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**Consolidated Financial Results
for FY2016
(Supplementary Material)**

 **Hitachi Transport System, Ltd.**

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1. Financial Results by Group

[Unit: 100 Million yen]

			FY2015	FY2016			FY2017	
			Full year	Full year			Full year	
			Result	Result	Year on year		Plan	
					% change	change		
Revenues	Organic*1	Domestic Logistics	3,352	3,430	102%	78	-	
		Global Logistics	Overseas	1,823	1,579	87%	-245	-
			Forwarding and Others	181	475	263%	295	-
			Total	2,004	2,054	102%	50	-
		Other Services*2	227	223	98%	-4	-	
	Subtotal			【5,938】 5,583	5,707	【96%】 102%	124	-
	VANTEC Group	Domestic Logistics	716	714	100%	-2	-	
		Global Logistics	Overseas	296	336	113%	40	-
			Forwarding and Others	402	2	1%	-400	-
			Total	698	338	48%	-360	-
	Subtotal			【1,015】 1,414	1,052	【104%】 74%	-362	-
	Consolidated Adjustment			-193	-105	-	88	-
	Total	Domestic Logistics	4,051	4,118	102%	67	4,236	
		Global Logistics	Overseas	2,011	1,866	93%	-145	-
			Forwarding and Others	520	451	87%	-69	-
Total			2,531	2,317	92%	-214	2,360	
Other Services*2		221	219	99%	-3	204		
			6,804	6,654	98%	-150	6,800	
Adjusted Operating Income	Organic*1	Domestic Logistics	180.7	195.0	108%	14.3	-	
		Global Logistics	Overseas	44.9	44.5	99%	-0.4	-
			Forwarding and Others	1.6	5.8	369%	4.2	-
			Total	46.5	50.3	108%	3.8	-
		Other Services*2	23.4	19.4	83%	-3.9	-	
	Subtotal			【255】 250.5	264.7	【104%】 106%	14.2	-
	VANTEC Group	Domestic Logistics	31.2	33.5	107%	2.3	-	
		Global Logistics	Overseas	11.3	8.5	75%	-2.9	-
			Forwarding and Others	8.6	0.0	-	-8.6	-
			Total	19.9	8.5	43%	-11.5	-
	Subtotal			【43】 51.1	42.0	【99%】 82%	-9.1	-
	Amortization of Customer-related intangible assets of VANTEC Group etc			-18.5	-12.0	-	6.4	-
	Total	Domestic Logistics	203.3	218.3	107%	15.0	215.0	
		Global Logistics	Overseas	50.7	51.1	101%	0.4	-
			Forwarding and Others	5.8	5.8	100%	0.0	-
Total			56.5	56.9	101%	0.4	58.0	
Other Services*2		23.4	19.4	83%	-3.9	22.0		
			283.2	294.7	104%	11.5	295.0	
Earnings Before Interest and Tax (EBIT)			277.9	315.6	114%	37.7	321.0	
Net income attributable to stockholders of the parent company			140.1	187.0	133%	46.9	200.0	

*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.

【】: Estimation after changed Group composition in FY2016 (VHF* changed the belonging from VANTEC Group to Organic.)

*VHF: VANTEC HTS FORWARDING, LTD.

2. Detail of Variations for Revenues

[Unit: 100 Million yen]

FY2015				FY2016				
New orders	Existing businesses, etc	Exchange fluctuation	Total	New orders	Existing businesses, etc	Exchange fluctuation	Collaborative Innovation Project	Total
131	-158	45	18	211	-144	-237	20	-150

3. Overseas Business

[Unit: 100 Million yen]

