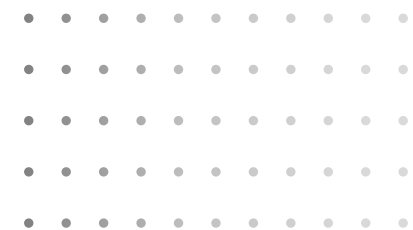


C&F LOGISTICS

FY2023 2Q

Consolidated Financial Results

Chilled & Frozen Logistics Holdings Co., Ltd.



Operating revenue

58,387 million yen
(+2.1% YoY)

- ▶ While the worst of the financial downturn derived from COVID-19 was behind us, the individual consumption has been sluggish due to such factors as inflation. Therefore, a handling volume of chilled and frozen foods didn't reach full recovery.
- ▶ On the other hand, the handling volume of product for commercial-use and a part of commodity such as cosmetics has been increasing through the revitalization in the flow of people.
- ▶ The company made progress in negotiation on price revision and will continue to do so appropriately as logistics providers face the increase in a whole cost.

Operating profit

2,939 million yen
(+11.7% YoY)

- ▶ Increase in labor costs due to 1) the promotion of part-time/temporary employees to full-time/permanent status for employee retention and insourcing purposes, and 2) improved treatment for employees to achieve sustainable logistics business by enhancing efficiency and securing logistics human resources.
While any logistical costs including labor costs have been increasing, the company gained profit by controlling operating costs.
- ▶ Among slowdown of the handling volume in general, the Company increased in profitability by starting new profitable businesses.

Highlights of consolidated financial results

(Unit: Million Yen)

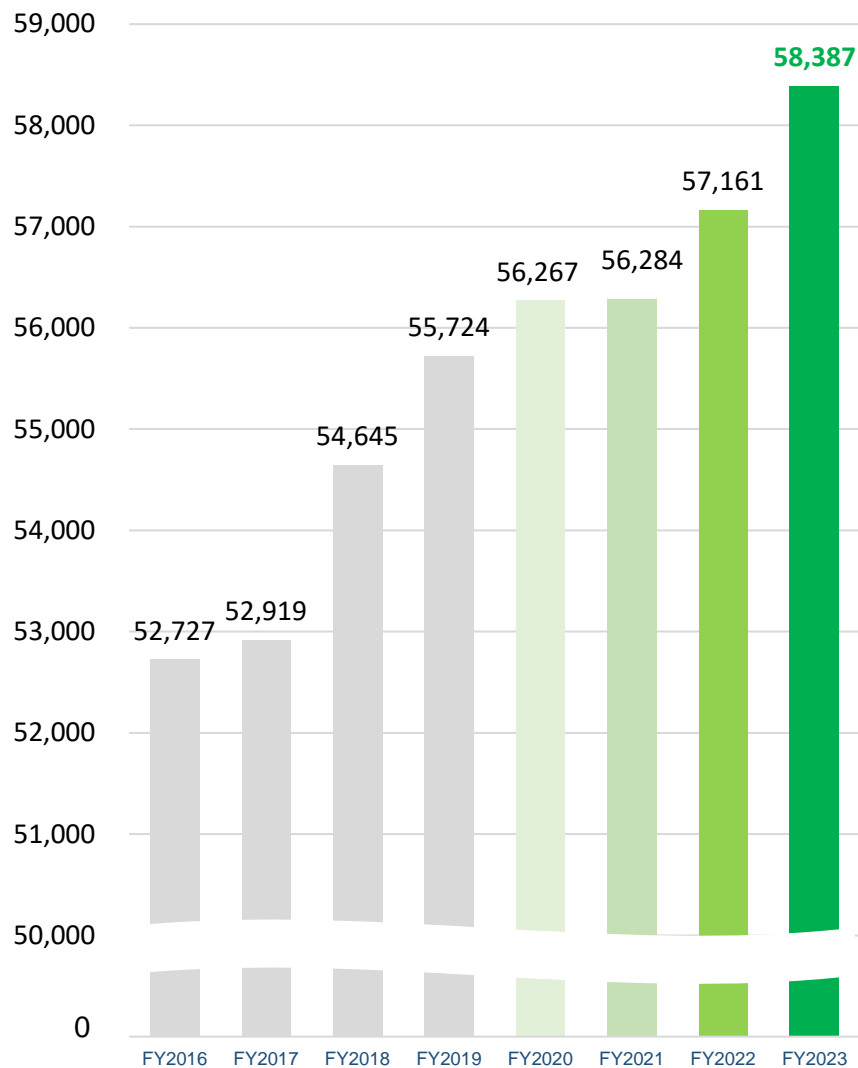
	FY2022 2Q		FY2023 2Q				FY2023 2Q forecasts*		
		Ratio to Operating revenue		Structural ratio	Difference	YoY change rate		Ratio to Operating revenue	Difference
Operating revenue	57,161	100.0%	58,387	100.0%	1,226	2.1%	58,200	100.0%	187
Cost of sales	52,471	91.8%	53,379	91.4%	908	1.7%	-	-	-
Selling, general and administrative expenses	2,059	3.6%	2,068	3.5%	9	0.4%	-	-	-
Operating profit	2,630	4.6%	2,939	5.0%	308	11.7%	2,800	4.8%	139
Ordinary profit	2,956	5.2%	3,127	5.4%	170	5.8%	3,000	5.2%	127
Profit attributable to owners of parent	1,984	3.5%	2,114	3.6%	129	6.5%	2,000	3.4%	114

