

January 31, 2020

**Consolidated Financial Results
for the 3rd Quarter of FY2019
(Supplementary Material)**

 **Hitachi Transport System, Ltd.**

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1. Financial Results by Group

[Unit: 100 million yen]

			FY2019						Full year Forecast (As of Jan.31)		
			3Q (Oct.-Dec. 2019)			9 months (Apr.-Dec. 2019)					
			Result	Year on year		Result	Year on year				
				% change	change		% change	change			
Revenues	Organic ^{*1}	Domestic Logistics	946	101%	10	2,802	103%	84	-		
		Global Logistics	Overseas	408	88%	-55	1,255	92%	-103	-	
			Allocated to domestic companies ^{*2}	75	54%	-63	242	61%	-154	-	
			Total	483	80%	-117	1,497	85%	-256	-	
		Other Services ^{*3}	47	94%	-3	140	90%	-15	-		
	total	1,475	93%	-110	4,438	96%	-187	-			
	VANTEC Group	Domestic Logistics	169	90%	-19	498	91%	-52	-		
		Global Logistics	Overseas	75	82%	-16	239	87%	-36	-	
			Allocated to domestic companies ^{*2}	0	-	0	0	-	0	-	
			Total	75	82%	-16	239	87%	-36	-	
	total	244	87%	-35	737	89%	-88	-			
	Consolidated Adjustment			-22	-	8	-71	-	22	-	
	Total	Domestic Logistics	1,107	99%	-10	3,282	101%	37	4,459		
		Global Logistics	Overseas	476	88%	-64	1,469	[94%]	92%	-120	-
			Allocated to domestic companies ^{*2}	69	53%	-60	221	[89%]	59%	-152	-
Total			545	81%	-125	1,691	[93%]	86%	-272	2,262	
Other Services ^{*3}		45	93%	-3	132	88%	-19	179			
total	1,697	93%	-137	5,105	95%	-254	6,900				
Adjusted Operating Income	Organic ^{*1}	Domestic Logistics	64.7	117%	9.6	176.5	119%	27.9	-		
		Global Logistics	Overseas	14.6	78%	-4.2	48.4	95%	-2.5	-	
			Allocated to domestic companies ^{*2}	1.3	73%	-0.5	2.4	176%	1.1	-	
			Total	15.9	77%	-4.7	50.8	97%	-1.4	-	
		Other Services ^{*3}	3.4	47%	-3.9	10.2	69%	-4.6	-		
	total	84.1	101%	1.1	237.5	110%	21.9	-			
	VANTEC Group	Domestic Logistics	10.8	104%	0.4	24.5	93%	-1.7	-		
		Global Logistics	Overseas	1.3	101%	0.0	4.5	70%	-2.0	-	
			Allocated to domestic companies ^{*2}	0.0	-	0.0	0.0	-	0.0	-	
			Total	1.3	101%	0.0	4.5	70%	-2.0	-	
	total	12.1	103%	0.4	29.0	89%	-3.7	-			
	Amortization of Customer-related intangible assets of VANTEC Group etc.			-2.3	-	0.2	-7.5	-	0.2	-	
	Total	Domestic Logistics	73.6	116%	10.1	195.0	116%	26.3	251.5		
		Global Logistics	Overseas	15.5	79%	-4.1	51.5	[95%]	92%	-4.4	-
			Allocated to domestic companies ^{*2}	1.3	73%	-0.5	2.4	[+4.6]	176%	1.1	-
Total			16.8	79%	-4.6	53.9	[104%]	94%	-3.3	76.0	
Other Services ^{*3}		3.4	47%	-3.9	10.2	69%	-4.6	12.5			
total	93.8	102%	1.7	259.0	108%	18.4	340.0				
Earnings Before Interest and Taxes (EBIT)			105.5	83%	-21.8	301.4	109%	25.8	402.0		
Net income attributable to stockholders of the parent company			53.7	59%	-37.4	162.5	93%	-11.8	220.0		

✓ Figures in [] are percentages of Y on Y changes excluding the impact of deconsolidation of Nisshin Transportation Gr.
(One of them shows a Y on Y difference.)

*1.Hitachi Transport System Group, excluding VANTEC Group.

*2.Forwarding and others.

