



C&F LOGISTICS

FY2021 3Q

Consolidated Financial Results

Chilled & Frozen Logistics Holdings Co., Ltd.

Operating revenue

84,447 million Yen
(+0.0% YoY)

Operating revenue was Y84,447 million, broadly flat year over year. This was due to the increase in the sales of DC segments offset by the decrease in the sales of TC segments. The business is still slightly affected by COVID-19 pandemic.

- ▶ Stay-at-home demand, at a peak in the first quarter of previous fiscal year, decreased, and handling volume of chilled and frozen products for household-use decreased, accordingly.
- ▶ The demand for frozen products for business-use bottomed out, and handling volume gradually recovered as economic activities resumed in stages across the nation.
- ▶ Handling volume of products for convenience stores located in CBD has remained sluggish due to the decrease in opportunities to go out and in the number of foreign tourists.

Ordinary profit

4,766 million Yen
(-7.5% YoY)

Ordinary profit was Y4,766 million, a decrease by 7.5% year over year. This was due to the following reasons;

- ▶ Increase in fuel cost due to a surge in crude oil prices
- ▶ Increase in fixed costs related with new large facilities starting operation: “Tokyo Metropolitan center(MU)” and “Hasuda center(HN)”.
- ▶ Decrease in outsourcing cost and suppression of the increase in labor cost due to 1) the continued promotion of in-house operation and 2) decrease in workload with declining stay-at-home demand.
- ▶ Recognition of foreign exchange gains in overseas business with the progress of weakening Yen.

* 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): “MU”
Hutech norin Co., Ltd. (subsidiary) : “HN”

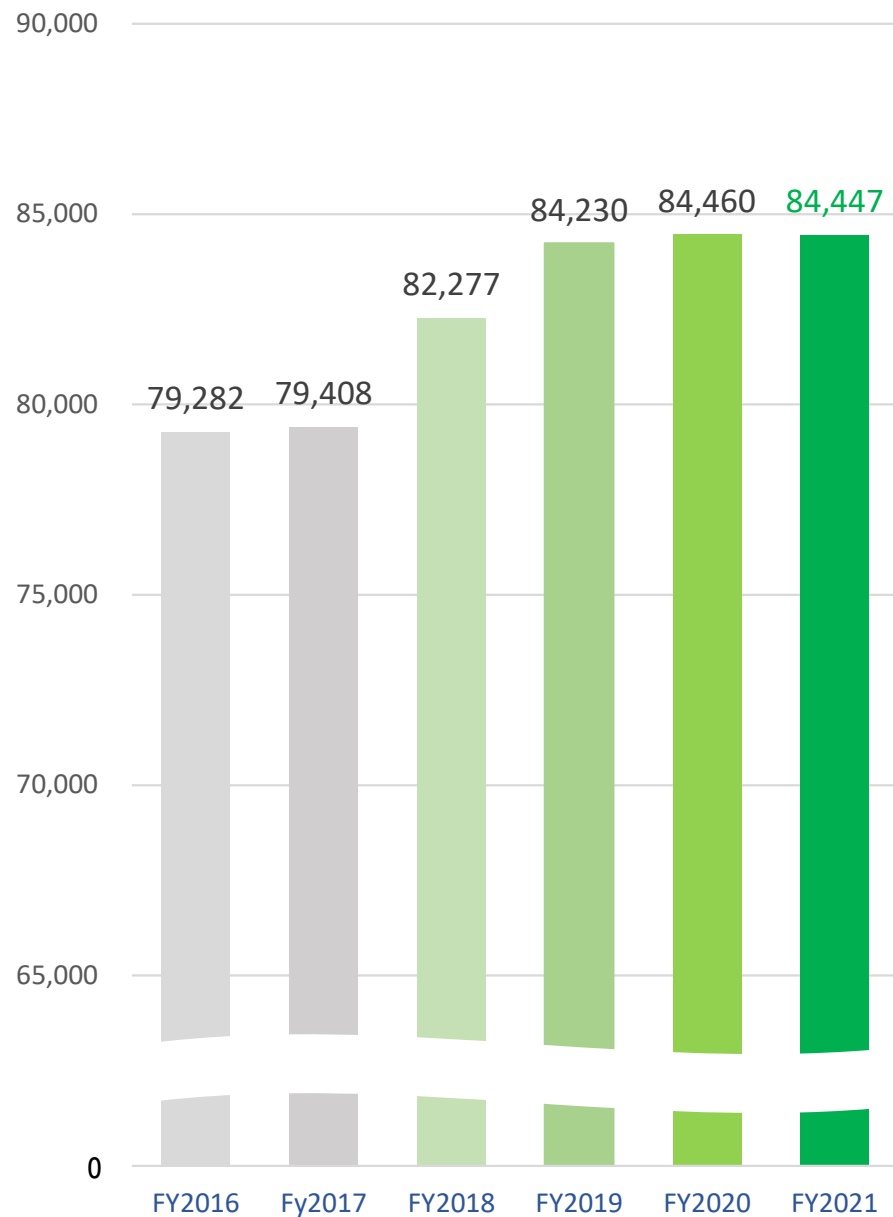
Highlights of consolidated financial results