(*)This forecast (revised) was announced on October 13, 2023

Highlights of consolidated financial results

Operating revenue

(Unit: Million Yen)

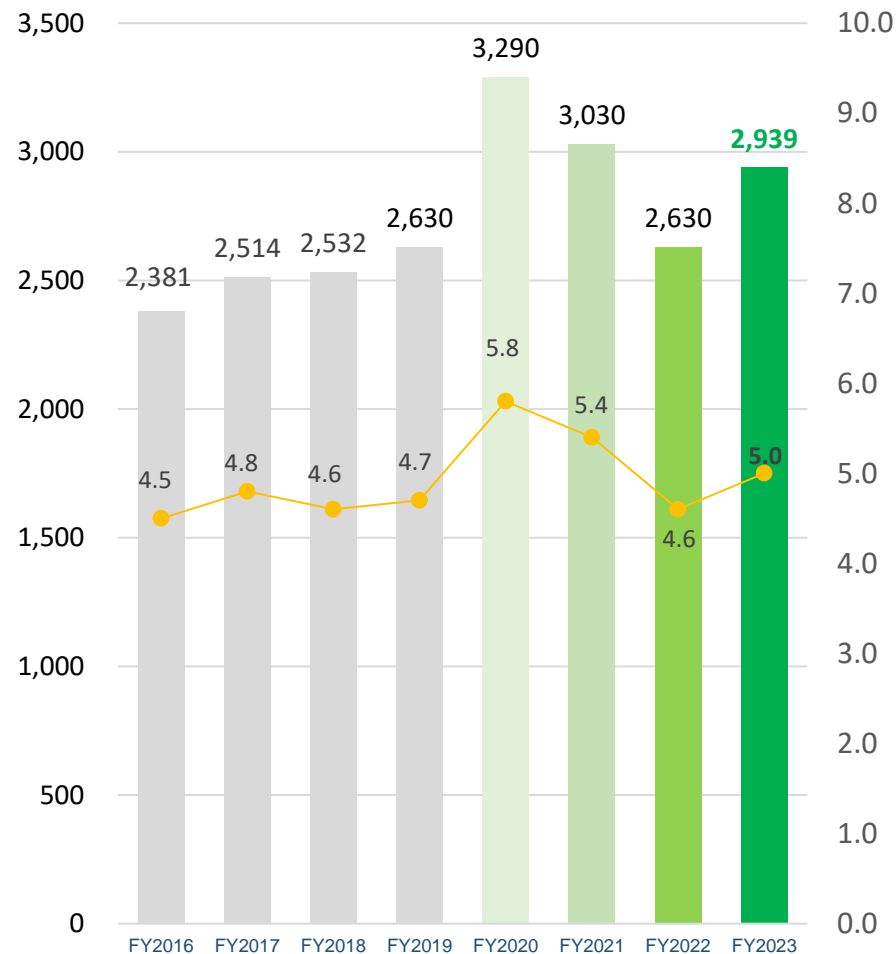


Operating profit

● Margin (%)

(Unit: Million Yen)

(%)

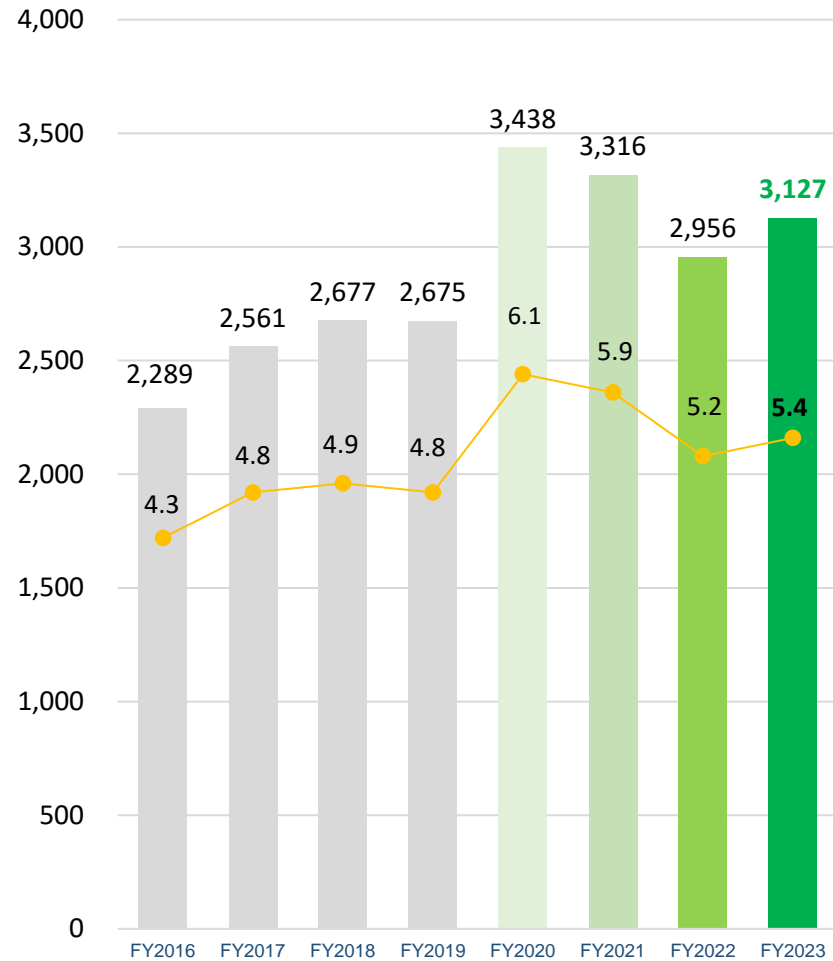


Highlights of consolidated financial results

Ordinary profit

● Margin (%)

