(Revised on February 14, 2019)

Summary of Consolidated Financial Results [IFRS] for the Fiscal Year Ended March 31, 2016

May 12, 2016

Listed Company:	**Hitachi Transport System, Ltd.**	Stock Exchange:	First Section of Tokyo
Code Number:	9086	URL:	http://www.hitachi-hb.co.jp/english/
Representative:	Yasuo Nakatani, President and Chief Executive Officer		
Person in charge:	Isao Takaoka, General Manager of Public Relations Department, Corporate Strategy Office		

Date of the Ordinary General Meeting of Shareholders (Schedule): June 24, 2016
Date of the Start of Dividend Payment (Schedule): June 7, 2016
Date of the Release of Annual Securities Report (Schedule): June 24, 2016
Creates supplementary materials for annual financial results: Yes
Briefing held on annual settlement of accounts: Yes (for analysts, institutional investors and press)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Highlights for the Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

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

	Revenues		Operating income		Income before income taxes		Net income		Net income attributable to stockholders of the parent company		Comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2016	680,354	0.3	28,334	32.0	26,910	22.3	15,502	4.8	14,011	5.7	8,828	(50.8)
March 31, 2015	678,573	8.5	21,465	37.7	22,006	49.5	14,789	159.0	13,250	148.2	17,932	93.9

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
March 31, 2016	125.60	―	8.0	5.8	4.2
March 31, 2015	118.78	―	8.0	4.9	3.2

(Reference) Share of profit of investments accounted for using equity method
April 1, 2015 to March 31, 2016: 299 million yen April 1, 2014 to March 31, 2015: 329 million yen
"Basic earnings per share" and "Diluted earnings per share" are calculated based on "Net income attributable to stockholders of the parent company".

(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	Total equity per share attributable to stockholders of the parent company
	Million yen	Million yen	Million yen	%	Yen
March 31, 2016	464,399	178,552	175,543	37.8	1,573.67
March 31, 2015	459,386	176,726	173,720	37.8	1,557.32

(3) Consolidated Cash Flows

	Cash flows from Operating activities	Cash flows from investing activities	Cash flows from financial activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
March 31, 2016	38,820	(10,373)	(16,712)	45,146
March 31, 2015	32,266	(19,886)	(12,065)	34,544

2. Dividends

	Dividend per share					Total dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend ratio of equity attributable to stockholders of the parent company (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2015	―	14.00	―	14.00	28.00	3,124	23.6	1.9
March 31, 2016	―	15.00	―	15.00	30.00	3,347	23.9	1.9
March 31, 2017 (Forecasts)	―	17.00	―	17.00	34.00		20.5	

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% indicates the percentage change over year)

	Revenues		Operating income		Income before income taxes		Net income		Net income attributable to stockholders of the parent company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	337,000	(1.0)	12,300	(5.5)	11,700	3.5	6,700	3.3	6,000	2.7	53.79
Full year	685,000	0.7	28,000	(1.1)	29,500	9.6	20,200	30.3	18,500	32.0	165.84

[Important] In order to present the actual condition of the business more appropriately, “Adjusted operating income” which is calculated as revenues less cost of sales and selling, general and administrative expenses is presented as “Operating income” from the year ending March 31, 2017. "Adjusted operating income" for the year ended March 31, 2016 was 28,320 million yen.

4. 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, accounting estimates and retrospective restatements
- (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 March 31, 2016: 111,776,714 shares,
  As of March 31, 2015: 111,776,714 shares
- (b) Number of treasury stock at the end of the term
  As of March 31, 2016: 226,306 shares,
  As of March 31, 2015: 226,016 shares
- (c) Average number of shares during the term
  Year ended March 31, 2016: 111,550,516 shares,
  Year ended March 31, 2015: 111,550,825 shares

(Note) Indication of audit procedure implementation status

These financial results are not subject to audit procedures. Thus, at the time of disclosure of these financial results, the financial statement audit procedures based on the Financial Instruments and Exchange Law, have not been completed.

(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. Analysis of Operating Results and Financial Position, (1) Analysis of Operating Results” on Page 2.

・The Company plans to post the supplementary material and the presentation material on financial results on the Company’s website promptly after the financial results briefing.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

1) Overview of the current fiscal year

For the fiscal year ended March 31, 2016, consolidated financial results of the Hitachi Transport System Group (the "Group") are as follows.

(Million yen)

	Year Ended March 31, 2015	Year Ended March 31, 2016	Y on Y change
Revenues	678,573	680,354	100%
Operating income	21,465	28,334	132%
(Ref.) Adjusted operating income *1	23,358	28,320	121%
(Ref.) EBIT *2	22,799	27,785	122%
Income before income taxes	22,006	26,910	122%
Net income	14,789	15,502	105%
Net income attributable to stockholders of the parent company	13,250	14,011	106%

Revenues increased by 0.3% year-on-year to ¥680,354 million, and operating income, income before income taxes, net income, and net income attributable to stockholders of the parent company also increased by 32%, 22%, 5%, and 6% year-on-year, to ¥28,334 million, ¥26,910 million, ¥15,502 million, and ¥14,011 million respectively. Each number showed an increase compared with the previous fiscal year.

*1 "Adjusted operating income" is an indicator calculated as revenues less cost of sales and selling, general and administrative expenses. From the year ending March 31, 2017, the Company will present "Adjusted operating income" as "Operating income" on the summary page of the consolidated financial results to present the actual condition of the business more appropriately.

*2 The company will also present "EBIT" (earnings before interest and tax) which is an indicator of the whole business from the year ending March 31, 2017.

Results by business segment during the fiscal year are as follows.