*3."Other Services" includes information system development, service, sale and maintenance of motor vehicles, and travel agency service.

2. Detail of Variations for Revenues

(1) Revenues

[Unit: 100 million yen]

3Q (Oct.-Dec. 2019)								9 months (Apr.-Dec. 2019)							
Environmental /volume changes	Effect of exchange fluctuation	Impact of exclusion of Nisshin from the scope of consolidation	Implmnt of portfolio strategy	New orders	New collaborative innovation	Impact of adopting IFRS 16, etc.	Total	Environmental /volume changes	Effect of exchange fluctuation	Impact of exclusion of Nisshin from the scope of consolidation	Implmnt of portfolio strategy	New orders	New collaborative innovation	Impact of adopting IFRS 16, etc.	Total
-112	-19	-53	-13	44	17	-2	-137	-191	-59	-147	-37	138	49	-7	-254

(2) Adjusted Operating Income

3Q (Oct.-Dec. 2019)									
Environmental /volume changes	Effect of exchange fluctuation	Impact of exclusion of Nisshin from the scope of consolidation	Implmnt of portfolio strategy	New orders	New collaborative innovation	Impact of adopting IFRS 16, etc.	Productivity improvement	Strategic investments	Total
-13.5	-1.0	-2.1	-1.8	3.0	2.6	11.9	3.9	-1.4	1.7
9 months (Apr.-Dec. 2019)									
Environmental /volume changes	Effect of exchange fluctuation	Impact of exclusion of Nisshin from the scope of consolidation	Implmnt of portfolio strategy	New orders	New collaborative innovation	Impact of adopting IFRS 16, etc.	Productivity improvement	Strategic investments	Total
-25.1	-3.1	-5.3	-3.0	11.0	7.0	25.2	19.0	-7.3	18.4

3. Overseas Business

[Unit: 100 million yen]

	Revenues						Adjusted Operating Income					
	3Q (Oct.-Dec. 2019)			9 months (Apr.-Dec. 2019)			3Q (Oct.-Dec. 2019)			9 months (Apr.-Dec. 2019)		
	Result	Year on year % change	Year on year change	Result	Year on year % change	Year on year change	Result	Year on year % change	Year on year change	Result	Year on year % change	Year on year change
	North America	102	87%	-15	322	94%	-21	1.8	131%	0.4	10.1	137%
Europe ^{*1}	169	96%	-7	498	94%	-30	12.8	125%	2.6	34.7	125%	7.0
Asia (excluding China)	100	87%	-15	302	89%	-38	3.1	51%	-3.0	9.9	61%	-6.4
China	102	75%	-34	341	87%	-52	-0.9	-	-4.8	1.4	15%	-7.9
Others	10	107%	1	31	107%	2	0.9	95%	-0.0	2.0	82%	-0.5
Elimination of intra-company transactions, etc. ^{*2}	-7	-	6	-25	-	18	-2.1	-	0.9	-6.6	-	0.7
Total	476	88%	-64	1,469	92%	-120	15.5	79%	-4.1	51.5	92%	-4.4

*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."

4. Major Operating Expenses^{*}

[Unit: 100 million yen]

	FY2018		FY2019			
	9 months (Apr.-Dec. 2019)		9 months (Apr.-Dec. 2019)		Year on year	
					% change	change
Subcontract Expenses		2,688.5		2,460.3	92%	-228.2
Personnel Expenses		1,262.4		1,218.9	97%	-43.6
Rent Expenses		406.7		163.3	40%	-243.4
Depreciation Expenses		142.3		389.7	274%	247.3

* Include Selling, general and administrative expenses.

• By adopting IFRS 16 "Leases", some expenses that were treated as Lease Expenses (Rent Expenses) last year are divided into Depreciation and Interest expenses (Outside Operating Expenses) from this fiscal year.

5. Trend of New Order / New Startup

[Unit: project]

	FY2018		FY2019	
	9 months (Apr.-Dec. 2018)		9 months (Apr.-Dec. 2019)	
				Year on year
New orders	Domestic	9	14	5
	Global	7	5	-2
	Total	16	19	3
New startups	Domestic	15	15	0
	Global	8	5	-3
	Total	23	20	-3

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