FY2015
(Year Ended March 31, 2016)
Financial Results Briefing

Hitachi Transport System, Ltd.
I. FY2015 results
[Summary of Financial Results]
Overview by group, breakdown of change in revenues/operating income, profits by indicators, overseas results by region, deviation factors
[FY2015 Topics (Domestic and Overseas)] [HTS Global Network]

II. FY2016 plan
[Revenues and profits plan]
Summary of FY 2015 Results

(Unit: billion yen, rounded off to the nearest integer, < > parentheses are profit ratios (%). ( ): year-on-year change)

<table>
<thead>
<tr>
<th></th>
<th>FY2014 Results</th>
<th>FY2015 Plan</th>
<th>FY2015 Results</th>
<th>Y o Y</th>
<th>vs Initial plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>678.6</td>
<td>690.0</td>
<td>680.4</td>
<td>+0.3%</td>
<td>-1%</td>
</tr>
<tr>
<td>Operating income</td>
<td>&lt;3.2&gt;</td>
<td>21.5</td>
<td>&lt;3.9&gt;</td>
<td>27.0</td>
<td>+32%</td>
</tr>
<tr>
<td>Income before income</td>
<td>&lt;3.2&gt;</td>
<td>22.0</td>
<td>&lt;3.7&gt;</td>
<td>25.7</td>
<td>+22%</td>
</tr>
<tr>
<td>income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income attributable</td>
<td>&lt;2.0&gt;</td>
<td>13.3</td>
<td>&lt;2.2&gt;</td>
<td>15.0</td>
<td>+6%</td>
</tr>
<tr>
<td>to stockholders of the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>parent company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>8.0%</td>
<td>7.9%</td>
<td>8.0%</td>
<td>-</td>
<td>(+0.1%)</td>
</tr>
</tbody>
</table>
### Summary of FY 2015 Results (Breakdown by Group)

(Unit: 100 million yen, rounded off to nearest integer. < >: composition ratio (%). ( ): year-on-year change)

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenues</th>
<th>Operating income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full-year</td>
<td>Y o Y</td>
</tr>
<tr>
<td><strong>Organic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic logistics</td>
<td>&lt;60&gt;</td>
<td>103%</td>
</tr>
<tr>
<td>Global logistics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas</td>
<td>&lt;33&gt;</td>
<td>100%</td>
</tr>
<tr>
<td>Forwarding and others</td>
<td>&lt;3&gt;</td>
<td>95%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>&lt;36&gt;</td>
<td>100%</td>
</tr>
<tr>
<td>Others (logistics-related businesses, etc.)</td>
<td>&lt;4&gt;</td>
<td>99%</td>
</tr>
<tr>
<td>(Elimination or corporate)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>&lt;100&gt;</td>
<td>102%</td>
</tr>
<tr>
<td><strong>Vantec Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic logistics</td>
<td>&lt;51&gt;</td>
<td>96%</td>
</tr>
<tr>
<td>Global logistics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas</td>
<td>&lt;21&gt;</td>
<td>98%</td>
</tr>
<tr>
<td>Forwarding and others</td>
<td>&lt;28&gt;</td>
<td>96%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>&lt;49&gt;</td>
<td>97%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>&lt;100&gt;</td>
<td>96%</td>
</tr>
<tr>
<td><strong>Consolidated adjustment</strong></td>
<td>-</td>
<td>-193</td>
</tr>
<tr>
<td>Amortization of customer-related intangible assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>&lt;100&gt;</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Hitachi Transport System Group, excluding VANTEC Group*
Summary of FY 2015 Results
(Breakdown of Change in Revenues)

<table>
<thead>
<tr>
<th>Category</th>
<th>JGAAP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014 (Result)</td>
<td>677.1</td>
<td>678.6</td>
</tr>
<tr>
<td>FY2015 (Result)</td>
<td>680.4</td>
<td></td>
</tr>
</tbody>
</table>

Environmental /volume changes: -15.8

Effect of exchange rates: +4.5

New orders: +13.1

Decrease in forwarding business: -8.7 billion

Decrease in China business: -5.8 billion

Temporary factor (volume increase): +3.2 billion

Domestic: +10.8 billion

Global: +2.3 billion

*Based on the old definition (including all projects): 29.7 billion

*Projects with existing customers that result in increase and decrease in revenues such as relocation. Revenues from new location (increase)–revenues from old location (decrease) are included in “Environmental/volume changes.”
Summary of FY 2015 Results
(Breakdown of Change in Operating income)

Operating income

- Improve profitability
  - New orders: +1.0
  - Structural reforms: +0.3

Environmental/volume changes
- +5.2
  - Domestic: +0.3 billion
  - Global: +0.1 billion

Other revenues/cost differences
- +6.9
  - Startup loss cost: +2.9 billion
  - Collection of appropriate fee: +2.3 billion
  - Other revenues/cost differences: +1.9 billion

JGAAP
- FY2014: 21.2
- FY2015: 21.5

IFRS
- FY2014: 25.0
- FY2015: 28.3

Operating income breakdown:
- Recover from the backlash drop: +0.8 billion (2Q accumulated)
- Temporary factor: +0.6 billion (2Q accumulated)
- Fuel cost decrease: +0.8 billion
- Other revenues/cost differences: +1.9 billion, etc.