	FY2020 3Q		FY2021 3Q			
		Ratio to Operating		Ratio to Operating	Difference	YoY changing rate
Operating revenue	84,460	100.0%	84,447	100.0%	-12	0.0%
Cost of sales	76,485	90.6%	77,082	91.3%	597	0.8%
Selling, general and administrative expenses	3,010	3.6%	2,970	3.5%	-39	△1.3%
Operating profit	4,964	5.9%	4,394	5.2%	-569	△11.5%
Ordinary profit	5,155	6.1%	4,766	5.6%	-388	△7.5%
Profit attributable to owners of parent	3,301	3.9%	3,212	3.8%	-89	△2.7%

Highlights of consolidated financial results

Operating revenue

(Million yen)

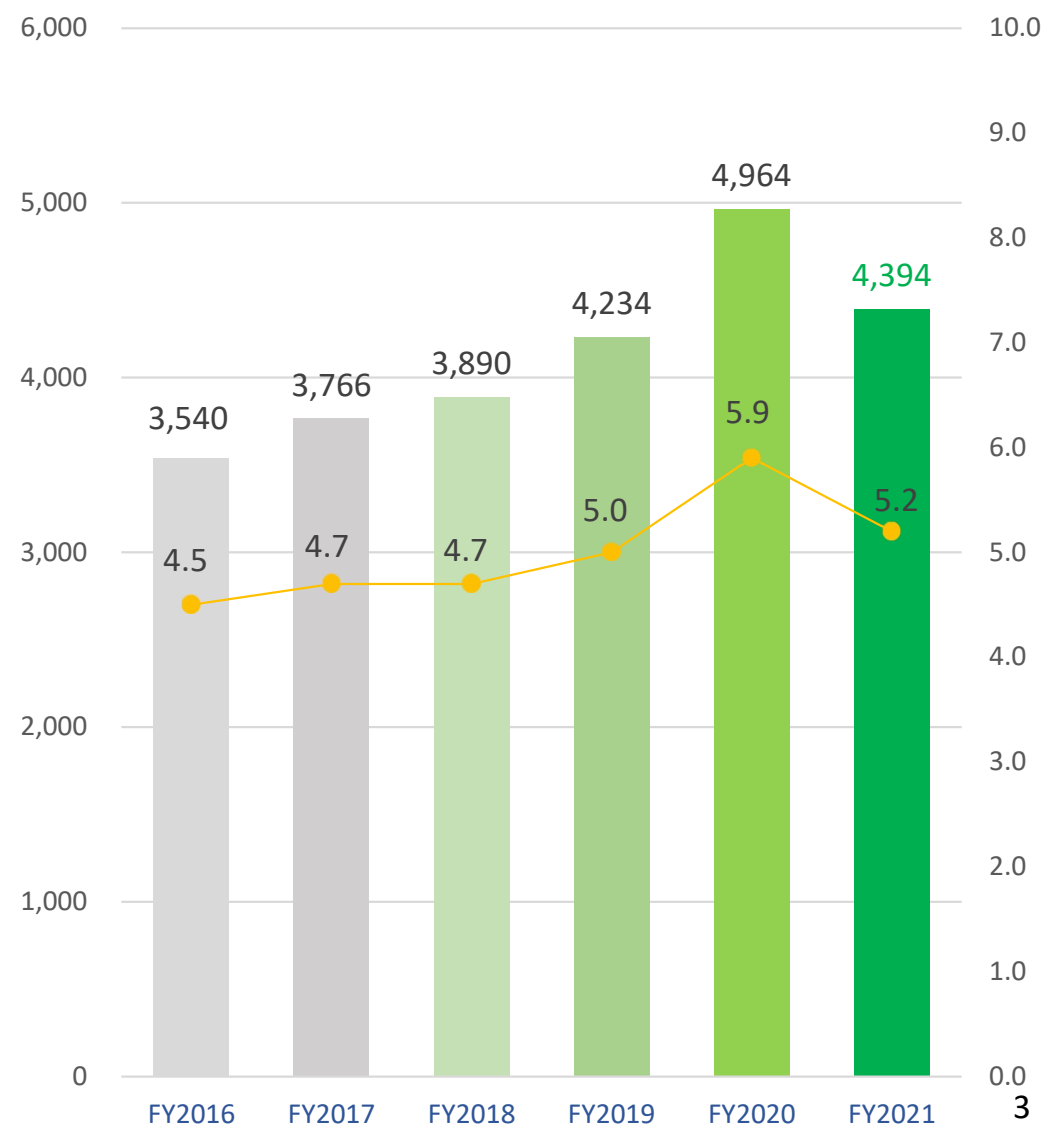


Operating profit

● Margin (%)

