


Financial Statements

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Consolidated Statement of Financial Position

Hitachi Transport System, Ltd. and subsidiaries

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2019	As of March 31, 2018	As of March 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	¥ 108,412	¥ 63,497	\$ 976,773
Trade receivables	–	135,987	–
Trade receivables and contract assets	132,544	–	1,194,198
Inventories	1,145	1,711	10,316
Other financial assets	4,597	7,868	41,418
Other current assets	11,965	11,089	107,803
Total current assets	258,663	220,152	2,330,507
Non-current assets			
Investments accounted for using the equity method	84,009	75,349	756,906
Property, plant and equipment	182,400	175,015	1,643,391
Goodwill	26,212	27,869	236,165
Intangible assets	28,556	31,833	257,284
Deferred tax assets	8,083	8,466	72,826
Other financial assets	18,241	18,320	164,348
Other non-current assets	6,371	7,899	57,402
Total non-current assets	353,872	344,751	3,188,323
Total assets	¥ 612,535	¥ 564,903	\$ 5,518,831

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2019	As of March 31, 2018	As of March 31, 2019
Liabilities			
Current liabilities			
Trade payables	¥ 54,253	¥ 55,078	\$ 488,810
Short-term debt	5,850	10,747	52,707
Current portion of long-term debt	5,662	15,307	51,014
Income tax payable	3,362	6,782	30,291
Other financial liabilities	24,886	29,049	224,218
Other current liabilities	28,481	30,829	256,609
Total current liabilities	122,494	147,792	1,103,649
Non-current liabilities			
Long-term debt	191,198	138,244	1,722,660
Retirement and severance benefits	32,083	32,077	289,062
Deferred tax liabilities	10,712	10,897	96,513
Other financial liabilities	22,958	23,721	206,847
Other non-current liabilities	4,141	3,881	37,310
Total non-current liabilities	261,092	208,820	2,352,392
Total liabilities	¥ 383,586	¥ 356,612	\$ 3,456,041
Equity			
Equity attributable to stockholders of the parent company			
Common stock	¥ 16,803	¥ 16,803	\$ 151,392
Retained earnings	206,245	186,373	1,858,230
Accumulated other comprehensive income	(520)	1,333	(4,685)
Treasury stock, at cost	(182)	(181)	(1,640)
Total equity attributable to stockholders of the parent company	222,346	204,328	2,003,298
Non-controlling interests	6,603	3,963	59,492
Total equity	228,949	208,291	2,062,789
Total liabilities and equity	¥ 612,535	¥ 564,903	\$ 5,518,831

Consolidated Statement of Profit or Loss

Hitachi Transport System, Ltd. and subsidiaries

For the years ended March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Revenues	¥ 708,831	¥ 700,391	\$ 6,386,440
Cost of sales	(626,458)	(620,011)	(5,644,274)
Gross profit	82,373	80,380	742,166
Selling, general and administrative expenses	(51,181)	(50,577)	(461,132)
Adjusted operating income	31,192	29,803	281,034
Other income	3,850	3,461	34,688
Other expenses	(4,689)	(3,998)	(42,247)
Operating income	30,353	29,266	273,475
Financial income	450	88	4,054
Financial expenses	(1,042)	(1,818)	(9,388)
Share of profits of investments accounted for using the equity method	6,419	5,557	57,834
EBIT (Earnings before interest and taxes)	36,180	33,093	325,975
Interest income	1,075	1,031	9,686
Interest expenses	(2,009)	(1,862)	(18,101)
Income before income taxes	35,246	32,262	317,560
Income taxes	(11,233)	(10,154)	(101,207)
Net income	¥ 24,013	¥ 22,108	\$ 216,353
Net income attributable to:			
Stockholders of the parent company	22,786	20,916	205,298
Non-controlling interests	1,227	1,192	11,055
	Yen		U.S. dollars
	2019	2018	2019
Earnings per share attributable to stockholders of the parent company			
Basic	¥ 204.27	¥ 187.50	\$ 1.84
Diluted	-	-	-