		FY2015		FY2016					
		Full year		Full year					
		Revenues	Adjusted Operating Income	Revenues	Year on year		Adjusted Operating Income	Year on year	
% change	change				% change	change			
Overseas	North America	375	11.7	399	106%	24	9.1	78%	-2.6
	Europe* ¹	629	23.8	600	95%	-29	26.7	112%	2.8
	Asia (excluding China)	431	20.7	370	86%	-61	17.2	83%	-3.5
	China	653	9.2	514	79%	-139	6.9	74%	-2.4
	Oceania and Others	32	2.6	32	101%	0	2.2	87%	-0.3
	Elimination of intra-company transactions, etc.* ²	-108	-17.3	-49	-	59	-10.9	-	6.3
Total		2,011	50.7	1,866	93%	-145	51.1	101%	0.4

*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. Financial indicator etc

		FY2015		FY2016	
		Full year		Full year	
Total assets	(100 Million yen)	4,644		5,499	
Total equity attributable to stockholders of the parent company*	(100 Million yen)	37.8		34.1	
Total equity per share attributable to stockholders of the parent company	(Yen)	1,573.67		1,680.70	
Basic earnings per share attributable to stockholders of the parent company	(Yen)	125.60		167.66	
Dividend per share (annual)	(Yen)	30		34	
Return on equity (ROE)	(%)	8.0		10.3	
Return on assets (ROA)	(%)	3.0		3.7	
Price book-value ratio (PBR)	(Ratio)	1.20		1.38	
Stock price	(Yen)	(2016.3.31)	1,882	(2017.3.31)	2,313

*○ indicates total equity attributable to stockholders of the parent company ratio(%)

5. Major Operating Expenses*

[Unit: 100 Million yen]

	FY2015	FY2016	
	Full year	Full year	Year on year
Subcontract Expenses	3,461.6	3,318.7	-142.9
Personnel Expenses	1,629.9	1,616.7	-13.2
Rent Expenses	491.3	503.4	12.1
Depreciation Expenses	191.3	187.4	-3.8

*Include Selling, general and administrative expenses

6. Capital Investment

[Unit: 100 Million yen]

	FY2015	FY2016		FY2017(Plan)
	Full year	Full year	Year on year	Full year
Purchased Assets* ¹	223.4	156.7	-66.7	204.5
(Reference) Leased Assets* ²	329.4	217.7	-111.7	390.0
(Reference) Depreciation Expenses	191.3	187.4	-3.8	192.2

*1. Based on fixed assets recorded in the balance sheet. *2. Allocated over the period of the lease.

7. The trend of New order/New startup

[Unit: Project]

		FY2015	FY2016	
		Full year	Full year	Year on year
New startup	Domestic	12	18	6
	Global	12	3	-9
	Total	24	21	-3
New order	Domestic	14	10	-4
	Global	8	4	-4
	Total	22	14	-8

•Until FY2015, the figures of the trend of New order/New startup 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.

8. Number of Employees*¹

[Unit: Person]

		FY2015	FY2016		FY2017(Plan)
		As of Mar. 31, 2016	As of Mar. 31, 2017	Year on year	As of Mar. 31, 2018
Regular Employees		24,744	25,274	530	26,279
	Employees and others* ²	21,877	22,665	788	22,536
Consolidated		46,621	47,939	1,318	48,815

*1. Excluding employees of associates accounted for by the equity method.

*2. Including employees who were reemployed after reaching mandatory retirement age.

(Reference①) Total Space of Distribution Centers

[Unit: 10,000 m²]

		FY2015	FY2016	
		As of Mar. 31, 2016	As of Mar. 31, 2017	Year on year
Domestic		496	497	1
	Overseas	213	222	10
Total		709	719	10

* Including area of the customer-owned distribution centers operated by Hitachi Transport System.

* Including warehouse of associates accounted for by the equity method except for SAGAWA EXPRESS.

(Reference②) Volume of Freight Forwarding

[Unit: Million tons (Air), Million TEU (Sea)]

	FY2015	FY2016	FY2017(Plan)
	Full year	Full year	Full year
Air	0.23	0.28	0.29
Sea	0.43	0.50	0.51

•FY2016 and FY2017(plan) are simple sum before consolidated adjustment.