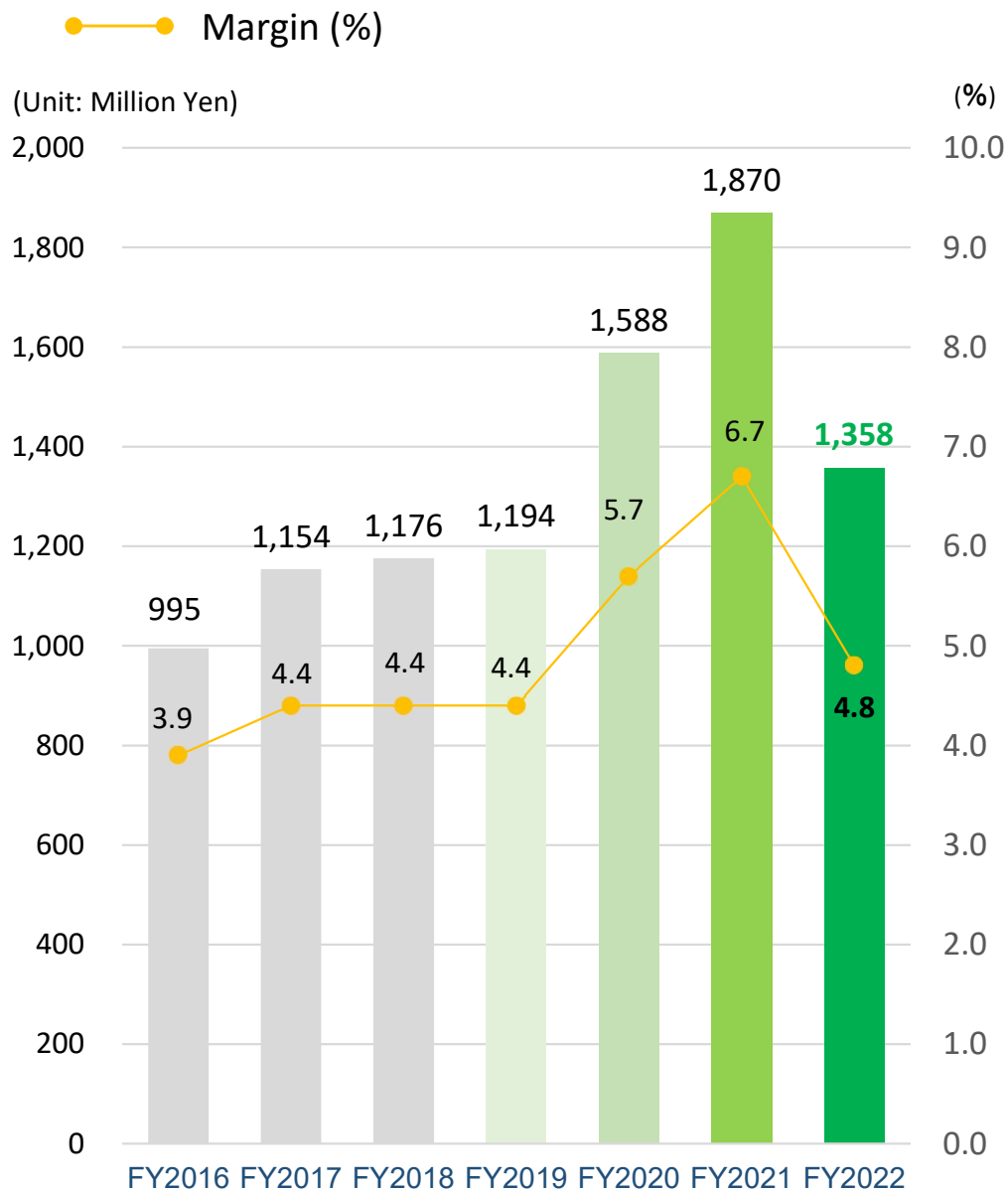
Margin (%)

(Unit: Million Yen)