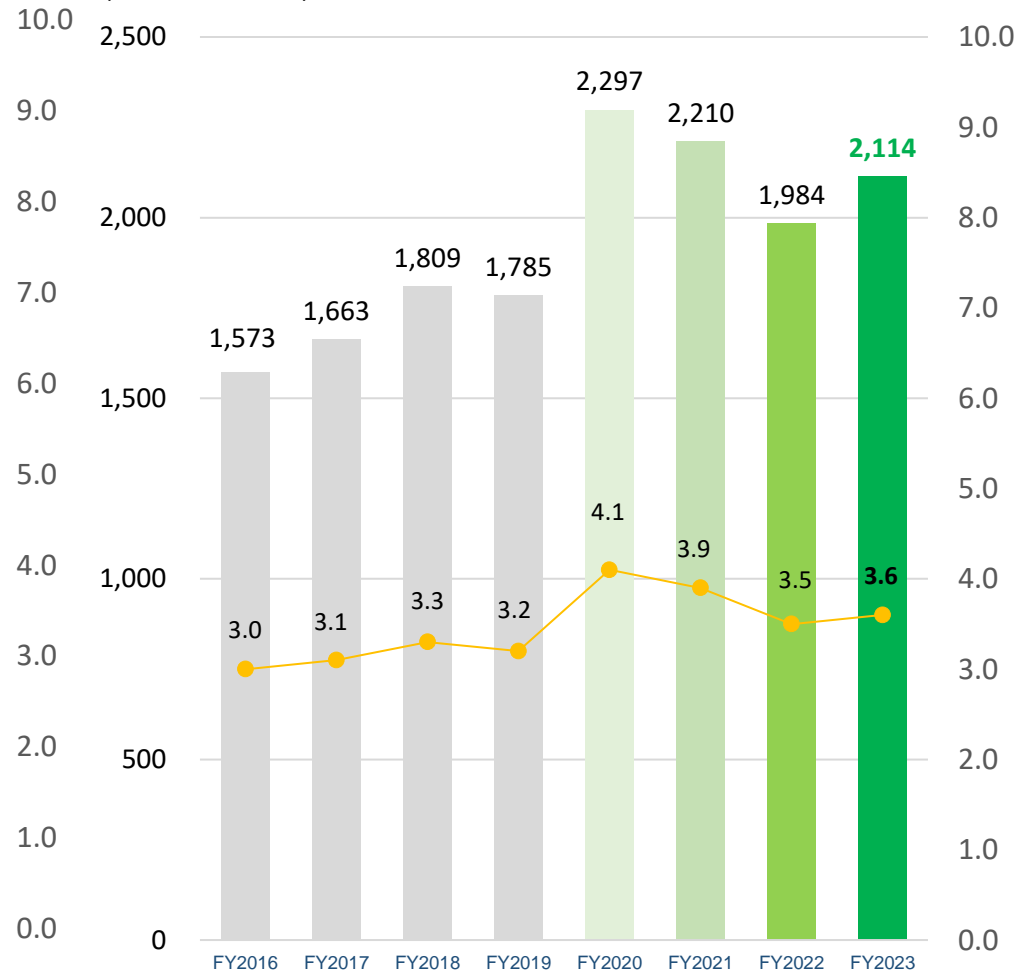
(Unit: Million Yen)



Profit attributable to owners of parent

● Margin (%)

(Unit: Million Yen)



Operating revenue and profit by reportable segment

(Unit: Million yen)

		FY2022 2Q		FY2023 2Q			Main factors	
			Structural Ratio		Structural Ratio	YoY Change rate		
TC Business	Operating revenue	36,808	64.4%	37,496	64.2%	1.9%	positive	<ul style="list-style-type: none"> made progress in negotiation on price revision and will continue to do so appropriately. started new businesses including EC-related logistics.
	Segment profit	2,149	45.1%	2,391	47.2%	11.3%	positive	<ul style="list-style-type: none"> decrease in the handling volume in the business of joint delivery and store delivery. increased in profitability in accordance with the progress in negotiation on price revision. started new profitable businesses. decreased in depreciation costs due to the delay in replacing trucks in accordance with shortage of vehicle supply by auto makers.
	(margin)	5.8%		6.4%			negative	<ul style="list-style-type: none"> increased in labor costs for the better treatment of employees, including the promotion of part-time/temporary employees to full-time/permanent status. increased in fuel costs due to a surge in crude oil prices.
DC ^(*) Business	Operating revenue	19,449	34.0%	19,916	34.1%	2.4%	positive	<ul style="list-style-type: none"> made progress in negotiation on price revision and will continue to do so appropriately. started new businesses with the expansion of logistics facilities. (HN Tohoku branch expansion of 2nd Center, etc.)
	Segment Profit	2,533	53.1%	2,572	50.7%	1.5%	positive	<ul style="list-style-type: none"> decreased in the handling volume of products due to the reorganization of logistics in certain customers as a part of BCP measures. increased in profitability in accordance with the progress in negotiation on price revision. decreased in electrical power costs due to a change of electricity contracts.
	(margin)	13.0%		12.9%			negative	<ul style="list-style-type: none"> increased in labor costs for the better treatment of employees, including the promotion of part-time/temporary employees to full-time/permanent status. increased in outsourcing cost due to the increase in the handling volume.
Others ^(**)	Operating revenue	903	1.6%	974	1.7%	7.9%		
	Segment Profit	85	1.8%	105	2.1%	23.4%		
	(margin)	9.5%		10.9%				