Consolidated Statement of Comprehensive Income

Hitachi Transport System, Ltd. and subsidiaries

For the years ended March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Net income	¥ 24,013	¥ 22,108	\$ 216,353
Other comprehensive income (OCI)			
Items not to be reclassified into net income			
Net changes in financial assets measured at fair value through OCI	(300)	457	(2,703)
Remeasurements of defined benefit plans	(191)	(60)	(1,721)
Share of OCI of investments accounted for using the equity method	(14)	123	(126)
Total items not to be reclassified into net income	(505)	520	(4,550)
Items that can be reclassified into net income			
Foreign currency translation adjustments	(1,121)	1,798	(10,100)
Net changes in cash flow hedges	(2)	-	(18)
Share of OCI of investments accounted for using the equity method	(108)	5	(973)
Total items that can be reclassified into net income	(1,231)	1,803	(11,091)
Other comprehensive income (OCI)	(1,736)	2,323	(15,641)
Comprehensive income	¥ 22,277	¥ 24,431	\$ 200,712
Comprehensive income attributable to:			
Stockholders of the parent company	21,178	22,486	190,810
Non-controlling interests	1,099	1,945	9,902

Consolidated Statement of Changes in Equity

Hitachi Transport System, Ltd. and subsidiaries

For the year ended March 31, 2019

	Millions of yen						
	2019						
	Equity attributable to stockholders of the parent company					Non-controlling interests	Total equity
Common stock	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total equity attributable to stockholders of the parent company			
Balance at beginning of year	¥ 16,803	¥ 186,373	¥ 1,333	¥ (181)	¥ 204,328	¥ 3,963	¥ 208,291
Cumulative effects of changes in accounting policies	–	25	–	–	25	–	25
Restated balance	16,803	186,398	1,333	(181)	204,353	3,963	208,316
Changes in equity							
Net income	–	22,786	–	–	22,786	1,227	24,013
Other comprehensive income	–	–	(1,608)	–	(1,608)	(128)	(1,736)
Transactions with non-controlling interests	–	115	(4)	–	111	2,130	2,241
Dividends	–	(4,127)	–	–	(4,127)	(171)	(4,298)
Transfer to retained earnings	–	99	(99)	–	–	–	–
Acquisition and sales of treasury stock	–	–	–	(1)	(1)	–	(1)
Changes in liabilities for written put options over non-controlling interests	–	974	(142)	–	832	(418)	414
Total changes in equity	–	19,847	(1,853)	(1)	17,993	2,640	20,633
Balance at end of year	¥ 16,803	¥ 206,245	¥ (520)	¥ (182)	¥ 222,346	¥ 6,603	¥ 228,949

For the year ended March 31, 2018

	Millions of yen						
	2018						
	Equity attributable to stockholders of the parent company					Non-controlling interests	Total equity
Common stock	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total equity attributable to stockholders of the parent company			
Balance at beginning of year	¥ 16,803	¥ 171,633	¥ (774)	¥ (180)	¥ 187,482	¥ 3,437	¥ 190,919
Changes in equity							
Net income	–	20,916	–	–	20,916	1,192	22,108
Other comprehensive income	–	–	1,570	–	1,570	753	2,323
Transactions with non-controlling interests	–	9	–	–	9	(122)	(113)
Dividends	–	(3,904)	–	–	(3,904)	(131)	(4,035)
Transfer to retained earnings	–	10	(10)	–	–	–	–
Acquisition and sales of treasury stock	–	–	–	(1)	(1)	–	(1)
Changes in liabilities for written put options over non-controlling interests	–	(2,291)	547	–	(1,744)	(1,166)	(2,910)
Total changes in equity	–	14,740	2,107	(1)	16,846	526	17,372
Balance at end of year	¥ 16,803	¥ 186,373	¥ 1,333	¥ (181)	¥ 204,328	¥ 3,963	¥ 208,291