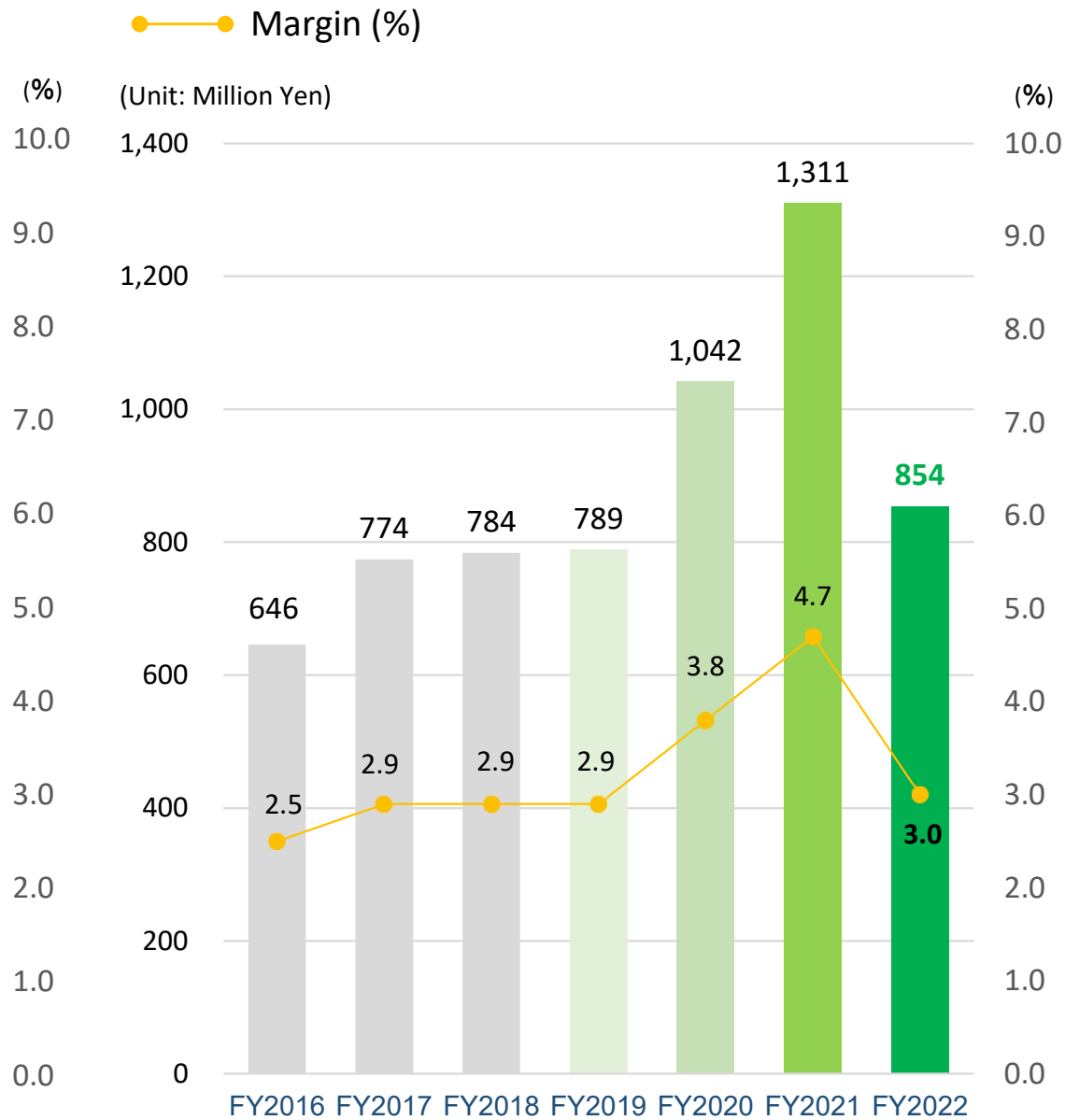


Highlights of consolidated financial results

Ordinary profit



Profit attributable to owners of parent



Operating revenue and profit by reportable segment

(Unit: Million Yen)

