

Summary of Consolidated Financial Results [IFRS] for the Second Quarter Ended September 30, 2020

October 28, 2020

Listed Company: **Hitachi Transport System, Ltd.** Stock Exchange: First Section of Tokyo
 Code Number: 9086 URL: <https://www.hitachi-transportssystem.com/en/>
 Representative: Yasuo Nakatani, President and Chief Executive Officer
 Person in Charge: Tetsuro Taga, General Manager of Public Relations Department, Corporate Strategy Office
 Date of the Release of Quarterly Report (Schedule): November 13, 2020
 Date of the Start of Dividend Payment (Schedule): November 30, 2020
 Creates Supplementary Materials for Quarterly Summaries: Yes
 Briefing Held on Quarterly Settlement of Accounts: Yes (for analysts, institutional investors, and media)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Highlights for the Second Quarter Ended September 30, 2020 (April 1, 2020 to September 30, 2020)

(1) Consolidated Financial Results (Cumulative) (% indicates the percentage change over year)

	Revenues		Adjusted operating income ^{*1}		EBIT ^{*2}		Income before income taxes		Net income		Net income attributable to stockholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2020	306,436	(10.1)	15,397	(6.8)	23,842	21.7	21,044	26.9	13,438	17.7	13,171	21.0
September 30, 2019	340,755	(3.3)	16,519	11.2	19,589	32.1	16,581	15.0	11,420	31.1	10,883	30.7

	Basic earnings per share attributable to stockholders of the parent company
September 30, 2020	Yen 123.20
September 30, 2019	97.56

*1. [Adjusted operating income] = [Revenues] - [Cost of sales] - [Selling, general and administrative expenses]

*2. EBIT (Earnings Before Interest and Taxes) = [Income before income taxes] - [Interest income] + [Interest expenses]

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to stockholders of the parent company	Total equity attributable to stockholders of the parent company ratio
	Million yen	Million yen	Million yen	%
September 30, 2020	790,646	151,675	145,321	18.4
March 31, 2020	879,144	239,257	232,861	26.5

2. Dividends

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
March 31, 2020	—	21.00	—	22.00	43.00
March 31, 2021	—	22.00	—	—	—
March 31, 2021 (Forecasts)	—	—	—	26.00	48.00

(Note) Revision of the latest dividends forecasts: Yes

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% indicates the percentage change over year)

	Revenues		Adjusted operating income		EBIT		Income before income taxes		Net income		Net income attributable to stockholders of the parent company		Basic earnings per share attributable to stockholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	%
Full year	651,000	(3.2)	31,500	(5.9)	38,550	(2.7)	33,150	(2.0)	22,500	0.1	21,500	(0.5)	225.61	

(Note1) Revision of the latest consolidated financial forecasts: None

(Note2) The Company resolved matters relating to the acquisition of treasury stock at the Board of Directors meeting held on September 24, 2020, whose impact is taken into consideration in basic earnings per share attributable to stockholders of the parent company in the consolidated financial forecasts.

*** Notes**

(1) Changes in significant subsidiaries during the term (Change in specified subsidiaries causing changes in scope of consolidation):
None

(2) Changes in accounting policies and accounting estimates
(a) Changes in accounting policies required by IFRS: None
(b) Changes other than (a) above: None
(c) Changes in accounting estimates: None

(3) Number of Shares Issued (Common Stock)
(a) Number of shares at the end of the term (Including treasury stock)
As of September 30, 2020: 111,776,714 shares
As of March 31, 2020: 111,776,714 shares
(b) Number of treasury stock at the end of the term
As of September 30, 2020: 28,088,536 shares
As of March 31, 2020: 227,790 shares
(c) Average number of shares during the term
Six months ended September 30, 2020: 106,905,414 shares
Six months ended September 30, 2019: 111,549,287 shares

(Note) Quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit corporation.