Operating revenue by business category

(Unit: Million yen)

	FY2022 2Q		FY2023 2Q				Main factors	
		Structural ratio		Structural ratio	difference	YoY change rate		
Joint delivery (*)	34,013	59.5%	34,910	59.8%	897	2.6%	<ul style="list-style-type: none"> made progress in negotiation on price revision and will continue to do so appropriately. started new businesses including EC-related logistics. increased in storing fee as the amount of inventories remains high due to a decrease in the number of purchases. 	
Convenience store logistics	7,504	13.1%	7,599	13.0%	94	1.3%	positive	made progress in negotiation on price revision and will continue appropriately.
							negative	decreased in the handling volume of such products as chilled foods.
Chain store logistics	6,806	11.9%	6,905	11.8%	99	1.5%	positive	increased in the handling volume by acquiring business from new customers.
							negative	sluggish performance in general due to rising prices, while the handling volume of beverages increased under hot weather.
Wholesaler logistics (**)	4,909	8.6%	4,894	8.4%	(15)	(0.3%)	positive	made progress in negotiation on price revision and will continue appropriately.
							negative	decreased in the handling volume of products due to the reorganization of logistics in certain customers as a part of BCP measures.
Bonded goods / food processing	1,587	2.8%	1,523	2.6%	(64)	(4.0%)	decreased in the import volume and therefore the handling volume of bonded goods due to soaring raw material prices.	
Others (***)	2,339	4.1%	2,553	4.4%	213	9.1%	increased in the handling volume of cosmetics and miscellaneous goods	
【Total】	57,161	100.0%	58,387	100.0%	1,226	2.1%		

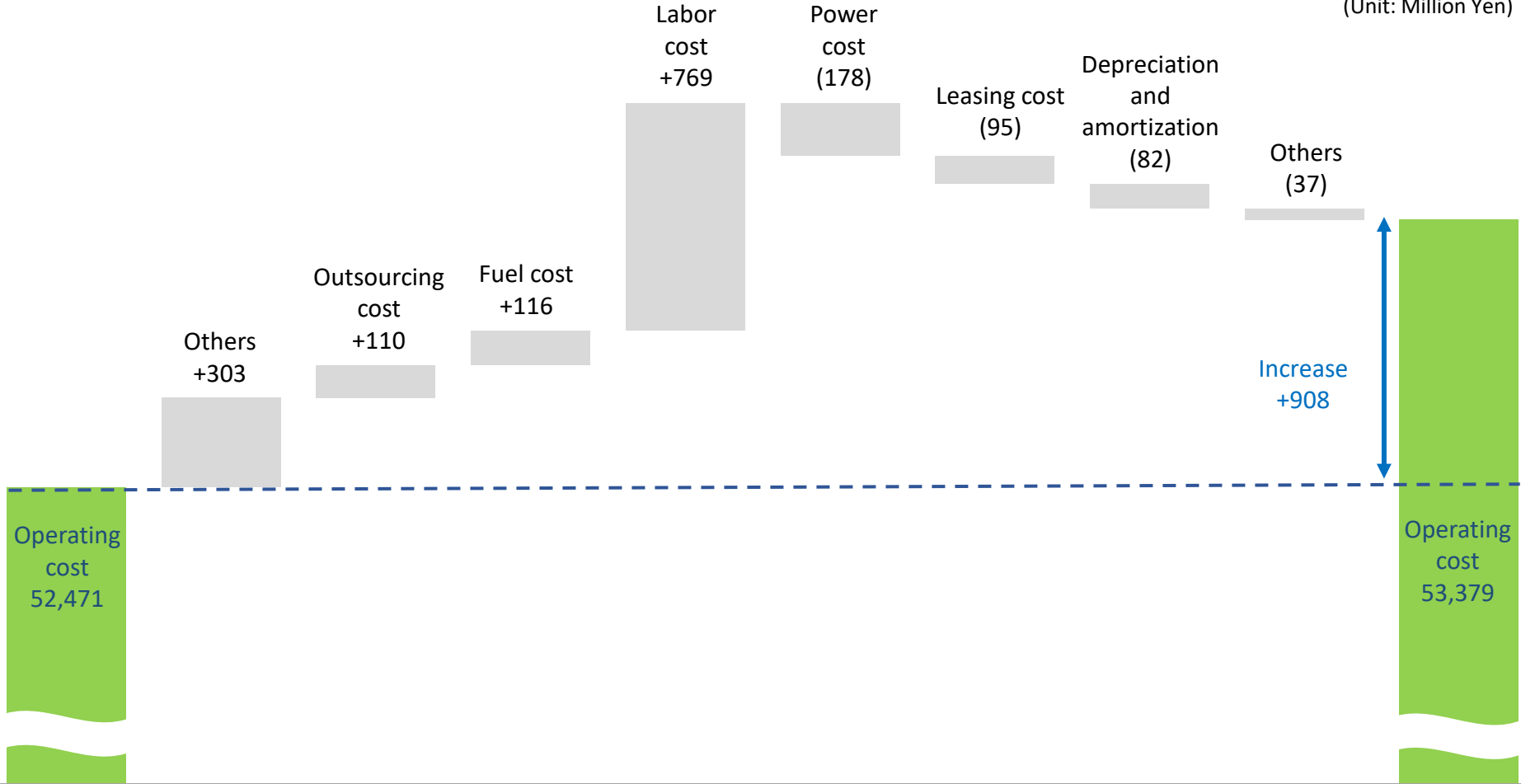
(*)The amount of "Joint delivery" is sum of operating revenue for handling frozen products in HN (Distribution Center segment) and that for handling chilled products