		FY 2021 1Q		FY 2022 1Q			Main factors	
			Structural ratio		Structural ratio	Increase / decrease rate		
Transfer Center	Operating revenue	18,029	64.7%	18,099	64.3%	0.4%	increase	<ul style="list-style-type: none"> ▪ acquiring new businesses with the reorganization of the logistical infrastructure by starting operation of new facilities. (Tokyo Metropolitan Center, Okayama Center, etc.)
							decrease	<ul style="list-style-type: none"> ▪ decrease in handling volume of products for chain stores due to the business contraction in some customers. ▪ decrease in handling volume of products for convenience stores due to the reorganization of logistics in some customers.
	Segment profit (Margin)	1,188 6.6%	43.8%	976 5.4%	42.3%	-17.8%		<ul style="list-style-type: none"> ▪ increase in fuel costs due to the surge in crude oil prices ▪ increase in labor costs for the better treatment of employees, including the promotion of part-time/temporary employees to full-time/permanent status
Distribution Center (*)	Operating revenue	9,399	33.7%	9,609	34.1%	2.2%	increase	<ul style="list-style-type: none"> ▪ acquiring new businesses with the reorganization of the logistical infrastructure by starting operation of new facilities. (Chubu Branch 3rd Center, etc.) ▪ increase in handling volume of frozen products for professional-use due to the increase in opportunities to go out.
							decrease	<ul style="list-style-type: none"> ▪ decrease in handling volume of products due to the reorganization of logistics in some customers.
	Segment profit	1,482	54.7%	1,286	55.7%	-13.2%	increase	<ul style="list-style-type: none"> ▪ decrease in labor costs and temporary staffing cost due to the continued promotion of insourcing
	(Margin)	15.8%		13.4%			decrease	<ul style="list-style-type: none"> ▪ increase in power costs due to the rising electricity rate with the surge in crude oil prices
Others (**)	Operating profit	440	1.6%	450	1.6%	2.2%		
	Segment profit (Margin)	38 8.8%	1.4%	46 10.3%	2.0%	19.1%		

(*)"Distribution Center" includes business in Vietnam.

(**)"Others" include "transportation business for cash, bill and valuables", "logistics operation for hospitals", "temporary staffing business" and "insuranceagency business".

Operating revenue by business category

(Unit: Million Yen)

	FY 2021 1Q		FY 2022 1Q				Main factors	
		Structural ratio		Structural ratio	difference	YoY change rate		
Joint delivery (*)	16,371	58.7%	16,596	58.9%	225	1.4%	increase	<ul style="list-style-type: none"> acquiring new businesses with reorganization of the logistical infrastructure by starting operation of new facilities. increase in handling volume of products for professional-use due to the increase in opportunities to go out
							decrease	<ul style="list-style-type: none"> decrease in handling volume of products due to the reorganization of logistics in some customers.
Convenience store logistics	3,740	13.4%	3,711	13.2%	- 28	- 0.8%		<ul style="list-style-type: none"> decrease in the number of delivery routes and operations due to the reorganization of logistics in some customers. handling volume remains sluggish even though that for stores located in business district of a city is gently recovering.
Chain store logistics	3,417	12.3%	3,393	12.1%	- 24	- 0.7%		<ul style="list-style-type: none"> decrease in handling volume of products for chain stores due to the business contraction in some customers.
Wholesaler logistics (**)	2,528	9.1%	2,469	8.8%	- 58	- 2.3%		<ul style="list-style-type: none"> decrease in handling volume of products due to the reorganization of logistics in some customers.
Bonded goods / food processing	720	2.6%	836	3.0%	116	16.2%		<ul style="list-style-type: none"> increase in the demand of repackaging for frozen foods. recovering import volume and therefore handling volume of bonded goods.
Others (***)	1,091	3.9%	1,150	4.1%	58	5.4%		<ul style="list-style-type: none"> increase in handling volume of cosmetics and commodities along with the recovery of economic activities. increase in the revenue in overseas business due to depreciating Yen.
【Total】	27,869	100.0%	28,158	100.0%	288	1.0%		

