

May 12, 2016

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]



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

	FY2014 Results		FY2015 Plan		FY2015 Results		Y o Y	vs Initial plan
Revenues		678.6		690.0		680.4	+0.3%	-1%
Operating income	<3.2>	21.5	<3.9>	27.0	<4.2>	28.3	+32%	+5%
Income before income taxes	<3.2>	22.0	<3.7>	25.7	<4.0>	26.9	+22%	+5%
Net income attributable to stockholders of the parent company	<2.0>	13.3	<2.2>	15.0	<2.1>	14.0	+6%	-7%
ROE		8.0%		7.9%		8.0%	-	(+0.1%)

Summary of FY 2015 Results (Breakdown by Group)

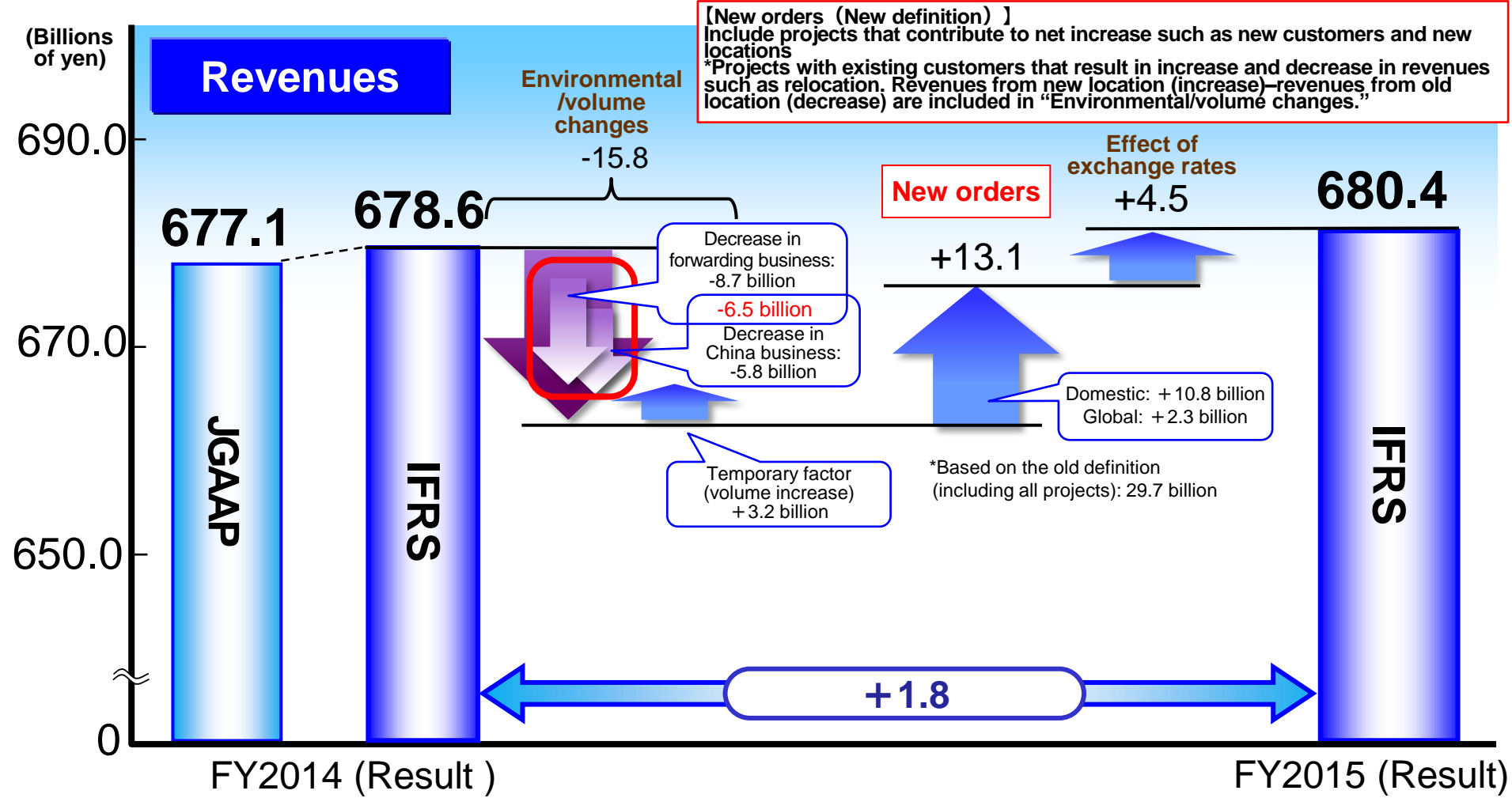


(Unit: 100 million yen, rounded off to nearest integer. < >: composition ratio (%). (): year-on-year change)