(Million yen)

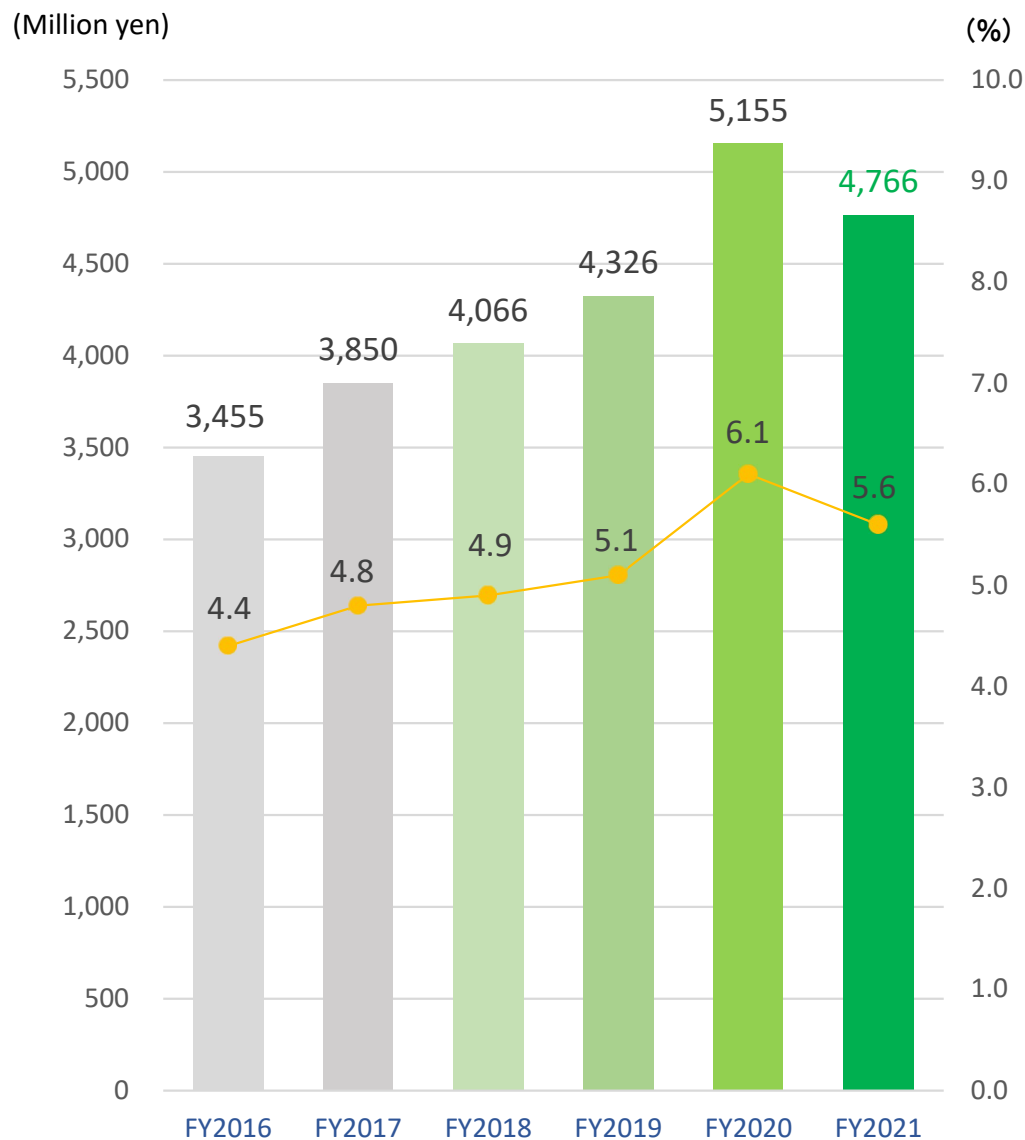
(%)



