

July 30, 2020

**Consolidated Financial Results
for the 1st Quarter of FY2020
(Supplementary Material)**

 **Hitachi Transport System, Ltd.**

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1. Financial Results by Group

[Unit: 100 million yen]

| | | | FY2019 | FY2020 | | | | |
|---|---|---|---|----------------|--------------|--------|---------------------|-------|
| | | | 1Q (Result) | 1Q (Result) | Year on year | | Full year (Plan) | |
| | | | | | % change | change | | |
| Revenues | Organic ^{*1} | Domestic Logistics | 915 | 902 | 98% | -14 | - | |
| | | Global Logistics | Overseas | 433 | 321 | 74% | -113 | - |
| | | | Allocated to domestic companies ^{*2} | 84 | 66 | 79% | -18 | - |
| | | | Total | 517 | 387 | 75% | -131 | - |
| | | Other Services (logistics related businesses) | 44 | 39 | 89% | -5 | - | |
| | | total | 1,477 | 1,327 | 90% | -149 | 5,831 | |
| | VANTEC Group | Domestic Logistics | 162 | 112 | 69% | -50 | - | |
| | | Overseas | 83 | 53 | 64% | -30 | - | |
| | | total | 245 | 166 | 68% | -79 | 761 | |
| | Consolidated Adjustment | | | -24 | -20 | - | 5 | -82 |
| | Total | Global Logistics | Domestic Logistics | 1,073 | 1,009 | 94% | -64 | 4,257 |
| | | | Overseas | 507 | 368 | 72% | -140 | - |
| | | | Allocated to domestic companies ^{*2} | 76 | 60 | 79% | -16 | - |
| | | Total | 584 | 428 | 73% | -156 | 2,089 | |
| | | Other Services (logistics related businesses) | 41 | 36 | 88% | -5 | 164 | |
| total | | 1,697 | 1,473 | 87% | -224 | 6,510 | | |
| Adjusted Operating Income | Organic ^{*1} | Domestic Logistics | 54.1 | 62.9 | 116% | 8.8 | - | |
| | | Global Logistics | Overseas | 16.7 | 12.2 | 73% | -4.5 | - |
| | | | Allocated to domestic companies ^{*2} | 0.4 | -1.2 | - | -1.6 | - |
| | | | Total | 17.1 | 11.1 | 65% | -6.1 | - |
| | | Other Services (logistics related businesses) | 4.3 | 1.7 | 40% | -2.6 | - | |
| | | total | 75.4 | 75.6 | 100% | 0.2 | 309 | |
| | VANTEC Group | Domestic Logistics | 5.0 | -3.5 | - | -8.5 | - | |
| | | Overseas | 1.6 | -0.6 | - | -2.2 | - | |
| | | total | 6.6 | -4.1 | - | -10.7 | 15 | |
| | Amortization of Customer-related intangible assets of VANTEC Group etc. | | | -2.6 | -1.7 | - | 1.0 | -8 |
| | Total | Global Logistics | Domestic Logistics | 57.1 | 57.5 | 101% | 0.5 | 233 |
| | | | Overseas | 17.7 | 11.8 | 67% | -5.9 | - |
| | | | Allocated to domestic companies ^{*2} | 0.4 | -1.2 | - | -1.6 | - |
| | | Total | 18.1 | 10.6 | 59% | -7.5 | 73 | |
| | | Other Services (logistics related businesses) | 4.3 | 1.7 | 40% | -2.6 | 10 | |
| total | | 79.4 | 69.8 | 88% | -9.6 | 315 | | |
| Earnings Before Interest and Taxes (EBIT) | | | 95.0 | 107.1 | 113% | 12.2 | 386 | |
| Net income attributable to stockholders of the parent company | | | 47.7 | 63.3 | 133% | 15.6 | 215 | |

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

*2.Forwarding and others.

2. Detail of Variations for Revenues and Adjusted Operating Income [Unit: 100 million yen]

| Revenues | | | | | |
|-------------------------------|--------------------------------|--------------------------------|------------|------------------------------|-------------|
| 1Q | | | | | |
| Environmental /volume changes | Effect of exchange fluctuation | Implement a portfolio strategy | New orders | New collaborative innovation | Total |
| -253 | -19 | -1 | 41 | 8 | -224 |

| Adjusted Operating Income | | | | | | |
|-------------------------------|--------------------------------|--------------------------------|------------|------------------------------|--------------------------|-------------|
| 1Q | | | | | | |
| Environmental /volume changes | Effect of exchange fluctuation | Implement a portfolio strategy | New orders | New collaborative innovation | Productivity improvement | Total |
| -19.1 | -0.7 | -1.5 | 4.5 | 1.2 | 6.1 | -9.6 |

3. Overseas Business [Unit: 100 million yen]

| | Revenues | | | | Adjusted Operating Income | | | |
|---|-------------|-------------|--------------|--------|---------------------------|-------------|--------------|--------|
| | FY2019 | FY2020 | | | FY2019 | FY2020 | | |
| | 1Q (Result) | 1Q (Result) | Year on year | | 1Q (Result) | 1Q (Result) | Year on year | |
| | | | % change | change | | | % change | change |
| North America | 110 | 67 | 60% | -44 | 2.3 | -2.9 | - | -5.2 |
| Europe ^{*1} | 167 | 118 | 70% | -50 | 11.3 | 5.2 | 46% | -6.1 |
| Asia (excluding China) | 101 | 78 | 77% | -23 | 3.6 | 2.5 | 70% | -1.1 |
| China | 127 | 98 | 78% | -28 | 1.0 | 5.6 | 574% | 4.6 |
| Oceania and Others | 11 | 13 | 118% | 2 | 0.4 | 0.9 | 200% | 0.4 |
| Elimination of intra-company transactions, etc. ^{*2} | -9 | -6 | - | 3 | -0.8 | 0.6 | - | 1.4 |
| Total | 507 | 368 | 72% | -140 | 17.7 | 11.8 | 67% | -5.9 |

*1.Turkey is treated as an European country.

*2.Amortization of Customer-related intangible assets of VANTEC Group and adjustment of costs due to non-operation are included in "Elimination of intra-company transactions, etc."

The above is the revenue and adjusted operating income of overseas subsidiaries.

4. Major Operating Expenses* [Unit: 100 million yen]

| | FY2019 | FY2020 | | |
|-----------------------|--------|--------------|--------------|--------|
| | 1Q | 1Q | Year on year | |
| | | | % change | change |
| Subcontract Expenses | 832.6 | 703.6 | 85% | -129.0 |
| Personnel Expenses | 409.0 | 374.6 | 92% | -34.4 |
| Rent Expenses | 56.6 | 41.1 | 73% | -15.5 |
| Depreciation Expenses | 128.8 | 131.0 | 102% | 2.2 |

*Include Selling, general and administrative expenses.

5. Trend of New order / New startup [Unit: project]

| | | FY2019 | FY2020 | |
|--------------|----------|--------|----------|--------------|
| | | 1Q | 1Q | Year on year |
| | | | | |
| New orders | Domestic | 4 | 1 | -3 |
| | Global | 3 | 2 | -1 |
| | Total | 7 | 3 | -4 |
| New startups | Domestic | 5 | 4 | -1 |
| | Global | 2 | 3 | 1 |
| | Total | 7 | 7 | 0 |

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