		Revenues		Operating income			
		Full-year	Y o Y	Full-year	Y o Y		
Organic*	Domestic logistics	<60>	3,352	103%	175.4	135%	
	Global logistics	Overseas	<33>	1,823	100%	31.6	90%
		Forwarding and others	<3>	181	95%	1.4	49%
	Total		<36>	2,004	100%	33.0	87%
	Others (logistics-related businesses, etc.)		<4>	227	99%	40.0	157%
	(Elimination or corporate)		-	-	-	-	-
Total		<100>	5,583	102%	248.4	129%	
Vantec Group	Domestic logistics	<51>	716	96%	30.6	152%	
	Global logistics	Overseas	<21>	296	98%	8.5	78%
		Forwarding and others	<28>	402	96%	14.4	150%
	Total		<49>	698	97%	23.0	112%
Total		<100>	1,414	96%	53.5	132%	
Consolidated adjustment		-	-193	(-31)	-	-	
Amortization of customer-related intangible assets of VANTEC Group, etc.		-	-	-	-18.6	(+0.05)	
Total		<100>	6,804	100%	283.3	132%	

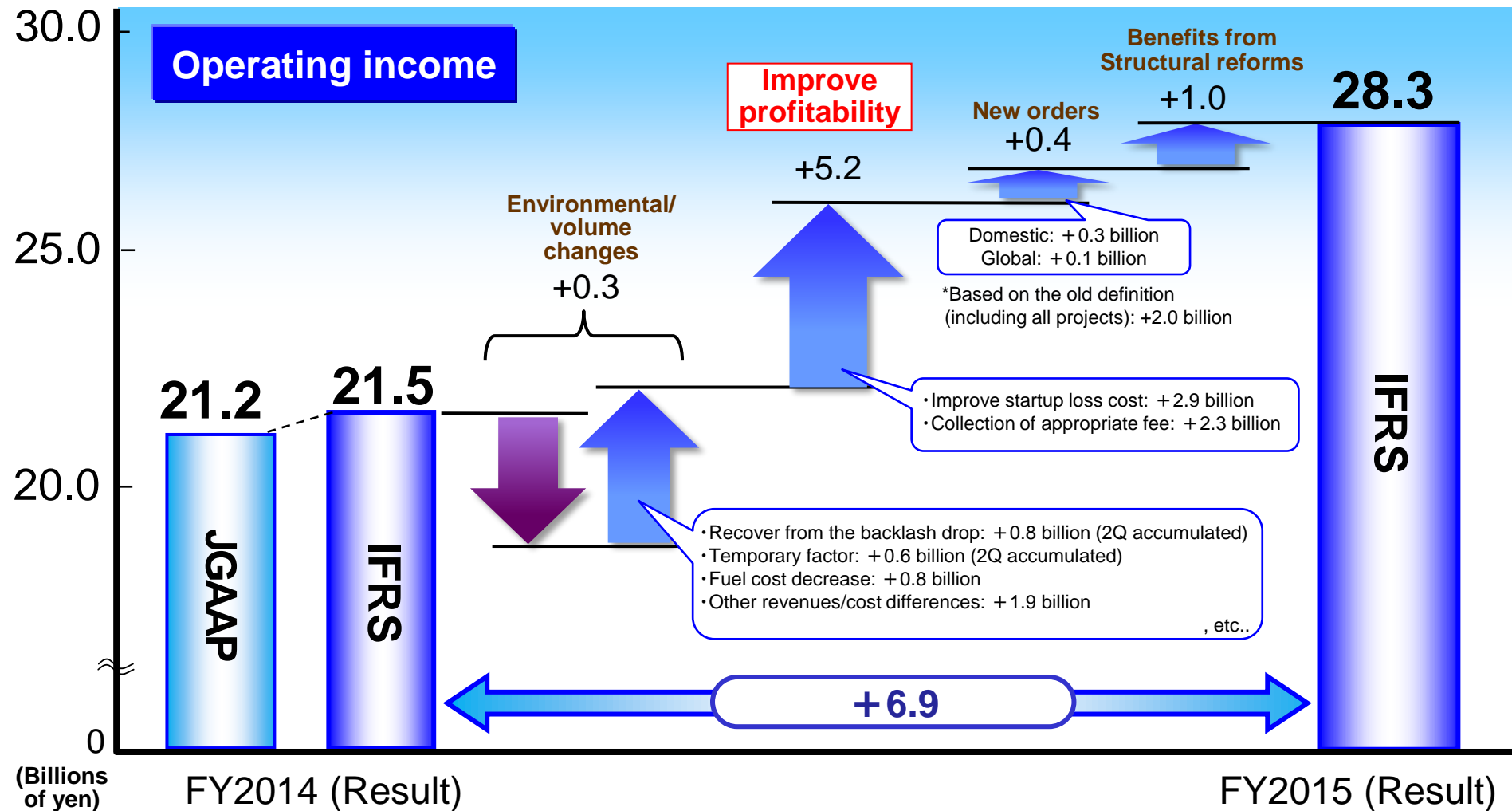
*Hitachi Transport System Group, excluding VANTEC Group