(Note) Explanation on the appropriate use of financial forecasts and other important items

- The financial forecasts shown on this report are estimated based on information available as of the issuing date of this report, and therefore, the actual results for the future terms may differ from these forecasted figures due to various unknown factors. For the assumptions for forecasts and cautions regarding the use of the forecasts, please refer to "1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Future Forecast Information including Consolidated Financial Forecasts" on Page 3.
- The supplementary material on quarterly financial results will be posted on the Company's website.

Table of Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review	2
(1) Explanation of Operating Results.....	2
(2) Explanation of Financial Position.....	3
(3) Explanation of Future Forecast Information including Consolidated Financial Forecasts.....	3
2. Summary of Condensed Quarterly Consolidated Financial Statements and Major Notes.....	4
(1) Condensed Quarterly Consolidated Statement of Financial Position	4
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income	6
(3) Condensed Quarterly Consolidated Statement of Changes in Equity	8
(4) Condensed Quarterly Consolidated Statement of Cash Flows	9
(5) Summary of Notes to the Quarterly Consolidated Financial Statements.....	10
(Notes on Going Concern Assumptions)	10
(Notes in the Event of Significant Changes in Shareholders' Equity).....	10
(Additional Information)	10
(Segment Information)	11

1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

For the second quarter ended September 30, 2020, consolidated financial results of the Hitachi Transport System Group (the “Group”) are as follows:

	(Million yen)		
	Six Months Ended September 30, 2019	Six Months Ended September 30, 2020	Y on Y change
Revenues	340,755	306,436	90%
Adjusted operating income	16,519	15,397	93%
EBIT	19,589	23,842	122%
Net income attributable to stockholders of the parent company	10,883	13,171	121%

Revenues and adjusted operating income decreased by 10% and 7% year-on-year to ¥306,436 million and 15,397 million, respectively. EBIT and net income attributable to stockholders of the parent company increased by 22% and 21% year-on-year to ¥23,842 million and ¥13,171 million, respectively.

Results by business segment during the period under review are as follows:

【Domestic logistics business】			(Million yen)
	Six Months Ended September 30, 2019	Six Months Ended September 30, 2020	Y on Y change
Revenues	217,522	204,960	94%
Segment profit (Adjusted operating income)	12,138	11,029	91%

Revenues of domestic logistics business decreased by 6% year-on-year to ¥204,960 million due to a decrease in volume resulting from reduced operation at customers’ factories as a consequence of the spread of the COVID-19 despite contributions from consolidating PALENET CO., LTD. and Hitachi Transport System East Japan Distribution Services Co., Ltd. and launching new projects.

Segment profit decreased by 9% year-on-year to ¥11,029 million due to a decrease in revenues despite improved productivity and a reduction in total costs.

【Global logistics business】			(Million yen)
	Six Months Ended September 30, 2019	Six Months Ended September 30, 2020	Y on Y change
Revenues	114,586	94,094	82%
Segment profit (Adjusted operating income)	3,706	3,836	104%

Revenues of global logistics business decreased by 18% year-on-year to ¥94,094 million due to a decrease in volume resulting from reduced operation at customers’ factories, a volume decrease in forwarding business, and fluctuations of foreign exchange rates as a consequence of the spread of the COVID-19.

Segment profit increased by 4% year-on-year to ¥3,836 million due to an increase in volume resulting from recovery in domestic production and consumption mainly in China despite a decrease in revenues.

【Other services (logistics related businesses)】			(Million yen)
	Six Months Ended September 30, 2019	Six Months Ended September 30, 2020	Y on Y change
Revenues	8,647	7,382	85%
Segment profit (Adjusted operating income)	675	532	79%

Revenues of other services decreased by 15% year-on-year to ¥7,382 million due to the effect of exclusion of Hitachi Travel Bureau, Ltd. (currently known as HTB-BCD Travel Ltd.) from the scope of consolidation.

Segment profit decreased by 21% year-on-year to ¥532 million due to a decrease in revenues.

