

April 27, 2018

**Consolidated Financial Results
for FY2017
(Supplementary Material)**

 **Hitachi Transport System, Ltd.**

< Contact Information >

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

TEL: +81-3-6263-2803 FAX: +81-3-6263-2752

E-Mail: koho@hitachitransport.com

1. Financial Results by Group

[Unit: 100 Million yen]

			FY2016	FY2017			FY2018	
			Full year	Full year			Full year	
			Result	Result	Year on year		Plan	
					% change	change		
Revenues	Organic*1	Domestic Logistics	3,430	3,496	102%	66	-	
		Global Logistics	Overseas	1,579	1,771	112%	192	-
			Forwarding and Others	475	539	113%	64	-
			Total	2,054	2,310	112%	256	-
		Other Services*2	223	228	102%	5	-	
	Subtotal		5,707	6,035	106%	328	-	
	VANTEC Group	Domestic Logistics	714	709	99%	-6	-	
		Global Logistics	Overseas	336	375	112%	40	-
			Forwarding and Others	2	2	80%	-0	-
			Total	338	377	112%	39	-
	Subtotal		1,052	1,086	103%	33	-	
	Consolidated Adjustment		-105	-117	-	-11	-	
	Total	Domestic Logistics	4,118	4,178	101%	60	4,360	
		Global Logistics	Overseas	1,866	2,091	112%	225	-
			Forwarding and Others	451	511	113%	60	-
Total			2,317	2,603	112%	286	2,537	
Other Services*2		219	223	102%	4	203		
		6,654	7,004	105%	350	7,100		
Adjusted Operating Income	Organic*1	Domestic Logistics	195.0	191.5	98%	-3.5	-	
		Global Logistics	Overseas	44.5	51.6	116%	7.1	-
			Forwarding and Others	5.8	[9.3] 6.6	[161%] 113%	[3.5] 0.8	-
			Total	50.3	58.1	116%	7.8	-
		Other Services*2	19.4	17.8	92%	-1.6	-	
	Subtotal		264.7	267.5	101%	2.8	-	
	VANTEC Group	Domestic Logistics	33.5	34.5	103%	1.0	-	
		Global Logistics	Overseas	8.5	6.7	78%	-1.8	-
			Forwarding and Others	0.0	0.0	-	0.0	-
			Total	8.5	6.7	78%	-1.8	-
	Subtotal		42.0	[44.9] 41.1	[107%] 98%	[2.9] -0.9	-	
	Amortization of Customer-related intangible assets of VANTEC Group etc		-12.0	-10.5	-	1.5	-	
	Total	Domestic Logistics	218.3	217.4	100%	-0.9	219.0	
		Global Logistics	Overseas	51.1	56.2	110%	5.1	-
			Forwarding and Others	5.8	6.6	113%	0.8	-
Total			56.9	62.8	110%	5.9	73.0	
Other Services*2		19.4	17.8	92%	-1.6	18.0		
		294.7	298.0	101%	3.4	310.0		
Earnings Before Interest and Taxes (EBIT)		315.6	330.9	105%	15.4	347.0		
Net income attributable to stockholders of the parent company		187.0	209.2	112%	22.1	215.0		

*Company-wide expenses is partly changed the method of allocation. 【】: 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]

FY2016					FY2017				
New orders	Existing businesses, etc	Exchange fluctuation	Collaborative Innovation Project	Total	New orders	Existing businesses, etc	Exchange fluctuation	Collaborative Innovation Project	Total
211	-144	-237	20	-150	74	71	113	92	350

3. Overseas Business

[Unit: 100 Million yen]

		FY2016		FY2017					
		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	399	9.1	434	109%	35	3.9	43%	-5.2
	Europe* ¹	600	26.7	694	116%	94	32.8	123%	6.2
	Asia (excluding China)	370	17.2	425	115%	55	14.4	84%	-2.8
	China	514	6.9	556	108%	42	7.3	106%	0.4
	Oceania and Others	32	2.2	38	118%	6	3.0	133%	0.7
	Elimination of intra-company transactions, etc.* ²	-49	-10.9	-55	-	-6	-5.2	-	5.7
Total		1,866	51.1	2,091	112%	225	56.2	110%	5.1

*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	
		Full year		Full year	
Total assets	(100 Million yen)	5,499		5,649	
Total equity attributable to stockholders of the parent company*	(100 Million yen)	34.1	1,875	36.2	2,043
Total equity per share attributable to stockholders of the parent company	(Yen)	1,680.70		1,831.72	
Basic earnings per share attributable to stockholders of the parent company	(Yen)	167.66		187.50	
Dividend per share (annual)	(Yen)	34		36	
Return on equity (ROE)	(%)	10.3		10.7	
Return on assets (ROA)	(%)	3.7		3.8	
Price book-value ratio (PBR)	(Ratio)	1.38		1.63	
Stock price	(Yen)	2,313		2,990	

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

5. Major Operating Expenses*

[Unit: 100 Million yen]

	FY2016	FY2017	
	Full year	Full year	Year on year
Subcontract Expenses	3,318.7	3,554.1	235.4
Personnel Expenses	1,616.7	1,667.9	51.1
Rent Expenses	503.4	515.8	12.4
Depreciation Expenses	187.4	190.2	2.7

*Include Selling, general and administrative expenses

6. Capital Investment

[Unit: 100 Million yen]

	FY2016	FY2017		FY2018(Plan)
	Full year	Full year	Year on year	Full year
Purchased Assets* ¹	156.7	130.1	-26.7	246.0
(Reference) Leased Assets* ²	217.7	254.6	36.9	464.7
(Reference) Depreciation Expenses	187.4	190.2	2.7	198.4

*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	
		Full year	Full year	Year on year
New startups	Domestic	18	11	-7
	Global	3	7	4
	Total	21	18	-3
New orders	Domestic	10	24	14
	Global	4	8	4
	Total	14	32	18

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

8. Number of Employees*¹

[Unit: Person]

		FY2016	FY2017		FY2018(Plan)
		As of Mar. 31, 2017	As of Mar. 31, 2018	Year on year	As of Mar. 31, 2019
Regular Employees		25,274	25,074	-200	25,818
	Employees and others* ²	22,665	22,710	45	22,746
Consolidated		47,939	47,784	-155	48,564

*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]

		FY2016	FY2017	
		As of Mar. 31, 2017	As of Mar. 31, 2018	Year on year
Domestic		497	499	2
	Overseas	222	231	9
Total		719	731	11

* 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)]

	FY2016	FY2017	
	Full year	Full year	Year on year
Air	0.276	0.300	0.023
Sea	0.504	0.532	0.029

*Figures are simple sum before consolidated adjustment.