Summary of FY 2015 Results (Breakdown of Change in Revenues)



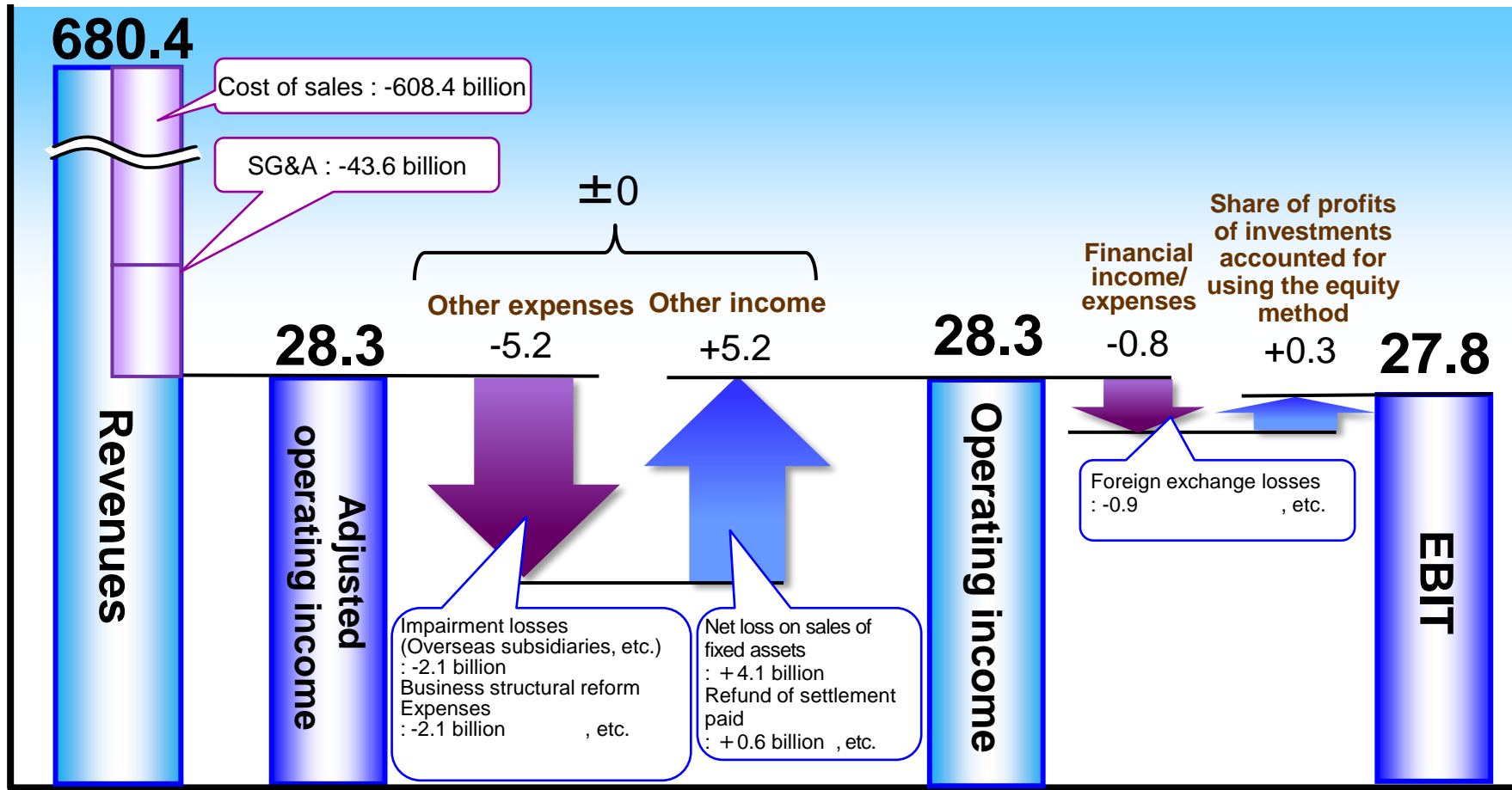
Summary of FY 2015 Results

(Breakdown of Change in Operating income)