*Based on the old definition (including all projects): +2.0 billion
Summary of FY 2015 Results (Profits by Indicators)

*To present the real condition of the business more appropriately, the Company announces “Adjusted operating income” and “EBIT” as major management indicators from FY2016.*
Summary of FY 2015 Results (Overseas Results by Region)

Revenues

- North America: 37.2 (FY2014) vs. 37.5 (FY2015, +0.3)
- Europe: 63.7 (FY2014) vs. 62.9 (FY2015, -0.8)
- Asia: 41.6 (FY2014) vs. 43.1 (FY2015, +1.5)
- China: 66.4 (FY2014) vs. 65.3 (FY2015, -1.1)

Operating income

- North America: 0.42 (FY2014) vs. 1.00 (FY2015, +0.58)
- Europe: 2.35 (FY2014) vs. 2.33 (FY2015, -0.02)
- Asia: 1.42 (FY2014) vs. 0.96 (FY2015, -0.46)
- China: 0.81 (FY2014) vs. 0.70 (FY2015, -0.11)

*Amortization of customer-related intangible assets of VANTEC are not deducted from “Operating income” in above.*
### Summary of FY 2015 Results (Deviation Factors)

#### Revenues

<table>
<thead>
<tr>
<th></th>
<th>FY2014 (Result)</th>
<th>FY2015 (Plan)</th>
<th>FY2015 (Result)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>678.6</td>
<td>690.0</td>
<td>680.4</td>
</tr>
<tr>
<td>Domestic</td>
<td>258.2</td>
<td>268.0</td>
<td>253.1</td>
</tr>
<tr>
<td>and other</td>
<td>420.3</td>
<td>422.0</td>
<td>427.2</td>
</tr>
</tbody>
</table>

#### Operating income

<table>
<thead>
<tr>
<th></th>
<th>FY2014 (Result)</th>
<th>FY2015 (Plan)</th>
<th>FY2015 (Result)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>21.5</td>
<td>27.0</td>
<td>28.3</td>
</tr>
<tr>
<td>Domestic</td>
<td>4.8</td>
<td>6.8</td>
<td>4.6</td>
</tr>
<tr>
<td>and other</td>
<td>16.6</td>
<td>20.2</td>
<td>23.7</td>
</tr>
</tbody>
</table>

- **Global -14.9 billion yen**
  - Volume increase in overseas business (China, etc.): -13.2
  - Volume decrease of forwarding from/to Japan: -1.7

- **Domestic, etc. +5.2 billion yen**
  - Volume increase (including temporary factors), etc.: +3.3
  - Recover from the backlash drop: +1.9

- **Global -2.2 billion yen**
  - Volume decrease in overseas business/Impairment loss on goodwill, etc.: -2.3
  - Volume decrease of forwarding from/to Japan: -0.5
  - Refund of settlement paid: +0.6

- **Domestic, etc. +3.5 billion yen**
  - Profitability improvement/recover from the backlash drop, etc.: +2.7
  - Other (Gain on sale of property, plant and equipment, etc.): +0.8

*9.6 billion yen over initial plan

*1.3 billion yen over initial plan
## FY2015 Topics

### New Picking System

- **Shin-Yachiyo DC**
  - Yachiyo City, Chiba Prefecture
  - Operations started Jul. 2015
  - Cosmetics, etc.

- **Shin-Shonan DC**
  - Kashiwa City, Chiba Prefecture
  - Operations started Aug. 2015
  - Sports goods

- **AEON Shikoku LC**
  - Sakaide City, Kagawa Prefecture
  - Operations started Sep. 2015
  - Food products/daily commodities, etc.

- **Tatebayashi DC**
  - Tatebayashi City, Gunma Prefecture
  - Operations started Oct. 2015
  - Food products/beverages

### East Shanghai DC

- Shanghai, China
- Operations started May 2015
- Construction equipment parts

### Laredo XD Terminal

- Texas, U.S.
- Operations started Aug. 2015
- Automobile parts related, etc.

