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**Consolidated Financial Results  
for the 2nd Quarter of FY2018  
(Supplementary Material)**

 **Hitachi Transport System, Ltd.**

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# 1. Financial Results by Group

[Unit: 100 million yen]

			FY2017	FY2018				
			1H (Result)	1H (Result)	Year on year		Full year (Plan) (As of April 27)	
					% change	change		
Revenues	Organic *1	Domestic Logistics	1,716	1,782	104%	66	-	
		Global Logistics	Overseas	880	895	102%	14	-
			Allocated to domestic companies (forwarding and others)	257	258	100%	1	-
			Total	1,137	1,153	101%	16	-
		Other Services *2	108	105	97%	-3	-	
	Subtotal			2,961	3,040	103%	79	6,105
	VANTEC Group	Domestic Logistics	352	362	103%	10	-	
		Global Logistics	Overseas	183	184	101%	2	-
			Allocated to domestic companies (forwarding and others)	1	0	-	-1	-
			Total	184	184	100%	1	-
	Subtotal			535	546	102%	11	1,093
	Consolidated Adjustment			-60	-62	-	-2	-98
	Total	Domestic Logistics	2,054	2,128	104%	74	4,360	
		Global Logistics	Overseas	1,034	1,050	101%	15	-
			Allocated to domestic companies (forwarding and others)	243	244	100%	1	-
Total			1,277	1,293	101%	16	2,537	
Other Services *2		105	102	97%	-3	203		
			3,437	3,524	103%	87	7,100	
Adjusted Operating Income	Organic *1	Domestic Logistics	91.2	93.4	102%	2.2	-	
		Global Logistics	Overseas	24.8	32.1	129%	7.3	-
			Allocated to domestic companies (forwarding and others)	3.9	✓ -0.4	-	-4.3	-
			Total	28.7	31.7	110%	3.0	-
		Other Services *2	8.2	7.5	91%	-0.7	-	
	Subtotal			128.1	132.6	103%	4.5	280.0
	VANTEC Group	Domestic Logistics	14.8	15.9	107%	1.1	-	
		Global Logistics	Overseas	2.9	5.1	180%	2.3	-
			Allocated to domestic companies (forwarding and others)	0.0	0.0	-	0.0	-
			Total	2.9	5.1	180%	2.3	-
	Subtotal			17.6	21.0	119%	3.4	41.0
	Amortization of Customer-related intangible assets of VANTEC Group, etc.			-5.3	-5.1	-	0.2	-11.0
	Total	Domestic Logistics	101.7	105.1	103%	3.4	219.0	
		Global Logistics	Overseas	26.7	36.2	136%	9.6	-
			Allocated to domestic companies (forwarding and others)	3.9	-0.4	-	-4.3	-
Total			30.6	35.8	117%	5.3	73.0	
Other Services *2		8.2	7.5	91%	-0.7	18.0		
			140.5	148.5	106%	8.0	310.0	
Earnings before interest and taxes (EBIT)			156.9	148.2	94%	-8.7	347.0	
Net income attributable to stockholders of the parent company			93.3	83.2	89%	-10.1	215.0	

✓ Cost allocated to domestic companies (forwarding and others) increased by 160 million yen from a year earlier due to a partial change in the allocation method of company-wide expenses. (Adjusted operating income would have been 120 million yen under 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
1H of FY2018	75	-55	3	64	87

### 3. Overseas Business

[Unit: 100 million yen]

		FY2017		FY2018					
		1H		1H					
		Revenues	Adjusted Operating Income	Revenues	Year on year		Adjusted Operating Income	Year on year	
% change	change				% change	change			
Overseas	North America	212	2.0	226	106%	13	6.0	298%	4.0
	Europe* <sup>1</sup>	345	16.0	353	102%	7	17.4	109%	1.5
	Asia (excluding China)	201	7.5	225	112%	24	10.2	137%	2.7
	China	286	4.0	257	90%	-29	5.4	133%	1.3
	Oceania and Others	18	1.1	19	104%	1	1.5	135%	0.4
	Elimination of intra-company transactions, etc.* <sup>2</sup>	-29	-4.0	-29	-	-1	-4.3	-	-0.3
Total		1,034	(2.6%) 26.7	1,050	101%	15	(3.5%) 36.2	136%	9.6

\*1. Turkey is treated as an European country.

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

• ( ) indicates operating margin.

### 4. Financial indicators, etc.

		FY2017	FY2018	FY2018
		As of Mar. 31, 2018	As of Sep. 30, 2018	As of Mar. 31, 2019 (Forecast)
Total assets	(100 Million yen)	5,649	6,048	6,346
Total equity attributable to stockholders of the parent company* <sup>1</sup>	(100 Million yen)	36.2 2,043	35.0 2,116	36.6 2,321
Total equity per share attributable to stockholders of the parent company	(Yen)	1,831.72	1,896.98	2,080.33
Basic earnings per share attributable to stockholders of the parent company	(Yen)	187.50	74.62	192.74
Dividend per share (annual)	(Yen)	36	19	39
Return on equity (ROE) (annual)	(%)	10.7	8.0* <sup>2</sup>	9.6
Return on assets (ROA) (annual)	(%)	3.8	2.8* <sup>2</sup>	3.6
Return on invested capital (ROIC) (annual)	(%)	5.8	4.2* <sup>2</sup>	5.2
Price book-value ratio (PBR)	(Ratio)	1.63	1.68	-
Stock price	(Yen)	2,990	3,190	-

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

\*2. Annualized rate.

### 5. Major Operating Expenses\*

[Unit: 100 million yen]

		FY2017	FY2018		
		1H	1H	Year on year	
				% change	change
Subcontract Expenses		1,769.0	1,795.7	102%	26.8
Personnel Expenses		829.0	838.9	101%	9.9
Rent Expenses		252.3	270.1	107%	17.8
Depreciation Expenses		94.2	94.8	101%	0.7

\* Include Selling, general and administrative expenses.

## 6. Capital Expenditures

[Unit: 100 million yen]

	FY2017		FY2018		FY2018 (Plan)	
	1H	Full year	1H	Year on year	Full year	Year on year
Purchased Assets*1	49.3	130.1	<b>89.6</b>	40.2	246.0	115.9
(Reference) Leased Assets*2	107.2	254.6	<b>113.1</b>	5.9	464.7	210.1

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

## 7. Trend of New Order / New Startup

[Unit: project]

	FY2017		FY2018	
	1H		1H	Year on year
New orders	Domestic	16	<b>8</b>	-8
	Global	5	<b>5</b>	0
	Total	21	<b>13</b>	-8
New startups	Domestic	3	<b>13</b>	10
	Global	4	<b>5</b>	1
	Total	7	<b>18</b>	11

• Figures indicate the number of large projects of 10 million yen/month.

## (Reference ①) Number of Consolidated Employees\*1

[Unit: person]

	FY2017		FY2018	
	As of Sep. 30, 2017	As of Mar. 31, 2018	As of Sep. 30, 2018	Year on year
Regular Employees	25,385	25,074	<b>25,396</b>	11
Employees and others*2	22,689	22,710	<b>23,138</b>	449
Consolidated	48,074	47,784	<b>48,534</b>	460

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

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

## (Reference ②) Volume of Freight Forwarding

[Unit: million tons (air), million TEU (sea)]

	FY2017		FY2018	
	1H	Full year	1H	Year on year
Air	0.154	0.300	<b>0.133</b>	-0.022
Sea	0.269	0.532	<b>0.267</b>	-0.002

• Figures are simple sum before consolidated adjustment.