【Domestic logistics business】 (Million yen)

	Year Ended March 31, 2015	Year Ended March 31, 2016	Y on Y change
Revenues	397,954	405,080	102%
Segment profit (operating income)*3	14,071	19,734	140%

Revenues of domestic logistics business increased by 2% year-on-year to ¥405,080 million due to factors including a steady increase in the volume of consumer goods and retail products and the operations of new projects launched such as cosmetics, sporting goods, retail products, and foods, etc.

Segment profit increased by 40% year-on-year to ¥ 19,734 million due to the effect of revenues increase and profitability improvement.

【Global logistics business】 (Million yen)

	Year Ended March 31, 2015	Year Ended March 31, 2016	Y on Y change
Revenues	258,231	253,144	98%
Segment profit (operating income)*3	4,848	4,596	95%

Revenues of global logistics business decreased by 2% year-on-year to ¥253,144 million due to sluggish forwarding business between Japan and other countries and China business despite a steady increase in the volume of commodity and retail products in overseas 3PL business.

Segment profit decreased by 5% year-on-year to ¥4,596 million due to impairment losses on goodwill in overseas subsidiaries (please refer to Page 16 for details) despite the profitability improvement of 3PL projects in Asia.

【Other services (logistics related businesses)】 (Million yen)

	Year Ended March 31, 2015	Year Ended March 31, 2016	Y on Y change
Revenues	22,388	22,130	99%
Segment profit (operating income)*3	2,546	4,004	157%

Revenues of other services was ¥22,130 million.

Segment profit increased by 57% year-on-year to ¥4,004 million due to gain on sales of property, plant and equipment although travel agency business and information system development business fell below the results for the previous fiscal year.

*3 From the fiscal year ended March 31, 2016, the Group altered to allocate company-wide expenses to each business segment. The segment information of the fiscal year ended March 31, 2015 had also reflected the alternation above. (Please refer to Page19 for the details.)

2) Forecasts for the next fiscal year

While the business environment surrounding the Group remains severe due to concerns over sluggish growth of global economy and intensifying competition in the industry, many companies including our customers and competitors are searching for their growth strategy under such uncertain environment.

By considering these circumstances as business opportunity (opportunity for new collaborative innovation and value creation) for the Group, we will strive to achieve the following targets during the year ending March 31, 2017 which is the first fiscal year of Mid-term Management Plan "Value Creation 2018." (Please refer to page 7 for detail of Mid-term Management Plan)

Consolidated financial forecasts for the next fiscal year are as follows:

Revenues: ¥685 billion
Adjusted operating income: ¥28 billion
EBIT: ¥31 billion
Net income attributable to stockholders of the parent company: ¥18.5 billion

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Total assets as of March 31, 2016 amounted to ¥464,399 million, an increase of ¥5,013 million compared with the end of the previous fiscal year. Current assets increased by ¥6,415 million due to an increase of ¥10,602 million in cash and cash equivalents and ¥3,990 million in other financial assets despite a decrease of ¥8,845 million in trade receivables. Non-current assets decreased by ¥1,402 million due to decreases of ¥1,895 million in goodwill, ¥1,544 million in intangible assets, and ¥999 million in deferred tax assets despite an increase of ¥4,030 million in property, plant and equipment.

Total liabilities as of March 31, 2016 amounted to ¥285,847 million, an increase of ¥3,187 million compared with the end of the previous fiscal year. Current liabilities increased by ¥14,732 million due to an increase of ¥11,098 million in current portion of long-term debt and ¥8,898 million in other financial liabilities despite a decrease of ¥6,131 million in trade payables. Non-current liabilities decreased by ¥11,545 million due to a decrease of ¥14,601 million in long-term debt despite an increase of ¥2,076 million in other financial liabilities.

Total equity as of March 31, 2016 amounted to ¥178,552 million, an increase of ¥1,826 million compared with the end of the previous fiscal year. Total equity attributable to stockholders of the parent company ratio was 37.8% same as the end of the previous fiscal year.

2) Cash flows

Cash and cash equivalents (herein called "cash") as of March 31, 2016 increased ¥10,602 million from March 31, 2015, to ¥45,146 million.

Cash flows from each activity for the year ended March 31, 2016 and their significant components are as follows:

Net cash provided by operating activities was ¥38,820 million. This is mainly due to an increase in cash from depreciation and amortization of ¥19,125 million, net income of ¥15,502 million and income taxes of ¥11,408, partly offset by income taxes paid of ¥8,617 million, a decrease in trade payable of ¥5,688 million and losses on sale of property, plant and equipment of ¥3,965 million.

Net cash used in investing activities was ¥10,373 million. This is mainly due to a decrease in cash from proceeds from sale of property, plant and equipment and intangible assets of ¥11,244 million, purchase of property, plant and equipment and intangible assets of ¥17,614 million.

Net cash used in financing activities was ¥16,712 million. This is mainly due to a decrease in cash from proceeds from long-term debt of ¥11,039 million, repayments of long-term debt of ¥21,371 million, repayments of lease obligations of ¥4,128 million, and dividends paid to stockholders of the parent company of ¥3,235 million.

(Reference) Cash flow indicators

	March 31, 2014	March 31, 2015	March 31, 2016
Total equity attributable to stockholders of the parent company ratio (%)	36.1	37.8	37.8
Total equity attributable to stockholders of the parent company ratio on a market-value basis (%)	43.0	44.1	45.2
Interest-bearing debt to cash flow ratio (years)	3.9	3.5	2.9
Interest coverage ratio (times)	24.7	25.1	24.1

＊Total equity attributable to stockholders of the parent company ratio: Total equity attributable to stockholders of the parent company / Total assets
Total equity attributable to stockholders of the parent company ratio on a market-value basis: Market capitalization / Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities / Interest paid

1. Indicators are calculated using consolidated financial figures.
2. Market capitalization is calculated as the closing share price at fiscal year-end multiplied by the total number of shares issued at fiscal year-end (excluding treasury stock).
3. Cash flows from operating activities are based on cash flows from operating activities on the consolidated statement of cash flows. Interest-bearing debt includes all liabilities on the consolidated statement of financial position that pay interest. Interest paid is based on interest paid on the consolidated statement of cash flows.