### Hillthorn Warehouse

- Tyne and Wear, U.K.
- Automobile parts related, etc.

### Reorganized Overseas Group Companies

- Jul./Oct. 2015: Merged and integrated subsidiaries in North America
- Oct. 2015: Business reorganization of CDS Hong Kong subsidiary
- Jan. 2016: Business reorganization of CDS Malaysia subsidiary

### Capital and Business Alliance with SG Holdings and SAGAWA EXPRESS

- March 2016: Concluded a capital and business alliance agreement with SG Holdings/SAGAWA EXPRESS

### Commendations and Others

- Sep. 2015: National Forklift Driving Contest (1st prize in General/Female category)
- Oct. 2015: National Truck Driver Contest (1st prize in Female category)
- Mar. 2016: BCAO Award 2015 (Best Practice award)
- Apr. 2016: Changed the trade name of 7 domestic consolidated subsidiaries
HTS Global Network

- Number of Companies: 118 Companies
- Number of Sites: 776 Sites
- Warehouse Area: 7.09 M㎡
- Total Personnel: 48,524 Employees

Network extending to 29 countries and regions

JAPAN
- 24 Companies / 363 Sites / 4.96 M㎡

EUROPE
- 13 Companies / 73 Sites / 0.48 M㎡

NORTH AMERICA
- 11 Companies / 45 Sites / 0.22 M㎡

CHINA
- 40 Companies / 151 Sites / 0.68 M㎡

ASIA
- 30 Companies / 144 Sites / 0.75 M㎡

(As of March 31, 2016)
## FY2016 Plan (Summary)

(Unit: billion yen, rounded off to the nearest integer, < >: profit ratios (%), ( ): year-on-year changes)

<table>
<thead>
<tr>
<th></th>
<th>FY2015 Results</th>
<th>FY2016 Plan</th>
<th>Y o Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>680.4</td>
<td>685.0</td>
<td>+1%</td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong> *1</td>
<td>&lt;4.2&gt;</td>
<td>&lt;4.1&gt;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>28.3</td>
<td>28.0</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>EBIT</strong> *2</td>
<td>&lt;4.1&gt;</td>
<td>&lt;4.5&gt;</td>
<td>+12%</td>
</tr>
<tr>
<td></td>
<td>27.8</td>
<td>31.0</td>
<td></td>
</tr>
<tr>
<td><strong>Net income attributable to stockholders of the parent company</strong></td>
<td>&lt;2.1&gt;</td>
<td>&lt;2.7&gt;</td>
<td>+32%</td>
</tr>
<tr>
<td></td>
<td>14.0</td>
<td>18.5</td>
<td></td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>8.0</td>
<td>9.4</td>
<td>(+1.4%)</td>
</tr>
</tbody>
</table>

*1 “Adjusted operating income” is an indicator calculated as revenues less cost of sales and selling, general and administrative expenses. The Company announces “Adjusted operating income” to present the actual condition of the business more appropriately from FY2016.

*2 The Company also announces “EBIT (earnings before interest and tax)” which is an indicator of the whole business from FY2016.
FY2016 Plan (Revenues)

**FY2016 Revenues (Plan)**

- **FY2015 (Result):** 680.4 billion yen
- **FY2016 (Plan):** 685.0 billion yen

**Effect of exchange rates**
- Increase: +14.5 billion yen
- Decrease: -16.0 billion yen

**New orders**
- Domestic: +11.4 billion yen
- Global: +3.1 billion yen

**Environmental/volume changes, etc.**
- Backlash drop from a temporary volume increase in FY2015
- Incorporated risks including China business (Estimated amount: -4.0 to -6.0 billion yen)
- Forwarding: Bottomed out → recovery
- Domestic: Receive maintenance/additional orders by developing region-based business (treated as new orders under the old definition) (Estimated amount: +10.0 to 12.0 billion yen)

**Estimated amounts**
- USD: ¥105
- EUR: ¥117
- CNY: ¥17

**Change from FY2015:** +4.6 billion yen
FY2016 Plan (Operating income)

FY2016 Operating income (Plan)

28.3

Adjusted operating income

-0.3

Effect of exchange rates

-0.7

New orders

+0.7

28.0

EBIT

31.0

FY2015 (Result)

Environmental/volume changes, etc.

-0.3

Adjusted operating income

Old definition (treated as new orders), etc.: +1.2 billion

Upfront investment (costs) in large strategic projects: -0.3 billion

Drop from backlash of temporally profit (FY2015): -0.6 billion

Incorporated risks including customer’s environmental changes, etc.: -0.6 billion

Share of profits of investments accounted for using the equity method, etc.