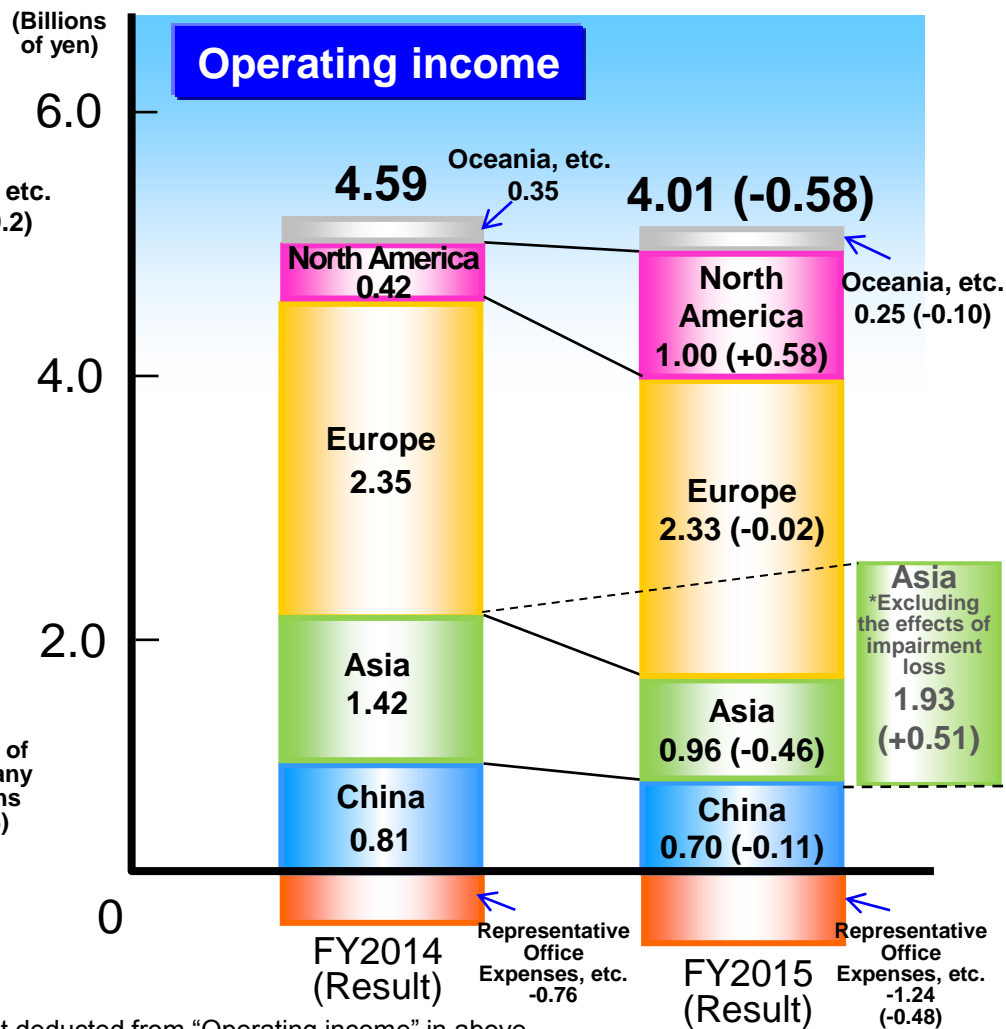
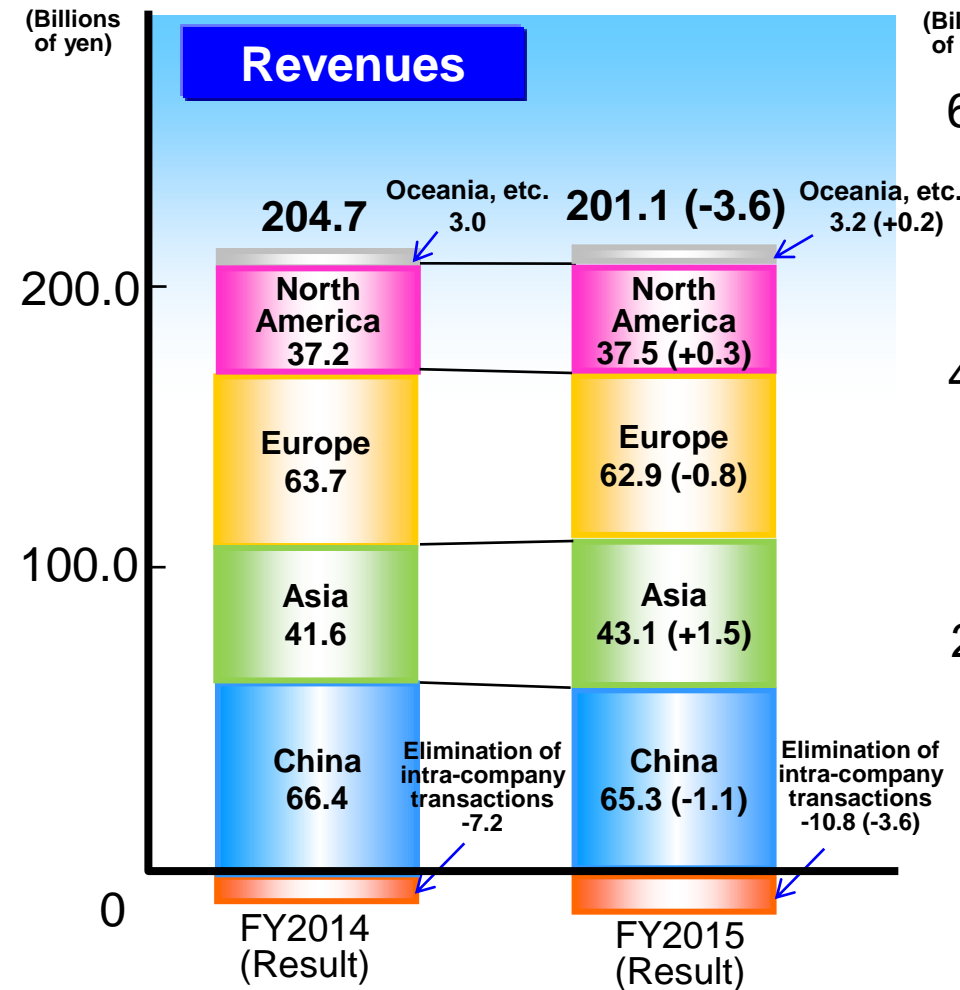
Summary of FY 2015 Results (Profits by Indicators)

(Billions of yen)



*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)