(2) Explanation of Financial Position

1) Assets, Liabilities and Net Assets

Total assets as of September 30, 2020 amounted to ¥790,646 million, a decrease of ¥88,498 million compared with the end of the previous fiscal year. Current assets decreased by ¥31,356 million due to decreases of ¥31,657 million in cash and cash equivalents and ¥6,143 million in trade receivables and contract assets. Non-current assets decreased by ¥57,142 million due to a decrease of ¥82,055 million in investments accounted for using the equity method despite an increase of ¥18,347 million in right-of-use assets.

Total liabilities as of September 30 amounted to ¥638,971 million, a decrease of ¥916 million compared with the end of the previous fiscal year. Current liabilities decreased by ¥15,605 million due to decreases of ¥5,624 million in other financial liabilities, ¥4,318 million in income tax payable, and ¥3,276 million in trade payables. Non-current liabilities increased by ¥14,689 million due to increases of ¥19,296 million in lease liabilities and ¥6,059 million in other financial liabilities despite a decrease of ¥10,164 million in long-term debt.

Total equity as of September 30, 2020 amounted to ¥151,675 million, a decrease of ¥87,582 million compared with the end of the previous fiscal year. Total equity attributable to stockholders of the parent company ratio decreased from 26.5% at the end of the previous fiscal year to 18.4%.

2) Cash flows

Cash and cash equivalents (herein called “cash”) as of September 30, 2020 was ¥107,364 million, a decrease of ¥31,657 million from March 31, 2020.

Cash flows from each activity for the six months ended September 30, 2020 and their significant components are as follows:

Net cash provided by operating activities was ¥29,360 million, a decrease of ¥9,792 million compared with the six months ended September 30, 2019. This is mainly due to an increase in cash from depreciation and amortization of ¥25,939 million and recording net income of ¥13,438 million, partly offset by a decrease in cash from income taxes paid of ¥10,860 million.

Net cash provided by investing activities was ¥77,951 million, an increase of ¥80,912 million compared with the six months ended September 30, 2019. This is mainly due to an increase in cash from proceeds from sale of investments in associates of ¥87,183 million, partly offset by a decrease in cash from purchase of property, plant and equipment and intangible assets of ¥10,855 million.

Net cash used in financing activities was ¥139,380 million, an increase of ¥117,019 million compared with the six months ended September 30, 2019. This is mainly due to a decrease in cash from acquisition of treasury stock of ¥99,632 million and repayments of lease liabilities of ¥19,005 million.

(3) Explanation of Future Forecast Information including Consolidated Financial Forecasts

There are growing concerns over global economic slowdown due to the spread of the COVID-19. It is still necessary to pay due attention to the impact of the protectionism and trade friction as well as geopolitical risks and the impact of natural disasters, etc. In Japan, especially in the logistics industry, the business environment is becoming severe due to intensifying competitions across industries caused by labor shortage and expansion of EC market.

Against such a backdrop, under the business concept of “LOGISTEED,” the Group will strive to strengthen our core logistics function through collaborative innovation with various partners and also execute collaborative innovation strategies leading to further expansion of our domains.

No revision is made to the consolidated financial forecasts, released on July 30, 2020.

<p>*[LOGISTEED]: A word that combines LOGISTICS with Exceed, Proceed, Succeed, and Speed. It represents our determination to lead businesses to a new domain beyond the conventional logistics.</p>

The supplementary material on financial results will be posted on the Company’s website.
[URL] <https://www.hitachi-transportssystem.com/en/ir/library/presentations/>

2. Summary of Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2020	As of September 30, 2020
(Assets)		
Current assets		
Cash and cash equivalents	139,021	107,364
Trade receivables and contract assets	115,419	109,276
Inventories	1,066	1,318
Other financial assets	5,102	4,310
Other current assets	6,801	13,785
Total current assets	267,409	236,053
Non-current assets		
Investments accounted for using the equity method	89,271	7,216
Property, plant and equipment	148,232	154,096
Right-of-use assets	288,441	306,788
Goodwill	24,112	25,138
Intangible assets	24,397	24,096
Deferred tax assets	10,123	10,325
Other financial assets	21,274	21,064
Other non-current assets	5,885	5,870
Total non-current assets	611,735	554,593
Total assets	879,144	790,646