Highlights of consolidated financial results

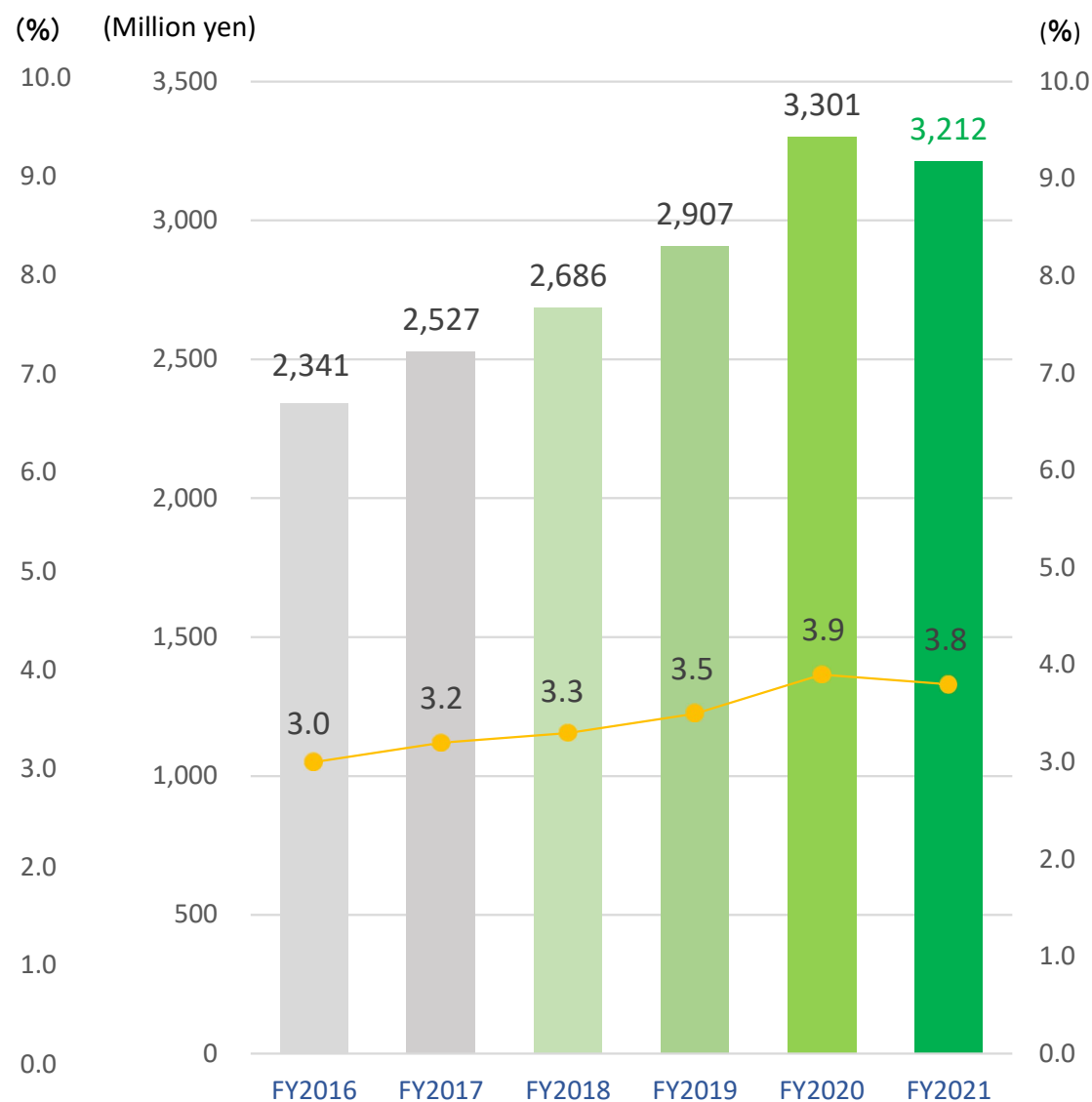
Ordinary profit

● Margin (%)



Profit attributable to owners of parent

● Margin (%)



Operating revenue and profit by reportable segment

(Unit : Million Yen)

