

Summary of Consolidated Financial Results [IFRS] for the Second Quarter Ended September 30, 2019

October 30, 2019

Listed Company: **Hitachi Transport System, Ltd.** Stock Exchange: First Section of Tokyo
 Code Number: 9086 URL: <http://www.hitachi-transportssystem.com/en/>
 Representative: Yasuo Nakatani, President and Chief Executive Officer
 Person in Charge: Tetsuro Taga, General Manager of Public Relations Department, Corporate Strategy Office
 Date of the Release of Quarterly Report (Schedule): November 14, 2019
 Date of the Start of Dividend Payment (Schedule): November 26, 2019
 Creates Supplementary Materials for Quarterly Summaries: Yes
 Briefing Held on Quarterly Settlement of Accounts: Yes (for analysts, institutional investors and press)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Highlights for the Second Quarter Ended September 30, 2019 (April 1, 2019 to September 30, 2019)

(1) Consolidated Financial Results (Cumulative) (% indicates the percentage change over year)

	Revenues		Adjusted operating income ^{*1}		EBIT ^{*2}		Income before income taxes		Net income		Net income attributable to stockholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2019	340,755	(3.3)	16,519	11.2	19,589	32.1	16,581	15.0	11,420	31.1	10,883	30.7
September 30, 2018	352,385	2.5	14,849	5.7	14,824	(5.5)	14,421	(5.5)	8,711	(13.1)	8,324	(10.8)

	Basic earnings per share attributable to stockholders of the parent company
	Yen
September 30, 2019	97.56
September 30, 2018	74.62

*1. [Adjusted operating income] = [Revenues] - [Cost of sales] - [Selling, general and administrative expenses]

*2. EBIT (Earnings Before Interest and Taxes) = [Income before income taxes] - [Interest income] + [Interest expenses]

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to stockholders of the parent company	Total equity attributable to stockholders of the parent company ratio
	Million yen	Million yen	Million yen	%
September 30, 2019	877,950	233,957	227,487	25.9
March 31, 2019	612,535	228,949	222,346	36.3

2. Dividends

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
March 31, 2019	—	19.00	—	21.00	40.00
March 31, 2020	—	21.00	—	—	—
March 31, 2020 (Forecasts)	—	—	—	22.00	43.00

(Note) Revision of the latest dividends forecasts: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% indicates the percentage change over year)

	Revenues		Adjusted operating income		EBIT		Income before income taxes		Net income		Net income attributable to stockholders of the parent company	Basic earnings per share attributable to stockholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen	
Full year	700,000	(1.2)	34,000	9.0	40,200	11.1	34,200	(3.0)	23,300	(3.0)	22,000	(3.4)	197.22

(Note) Revision of the latest consolidated financial forecasts: Yes

*** Notes**

(1) Changes in significant subsidiaries during the term (Change in specified subsidiaries causing changes in scope of consolidation):
None

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS: Yes

(b) Changes other than (a) above: None

(c) Changes in accounting estimates: None

(Note) For details, please refer to "2. Summary of Condensed Quarterly Consolidated Financial Statements and Major Notes (5) Summary of Notes to the Quarterly Consolidated Financial Statements (Changes in Accounting Policies)" on Page 11.

(3) Number of Shares Issued (Common Stock)

(a) Number of shares at the end of the term (Including treasury stock)

As of September 30, 2019: 111,776,714 shares,

As of March 31, 2019: 111,776,714 shares

(b) Number of treasury stock at the end of the term

As of September 30, 2019: 227,565 shares,

As of March 31, 2019: 227,265 shares

(c) Average number of shares during the term

Six months ended September 30, 2019: 111,549,287 shares,

Six months ended September 30, 2018: 111,549,724 shares

(Note) Quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit corporation.

(Note) Explanation on the appropriate use of financial forecasts and other important items

- The financial forecasts shown on this report are estimated based on information available as of the issuing date of this report, and therefore the actual results for the future terms may differ from these forecasted figures due to various unknown factors. For the assumptions for forecasts and cautions regarding the use of the forecasts, please refer to "1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Future Forecast Information including Consolidated Financial Forecasts" on Page 3.
- The Company plans to post the supplementary material and the presentation material on quarterly financial results on the Company's website promptly after the quarterly financial results briefing.

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

For the second quarter ended September 30, 2019, consolidated financial results of the Hitachi Transport System Group (the “Group”) are as follows:

(Million yen)			
	Six Months Ended September 30, 2018	Six Months Ended September 30, 2019	Y on Y change
Revenues	352,385	340,755	97%
Adjusted operating income	14,849	16,519 [15,193]	111% [102%]
EBIT	14,824	19,589	132%
Net income attributable to stockholders of the parent company	8,324	10,883	131%

* Figures in [] exclude the impact of the adoption of IFRS 16 “Leases.”