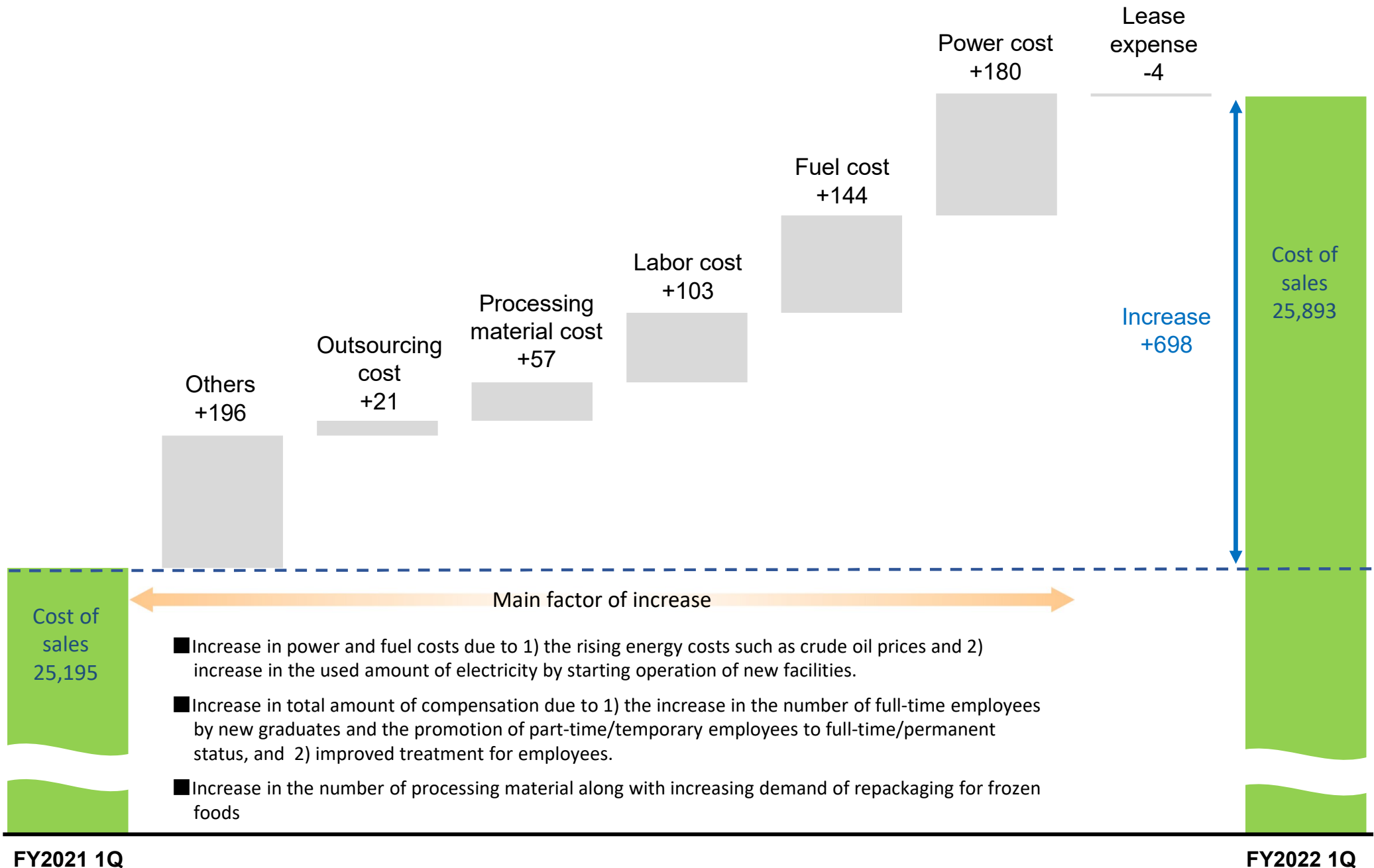
(*)The amount of "Joint delivery" is sum of operating revenue for handling frozen products in HN (Distribution Center segment) and that for handling chilled products in MU (Transfer Center segment).

(**)The amount of "Wholesaler logistics" includes logistics for hospitals in HN.

(***)"Others" includes business in Vietnam.

Analysis of cost of sales

(Unit: Million Yen)



FY2021 1Q

FY2022 1Q

Comparing of the number of employees and vehicles

(1) Comparing number of employees

	End of the previous term (March 31, 2022)	End of the current term (June 30, 2022)	Difference	Main factors
Full-time/ permanent employee (included number of drivers)	5,792 (2,921)	5,986 (2,949)	194 (28)	<ul style="list-style-type: none"> ▪ Recruitment of new graduates (+137) ▪ Promoting part-time/ temporary employees to full-time/ permanent ones.
Part-time/ temporary employee (included number of drivers)	5,742 (1,229)	5,653 (1,204)	- 89 (- 25)	
Total (included number of drivers)	11,534 (4,150)	11,639 (4,153)	105 (3)	

(2) Comparing number of vehicles

	End of the previous term (March 31, 2022)	End of the current term (June 30, 2022)	Difference
Large-sized vehicle	691	695	4
Mid-size vehicle	1,554	1,555	1
Small-sized vehicle	457	456	-1
Cash transport vehicle	126	123	-3
Total	2,828	2,829	1

We create new value in cold chain logistics for food products.