		FY2020 3Q		FY2021 3Q			Main factors		
			Structural ratio		Structural ratio	Increase / Decrease rate			
TC Business	Operating revenue	54,746	64.8%	54,225	64.2%	-1.0%	<ul style="list-style-type: none"> Decrease in handling volume of chilled products for household-use because of declining stay-at-home demand, which was at a peak in the first quarter of the previous fiscal year. Continued decrease in handling volume of products sold in convenience stores located in CBD. 		
	Segment profit	3,594	44.6%	3,015	40.3%	-16.1%		positive	Decrease in outsourcing cost Suppression of increase in labor cost, and due to 1) the continued promotion of in-house operation and 2) decrease in workload with declining stay-at-home demand.
	(margin)	6.6%		5.6%				negative	<ul style="list-style-type: none"> Increase in fuel cost due to a surge in crude oil prices Increase in fixed costs with the new large facility starting operation (Tokyo Metropolitan center from May, 2021)
DC Business (*)	Operating revenue	28,338	33.6%	28,911	34.2%	2.0%	<ul style="list-style-type: none"> Increase in handling volume of products for business-use with gradual recovery of economic activities, partly offset by the decrease in handling volume of products for household-use. Starting operation of the new large facility. (Hasuda center from March, 2021) 		
	Segment profit	4,325	53.6%	4,339	58.0%	0.3%		positive	Decrease in outsourcing cost due to the continued promotion of in-house operation
	(margin)	15.3%		15.0%				negative	Increase in fixed costs with the new large facility starting operation (Hasuda center from March, 2021)
Others (**)	Operating revenue	1,376	1.6%	1,310	1.6%	-4.8%			
	segment profit	143	1.8%	127	1.7%	-11.1%			
	(margin)	10.4%		9.7%					

(*)"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)

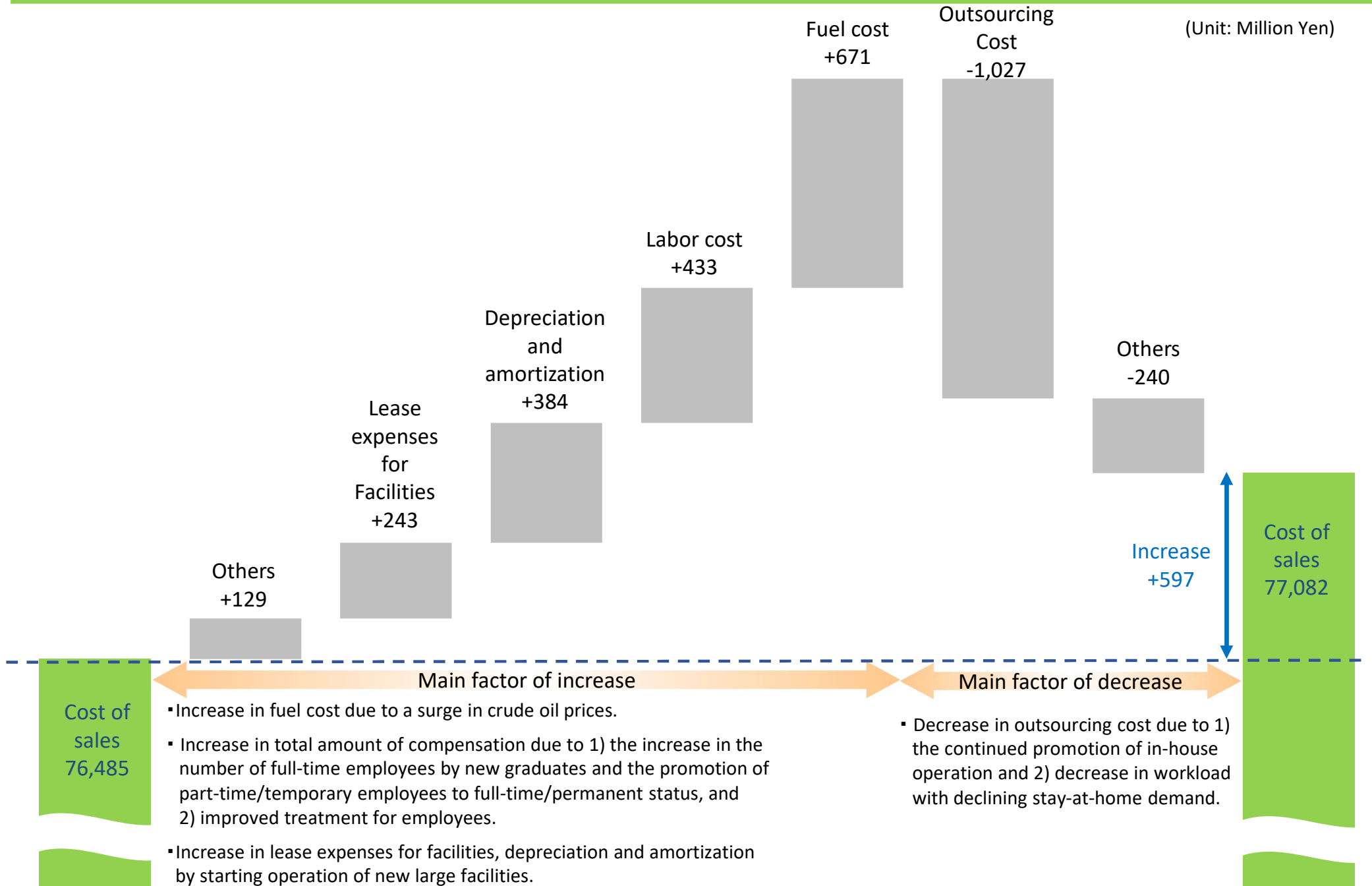
	FY2020 3Q		FY2021 3Q				Main factors
		Structural ratio		Structural ratio	difference	YoY change rate	
Joint delivery (*)	49,133	58.2%	49,834	59.0%	700	1.4%	<p>positive</p> <ul style="list-style-type: none"> ▪ Increase in handling volume of products for business-use. ▪ Starting operation of new large facilities. <p>negative</p> <ul style="list-style-type: none"> ▪ Decrease in handling volume of products for household-use with declining stay-at-home demand.
Convenience store logistics	11,419	13.5%	11,133	13.2%	- 285	-2.5%	<ul style="list-style-type: none"> ▪ Handling volume of products for convenience stores located in CBD has remained sluggish due to the decrease in opportunities to go out and in the number of foreign tourists.
Chain store logistics	10,815	12.8%	10,407	12.3%	- 408	-3.8%	<ul style="list-style-type: none"> ▪ Decrease in handling volume of products for household-use with declining stay-at-home demand.
Wholesaler logistics (**)	7,458	8.8%	7,498	8.9%	39	0.5%	<ul style="list-style-type: none"> ▪ Continued strong demand of products for wholesaler among COVID-19 pandemic.
Bonded goods/ food processing	2,341	2.8%	2,240	2.7%	- 100	-4.3%	<ul style="list-style-type: none"> ▪ Decrease in bonded goods mainly stored in harbor areas due to the shortage of containers.
Others (***)	3,291	3.9%	3,333	3.9%	41	1.3%	<ul style="list-style-type: none"> ▪ Increase in handling volume of cosmetics and commodities by recovering economic activities gradually.
【Total】	84,460	100.0%	84,447	100.0%	- 12	0.0%	