(3) Basic Policy of Dividend and Dividends for the Current and the Next Fiscal Years

Our basic policy of dividends is to seek to maintain stable distribution linked to business performance, while considering medium-to-long-term business expansion and securing internal reserves to strengthen corporate structure. Based on this policy, we increased interim dividend by ¥1 to ¥15. We will increase year-end dividend by ¥1 to ¥15, resulting in annual dividend of ¥30 per share. We plan to increase annual dividend by ¥4 to ¥34 per share for the next fiscal year based on the forecast that both revenues and profits will increase.

(4) Business and Other Risks

1) Tightening of public regulations

As a provider of general logistics services, we are regulated by the business laws governing logistics, which includes truck transportation, warehousing and customs clearance. While we make it our principle to keep to the straight and narrow and work together to promote compliance management, we may be required to incur further costs to comply with tighter environmental and safety regulations. Accordingly, this may adversely affect our performance and financial results.

2) Major fluctuations in commercial relations

Our core business is “third party logistics (3PL: comprehensive logistics services),” and when we receive contracts for logistics operations from customers, we may make prior capital investment in distribution centers, plant and equipment, information systems and suchlike. For investments, we formulate a detailed business revenues and expenditures plan and implement phase-gate process management to ensure careful investment decisions, but if, for example, the customer's performance deteriorated or the customer became insolvent due to factors such as worsening of economic conditions in Japan and overseas, we may be prevented from recovering our invested funds and this may inhibit future growth and reduce profitability. Accordingly, this may adversely affect our performance and financial results.

3) Global expansion

As a company that provides global 3PL operations at the global level, we have business facilities in key overseas regions. The operation of these overseas business sites entails the following risks, and if any of these risks materialized, this may pose a problem for the execution of global logistics operations. Accordingly, this may affect our performance and financial results.

1. Political and legislative change
2. Severe economic fluctuations
3. Delay in the development of logistics infrastructure
4. Severe fluctuations in foreign exchange rates
5. Social disruption caused by terrorist attack, war or other factors

4) Cost rise

In the truck transportation business, if fuel costs rise due to oil price movements or vehicle charter costs rise due to shortage of vehicles and drivers, transportation and delivery costs may increase sharply, but since it is difficult to pass cost increases on to customers straight away, there is the risk that the profit margins of the truck transportation business will deteriorate. Accordingly, this may adversely affect our performance and financial results.

5) Major accidents

We utilize trucks and other vehicles to transport a wide variety of customer goods, which is why, in all of our business activities, we are ever mindful of traffic safety and, among other things, implement comprehensive service management, reinforce safety training, and fit digital tachograph equipment and collision prevention assist system to all our trucks. However, if a serious traffic accident occurred, this may damage customer confidence and our reputation and we may be suspended using vehicles, trading or otherwise by the regulatory authorities. Accordingly, this may affect our performance and financial results.

6) Serious disaster

Given that we operate logistics centers and handle customer products and information about product management, we work to provide manuals and develop backup systems in case of disaster. However, if a situation such as power outage or the blockage of transportation routes occurred as a result of an earthquake, storm or flood damage, or other natural disaster, this may slow down logistics operations. Accordingly, this may adversely affect our performance and financial results.

7) Information leaks

We handle information about customers and other sensitive matters when undertaking logistics operations. While we endeavor to manage information by providing training to our employees on areas such as compliance and comprehensive personal data management, if a situation such as an information leak or the loss of data occurred, this may damage our reputation and we may also receive a compensation claim from our customers.

Accordingly, this may adversely affect our performance and financial results.

2. Status of the Corporate Group

Hitachi Transport System Group consists of Hitachi Transport System, Ltd., its parent company, its 108 consolidated subsidiaries and 9 associates accounted for by the equity method, and is principally engaged in domestic and global logistics business. The Group's business is organized as follows.

(As of March 31, 2016)

Customers

Parent company: Hitachi, Ltd.

Fellow subsidiary: Hitachi Metals, Ltd.

Hitachi Transport System, Ltd.

Domestic Logistics

3PL [Domestic](Comprehensive Logistics Services, including the Establishment of a Logistics System, Information Control, Inventory Control, Order Control, Value Added Services, Distribution Center Operation, Factory Logistics, Transportation and Delivery) etc.

Subsidiaries

Higashinippon Hitachi Transport Service Co., Ltd.
Kanto Hitachi Transport Service Co., Ltd.
Shutoken Hitachi Transport Service Co., Ltd.
Minamikanto Hitachi Transport Service Co., Ltd.
Chubu Hitachi Transport Service Co., Ltd.
Nishinippon Hitachi Transport Service Co., Ltd.
Kyushu Hitachi Transport Service Co., Ltd.
Hitachi Collabonext Transport System Co., Ltd.
Hitachi Finenext Transport System Co,. Ltd.
Hitachi Transport Direx Co., Ltd.
VANTEC Corporation
VANTEC Central Logistics Corporation
VANTEC East Logistics Corporation
VANTEC Kyushu Logistics Corporation
TOKIWA KAIUN COMPANY LIMITED

Associate

Kyushu Tekko Center Co., Ltd.

Global Logistics

3PL [International] (Comprehensive Logistics Services, including Customs Clearance, International Intermodal Transportation by Land, Sea and Air) etc.