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

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

Analysis of cost of sales

(Unit: Million Yen)



FY2022 2Q

Main factor of increase

Main factor of decrease

FY2023 2Q

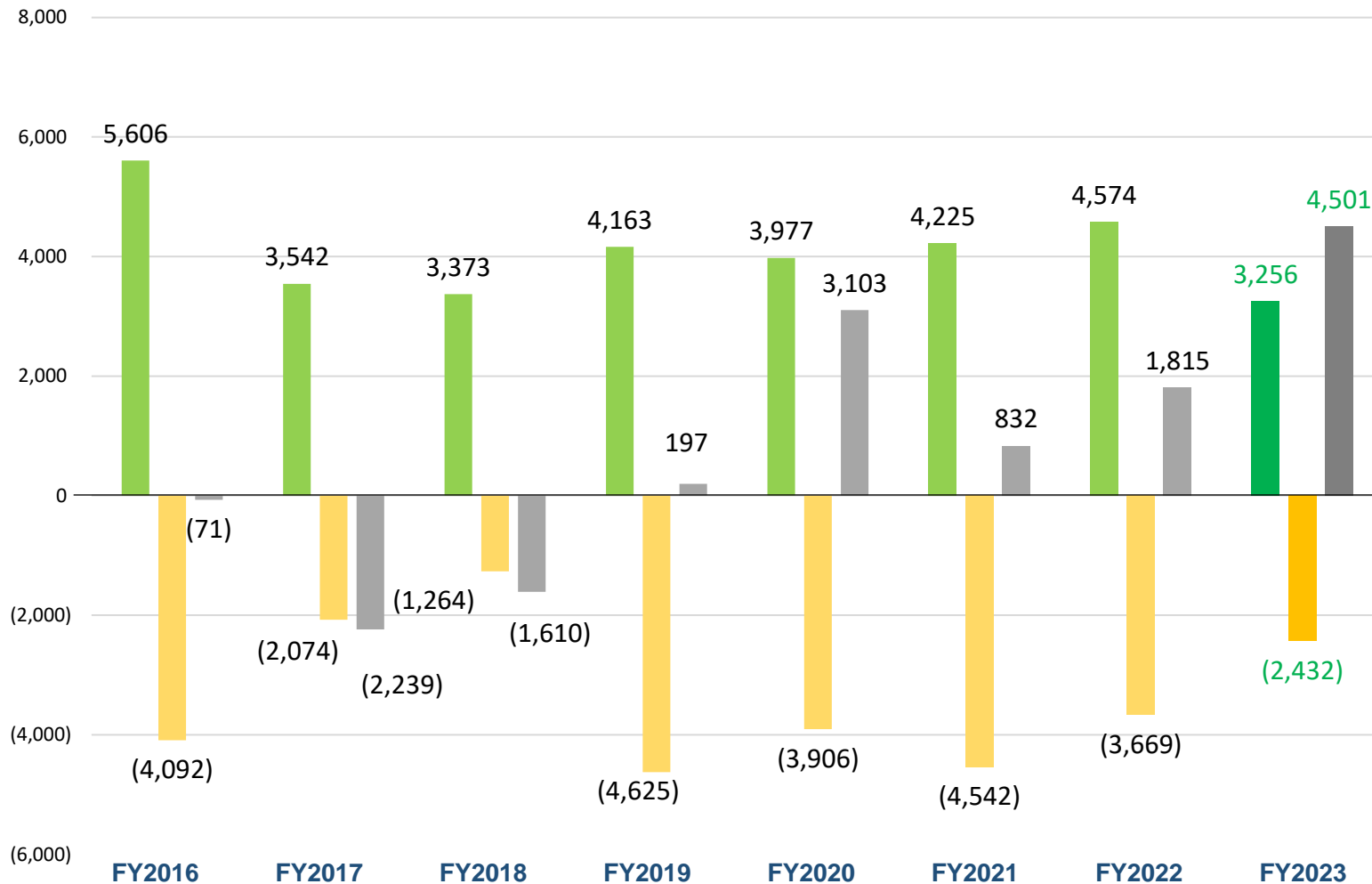
- Increase in total amount of compensation due to 1) the promotion of part-time/temporary employees to full-time/permanent status for employee retention and insourcing, and 2) improved treatment for employees.
- Increase in fuel costs due to a surge in crude oil prices.
- Increase in outsourcing costs by starting new businesses.

- decrease in depreciation cost due to the delay in replacing trucks in accordance with shortage of vehicle supply by auto makers.

