

July 28, 2017

**Consolidated Financial Results
for the 1st Quarter of FY2017
(Supplementary Material)**

 **Hitachi Transport System, Ltd.**

< Contact Information >

Public Relations Department, Corporate Strategy Office,
Hitachi Transport System, Ltd.

TEL: +81-3-5634-0357 FAX: +81-3-5634-0294

E-Mail: koho@hitachi-transportssystem.com

1. Financial Results by Group

[Unit: 100 Million yen]

			FY2016	FY2017				
			1Q (Result)	1Q (Result)	Year on year		Full year (Plan)	
					% change	change		
Revenues	Organic*1	Domestic Logistics	833	851	102%	17	-	
		Global Logistics	Overseas	384	435	113%	51	-
			Forwarding and Others	116	118	102%	2	-
			Total	500	553	111%	53	-
		Other Services*2	47	51	108%	4	-	
	Subtotal	1,380	1,454	105%	74	5,845		
	VANTEC Group	Domestic Logistics	172	172	100%	0	-	
		Global Logistics	Overseas	75	91	122%	16	-
			Forwarding and Others	1	0	73%	-0	-
			Total	75	92	121%	16	-
	Subtotal	248	264	107%	16	1,060		
	Consolidated Adjustment			-23	-30	-	-7	-105
	Total	Domestic Logistics	998	1,016	102%	18	4,236	
		Global Logistics	Overseas	451	513	114%	62	-
			Forwarding and Others	111	110	100%	-0	-
Total			561	623	111%	62	2,360	
Other Services*2		46	49	107%	3	204		
			1,605	1,689	105%	84	6,800	
Adjusted Operating Income	Organic*1	Domestic Logistics	47.4	44.1	93%	-3.4	-	
		Global Logistics	Overseas	13.0	12.3	94%	-0.7	-
			Forwarding and Others	1.0	0.8	85%	-0.2	-
			Total	14.0	13.1	94%	-0.9	-
		Other Services*2	1.5	3.7	246%	2.2	-	
	Subtotal	62.9	60.9	97%	-2.0	266.5		
	VANTEC Group	Domestic Logistics	4.9	6.0	122%	1.1	-	
		Global Logistics	Overseas	2.0	1.4	68%	-0.7	-
			Forwarding and Others	0.0	0.0	-	0.0	-
			Total	2.0	1.4	68%	-0.7	-
	Subtotal	7.0	7.4	106%	0.4	39.5		
	Amortization of Customer-related intangible assets of VANTEC Group etc			-2.6	-2.6	-	0.0	-11.0
	Total	Domestic Logistics	50.2	47.9	95%	-2.3	215.0	
		Global Logistics	Overseas	14.5	13.2	91%	-1.4	-
			Forwarding and Others	1.0	0.8	85%	-0.2	-
Total			15.5	14.0	90%	-1.5	58.0	
Other Services*2		1.5	3.7	246%	2.2	22.0		
			67.2	65.6	98%	-1.6	295.0	
Earnings Before Interest and Taxes (EBIT)			65.1	79.3	122%	14.2	321.0	
Net income attributable to stockholders of the parent company			32.9	47.8	146%	15.0	200.0	

Company-wide expenses is partly changed the method of allocation from FY2017. 【】: Figures and ratios are calculated based on the previous method.

*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. Detail of Variations for Revenues

[Unit: 100 Million yen]

	New orders	Existing businesses, etc	Exchange fluctuation	Collaborative Innovation Project	Total
1Q of FY2017	37	28	7	11	84

3. Overseas Business

[Unit: 100 Million yen]

		FY2016		FY2017					
		1Q		1Q					
		Revenues	Adjusted Operating Income	Revenues	Year on year		Adjusted Operating Income	Year on year	
% change	change				% change	change			
Overseas	North America	86	2.9	106	123%	19	1.7	58%	-1.2
	Europe*1	153	9.3	169	110%	16	7.7	83%	-1.6
	Asia (excluding China)	91	4.7	99	109%	8	3.8	80%	-0.9
	China	122	1.0	144	117%	21	1.8	186%	0.8
	Oceania and Others	7	0.5	9	137%	2	0.4	82%	-0.1
	Elimination of intra-company transactions, etc.*2	-8	-3.9	-14	-	-5	-2.3	-	1.6
Total		451	14.5	513	114%	62	13.2	91%	-1.4

*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".

4. Major Operating Expenses*

[Unit: 100 Million yen]

	FY2016	FY2017	
	1Q	1Q	Year on year
Subcontract Expenses	803.8	847.9	44.2
Personnel Expenses	397.1	413.7	16.6
Rent Expenses	123.1	126.1	3.0
Depreciation Expenses	47.7	47.0	-0.6

*Include Selling, general and administrative expenses

5. The trend of New order / New startup

[Unit: Project]

		FY2016	FY2017	
		1Q	1Q	Year on year
New startups	Domestic	4	1	-3
	Global	1	1	0
	Total	5	2	-3
New orders	Domestic	1	2	1
	Global	1	4	3
	Total	2	6	4

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