Subsidiaries

Nisshin Transportation Co., Ltd.
Nisshin Trans Consolidator Co., Ltd.
VANTEC HTS Forwarding, Ltd.
J.P. Holding Company Inc.
Carter Logistics, LLC
Carter Express, Inc.
Astro Enterprises, Inc.
Pasco Enterprises, Inc.
Hitachi Sistema de Transporte Mexico, S.A. de C.V.
James J Boyle & Co.
JJB Link Logistics Co. Limited
JJB Link Shanghai International Freight Forwarding Co., Ltd.
Shanghai Link Cargo International Freight Forwarding Co., Ltd.
Famous Target China Cargo Services Limited
Shanghai Famous Target China International Forwarding Agent Co., Ltd.
JJB Link Logistics Hong Kong Limited
Pacific Aviation Freight Forwarding Limited
JJB Link Logistics Co., Inc
Multiplus Logistics China Limited
Hitachi Transport System (Europe) B.V.
ESA s.r.o.
ESA LOGISTIKA, s.r.o.
ESA - servis palet s.r.o.
ESA LOGISTIKA, s.r.o. Bulgaria
Mars Lojistik Grup Anonim Sirketi
Mars Lojistik Uluslararasi Tasimacilik Deploma Dagitim ve Ticaret Anonim Sirketi
Mars Logistics S.a r.l.
Mars Sigorta Aracilik Hizmetleri Limited Sirketi
Mars Hava ve Deniz Kargo Tasimaciligi Anonim Sirketi
Hitachi Transport System (Asia) Pte. Ltd.
Hitachi Transport System (Malaysia) Sdn. Bhd.
Hitachi Transport System Vantec (Thailand), Ltd.
TST Sunrise Service, Ltd
Eternity Grand Logistics Public Co., Ltd
Eternity Transport Co., Ltd.
Eternity Logistics Co., Ltd
Eternity Consulting & Service Co., Ltd
PANDS GROUP LOGISTICS Co., Ltd
PT Berdiri Matahari Logistik
PT Hitachi Transport System Indonesia
PT NISSHIN KUWAHARA INDONESIA
NISSHIN (MYANMAR) CO., Ltd.
Hitachi Transport System India Pvt. Ltd.
Flyjac Logistics Pvt. Ltd
Hitachi Transport System (Australia) Pty. Ltd.
Hitachi Transport System (Vietnam) Co., Ltd.
Hitachi Transport System (Korea), Ltd.
Hitachi Transport System (China), Ltd.
Vantec Hitachi Transport System (Hong Kong) Ltd.
Hitachi Transport System (Shanghai), Ltd
Hitachi Transport System (Shanghai Pudong) Co., Ltd.
Hitachi Transport System (Tianjin), Ltd
Hitachi Xinxin Global Logistics (Henan) Co., Ltd.
EHB Logistics Co., Ltd.
CDS Freight Holding Ltd
CDS Holding Ltd
CDS Global SDN BHD
CDS Overseas PTY Ltd
CDS Group Holdings Ltd.
Capital Distribution Services Ltd.
Liaoning ZHH - CDS Logistics Co., Ltd.
CDS Global (Sabah) Sdn Bhd
CDS Global Logistics - One, LLC
Nisshin Global Logistics Shanghai Co., Ltd.
Nisshin Transportation (Shanghai) Co., Ltd.
Shanghai Xiexin Customs Declaration Co., Ltd.
Nisshin International Trading Co., Ltd.
Vantec Hitachi Transport System (Taiwan) LTD.
Fine Chemical Logistics Hong Kong Company Limited
Fine Chemical Logistics China Company Limited
VANTEC HITACHI TRANSPORT SYSTEM (USA), INC.
VANTEC WORLD TRANSPORT (H.K.) Limited
VANTEC WORLD TRANSPORT (NETHERLANDS) B.V.
VANTEC WORLD TRANSPORT (MALAYSIA) SDN. BHD.
TACC HOLDING SDN. BHD.
VANTEC TRANS (THAILAND) CO.,LTD.
VANTEC WORLD TRANSPORT (CHINA) Limited
VANTEC WORLD TRANSPORT (SHANGHAI) CO., LTD.
VANTEC WORLD TRANSPORT (GUANGZHOU) CO., LTD.
VANTEC EUROPE LIMITED
VANTEC HTS Logistics (RUS) LLC
VANTEC AMATA LOGISTICS (THAILAND) CO.,LTD.
VANTEC TRANS (THAILAND) CO., LTD.
VANTEC SUMISO LOGISTICS (WUHAN) CO., LTD.
VANTEC LOGISTICS MEXICO S.A DE C.V
VANTEC LOGISTICS INDIA PRIVATE LIMITED
PT VANTEC INDOMOBIL LOGISTICS

Associate

Project Cargo Japan, Inc.
HTS Forwarding Malaysia Sdn. Bhd.
Manila International Freight Forwarders, Inc.
Miffi Logistics, Co. Inc.
Nisshin Logistics Co., Ltd.
Suzhou Bondex Nisshin Logistic Co., Ltd.
Shanghai Bondex Nisshin Logistics Co., Ltd.
Taicang Bondex Nisshin Logistics Co., Ltd.