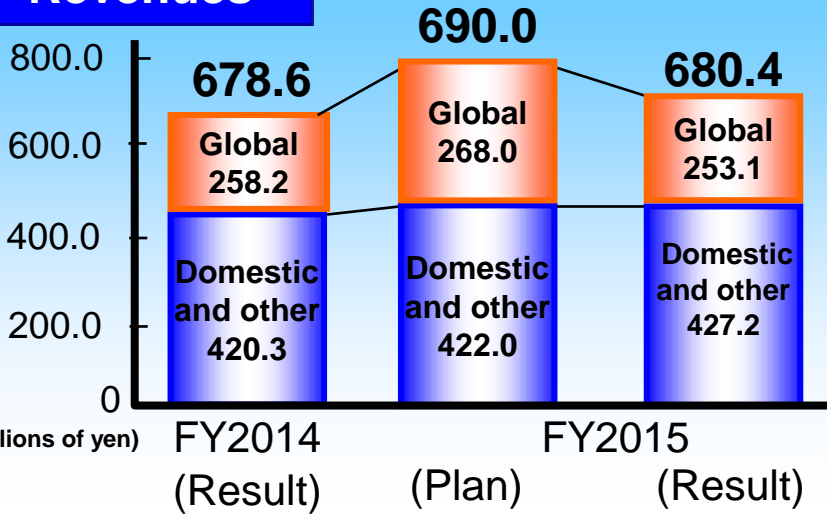


* Amortization of customer-related intangible assets of VANTEC are not deducted from "Operating income" in above.

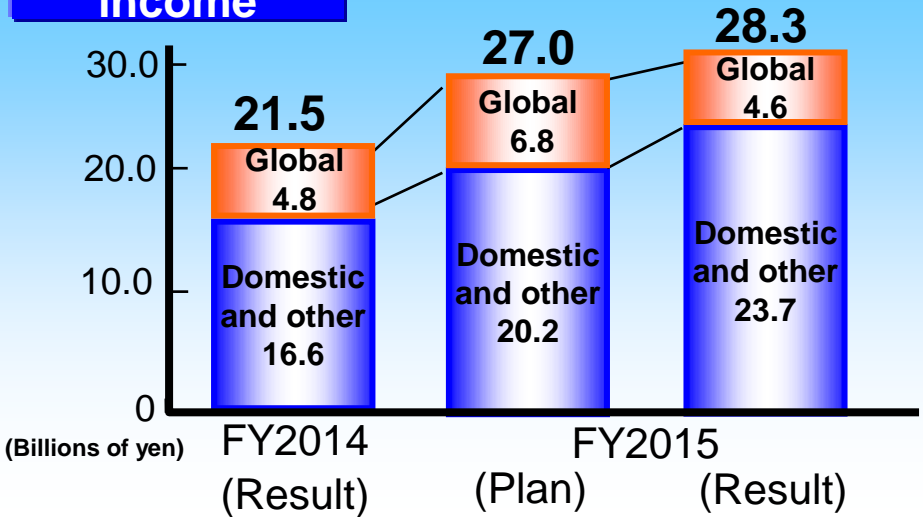


Summary of FY 2015 Results (Deviation Factors)

Revenues



Operating income



-9.6 billion yen over initial plan

* 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

+1.3 billion yen over initial plan

* 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

New picking system

- April 2015
(Full scale operations started May 2015)
- Introduction of a new picking system using AGV



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

Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr

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.
- Operations started Jan. 2016
- Automobile parts related, etc.