For the year ended March 31, 2019

	Thousands of U.S. dollars						
	2019						
	Equity attributable to stockholders of the parent company					Non-controlling interests	Total equity
Common stock	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total equity attributable to stockholders of the parent company			
Balance at beginning of year	\$ 151,392	\$ 1,679,187	\$ 12,010	\$ (1,631)	\$ 1,840,959	\$ 35,706	\$ 1,876,665
Cumulative effects of changes in accounting policies	–	225	–	–	225	–	225
Restated balance	151,392	1,679,413	12,010	(1,631)	1,841,184	35,706	1,876,890
Changes in equity							
Net income	–	205,298	–	–	205,298	11,055	216,353
Other comprehensive income	–	–	(14,488)	–	(14,488)	(1,153)	(15,641)
Transactions with non-controlling interests	–	1,036	(36)	–	1,000	19,191	20,191
Dividends	–	(37,184)	–	–	(37,184)	(1,541)	(38,724)
Transfer to retained earnings	–	892	(892)	–	–	–	–
Acquisition and sales of treasury stock	–	–	–	(9)	(9)	–	(9)
Changes in liabilities for written put options over non-controlling interests	–	8,776	(1,279)	–	7,496	(3,766)	3,730
Total changes in equity	–	178,818	(16,695)	(9)	162,114	23,786	185,900
Balance at end of year	\$ 151,392	\$ 1,858,230	\$ (4,685)	\$ (1,640)	\$ 2,003,298	\$ 59,492	\$ 2,062,789

Consolidated Statement of Cash Flows

Hitachi Transport System, Ltd. and subsidiaries

For the years ended March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Cash flows from operating activities:			
Net income	¥ 24,013	¥ 22,108	\$ 216,353
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	19,059	19,030	171,718
Impairment losses	2,045	1,254	18,425
Share of profits of investments accounted for using the equity method	(6,419)	(5,557)	(57,834)
Gain on business reorganization	(3,134)	-	(28,237)
Income taxes	11,233	10,154	101,207
Increase (decrease) in retirement and severance benefits	225	863	2,027
Interest and dividends income	(1,482)	(1,117)	(13,353)
Interest expenses	2,009	1,862	18,101
(Gains) losses on sale of property, plant and equipment	(44)	(2,780)	(396)
(Increase) decrease in trade receivables and contract assets	449	(9,667)	4,045
(Increase) decrease in inventories	389	(227)	3,505
Increase (decrease) in trade payables	816	2,738	7,352
Increase (decrease) in other assets and other liabilities	(1,286)	(2,596)	(11,587)
Other	17	956	153
Subtotal	47,890	37,021	431,480
Interest and dividends received	3,937	2,917	35,472
Interest paid	(1,912)	(1,748)	(17,227)
Income taxes paid	(12,103)	(10,266)	(109,046)
Net cash provided by operating activities	37,812	27,924	340,679
Cash flows from investing activities:			
Purchase of property, plant and equipment and intangible assets	(14,948)	(12,197)	(134,679)
Proceeds from sale of property, plant and equipment and intangible assets	1,491	5,485	13,434
Collection of short-term loan receivable	3,900	-	35,138
Decrease due to a loss of control of subsidiaries	(4,466)	-	(40,238)
Other	131	534	1,180
Net cash used in investing activities	(13,892)	(6,178)	(125,164)
Cash flows from financing activities:			
Increase (decrease) in short-term debt, net	(4,775)	1,834	(43,022)
Proceeds from long-term debt	49,749	-	448,230
Repayments of long-term debt	(11,490)	(1,502)	(103,523)
Repayments of lease obligations	(4,964)	(4,849)	(44,725)
Proceeds from sale of shares of consolidated subsidiaries to non-controlling interests	2,528	-	22,777
Purchase of shares of consolidated subsidiaries from non-controlling interests	(4,963)	(7,484)	(44,716)
Dividends paid to stockholders of the parent company	(4,127)	(3,904)	(37,184)
Dividends paid to non-controlling interests	(151)	(108)	(1,360)
Other	(703)	(432)	(6,334)
Net cash provided by (used in) financing activities	21,104	(16,445)	190,143
Effect of exchange rate changes on cash and cash equivalents	(109)	713	(982)
Net increase in cash and cash equivalents	44,915	6,014	404,676
Cash and cash equivalents at beginning of year	63,497	57,483	572,097
Cash and cash equivalents at end of year	¥ 108,412	¥ 63,497	\$ 976,773