(Million yen)

	As of March 31, 2020	As of September 30, 2020
(Liabilities)		
Current liabilities		
Trade payables	45,410	42,134
Short-term debt	3,546	2,716
Current portion of long-term debt	10,416	10,389
Lease liabilities	33,209	32,245
Income tax payable	8,232	3,914
Other financial liabilities	37,886	32,262
Other current liabilities	29,062	28,496
Total current liabilities	167,761	152,156
Non-current liabilities		
Long-term debt	150,502	140,338
Lease liabilities	261,031	280,327
Retirement and severance benefits	34,825	36,386
Deferred tax liabilities	10,123	8,048
Other financial liabilities	12,299	18,358
Other non-current liabilities	3,346	3,358
Total non-current liabilities	472,126	486,815
Total liabilities	639,887	638,971
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	16,803	16,803
Retained earnings	220,829	231,409
Accumulated other comprehensive income	(4,587)	(3,075)
Treasury stock, at cost	(184)	(99,816)
Total equity attributable to stockholders of the parent company	232,861	145,321
Non-controlling interests	6,396	6,354
Total equity	239,257	151,675
Total liabilities and equity	879,144	790,646

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

(Million yen)

	Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)	Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)
Revenues	340,755	306,436
Cost of sales	(298,797)	(267,177)
Gross profit	41,958	39,259
Selling, general and administrative expenses	(25,439)	(23,862)
Adjusted operating income	16,519	15,397
Other income	2,991	9,518
Other expenses	(2,380)	(3,415)
Operating income	17,130	21,500
Financial income	61	57
Financial expenses	(438)	(658)
Share of profits of investments accounted for using the equity method	2,836	2,943
Earnings before interest and taxes	19,589	23,842
Interest income	652	475
Interest expenses	(3,660)	(3,273)
Income before income taxes	16,581	21,044
Income taxes	(5,161)	(7,606)
Net income	11,420	13,438
Attributable to:		
Stockholders of the parent company	10,883	13,171
Non-controlling interests	537	267

	Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)	Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)
Earnings per share attributable to stockholders of the parent company		
Basic	¥97.56	¥123.20
Diluted	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Million yen)

	Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)	Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)
Net income	11,420	13,438
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	(14)	265
Remeasurements of defined benefit plans	—	(112)
Share of OCI of investments accounted for using the equity method	(104)	14
Total items not to be reclassified into net income	(118)	167
Items that can be reclassified into net income		
Foreign currency translation adjustments	(3,651)	1,515
Net changes in cash flow hedges	3	(1)
Share of OCI of investments accounted for using the equity method	(24)	(14)
Total items that can be reclassified into net income	(3,672)	1,500
Other comprehensive income	(3,790)	1,667
Comprehensive income	7,630	15,105
Attributable to:		
Stockholders of the parent company	7,447	14,655
Non-controlling interests	183	450

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Million yen)

Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)							
					Total 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			
Balance at beginning of year	16,803	206,245	(520)	(182)	222,346	6,603	228,949
Changes in equity							
Net income		10,883			10,883	537	11,420
Other comprehensive income			(3,436)		(3,436)	(354)	(3,790)
Transactions with non-controlling interests		(6)	(1)		(7)	209	202
Dividends		(2,343)			(2,343)	(126)	(2,469)
Transfer to retained earnings		143	(143)		—		—
Acquisition and sales of treasury stock				(1)	(1)		(1)
Changes in liabilities for written put options over non-controlling interests		281	(236)		45	(399)	(354)
Total changes in equity	—	8,958	(3,816)	(1)	5,141	(133)	5,008
Balance at end of period	16,803	215,203	(4,336)	(183)	227,487	6,470	233,957

(Million yen)

Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)							
					Total 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			
Balance at beginning of year	16,803	220,829	(4,587)	(184)	232,861	6,396	239,257
Changes in equity							
Net income		13,171			13,171	267	13,438
Other comprehensive income			1,484		1,484	183	1,667
Transactions with non-controlling interests		105	(105)		—	(93)	(93)
Dividends		(2,454)			(2,454)	(111)	(2,565)
Transfer to retained earnings		11	(11)		—		—
Acquisition and sales of treasury stock				(99,632)	(99,632)		(99,632)
Share-based remuneration transactions		9			9		9
Changes in liabilities for written put options over non-controlling interests		(262)	144		(118)	(288)	(406)
Total changes in equity	—	10,580	1,512	(99,632)	(87,540)	(42)	(87,582)
Balance at end of period	16,803	231,409	(3,075)	(99,816)	145,321	6,354	151,675

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)	Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)
Cash flows from operating activities		
Net income	11,420	13,438
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	25,833	25,939
Impairment losses	1,269	131
Income taxes	5,161	7,606
Share of profits of investments accounted for using the equity method	(2,836)	(2,943)
Gain on sale of investments in associates	—	(4,945)
Gain on business reorganization	(1,244)	—
Gain on sale of property, plant and equipment	(1,120)	(2,729)
Interest and dividends income	(710)	(529)
Interest expenses	3,660	3,273
Decrease in trade receivables and contract assets	13,547	7,582
(Increase) decrease in inventories	4	(183)
Decrease in trade payables	(9,051)	(3,883)
Increase (decrease) in retirement and severance benefits	(204)	1,364
Decrease in other assets and liabilities	(2,625)	(4,251)
Other	535	256
Subtotal	43,639	40,126
Interest and dividends received	3,244	3,324
Interest paid	(3,580)	(3,230)
Income taxes paid	(4,151)	(10,860)
Net cash provided by operating activities	39,152	29,360
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(4,984)	(10,855)
Proceeds from sale of property, plant and equipment and intangible assets	3,577	3,155
Proceeds from sale of investments in associates	—	87,183
Purchase of investments in subsidiaries	(666)	(1,771)
Decrease by a loss of control of a subsidiary	(384)	—
Other	(504)	239
Net cash (used in) provided by investing activities	(2,961)	77,951
Cash flows from financing activities		
Decrease in short-term debt, net	(724)	(858)
Repayments on long-term debt	(402)	(10,206)
Repayments of lease liabilities	(18,375)	(19,005)
Proceeds from sale of interests in subsidiaries to non-controlling interests	—	114
Payments for acquisition of interests in subsidiaries from non-controlling interests	(30)	(6,815)
Dividends paid to stockholders of the parent company	(2,343)	(2,454)
Dividends paid to non-controlling interests	(126)	(111)
Acquisition of treasury stock	—	(99,632)
Other	(361)	(413)
Net cash used in financing activities	(22,361)	(139,380)
Effect of exchange rate changes on cash and cash equivalents	(707)	412
Net increase (decrease) in cash and cash equivalents	13,123	(31,657)
Cash and cash equivalents at beginning of period	108,412	139,021
Cash and cash equivalents at end of period	121,535	107,364

(5) Summary of Notes to the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

None

(Notes in the Event of Significant Changes in Shareholders' Equity)

The major change during the second quarter ended September 30, 2020 represents the acquisition of treasury stock of 27,675 thousand shares (¥98,994 million) based on the resolution at the Board of Directors meeting held on September 24, 2020. The acquisition cost of treasury stock includes direct acquisition cost (net of tax).

As a result, the number of treasury stock as of September 30, 2020 was 28,089 thousand shares with book value of ¥99,816 million.

(Additional Information)

(Impact of the spread of the COVID-19)

As for the impact of the COVID-19, profitability for the first quarter ended June 30, 2020 declined at certain business for automobile-related customers, etc. due to a decrease in volume resulting from the customers' reduced operation, but there is no material change in our assumption from the fiscal year ended March 31, 2020 that the profitability will turn towards a gradual recovery in and after the second quarter ended September 30, 2020. However, we may need to review the carrying amount of assets and liabilities in and after the third quarter if the uncertainty further increased.