(*)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



Comparing of number of employees and vehicles

(1) Comparing number of employee

	End of the previous term (March 31, 2021)	End of the current term (December 31, 2021)	Difference	Main factors
Full-time/ permanent employee (included number of drivers)	5,554 (2,735)	5,804 (2,916)	250 (181)	<ul style="list-style-type: none"> ▪ Recruitment of new graduates (+80) ▪ Promoting part-time/ temporary employees to full-time/ permanent ones.
Part-time/ temporary employee (included number of drivers)	6,430 (1,512)	5,955 (1,266)	- 475 (- 246)	<ul style="list-style-type: none"> ▪ Promoting part-time/ temporary employees to full-time/ permanent ones ▪ Decrease in the number of employees due to the decrease in workload with the declining stay-at-home demand (in part)
Total (included number of drivers)	11,984 (4,247)	11,759 (4,182)	- 225 (- 65)	

(2) Comparing number of vehicles

	End of the previous term (March 31, 2021)	End of the current term (December 31, 2021)	Difference
Large-sized vehicle	675	692	17
Mid-size vehicle	1,535	1,547	12
Small-sized vehicle	466	462	-4
Cash transport vehicle	128	126	-2
Total	2,804	2,827	23

We create new value of cold temperature logistics.



C&F LOGISTICS

※This presentation material was drawn up based on information available as of creation date (February 14, 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.

Any inquiries concerning this presentation and IR matters to be directed to :
Chilled & Frozen Logistics Holdings Co., Ltd.
TEL: +81-3-5291-8100 FAX: +81-3-5291-6150
Public Relations & Investor Relations Dept. / Toshiki Dan