Consolidated statement of cash flows

【 Consolidated 2H 】

(Million Yen)



■ Cash flows from operating activities
 ■ Cash flows from investing activities
 ■ Cash flow from financing activities

Comparing of the number of employees and vehicles

(1) Comparing number of employee

	End of the previous term (March 31, 2023)	End of the current term (September 30, 2023)	Difference	Main factors
Full-time/ permanent Employee (included number of drivers)	5,916 (2,972)	6,018 (2,977)	102 (5)	<ul style="list-style-type: none"> ▪ Recruitment of new graduates ▪ Promotion for part-time/ temporary employees to full-time/ permanent ones.
Part-time/ temporary employee (included number of drivers)	5,406 (1,125)	5,537 (1,119)	131 (-6)	<ul style="list-style-type: none"> ▪ due to the recovery of existing businesses. ▪ due to an increase in the number of foreign students. ▪ Promotion for part-time/ temporary employees to full-time/ permanent status
Total (included number of drivers)	11,322 (4,097)	11,555 (4,096)	233 (-1)	

(2) Comparing number of vehicles

	End of the previous term (March 31, 2023)	End of the current term (September 30, 2023)	Difference
Large-sized vehicle	711	719	8
Mid-sized vehicle	1,556	1,560	4
Small-sized vehicle	468	456	(12)
Cash transport vehicle	118	112	(6)
Total	2,853	2,847	(6)

Financial forecasts for FY2022

【Difference from plan for management plan】

- ▶ While the recovery of the handling volume in some customers has remained slow because consumers show a strong tendency to cut down on their spending from the last year on the background of a series of price hikes, the Company assumes increasing revenue due to (1) the recovery of the handling volume of the products for commercial-use along with the increase in the opportunity to eat out, (2) start of new business and (3) progress in negotiation on price revision.
- ▶ Each profit is expected to be better than initial plan as operating costs will decrease mainly because (1)the replacements of operating vehicles will continue to be delayed due to the supply system issues of vehicle manufacturers and (2)it plans to continue initiatives for securing profitability by the proper negotiation on price revision, while the increase in fuel costs and labor costs for securing employees will continue.

(Unit: Million Yen)

	FY2022 results		Full year forecast for FY2023 ^(*)				Plan for FY2023 as the 1 st year of the 3 rd Mid-term management plan ^(**)	
		structural ratio		structural ratio	difference	YoY change rate		structural ratio
Operating revenue	113,350	100.0%	117,000	100.0%	3,650	3.2%	115,300	100.0%
Operating profit	4,403	3.9%	4,300	3.7%	(103)	-2.3%	3,400	2.9%
Ordinary profit	4,935	4.4%	4,600	3.9%	(335)	-6.8%	-	-
Profit attributable to owners of parent	3,057	2.7%	3,000	2.6%	(57)	-1.9%	-	-

(*)This forecast(revised) was announced on October 13, 2023.

(**)This plan(revised) was announced in the 3rd Mid-term management plan on June 16, 2023.

« Basic policy » Achieving sustainable low-temperature zone logistics, meeting the needs of new cold-chains

« Basic strategies »

Building a sustainable logistics business

- A. Contribute to the prosperity of society by protecting and securing food lifelines through chilled and frozen logistics operations, the area where the Group is proud of its strengths
- B. Build a logistics infrastructure that is decarbonized and friendly to the global environment
- C. Build a talent portfolio and strengthen corporate divisions through investment in human capital

Strengthening the functions of existing businesses

- A. Sharpen existing businesses by reorganizing networks and continuing infrastructure investments
- B. Acquire new opportunities by establishing new joint-delivery business
- C. Reorganize and strengthen existing business models to respond to changing markets / customers' needs

Promoting active investment in growth fields

- A. Low-temperature-controlled transport/delivery service for products other than food
- B. Advance into rapidly growing e-commerce logistics market
- C. Overseas businesses

Financial strategy

Realizing ROE that exceeds cost of capital by optional capital structure, we aim to boost our shareholder value through fruitful dialogue with shareholders and higher shareholder returns



«additional material point with the revision of plan»

Point -1

Investing in the development and introduction of new technologies in order to improve the productivity in respect of labor-saving and address the environmental issues as sustainability initiatives

Point -2

Accelerating the growth speed by promoting investment in businesses such as overseas business, e-commerce logistics and pharmaceutical logistics and by business alliance with other companies