(Partial amendment to the Strategic Capital and Business Alliance with SG Holdings Co., Ltd. and SAGAWA EXPRESS CO., LTD.)

The Company and SG Holdings Co., Ltd. and its subsidiary SAGAWA EXPRESS CO., LTD. (the Company and SG Holdings Co., Ltd. and SAGAWA EXPRESS CO., LTD. are collectively referred to as "Companies") have concluded a capital and business alliance agreement in March 2016 ("Capital and Business Alliance"), based on which the Company acquired 20% of the outstanding shares (excluding treasury stock) of SAGAWA EXPRESS CO., LTD. in May 2016 and has discussed and considered the possibility of the Companies' management integration based on the achievements through the Capital and Business Alliance.

After much discussion, the Companies reached the conclusion that the maximization of their corporate value can be achieved by individually promoting their own growth strategy while further enhancing the business aspects based on daily collaborative innovation and collaboration activities. The Company resolved the partial amendment to the Capital and Business Alliance at the Board of Directors meeting on September 24, 2020 to acquire a part of the Company's shares held by SG Holdings Co., Ltd. and transfer all shares of SAGAWA EXPRESS CO., LTD. held by the Company to SG Holdings Co., Ltd., which were agreed on by the Companies. It was also decided to defer the discussion aimed at the management integration for the moment.

The partial amendment to the Capital and Business Alliance allows the Group to accelerate the initiatives toward the supply chain optimization, which the Group is currently promoting together with various collaborative innovation partners, especially in overseas and create and expand its ecosystem including flexible use of treasury stock.

As a result of transferring the shares of SAGAWA EXPRESS CO., LTD. to SG Holdings Co., Ltd. based on the partial amendment to the Capital and Business Alliance, the Company recognized gain on sale of investments in associates of ¥4,945 million in Other income for the six months ended September 30, 2020.

(Segment Information)

Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)

(Million yen)

	Reporting segment			Other services ¹	Total	Adjustments and eliminations ²	Amount recorded in consolidated financial statements
	Domestic logistics	Global logistics	Subtotal				
Revenues							
Revenues from outside customers	217,522	114,586	332,108	8,647	340,755	—	340,755
Revenues from intersegment transactions or transfers	—	—	—	7,194	7,194	(7,194)	—
Total	217,522	114,586	332,108	15,841	347,949	(7,194)	340,755
Segment profit	12,138	3,706	15,844	675	16,519	—	16,519
Other income							2,991
Other expenses							(2,380)
Financial income							61
Financial expenses							(438)
Share of profits of investments accounted for using the equity method							2,836
Interest income							652
Interest expenses							(3,660)
Income before income taxes							16,581

Note: 1. "Other services" includes information system development, service, sale and maintenance of motor vehicles, and travel agency service, which are excluded from the reporting segments.

2. Company-wide expenses which do not belong to any business segment such as corporate general administration expenses incurred in the parent company are allocated to each business segment in accordance with a rational basis.

Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)

(Million yen)

	Reporting segment			Other services ¹	Total	Adjustments and eliminations ²	Amount recorded in consolidated financial statements
	Domestic logistics	Global logistics	Subtotal				
Revenues							
Revenues from outside customers	204,960	94,094	299,054	7,382	306,436	—	306,436
Revenues from intersegment transactions or transfers	—	—	—	7,337	7,337	(7,337)	—
Total	204,960	94,094	299,054	14,719	313,773	(7,337)	306,436
Segment profit	11,029	3,836	14,865	532	15,397	—	15,397
Other income							9,518
Other expenses							(3,415)
Financial income							57
Financial expenses							(658)
Share of profits of investments accounted for using the equity method							2,943
Interest income							475
Interest expenses							(3,273)
Income before income taxes							21,044

Note: 1. "Other services" includes information system development, and service, sale and maintenance of motor vehicles, which are excluded from the reporting segments.

2. Company-wide expenses which do not belong to any business segment such as corporate general administration expenses incurred in the parent company are allocated to each business segment in accordance with a rational basis.