C&F LOGISTICS

※This presentation material was drawn up based on information available as of creation date (August 10, 2022).

Please note that future performance may differ due to a variety of factors.

※This presentation material is intended for understanding financial highlights of our group and it is not for soliciting to buy or sell marketing stock of Chilled & Frozen Logistics Holdings Co., Ltd.

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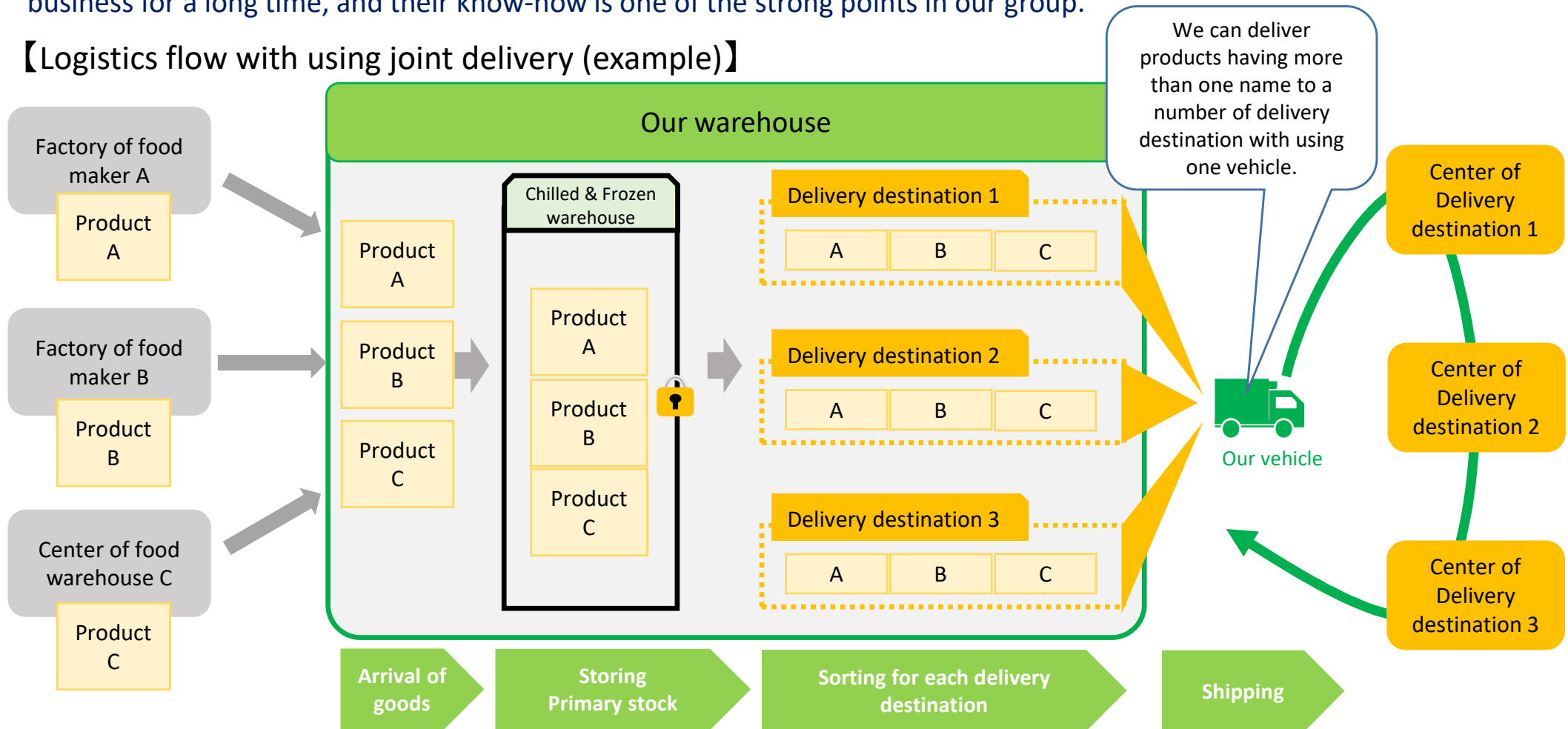
Reference information



Reference information -joint delivery model-

Meito Transportation and Hutech Norin started operationalizing of Joint delivery business in each field of expertise; Chilled and Frozen logistics, prior to other logistics companies. Two companies in our group have engaged in joint delivery business for a long time, and their know-how is one of the strong points in our group.