Other Services

Logistics System Development, Car Sales and Inspection, Travel Agency business

Subsidiaries

Hitachi Distribution Software Co., Ltd.
Hitachi Auto Service Co., Ltd.
Hitachi Travel Bureau., Ltd.
Sunrise Logistics Solutions (America), Ltd.
Hitachi Distribution Software (Shanghai) Co., Ltd.
Hitachi Travel Bureau Shanghai Co., Ltd

Consolidated subsidiaries (108 companies)　Associates accounted for by the equity method (9 companies)

Notes: 1. On April 1, 2016, the Group changed the trade name of its consolidated subsidiaries as follows : Higashinippon Hitachi Transport Service Co., Ltd. changed to Hitachi Transport System East Japan Co., Ltd., Kanto Hitachi Transport Service Co., Ltd. changed to Hitachi Transport System Kanto Co., Ltd., Shutoken Hitachi Transport Service Co., Ltd. changed to Hitachi Transport System Metropolitan Co., Ltd., Minamikanto Hitachi Transport Service Co., Ltd. changed to Hitachi Transport System South Kanto Co., Ltd., Chubu Hitachi Transport Service Co., Ltd. changed to Hitachi Transport System Central Japan Co., Ltd., Nishinippon Hitachi Transport Service Co., Ltd. changed to Hitachi Transport System West Japan Co., Ltd. and Kyushu Hitachi Transport Service Co., Ltd. changed to Hitachi Transport System Kyushu Co., Ltd.

2. On May 19, 2016, Hitachi Ltd., Hitachi Transport System's parent company, will transfer 29.0% of our outstanding shares (excluding treasury shares) to SG Holdings Co., Ltd. and become our associate. As a result of the transfer of Hitachi Transport System's shares, SG Holdings Co., Ltd. will become our associate (please refer to a press release dated March 30, 2016, "Announcement of Strategic Capital and Business Alliance among Hitachi Transport System, SG Holdings, and SAGAWA EXPRESS, Announcement of Secondary Distribution of Shares, and Announcement of Changes to Parent Company, Another Affiliated Company, and Major Shareholder of Hitachi Transport System").

3. On May 20, 2016, the Company will acquire 20.0% of SAGAWA EXPRESS CO., LTD.'s outstanding shares (excluding treasury shares) from SG Holdings Co., Ltd. (please refer to Page 20 (Additional Information) for details).

3. Management Policy

(1) Basic Policy of Management

Under the corporate philosophy “to deliver high-quality services that will help make the world a better place for people and nature for generations to come,” the Hitachi Transport System Group aims to become the most preferred solution provider for all of our stakeholders, including customers, shareholders, and employees, in the sophisticated, diversified and wide-ranging global supply chain, and strives to achieve sustainable growth by solving issues and creating “values” through various “collaborative innovation.”

(2) Medium-to-Long-Term Management Strategies and Issues to be Addressed

[Basic Policy]

The Hitachi Transport System Group has started new Mid-term Management Plan (FY2016-FY2018) “Value Creation 2018” in April 2016. Under the Mid-term Management Plan, based on the basic strategy for our core businesses to “thoroughly enhance 3PL business and increase market share,” “enhance forwarding business” and “enhance heavy machinery and plant logistics,” we strive to create “values” by invigorating “collaborative innovation” with our customers and business partners and also to improve the Group’s corporate value by enhancing our “earning ability” and “growth ability” as well as “ability to succeed” these abilities.

[Priority Measures]

1) Enhance our core 3PL business

i. Enhance domestic 3PL business

(a) We will enhance delivery solution (expand “B to B” business to “B to B to C” business)

(b) We will develop region-based business by completing the shift of business base to group companies (transformation)

(c) We will implement new smart logistics technologies to improve on-site operation and differentiation.

(d) We will establish and implement standard 3PL model to expand industry-based Platform Business (medical, automotive, distribution and daily commodities, etc.)

ii. Enhance overseas 3PL business

[Asia] We will expand existing account business and cultivate new global accounts by expanding truck network (expand cross-border logistics within the area departing from Thailand, etc.)

[North America] We will expand 3PL business of automobile parts and Non-Auto field by enhancing NAFTA transportation network.

[Europe] We will expand business in Western/Eastern Europe with intermodal and cross-border transportation based in the growing market, and develop new transportation business connecting Europe and Central Asia.

[China] We will expand domestic truck transportation business and increase logistics volume of consumer products (refrigerated products, etc.)

2) Expand forwarding business

i. We will improve profitability and enhance offshore business through globally-unified management.

(a) We will implement new global forwarding core system to unify business management and realize visualization.

(b) We will enhance price competitiveness by sorting out offshore routes and selection and concentration of carriers.

(c) We will develop 3PL supplemental forwarding service.

3) Enhance Heavy Machinery and Plant Logistics

We will strengthen the Company’s own resources, including expansion of project cargo network and asset implementation, with the aim of increasing domestic and overseas orders of social infrastructure-related business including electricity/energy, transportation, and industrial/production equipment.

4) Promote collaborative innovation and collaboration to realize seamless general logistics service

5) Emphasize Corporate Social Responsibility (CSR) and enhance corporate value

i. We will promote preventive maintenance measures under the slogans “Safety is of the highest priority” and “Safety management by walking around.”

ii. We will promote CSR activities focusing on pillars of “logistics quality,” “Information security,” “AEO/export management” and “Green logistics.”

iii. We will promote social contribution activities through business activities such as training logistics personnel from emerging economies/regions as well as hiring local personnel.

iv. Through a symbolic sporting activity of the Group (Hitachi Transport System Track and Field Club), we will build a sense of unity as the Group and raise morale of employees.

4. Basic Stance on Accounting Standard Selection

The Group adopted IFRS voluntarily for its consolidated financial statements contained in the Annual Securities Report for the fiscal year ended March 31, 2015, with the aim to respond to globalization, establish the unified performance evaluation criteria of the Hitachi Group, standardize operations and improve management efficiency.

5. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2015	As of March 31, 2016
(Assets)		
Current assets		
Cash and cash equivalents	34,544	45,146
Trade receivables	127,753	118,908
Inventories	959	1,114
Other financial assets	6,362	10,352
Other current assets	8,817	9,330
Total current assets	178,435	184,850
Non-current assets		
Investments accounted for using the equity method	1,576	1,179
Property, plant and equipment	173,123	177,153
Goodwill	31,437	29,542
Intangible assets	40,582	39,038
Deferred tax assets	8,899	7,900
Other financial assets	16,851	16,504
Other non-current assets	8,483	8,233
Total non-current assets	280,951	279,549
Total assets	459,386	464,399

(Million yen)

	As of March 31, 2015	As of March 31, 2016
(Liabilities)		
Current liabilities		
Trade payables	55,023	48,892
Short-term debt	11,680	12,110
Current portion of long-term debt	24,927	36,025
Income tax payable	4,660	6,512
Other financial liabilities	22,301	31,199
Other current liabilities	28,618	27,203
Total current liabilities	147,209	161,941
Non-current liabilities		
Long-term debt	64,267	49,666
Retirement and severance benefits	29,517	31,254
Deferred tax liabilities	13,371	12,542
Other financial liabilities	26,285	28,361
Other non-current liabilities	2,011	2,083
Total non-current liabilities	135,451	123,906
Total liabilities	282,660	285,847
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	16,803	16,803
Retained earnings	149,335	157,362
Accumulated other comprehensive income	7,761	1,558
Treasury stock, at cost	(179)	(180)
Total equity attributable to stockholders of the parent company	173,720	175,543
Non-controlling interests	3,006	3,009
Total equity	176,726	178,552
Total liabilities and equity	459,386	464,399

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

Consolidated Statement of Profit or Loss

(Million yen)

	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Revenues	678,573	680,354
Cost of sales	(614,941)	(608,408)
Gross profit	63,632	71,946
Selling, general and administrative expenses	(40,274)	(43,626)
Other income	732	5,215
Other expenses	(2,625)	(5,201)
Operating income	21,465	28,334
Financial income	1,476	825
Financial expenses	(1,264)	(2,548)
Share of profits of investments accounted for using the equity method	329	299
Income before income taxes	22,006	26,910
Income taxes	(7,217)	(11,408)
Net income	14,789	15,502
Net income attributable to:		
Stockholders of the parent company	13,250	14,011
Non-controlling interests	1,539	1,491

	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Earnings per share attributable to stockholders of the parent company		
Basic	¥118.78	¥125.60
Diluted	—	—

Consolidated Statement of Comprehensive Income

(Million yen)

	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Net income	14,789	15,502
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	421	190
Remeasurements of defined benefit plans	(851)	(1,520)
Share of OCI of investments accounted for using the equity method	—	2
Total items not to be reclassified into net income	(430)	(1,328)
Items that can be reclassified into net income		
Foreign currency translation adjustments	3,438	(5,326)
Net changes in cash flow hedges	63	43
Share of OCI of investments accounted for using the equity method	72	(63)
Total items that can be reclassified into net income	3,573	(5,346)
Other comprehensive income (OCI)	3,143	(6,674)
Comprehensive income	17,932	8,828
Comprehensive income attributable to:		
Stockholders of the parent company	16,367	8,192
Non-controlling interests	1,565	636

(3) Consolidated Statement of Changes in Equity

(Million yen)

Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
Balance at beginning of year	16,803	―	135,404	4,818	(179)	156,846	2,023	158,869
Changes in equity								
Net income			13,250			13,250	1,539	14,789
Other comprehensive income				3,117		3,117	26	3,143
Transactions with non-controlling interests			(245)			(245)	22	(223)
Dividends			(3,012)			(3,012)	(60)	(3,072)
Transfer to retained earnings			(18)	18		―		―
Acquisition and sales of treasury stock		0			0	0		0
Changes in liabilities for written put options over non-controlling interests		(0)	3,956	(192)		3,764	(544)	3,220
Total changes in equity	―	―	13,931	2,943	0	16,874	983	17,857
Balance at end of year	16,803	―	149,335	7,761	(179)	173,720	3,006	176,726

(Million yen)

Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)							
	Common stock	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
Balance at beginning of year	16,803	149,335	7,761	(179)	173,720	3,006	176,726
Changes in equity							
Net income		14,011			14,011	1,491	15,502
Other comprehensive income			(5,819)		(5,819)	(855)	(6,674)
Transactions with non-controlling interests		(225)	(54)		(279)	294	15
Dividends		(3,235)			(3,235)	(70)	(3,305)
Transfer to retained earnings		5	(5)		―		―
Acquisition and sales of treasury stock				(1)	(1)		(1)
Changes in liabilities for written put options over non-controlling interests		(2,529)	(325)		(2,854)	(857)	(3,711)
Total changes in equity	―	8,027	(6,203)	(1)	1,823	3	1,826
Balance at end of year	16,803	157,362	1,558	(180)	175,543	3,009	178,552

(4) Consolidated Statement of Cash Flows

(Million yen)

	Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Net income	14,789	15,502
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	18,715	19,125
Impairment losses	261	2,117
Share of profits of investments accounted for using the equity method	(329)	(299)
Income taxes	7,217	11,408
Increase (decrease) in retirement and severance benefits	(374)	1,793
Interest and dividend income	(557)	(817)
Interest expenses	1,264	1,611
(Gain) losses on sale of property, plant and equipment	0	(3,965)
(Increase) decrease in trade receivables	(8,583)	6,152
(Increase) decrease in inventories	87	(174)
Increase (decrease) in trade payables	3,395	(5,688)
Increase in other assets and other liabilities	6,643	1,713
Other	841	(1,022)
Subtotal	43,369	47,456
Interest and dividends received	768	1,004
Interest paid	(1,287)	(1,610)
Refund of settlement paid	―	587
Income taxes paid	(10,584)	(8,617)
Net cash provided by operating activities	32,266	38,820
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(20,069)	(17,614)
Proceeds from sale of property, plant and equipment and intangible assets	813	11,244
Placement of deposit	―	(3,500)
Other	(630)	(503)
Net cash used in investing activities	(19,886)	(10,373)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	(204)	1,462
Proceeds from long-term debt	10,712	11,039
Repayments of long-term debt	(11,279)	(21,371)
Repayments of lease obligations	(3,561)	(4,128)
Purchase of shares of consolidated subsidiaries from non-controlling interests	(4,661)	(57)
Dividends paid to stockholders of the parent company	(3,012)	(3,235)
Dividends paid to non-controlling interests	(60)	(61)
Other	(0)	(361)
Net cash used in financing activities	(12,065)	(16,712)
Effect of exchange rate changes on cash and cash equivalents	615	(1,133)
Net increase in cash and cash equivalents	930	10,602
Cash and cash equivalents at beginning of year	33,614	34,544
Cash and cash equivalents at end of year	34,544	45,146