Capital and business alliance with SG Holdings and SAGAWA EXPRESS

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



Reorganized overseas group companies

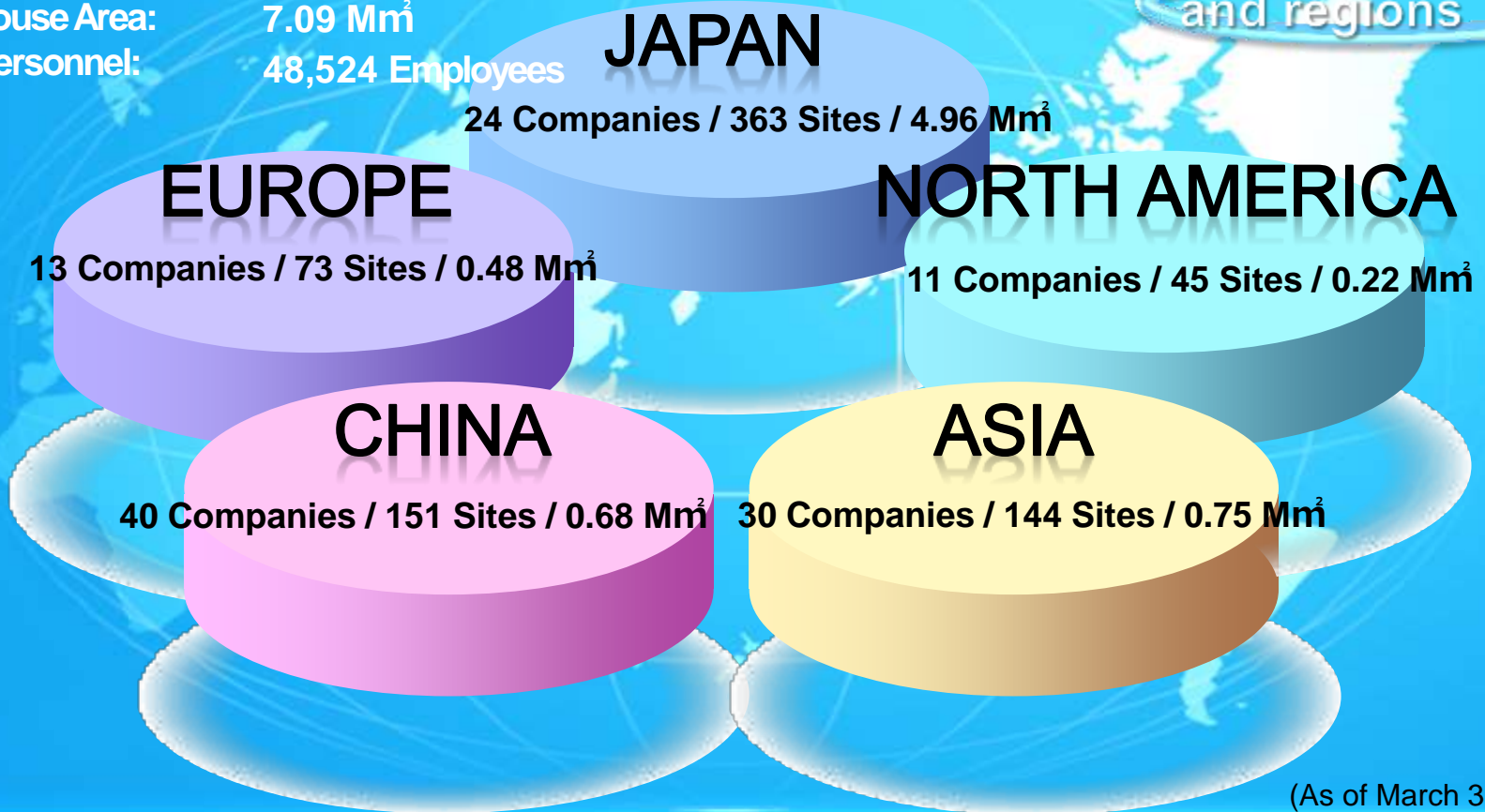
- Jul./Oct. 2015 : Merged and integrated subsidiaries in North America
- Oct. 2015 : Business reorganization of CDS Hong Kong subsidiary
- Jan. 2016 : Business reorganization of CDS Malaysia subsidiary

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: BCAA Award 2015 (Best Practice award)
- Apr. 2016: Changed the trade name of 7 domestic consolidated subsidiaries

- Number of Companies: 118 Companies
- Number of Sites: 776 Sites
- Warehouse Area: 7.09 Mm²
- Total Personnel: 48,524 Employees

Network extending to
29 countries
and regions



(As of March 31, 2016)

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

	FY2015 Results	FY2016 Plan	Y o Y
Revenues	680.4	685.0	+1%
Adjusted operating income ^{*1}	<4.2> 28.3	<4.1> 28.0	-1%
EBIT ^{*2}	<4.1> 27.8	<4.5> 31.0	+12%
Net income attributable to stockholders of the parent company	<2.1> 14.0	<2.7> 18.5	+32%
ROE	8.0	9.4	(+1.4%)

^{*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.