【Logistics flow with using joint delivery (example)】



If customers deliver their products by themselves ■■■They arrange vehicles and deliver their products to each delivery destination.

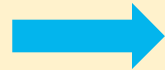
If customers use our service (joint delivery) ■■■They only need to deliver their products to our warehouse.

Benefit from
Joint delivery

- It enables to reduce logistics costs of customers.
- It realizes stable logistics quality by our unified management
- We can cut down on the amount of exhaust with reducing the number of vehicles.

Transfer Center

Operate logistics businesses centered on the delivery of chilled products, 24 hours a day, 7 days a week.



Chilled products has a high turnover ratio because of the short expiration date and we barely have stocks

▶ Joint delivery

Receiving variety of products from various customers and delivering them in mixed loading, destination by destination.

▶ Convenience store logistics

Operating logistics centers of major convenience store chains and making deliveries to their stores

▶ Chain store logistics

Operating logistics centers of chilled and dried products for supermarkets and making deliveries to stores



Tokyo Metropolitan Center of MT

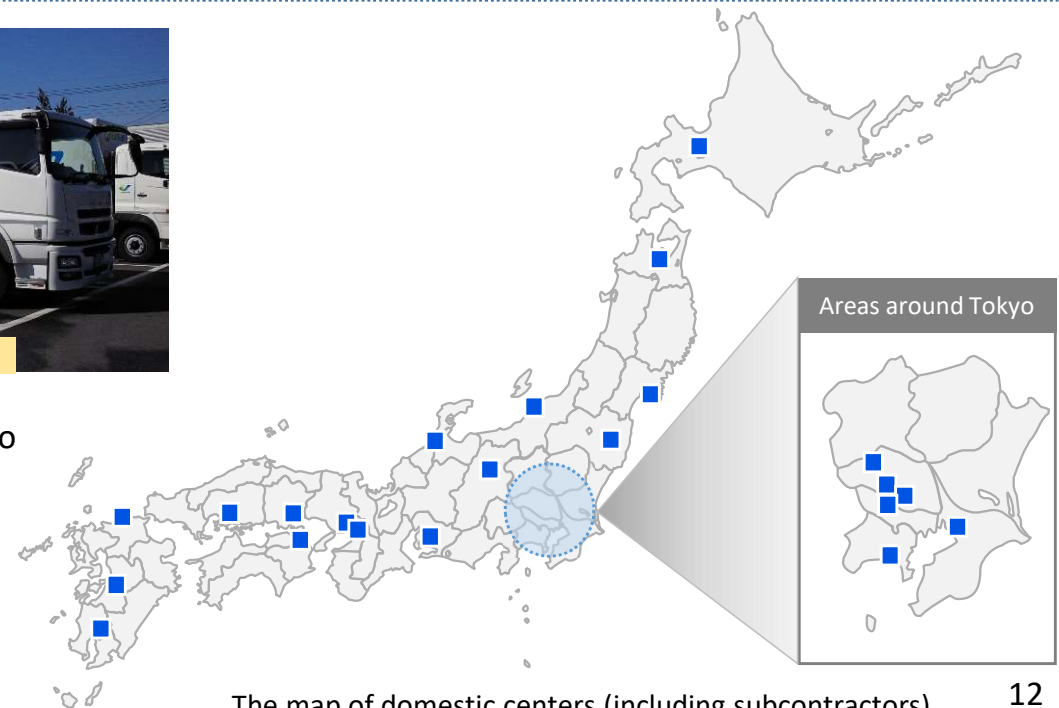


Transportation vehicle of MT

The number of centers 93 centers all over the country centering around Kanto region (except subcontractors)

Main handling products ■ Chilled beverages and desserts for commercial for supermarkets and convenience stores

■ Dried foods for commercial for supermarkets



The map of domestic centers (including subcontractors)

Distribution Center

Mainly operating storing, handling and making deliveries of frozen products integrally
 Operating storing, changing names of owner of products and sorting for each vehicles and delivery destinations of many kinds of cargo in our warehouses and making deliveries with dedicated vehicles

➔ Inventory turnover of frozen products is low because of the long best before date and, therefore we have always a certain number of stock.