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

None

(Changes in Significant Accounting Policies for Preparing Consolidated Financial Statements)

1. Scope of consolidation

Number of consolidated subsidiaries: 108 companies

The name of major consolidated subsidiaries are provided in “Status of the Corporate Group”

Changes in scope of consolidation in FY2015 are as follows:

(Excluded): 4 companies Hitachi Transport System (America), Ltd. (Merger)
CDS Global Logistics, Inc. (Merger)
CDS Global Logistics PTE Ltd (Liquidation)
ESA PRO, s.r.o. (Merger)

2. Application of the equity method

Investments in 9 associates are accounted for by the equity method.

The name of major associates accounted for by the equity method and joint ventures are provided in “Status of the Corporate Group”

Changes in associates accounted for by the equity method are as follows:

(Excluded): 1 company Eurasia Logistics Ltd. (Sale of shares)

(Notes to Consolidated Statement of Financial Position)

(Million yen)

	As of March 31, 2015	As of March 31, 2016
Accumulated depreciation of property and equipment and impairment losses	148,315	141,886

(Notes to Consolidated Statement of Profit or Loss)

1. Other income

(Million yen)

	Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Net gain on sales of fixed assets	245	4,148
Government grant income	39	—
Refund of settlement paid	—	587
Compensation income	35	16
Other	413	464
Total	732	5,215

2. Other expenses

(Million yen)

	Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Net loss on sales of fixed assets	(245)	(183)
Net loss on disposal of fixed assets	(294)	(235)
Impairment losses	(261)	(2,117)
Business structural reform expenses	(1,386)	(2,137)
Other	(439)	(529)
Total	(2,625)	(5,201)

Business structural reform expenses were mainly special severance payments and amounted to ¥1,064 million and ¥1,840 million for the year ended March 31, 2015 and 2016, respectively.

For the year ended March 31, 2016 an impairment loss for unused land and buildings was recognized as there is no plan to utilize and the market price fell below the acquisition cost. Unused assets are grouped individually. Recoverable amounts are measured as fair value based on real estate appraisal less disposal costs. Impairment loss is included in domestic logistics business. Consequently, impairment loss of property, plant and equipment recognized amounted to ¥683 million.

For the year ended March 31, 2016, an impairment loss for goodwill related to Flyjac logistics Pvt. Ltd. was recognized because future cash flow originally assumed in the business plan could no longer be expected and the goodwill was written down to the recoverable amounts. Recoverable amounts were calculated based on value in use by discounting future cash flow at a pre-tax discount rate of 16.0%. Impairment loss is included in global logistics business. Consequently, impairment loss of goodwill recognized amounted to ¥966 million.

3. Financial income

(Million yen)

	Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Interest income	471	736
Dividend income	86	81
Exchange gain	919	—
Other	—	8
Total	1,476	825

4. Financial expenses

(Million yen)

	Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Interest expenses	(1,264)	(1,611)
Exchange loss	—	(902)
Other	—	(35)
Total	(1,264)	(2,548)

(Segment Information)

The business segments of the Group are the business units for which the Group is able to obtain separate financial information and for which operating performance is evaluated regularly by the Executive Committee of the Company, the highest decision-making authority, to decide on the allocation of management resources and assess performance.

The Company's operations are divided into domestic logistics business, global logistics business and other service businesses. Consolidated subsidiaries conduct their business as autonomous business units and their operations are periodically reviewed by the Executive Committee of the Company. Each subsidiary develops comprehensive strategy and conducts business activities.

Consequently, business segments of the Group consist of the Company's businesses mentioned above and other services provided by consolidated subsidiaries. The Group's reporting segments have been designated as domestic logistics and global logistics in order to provide appropriate information about the business activities and the business environments, by combining a number of business segments that are similar in terms of economic and service characteristics.

For domestic logistics, the Group provides comprehensive logistics services that include the establishment of a logistics system, control of information, inventories and sales orders, value-added services, distribution center operation, factory logistics, and transportation and delivery. For global logistics, the Group provides comprehensive logistics services that include customs clearance and international intermodal transportation by land, sea and air.

Profit (loss) in reporting segments is based on operating income. Intersegment transactions are those that take place between companies and are based on market prices. The Executive Committee of the Company does not use the information of assets and liabilities allocated to business segments.

For the year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(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	397,954	258,231	656,185	22,388	678,573	—	678,573
Revenues from intersegment transactions or transfers	—	—	—	10,597	10,597	(10,597)	—
Total	397,954	258,231	656,185	32,985	689,170	(10,597)	678,573
Segment profit	14,071	4,848	18,919	2,546	21,465	—	21,465
Financial income							1,476
Financial expenses							(1,264)
Share of profits of investments accounted for using the equity method							329
Income before income taxes							22,006
Others							
Depreciation and Amortization	9,622	7,022	16,644	2,071	18,715	—	18,715
Impairment losses	82	179	261	—	261	—	261

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

Note: 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 the rational basis.