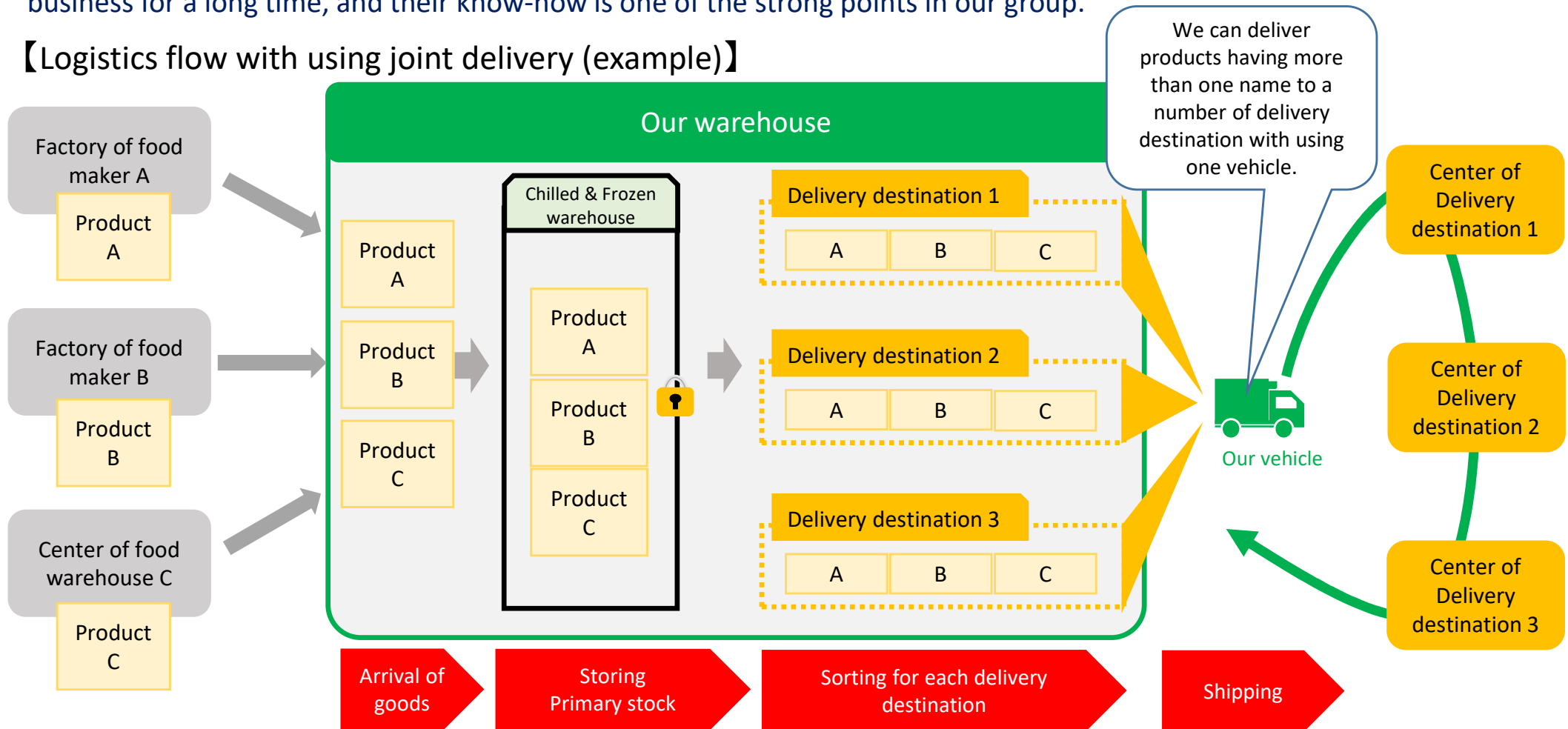
Reference information



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.

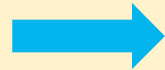
If customers use our service (joint delivery) ■■■They only need to deliver their products to our warehouse.

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

Running logistic operation and delivery mainly centered on chilled products for 24hours a day, every day



Chilled products keep the turnover ratio of warehouse high because of the short expiration date and we barely have primary stock.

▶ Joint delivery

Receiving products from each different customer and making deliveries them by consolidated after sorting for each delivery destination

▶ Convenience store logistics

Operating logistics centers of each company of convenience stores and making deliveries to each stores

