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**Consolidated Financial Results
for the 2nd Quarter of FY2017
(Supplementary Material)**

 **Hitachi Transport System, Ltd.**

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1. Financial Results by Group

[Unit: 100 Million yen]

			FY2016	FY2017				
				1H (Result)	1H (Result)	Year on year		Full year (Plan)
					% change	change	(Revised on Oct.26)	
Revenues	Organic *1	Domestic Logistics	1,695	1,716	101%	21	-	
		Global Logistics	Overseas	752	880	117%	129	-
			Forwarding and Others	236	257	109%	21	-
		Total	987	1,137	115%	150	-	
		Other Services *2	108	108	100%	0	-	
	Subtotal	2,789	2,961	106%	172	5,935		
	VANTEC Group	Domestic Logistics	348	352	101%	4	-	
		Global Logistics	Overseas	157	183	117%	26	-
			Forwarding and Others	1	1	82%	-0	-
		Total	158	184	116%	26	-	
	Subtotal	506	535	106%	30	1,070		
	Consolidated Adjustment			-49	-60	-	-11	-105
	Total	Domestic Logistics	2,029	2,054	101%	26	4,236	
		Global Logistics	Overseas	888	1,034	116%	146	-
			Forwarding and Others	224	243	108%	18	-
Total		1,112	1,277	115%	165	2,460		
Other Services *2		105	105	100%	-0	204		
			3,247	3,437	106%	190	6,900	
Adjusted Operating Income	Organic *1	Domestic Logistics	98.0	91.2	93%	-6.8	-	
		Global Logistics	Overseas	23.3	24.8	107%	1.5	-
			Forwarding and Others	2.4	[5.2] 3.9	[216%] 160%	[2.8] 1.5	-
		Total	25.7	28.7	112%	3.0	-	
		Other Services *2	9.2	8.2	89%	-1.0	-	
	Subtotal	132.9	128.1	96%	-4.7	266.5		
	VANTEC Group	Domestic Logistics	12.9	[16.7] 14.8	[130%] 115%	[3.9] 1.9	-	
		Global Logistics	Overseas	4.5	2.9	63%	-1.6	-
			Forwarding and Others	0.0	0.0	-	0.0	-
		Total	4.5	2.9	63%	-1.6	-	
	Subtotal	17.3	17.6	102%	0.3	39.5		
	Amortization of Customer-related intangible assets of VANTEC Group etc			-5.2	-5.3	-	-0.1	-11.0
	Total	Domestic Logistics	106.6	[109.7] 101.7	[103%] 95%	[3.2] -4.8	215.0	
		Global Logistics	Overseas	26.8	26.7	99%	-0.2	-
			Forwarding and Others	2.4	3.9	160%	1.5	-
Total		29.3	30.6	104%	1.3	58.0		
Other Services *2		9.2	8.2	89%	-1.0	22.0		
			145.0	140.5	97%	-4.5	295.0	
Earnings before interest and tax (EBIT)			149.0	156.9	105%	8.0	321.0	
Net income attributable to stockholders of the parent company			88.6	93.3	105%	4.8	200.0	

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

• Including upfront investments (-800 million yen) for next generation/advanced technologies and working method transformation.

《》: Figures and ratios are excluded the upfront investment.

*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
1H of FY2017	57	44	59	30	190

3. Overseas Business

[Unit: 100 Million yen]

		FY2016		FY2017					
		1H		1H					
		Revenues	Adjusted Operating Income	Revenues	Year on year		Adjusted Operating Income	Year on year	
% change	change				% change	change			
Overseas	North America	183	5.8	212	116%	29	2.0	35%	-3.8
	Europe*1	289	14.6	345	119%	56	16.0	110%	1.4
	Asia (excluding China)	177	9.0	201	113%	24	7.5	84%	-1.5
	China	244	3.1	286	117%	43	4.0	131%	1.0
	Oceania and Others	15	1.2	18	122%	3	1.1	96%	-0.1
	Elimination of intra-company transactions, etc.*2	-20	-6.8	-29	-	-8	-4.0	-	2.8
Total		888	26.8	1,034	116%	146	26.7	99%	-0.2

*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. Financial indicator etc

		FY2016		FY2017	
		As of Mar. 31, 2017		As of Sep. 30, 2017	
Total assets	(100 Million yen)	5,499		5,507	
Total equity attributable to stockholders of the parent company*1	(100 Million yen)	34.1	1,875	35.4	1,951
Total equity per share attributable to stockholders of the parent company	(Yen)	1,680.70		1,749.01	
Basic earnings per share attributable to stockholders of the parent company	(Yen)	167.66		83.68	
Dividend per share (annual)	(Yen)	34		36*2	
Return on equity (ROE) (annual)	(%)	10.3		9.8*3	
Return on assets (ROA) (annual)	(%)	3.7		3.4*3	
Price book-value ratio (PBR)	(Ratio)	1.38		1.49	
Stock price	(Yen)	(Mar.31,2017)	2,313	(Sep.29,2017)	2,604

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

*2.Forecast for the end of FY2017.

*3.Annualized rate.

5. Major Operating Expenses*

[Unit: 100 Million yen]

	FY2016	FY2017	
	1H	1H	Year on year
Subcontract Expenses	1,629.6	1,769.0	139.3
Personnel Expenses	802.1	829.0	26.9
Rent Expenses	251.0	252.3	1.2
Depreciation Expenses	91.6	94.2	2.6

*Include Selling, general and administrative expenses

6. Capital Expenditures

[Unit: 100 Million yen]

	FY2016		FY2017		FY2017(Plan)	
	1H	Full year	1H	Year on year	Full year	Year on year
Purchased Assets*1	82.3	156.7	49.3	-33.0	204.5	47.8
(Reference) Leased Assets*2	107.9	217.7	107.2	-0.7	390.0	172.3
(Reference) Depreciation Expenses	91.6	187.4	94.2	2.6	192.2	4.8

*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]

		FY2016		FY2017	
		1H		1H	Year on year
New startups	Domestic		11	3	-8
	Global		2	4	2
	Total		13	7	-6
New orders	Domestic		4	16	12
	Global		2	5	3
	Total		6	21	15

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

(Reference①) Number of Consolidated Employees*1

[Unit: Person]

	FY2016		FY2017		FY2017(Plan)	
	As of Sep. 30, 2016	As of Mar. 31, 2017	As of Sep. 30, 2017	Year on year	As of Mar. 31, 2018	Year on year
Regular Employees	25,344	25,274	25,385	41	26,279	1,005
Employees and others*2	22,430	22,665	22,689	259	22,536	-129
Total	47,774	47,939	48,074	300	48,815	876

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

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

(Reference②) Volume of Freight Forwarding

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

	FY2016		FY2017	
	Full year		1H	Full year
Air		0.28	0.154	0.29
Sea		0.50	0.269	0.51

•Figures are simple sum before consolidated adjustment.