

January 31, 2017

**Consolidated Financial Results
for the 3rd Quarter of FY2016
(Supplementary Material)**

 **Hitachi Transport System, Ltd.**

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1. Financial Results by Group

[Unit : 100 Million yen]

				FY2016						Full year (Plan) (Revised on Jan. 31)
				3Q (Oct-Dec 2016)			9 months (Apr-Dec 2016)			
				Result	Year on year		Result	Year on year		
					% change	change		% change	change	
Revenues	Organic ^{*1}	Domestic Logistics		872	100%	4	2,567	103%	67	-
		Global Logistics	Overseas	414	91%	-41	1,165	82%	-256	-
			Forwarding and Others	122	251%	73	357	259%	220	-
			Total	536	106%	32	1,523	98%	-36	-
		Other Services ^{*2}	56	107%	4	163	100%	0	-	
	Subtotal		1,463	103%	40	4,253	101%	31	-	
	VANTEC Group	Domestic Logistics		185	105%	9	533	99%	-6	-
		Global Logistics	Overseas	87	105%	4	244	113%	28	-
			Forwarding and Others	0	0%	-100	2	1%	-300	-
			Total	88	48%	-96	246	48%	-271	-
	Subtotal		273	76%	-87	779	74%	-278	-	
	Consolidated Adjustment		-27	-	26	-76	-	66	-	
	Total	Domestic Logistics		1,051	101%	11	3,080	102%	53	4,090
		Global Logistics	Overseas	488	96%	-19	1,376	88%	-181	-
			Forwarding and Others	115	86%	-18	340	87%	-53	-
Total			603	94%	-37	1,716	88%	-234	2,400	
Other Services ^{*2}		55	108%	4	160	100%	1	210		
		1,709	99%	-21	4,955	96%	-180	6,700		
Adjusted Operating Income	Organic ^{*1}	Domestic Logistics		54.5	119%	8.6	152.5	120%	25.2	-
		Global Logistics	Overseas	12.3	105%	0.6	35.6	104%	1.2	-
			Forwarding and Others	1.7	198%	0.9	4.2	215%	2.2	-
			Total	14.0	112%	1.5	39.7	110%	3.5	-
		Other Services ^{*2}	5.1	127%	1.1	14.3	90%	-1.6	-	
	Subtotal		73.7	118%	11.2	206.5	115%	27.2	-	
	VANTEC Group	Domestic Logistics		10.9	131%	2.6	23.8	102%	0.5	-
		Global Logistics	Overseas	2.0	74%	-0.7	6.5	76%	-2.0	-
			Forwarding and Others	0.0	-	-3.1	0.0	-	-4.9	-
			Total	2.0	34%	-3.8	6.5	48%	-6.9	-
	Subtotal		12.9	91%	-1.3	30.2	83%	-6.4	-	
	Amortization of Customer-related intangible assets of VANTEC Group etc		-4.2	-	0.4	-9.4	-	4.5	-	
	Total	Domestic Logistics		61.7	118%	9.6	168.2	117%	24.1	205.0
		Global Logistics	Overseas	13.8	107%	0.9	40.7	105%	2.0	-
			Forwarding and Others	1.7	60%	-1.2	4.2	118%	0.7	-
Total			15.6	98%	-0.3	44.9	106%	2.7	62.0	
Other Services ^{*2}		5.1	127%	1.1	14.3	90%	-1.6	23.0		
		82.4	114%	10.4	227.4	113%	25.3	290.0		
Earnings before interest and tax (EBIT)		121.8	139%	34.4	270.8	133%	66.5	310.0		
Net income attributable to stockholders of the parent company		79.3	141%	23.2	167.9	147%	53.4	185.0		

*1.Hitachi Transport System Group, excluding VANTEC Group.

*2."Other Services" includes information system development, service, sale and maintenance of motor vehicles, and travel agency service.

2. Breakdown of Increases and Decreases in Revenues

[Unit : 100 Million yen]

FY2016							
3Q (Oct-Dec 2016)				9 months (Apr-Dec 2016)			
New order	Increase and Decrease, etc	Effects in foreign exchange rates	Total	New order	Increase and Decrease, etc	Effects in foreign exchange rates	Total
47	-3	-65	-21	172	-132	-220	-180

3. Overseas Business

[Unit: 100 Million yen]

		FY2016											
		3Q (Oct-Dec 2016)					9 months (Apr-Dec 2016)						
		Revenues	Year on year		Adjusted Operating Income	Year on year		Revenues	Year on year		Adjusted Operating Income	Year on year	
% change	change		% change	change		% change	change		% change	change			
Overseas	North America	103	104%	4	1.3	61%	-0.8	286	100%	1	7.1	80%	-1.7
	Europe*1	154	95%	-7	6.6	146%	2.1	444	93%	-33	21.2	128%	4.6
	Asia (excluding China)	93	90%	-11	4.8	91%	-0.5	271	82%	-60	13.7	83%	-2.9
	China	142	87%	-22	3.5	93%	-0.3	386	74%	-134	6.6	75%	-2.2
	Oceania and Others	8	93%	-1	0.6	83%	-0.1	23	95%	-1	1.8	86%	-0.3
	Elimination of intra-company transactions, etc.*2	-14	-	18	-2.9	-	0.5	-34	-	46	-9.7	-	4.5
Total		488	96%	-19	13.8	107%	0.9	1,376	88%	-181	40.7	105%	2.0

*1.Turkey is treated as Europe.

*2.Amortization of Customer-related intangible assets of VANTEC Group is included in "Elimination of intra-company transactions, etc.".

•Until 2Q of FY2015, the subsidiary of CDS Group in North America which was integrated into North America Group was included in China. From 3Q of FY2015, it is included in North America.

4. Major Operating Expenses

[Unit: 100 Million yen]

	FY2016			
	3Q (Oct-Dec 2016)	Year on year	9 months (Apr-Dec 2016)	Year on year
Subcontract Expenses	817.5	-76.6	2,447.1	-195.8
Personnel Expenses	402.5	-6.4	1,204.6	-24.1
Rent Expenses	124.9	2.6	375.9	8.9
Depreciation Expenses	47.3	-0.6	139.9	-3.9

5. The trend of Major Order / Startup

[Unit: Project]

		FY2015	FY2016	
		9 months (Apr-Dec 2015)	9 months (Apr-Dec 2016)	Year on year
Startup	Domestic	12	13	1
	Global	10	3	-7
	Total	22	16	-6
Orders	Domestic	5	6	1
	Global	7	4	-3
	Total	12	10	-2

•Until FY2015, the figures of the trend of Major Order/Start up were counted the projects with existing customers that results in increase and decrease in revenues such as relocation. From FY2016, the figures are counted projects that contribute to net increase such as new customers and new locations.

•Figures indicate 10 million yen/month or larger projects.