- ▶ **Joint delivery** Receiving variety of products from various customers and delivering them in mixed loading, destination by destination.
- ▶ **Logistics operation for hospital** Operating sorting and delivery of feeding service products for 3,300 medical and welfare institutions
- ▶ **repack processing** Processing food products materials such as frozen vegetables into products for household-use in mass-merchant and professional-use in restaurant
- ▶ **Overseas operation (Vietnam)** Operating storage, handling and delivery of raw materials for frozen products in Vietnam ("MEITO VIETNAM CO., LTD.," "T&M TRANSPORTATION CO., LTD.")



Saitama branch of HN

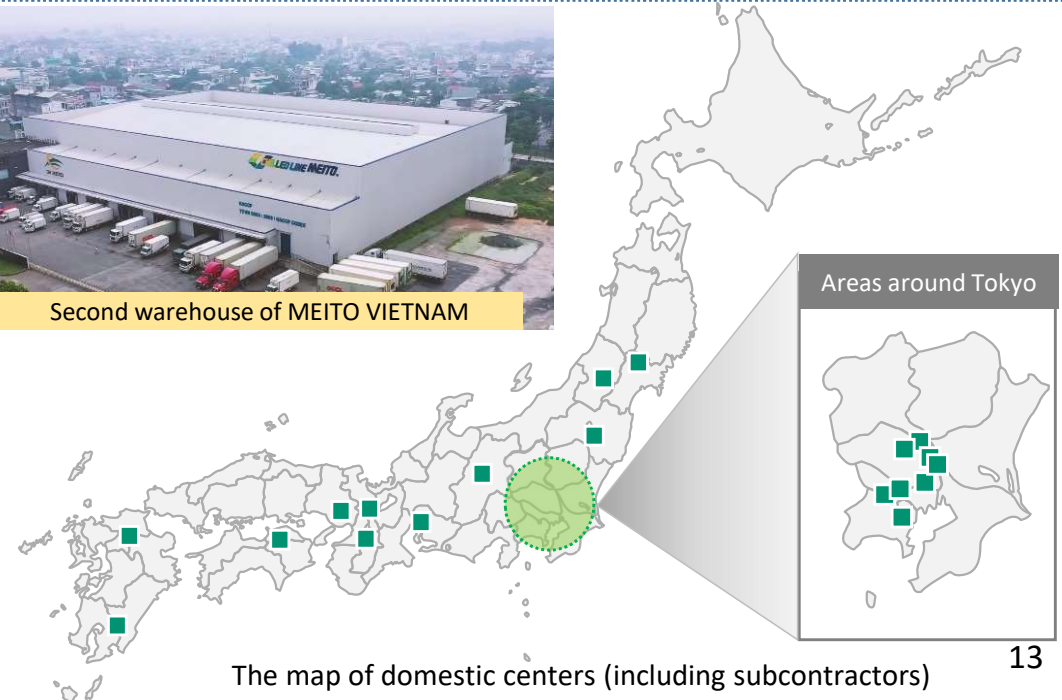


Automatic warehousing system



Second warehouse of MEITO VIETNAM

- The number of centers 28 centers all over the country centering around Kanto region (except Vietnam and subcontractors)
- Main handling products ■ frozen processed products for professional-use for restaurants, hospitals and nursing home
- frozen processed products for commercial for supermarkets and convenience stores



Others

Operating incidental services related to logistics operations except Distribution Center and Transfer Center as main business of us

- ▶ **Transportation of cash and valuables** Operating transportation of cash, important documents such as bill treated in banking establishments in areas around Tokyo
- ▶ **Logistics related to hospitals** Operating delivery and pickup of linen (sheets, towels and white coats) for medical and welfare institutions located in Kanto region including hospitals, nursing home, healthcare centers for elderly and pharmacy
- ▶ **Temporary staffing business** Temp services dedicated to logistics operation such as drivers and workers to inside and outside of group
- ▶ **Insurance agency business** Operating agency business to make a suggestion of insurance products mainly centered on vehicles to employees, their family and customers

etc.....