For the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(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	405,080	253,144	658,224	22,130	680,354	—	680,354
Revenues from intersegment transactions or transfers	—	—	—	11,023	11,023	(11,023)	—
Total	405,080	253,144	658,224	33,153	691,377	(11,023)	680,354
Segment profit	19,734	4,596	24,330	4,004	28,334	—	28,334
Financial income							825
Financial expenses							(2,548)
Share of profits of investments accounted for using the equity method							299
Income before income taxes							26,910
Others							
Depreciation and Amortization	9,806	7,178	16,984	2,141	19,125	—	19,125
Impairment losses	748	1,369	2,117	—	2,117	—	2,117

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

Note: 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 the rational basis.

The Group has not allocate company-wide expenses which do not belong to business segment such as corporate general administration expenses incurred in the parent company to each business segment. However, from the fiscal year ended March 31, 2016, the Group altered to allocate them to each business segment in accordance with the rational basis corresponding to a change of revenue structure.

The segment information of the fiscal year ended March 31, 2015 had also reflected the alternation above.

(Per Share Information)

The basis for computations of basic earnings per share (EPS) attributable to stockholders of the parent company for the years ended March 31, 2015 and 2016 is as follows.

	Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Net income attributable to stockholders of the parent company (Million yen)	13,250	14,011
Weighted average number of common stock (Thousand shares)	111,551	111,551
Basic EPS attributable to stockholders of the parent company (Yen)	118.78	125.60

(Note) Diluted EPS attributable to stockholders of the parent company is not presented as there are no dilutive shares.

(Additional Information)

1. Capital and Business Alliance among the Company, SG Holdings and SAGAWA EXPRESS

The Company's Board of Directors' meeting held on March 30, 2016 resolved, to form a capital and business alliance between SG Holdings Co., Ltd. ("SG Holdings") and SAGAWA EXPRESS CO., LTD. ("SAGAWA EXPRESS") (the Company, SG Holdings and SAGAWA EXPRESS are collectively referred to as "Companies") and to acquire 20% of outstanding shares in SAGAWA EXPRESS, and also concluded a capital and business alliance agreement and an agreement whereby SG Holdings will assign to the Company a portion of its shares in SAGAWA EXPRESS on the same day.

(1) Reasons for the Capital and Business Alliance

Under the business concept of smart logistics, the Group is utilizing not only "logistics solutions" but also "IT-LT solutions" with the aim of becoming a "Global Supply Chain Solutions Provider that works with customers to create new value, and challenges itself to become a world-class player," striving to compete in the global market.

SG Holdings Group, a corporate group anchored by SAGAWA EXPRESS, engages in delivery business, logistics business, real estate business and other businesses.

Under such circumstance, the Companies share the understanding that it is necessary to build a stronger business foundation and to grow into one of the most competitive corporations in Japan, and have engaged in various discussions under this philosophy. As a result, the Companies have reached an agreement on the Capital and Business Alliance as described below, with the aim of carrying out strategic measures for integrating our strengths and contributing to the improved competitiveness of Japanese companies which are operating globally.

(2) Particulars of the Capital and Business Alliance

1) Particulars of the Business Alliance

i. Strengthen proposal-making ability and expand business through a sales alliance that makes use of a mutual customer base

ii. Use focused fleet management and share center usage for improved utilization rate and efficiency

iii. Work on advanced logistics using the Companies' IT and LT technology

iv. Reinforce global business, with a focus on Asia (alliances of forwarding business and cross-border transport, etc.)

v. Reinforce peripheral businesses through utilization of resources (real estate business and system business, etc.) and collaboration

2) Particulars of the Capital Alliance

The Company will acquire from SG Holdings 10,655,240 shares in SAGAWA EXPRESS (acquisition price per share of ¥6,224, total acquisition price of ¥66,318 million, 20.0% of outstanding shares (excluding treasury shares), and 20.0% of voting rights).

(3) Profiles of the Companies for Capital and Business Alliance

1) Profile of SG Holdings

i. Name	SG Holdings Co., Ltd.
ii. Address	68, Tsunoda-cho, Kamitoba, Minami-ku, Kyoto, Japan
iii. Representative title, name	Chairperson and CEO Eiichi Kuriwada, President and COO Tadashi Machida
iv. Business description	Group management strategy formulation and management; operations ancillary thereto
v. Capital	11,882 million yen

2) Profile of SAGAWA EXPRESS

i. Name	SAGAWA EXPRESS CO., LTD.

ii. Address 68, Tsunoda-cho, Kamitoba, Minami-ku, Kyoto, Japan
iii. Representative title, name Hideo Araki, President and CEO
iv. Business description Businesses related to delivery and assorted transport
v. Capital 11,275 million yen

(4) Timeline of the Capital and Business Alliance
1) Board of Directors' resolution March 30, 2016
2) Capital and Business Alliance Agreement conclusion March 30, 2016
3) Assignment of SAGAWA EXPRESS shares May 20, 2016 (scheduled)

2. Substantial amount of borrowings

Based on the resolution at the Company's Board of Directors' meeting held on March 30, 2016, the Company will borrow funds as follows.

(1) Purpose of borrowings	Acquisition of shares of SAGAWA EXPRESS CO., LTD.	
(2) Name of lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mizuho Bank, Ltd.
(3) Total amount of borrowings	55.0 billion yen	15. 0 billion yen
(4) Interest rate	Base rate + Spread	Base rate + Spread
(5) Execution date of borrowings	May 19, 2016	May 19, 2016
(6) Maturity date	September 30, 2016	September 30, 2016
(7) Assets pledged as collateral	None	None

(Significant Subsequent Events)
Not applicable