▶ Chain store logistics

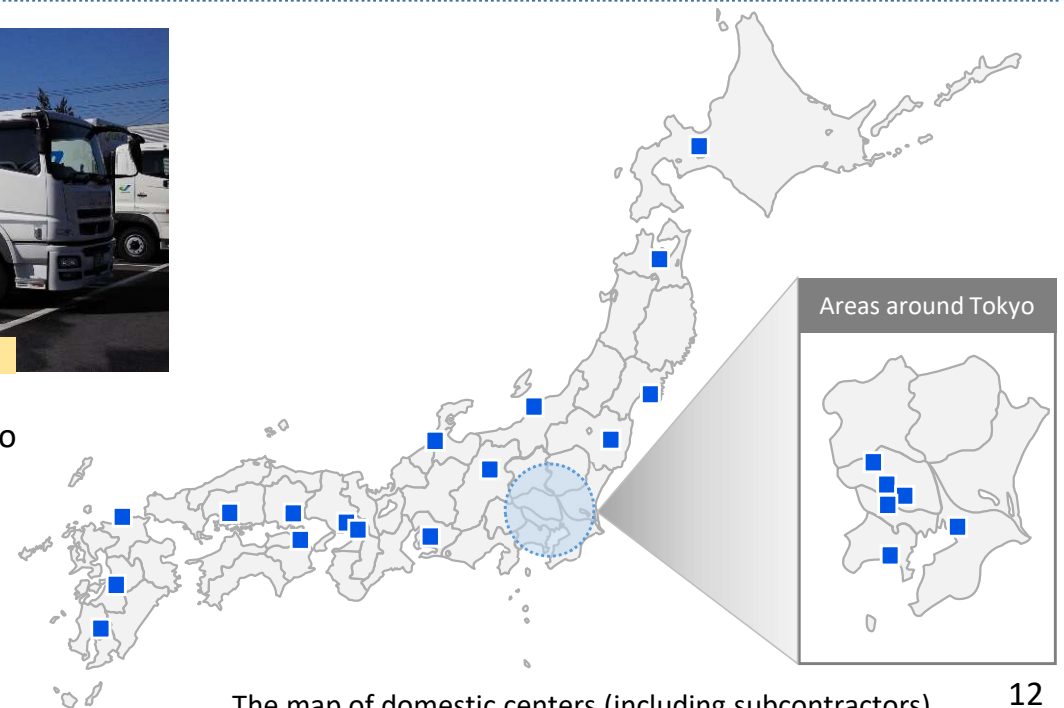
Operating logistics centers of chilled and dried products for supermarkets and making deliveries to stores



The number of centers 99 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



Distribution Center

Mainly operating storing, handling and making deliveries of frozen products integrally
 Operating storing, changing names 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 products from each different customer and making deliveries them by consolidated after sorting for each delivery destination
- ▶ **Logistics operation for hospital** Operating sorting and delivery of feeding service products for 3,300 medical and welfare institution
- ▶ **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

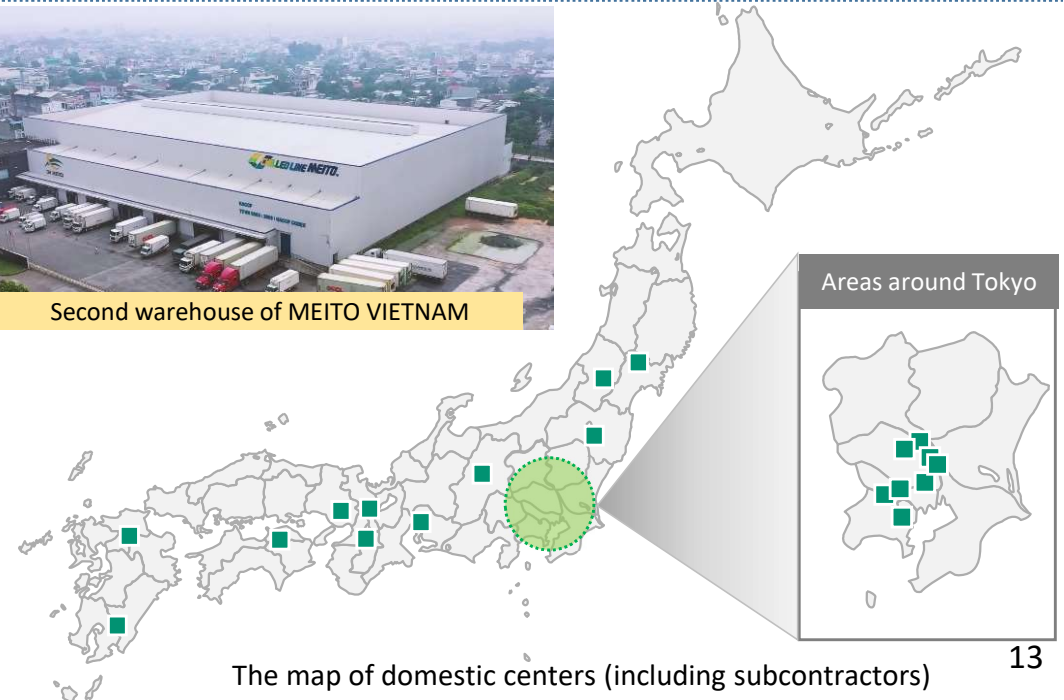


Automatic warehousing system



Second warehouse of MEITO VIETNAM

- The number of centers 26 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** Sending out staffs 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.....