Point -3

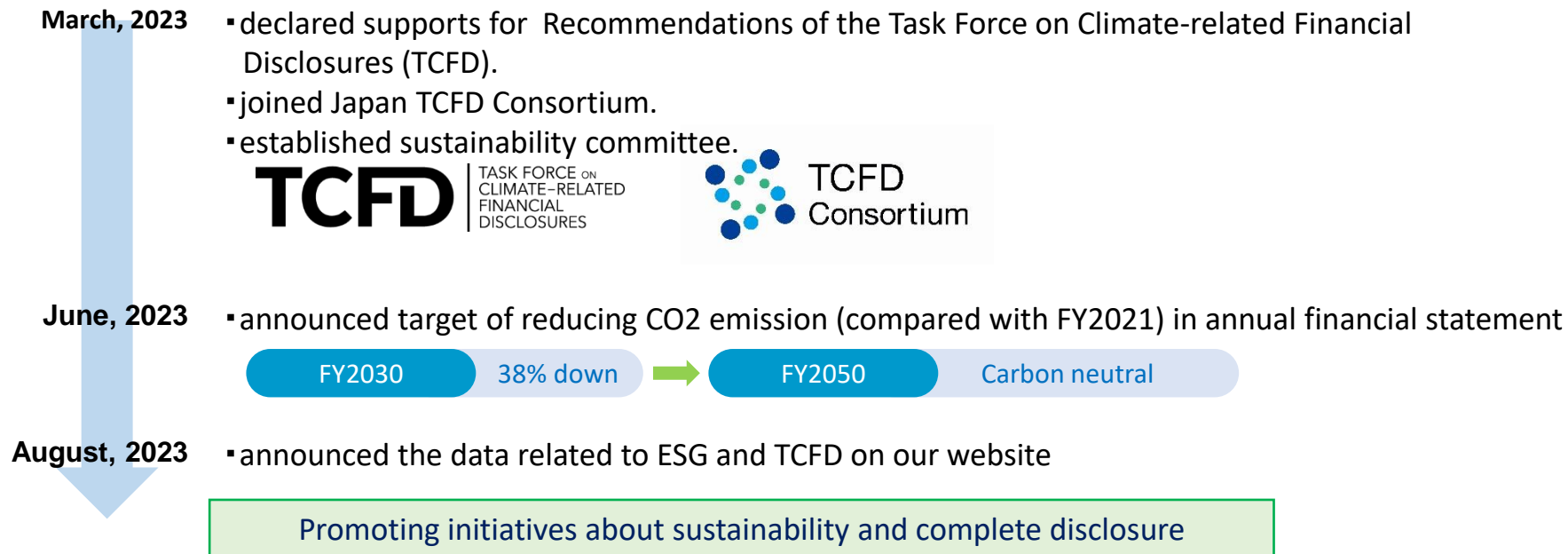
Enhancing profitability and expanding business volume by both organic and inorganic growth including through the M&A that contributes to strengthening the existing business.

Additional
Investment of
10 billion yen

Building a sustainable logistics business

Initiatives to contribute to ESG management

Establishing the framework to promote sustainability



financing by green loan

June, 2023 decided to finance 11 billion yen in several parts in FY2023.
purpose: constructing new facilities, new Minoh-Shinmachi branch and HN Tohoku branch - expansion of 2nd Center

Accelerating green projects, the Company will diligently utilize ESG finance.

Building a sustainable logistics business

Contributing to reduction of environmental impact through capital investment and business practices

Initiative-1: Introducing Eco-friendly natural cooling system

- ▶ Planned installation of refrigerators with using natural refrigerants.
- ▶ In July, 2023 HN declared that it install refrigerators with using natural refrigerants for all new logistical facilities.

As of March 31, 2023
《Ratio of natural refrigerants used*》 : **about 26%** → **about 31%**
As of March 31, 2024 (plan)

*based on the volume of refrigerants used in the refrigerators procured and managed by the Company

Initiative-2: proactively Introducing photovoltaic power generation systems

- ▶ Promotion to install the solar power generators for using generated electricity to operate facilities.
- ▶ From August, 2023 starting to operate those on the carports for employees for the first time in the Company.

《Number of installed facilities in FY2023 (plan)》

On the rooftop of; facilities: **4**, carports: **1 (completed)**



the solar power generators on the carports

Initiative-2: Changing the existing contracts to use electricity to those derived from renewable energy

- ▶ Promotion to adopt the contracts to use electricity derived from renewable energy

《Number of facilities changing the contract in FY2023*》 : **13 facilities**

*the contracts already changing from April, 2023
(confirmed as of September, 2023)

others ■ ■ ■

- ▶ introduce retread tires to trucks, which are made with less emission of CO2
- ▶ stop introducing the refrigerator powered by a sub engine (switching to the one powered directly by a vehicle engine) etc.

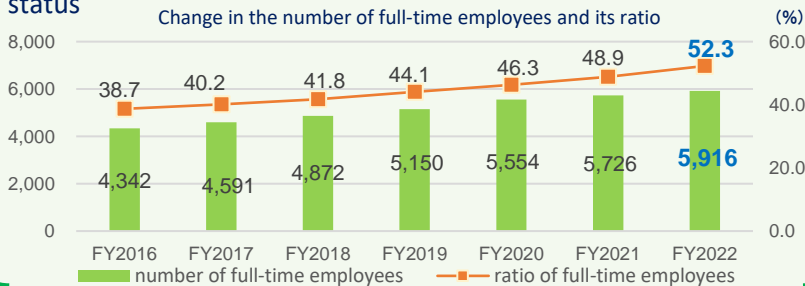
Building a sustainable logistics business

Responds to “2024 issues”(appropriate labor management)

“Securing” and “retaining” employees

- setting salary and benefits to boost competitiveness for recruitment.
 - have improved working conditions in a structural manner after business integration.
- establishing workplaces where employees respect diversity
 - introducing systems and equipment, such as Automatic Transmission truck and powder room, which help work easily and comfortably female, senior, foreign and disabled workers.
- assisting employees’ growth and mindset through a variety of in-house trainings.

- promoting part-time/temporary employees to full-time/permanent status



Reducing the operational burden

operation

- reducing driving time of long-distance transportation by switching trucks.
- transporting without service drivers by modal shift (RORO ships)
 - From 2020: cooperation with of “MOL Ferry Co., Ltd.” (Kanto ⇄ Kyushu)
- promoting pallet transport for frozen foods etc.

