

Report on a Fire Which Occurred at a Logistics Center of Hitachi Transport System West Japan Co., Ltd.

We express our sincere apologies for causing a great deal of inconvenience and concern to our neighbors, customers, business partners, and related parties because of the fire which occurred at a logistics center of our group company Hitachi Transport System West Japan Co., Ltd. in November 2021. The detailed report on the fire is as follows.

Overview of the fire

1. When

Around 8:50 AM on November 29, 2021

The fire was put out at 5:00 PM on December 4, 2021.

2. Where

| | |
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| Site name | Maishima Sales Office of Hitachi Transport System West Japan Co., Ltd. (GLP Maishima II, logistics facility of GLP Japan Inc.) |
| Location | 2-1-92, Hokkoryokuchi, Konohana-ku, Osaka City, Osaka Prefecture |
| Main items handled | Pharmaceutical products, medical supplies, foods, tools, etc. |

3. Cause

The cause is currently under investigation by the fire department and police. An employee of a staffing agency under contract with Hitachi Transport System West Japan Co., Ltd. was arrested on suspicion of arson on January 15, 2022.

4. Damage

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| Personal damage | All employees were confirmed safe. The Osaka City Fire Department reported one person was injured (mild case). |
| Property damage | Of the total floor area of 53,000m ² , approx. 38,700m ² were burned. |

5. Impact on shipping, etc.

Alternative locations have been secured in our sites in neighboring regions and other regions to continue operation. The impact on consolidated financial results for the consolidated fiscal year ended March 31, 2022 was the recognition of other expenses (loss by fire) of 7.3 billion yen.

Environmental survey results in the surrounding area conducted in connection with the fire

1. Data analysis of the constant monitoring system installed by the Ministry of the Environment of Japan

In order to check the impact of the fire on the atmosphere before and after the fire, we analyzed the constant observation data of "Soramekun (Atmospheric Environmental Regional Observation System: AEROS)" of the Ministry of the Environment.

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| Data period | November 28 - December 11, 2021 (From the day before the fire broke out to one week after the fire was extinguished) |
| Monitoring station | Konohana Ward Office, Hamakoshien, Nanko Chuo Park, Dekijima elementary school * Four nearest monitoring stations in the north, south, east, and west of Maishima Sales Office of Hitachi Transport System West Japan Co., Ltd. |
| Items to be analyzed | (1) Nitrogen dioxide (2) Suspended Particulate Matter (SPM) |
| Analysis results | It was confirmed that both (1) and (2) were within the environmental criteria. |

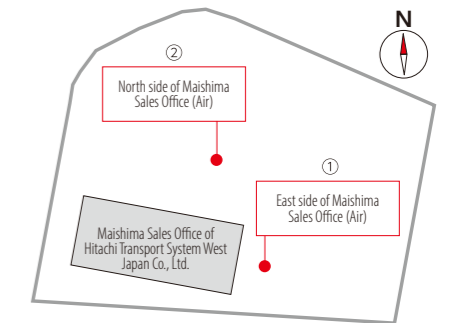


Nearest monitoring station to the fire site

2. Atmospheric investigation

Since we were not able to conduct the investigation during the fire, we collected and investigated air immediately after the fire was extinguished on December 4, 2021.

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| Date of investigation | December 5, 2021 |
| Collection site | (1) East side of Maishima Sales Office of Hitachi Transport System West Japan Co., Ltd. (2) North side of Maishima Sales Office of Hitachi Transport System West Japan Co., Ltd. * We did not collect air in the west and south sides as they face public roads. |
| Investigation item | Hazardous air pollutants, etc. (23 items in total, including benzene, toluene, and arsenic, which are substances requiring priority action designated by the Ministry of the Environment) |
| Investigation results | Of the investigation items in (1) and (2), the value of benzene in (1) exceeded the threshold of the environmental criteria. / As a result of a follow-up investigation on benzene conducted on January 6, 2022, it was confirmed that the value was within the environmental criteria. / The values of other items were confirmed to be below the threshold of the environmental criteria and the guideline values, being the same level as the results of the surrounding area. |



BCP initiatives at alternative sites

We established a task force in our neighboring site to secure alternative sites in the Kanto and Kansai areas and continue operations. In addition to the nearby Kansai site, the Group opened a new Kumiyama Sales Office of Hitachi Transport System West Japan Co., Ltd. in Kumiyama-cho, Kuse-gun, Kyoto Prefecture in May 2022, and we are working to respond to customer requests.



Kumiyama Sales Office of Hitachi Transport System West Japan Co., Ltd.

Future plan

In light of the fire, the Group conducted a comprehensive inspection of the fire prevention status in December 2021 and checked firefighting equipment in the workplace. In addition, we reviewed measures and education, etc. related to firefighting/evacuation and began considering the use of firefighting robot equipment in the second half of FY2021. As a future initiative, we are considering introducing firefighting assistive devices to enhance firefighting capacity in terms of tangible aspects. In terms of intangible aspects, we will require all employees to participate in disaster prevention trainings to repeatedly learn how to use firefighting equipment. In addition, we will update the "Disaster Prevention Training Manual," share it within the Group, incorporate essential knowledge of fire prevention into education by rank, visualize the status of trainings/fire inspections, and implement PDCA cycle for disaster prevention. We will thoroughly implement fire prevention measures and share them across the Group with an aim to raise disaster prevention awareness of the organization and each employee.

Disaster prevention measures

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| Tangible aspects | Introduce firefighting assistive devices (fire extinguisher ball, large fire extinguisher, etc.) |
| | Consider the use of firefighting robots/equipment in cooperation with manufacturers |
| Intangible aspects | Update the "Disaster Prevention Training Manual" and share it within the Group |
| | Incorporate essential knowledge of fire prevention management into education by rank |
| | Introduce a system to visualize fire prevention managers, trainings, and fire prevention plans such as fire inspections |

Roadmap for the introduction of firefighting robot equipment

| Item | Details | Schedule | | | |
|------------------------------|---|-----------------------|---------------------|--------|--------|
| | | Second half of FY2021 | FY2022 | FY2023 | FY2024 |
| Early detection | Detect smoke and flames with sensors/cameras | Survey/select | Define requirements | Test | |
| Location identification | Automatically identify the point of origin (shown on the map) | Survey/select | Define requirements | Test | |
| Automatic fire extinguishing | Extinguish fire using autonomous robots | Survey/select | Define requirements | Test | |