Facilities and equipment

- securing logistics networks by developing relay logistics centers
 - HN Minami Kyushu Center, Joint operation center in Northern Tohoku area, planning to expand.
- introducing “truck appointment system”.
 - HN completed introducing that system to all 18 hub branches.
- introducing “labor-saving devices”.
 - 1) study introducing automatic guided forklift and carrier
 - 2) Mechanize processing for distribution and sorting
 - introducing machines for box making and sealing in EC related business.
 - 3) Simplify and automate office works with program and AI
 - simplify aggregation and notice of results and handling volume, automate data sharing related to orders received etc..

Maintaining stable logistics networks

Continuous implementation of risk assessment

- assessing risks associated with our own facilities ⇒ to check if relocation of our facilities work better.

Reconfirmation and enhancement of safety awareness

- held “Joint conference of safety and quality with subcontracting companies” for the first time in 4 years.

all subcontracting companies came together to share and reconfirm the safety awareness with each other.



Joint conference of safety and quality with subcontracting companies

Strengthening the functions of existing businesses

Taking full advantage of its customer network and one of the largest infrastructures among the logistics industry as pioneers of cold-chain for food products, the Company grasps the diversified demand of customers and makes a concrete proposal, which creates added value.

Establishing new logistics facilities

One of the largest cold warehouses among the Company will be completed in Minoh city, Osaka, at the end of FY2023. In consideration of "2024 issues", the Company promotes to expand and reorganize logistics facilities, leading to a total optimization.

FY
2022

May, 2022 MT Iwaki Center
HN Osaka-Nanko Center
March, 2023 HN Tohoku branch
- expansion of 2nd Center



HN Tohoku branch
Expansion of 2nd Center

Number of
domestic facilities
(as of March 31, 2023)
127 facilities

FY
2023

New opening schedule

FY2023 Meito Vietnam 3rd warehouse
HN new Minoh-Shinmachi branch
FY2025 Chilled and Frozen Center in Northern Tohoku area



HN new Minoh-Shinmachi
branch (under construction)

Initiatives to enhance logistical efficiency

- promoting transportation of frozen food by pallet
switching to pallet transportation in the manufacturing logistics area, which reduces the workload.
- promoting truck appointment system when inbounding
HN introduced truck appointment system in order to reduce the waiting time for warehousing.
⇒ in November 2023, completed introducing that system to all 18 hub branches

Challenge business in new distribution channel

- EC related logistics business
e-commerce products, reward gifts of "Furusato Nouzei (hometown tax donation program)", etc.
⇒ regard it as growing business field and accelerate initiatives. (refer to p.16)
- Logistics business related to diversified distribution channel (ex. Vending machine).
starting new business on a trial basis for challenging new form of distribution.

Promoting active investment in growth fields

e-commerce logistics business

- expanding the storing and distribution processing of e-commerce products, reward gifts of “Furusato Nouzei (hometown tax donation program)” and products of home meal services

- the Company started businesses around Tokyo Metropolitan area, where lots of current and possible users reside. (its revenue increased by about 10 times compared to previous year.)
- Profitability of EC related business is higher than that of existing business.
 - ⇒ Plan to expand businesses to local area, where lots of manufacturers are located and the number of users is comparatively high. (Kyushu and Tokai area)

pharmaceuticals logistics business

- expanding the transportation business of pharmaceutical products mainly between wholesalers’ center.
 - ⇒ expanding the business steadily in Tokai and Kansai areas.

Overseas business

Opening 3rd warehouse of Meito Vietnam

We entered into agreement related to the lease of land and building (excluding parts of equipment) in Long An province, adjacent to the west side of Ho Chi Minh City (HCMC), to acquire a cold warehouse. This warehouse is scheduled to open in the first half of FY2023 for the purpose of strengthening the logistical network among HCMC and developing the transit point logistics between Mekong Delta region and HCMC.

- | | |
|---------------------------------|------------------------------|
| (1)Address | : Long An province, Vietnam |
| (2)Ground-floor area | : About 41,000m ² |
| (3)Building area | : About 18,000m ² |
| (3)Capacity (number of pallets) | : <u>26,000 pallets</u> |



cf.) total capacity of exiting warehouses(1st+2nd): 27,400 pallets



Financial strategy and shareholder returns policy

The Company had applied stable dividend policy of dividend payout ratio at around 20% to pile up the internal reserve in preparation for large capital investments. However, the Company believes it secured financial soundness and the ability to raise sufficient funds and it has seen the light at the end of the tunnel for the series of the large capital investment. Therefore, it plans to increase in dividend payout ratio and acquire the treasury shares to improve capital efficiency and enhance shareholder.



Realizing the optimal capital structure along with higher financial leverage on premise of the financial soundness.

1. Increase in dividend payout ratio

Up to 30% during the 3rd Mid-term management strategy period.

- in October, 2023, following the upward revision of its financial forecast in FY2023, the Company decided to increase in dividend by 6 yen per share(interim:+3 yen, year-end:+3 yen), expecting 27.9% of dividend payout ratio in the end of FY2023.

2. Acquire the treasury shares

- It plans to acquire the total of approximately 5 - 7 billion yen treasury shares step by step during the 3rd Mid-term management strategy period.

Please check the information of the Acquisition of Treasury Share disclosed on November 16.

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 (November 16, 2023). 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 inquires concerning this presentation and IR matters to be directed to :

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