Revenues decreased by 3% year-on-year to ¥340,755 million. Adjusted operating income, EBIT, and net income attributable to stockholders of the parent company increased by 11%, 32%, and 31% year-on-year to ¥16,519 million, ¥19,589 million, and ¥10,883 million, respectively.

Results by business segment during the period under review are as follows:

【Domestic logistics business】 (Million yen)

	Six Months Ended September 30, 2018	Six Months Ended September 30, 2019	Y on Y change
Revenues	212,847	217,522	102%
Segment profit (Adjusted operating income)	10,514	12,138 [11,049]	115% [105%]

Revenues of domestic logistics business increased by 2% year-on-year to ¥217,522 million due to contribution of new projects despite a decrease in handling volume in automobile-related business.

Segment profit increased by 15% year-on-year to ¥12,138 million due to an increase in revenues and improved productivity, and the adoption of IFRS 16 “Leases.”

【Global logistics business】 (Million yen)

	Six Months Ended September 30, 2018	Six Months Ended September 30, 2019	Y on Y change
Revenues	129,347	114,586	89%
Segment profit (Adjusted operating income)	3,584	3,706 [3,471]	103% [97%]

Revenues of global logistics business decreased by 11% year-on-year to ¥114,586 million due to effects of exclusion of Nisshin Transportation Co., Ltd. from the scope of consolidation and foreign exchange rates.

Segment profit increased by 3% year-on-year to ¥3,706 million partly due to the adoption of IFRS 16 “Leases” despite a decrease in revenues.

【Other services (logistics related businesses)】 (Million yen)

	Six Months Ended September 30, 2018	Six Months Ended September 30, 2019	Y on Y change
Revenues	10,191	8,647	85%
Segment profit (Adjusted operating income)	751	675 [672]	90% [89%]

Revenues of other services decreased by 15% year-on-year to ¥8,647 million due to the effect of exclusion of Hitachi Travel Bureau, Ltd. from the scope of consolidation.

Segment profit decreased by 10% year-on-year to ¥675 million due to a decrease in revenues.

(2) Explanation of Financial Position

1) Assets, Liabilities and Net Assets

Total assets as of September 30, 2019 amounted to ¥877,950 million, an increase of ¥265,415 million compared with the end of the previous fiscal year. Current assets decreased by ¥6,216 million due to decreases of ¥13,268 million in trade receivables and contract assets and ¥5,556 million in other current assets despite an increase of ¥13,123 million in cash and cash equivalents. Non-current assets increased by ¥271,631 million due to an increase of ¥302,972 million in right-of-use assets despite a decrease of ¥34,047 million in property, plant and equipment.

Total liabilities as of September 30, 2019 amounted to ¥643,993 million, an increase of ¥260,407 million compared with the end of the previous fiscal year. Current liabilities increased by ¥37,314 million due to increases of ¥33,187 million in lease liabilities and ¥10,296 million in other financial liabilities despite a decrease of ¥9,529 million in trade payables. Non-current liabilities increased by ¥223,093 million due to an increase of ¥274,454 million in lease liabilities, despite decreases of ¥40,559 million in long-term debt and ¥10,141 million in other financial liabilities.

Total equity as of September 30, 2019 amounted to ¥233,957 million, an increase of ¥5,008 million compared with the end of the previous fiscal year. Total equity attributable to stockholders of the parent company ratio decreased from 36.3% at the end of the previous fiscal year to 25.9%.

2) Cash flows

Cash and cash equivalents (herein called “cash”) as of September 30, 2019 was ¥121,535 million, an increase of ¥13,123 million from March 31, 2019.

Cash flows from each activity for the six months ended September 30, 2019 and their significant components are as follows:

Net cash provided by operating activities was ¥39,152 million, an increase of ¥23,863 million compared with the six months ended September 30, 2018. This is mainly due to an increase in cash from depreciation and amortization of ¥25,833 million, decrease in trade receivables and contract assets of ¥13,547 million and net income of ¥11,420 million, partly offset by a decrease in cash from decrease in trade payables of ¥9,051 million.

Net cash used in investing activities was ¥2,961 million, a decrease of ¥3,850 million compared with the six months ended September 30, 2018. This is mainly due to a decrease in cash from purchase of property, plant and equipment and intangible assets of ¥4,984 million, partly offset by an increase in cash from proceeds from sale of property, plant and equipment and intangible assets of ¥3,577 million.

Net cash used in financing activities was ¥22,361 million, an increase of ¥55,747 million compared with the six months ended September 30, 2018. This is mainly due to a decrease in cash from repayments of lease liabilities of ¥18,375 million and dividends paid to stockholders of the parent company of ¥2,343 million.

Effective April 1, 2019, the Group adopted IFRS 16 “Leases” (see page 11 for details).

(3) Explanation of Future Forecast Information including Consolidated Financial Forecasts

For the global economy, it is still necessary to pay due attention to the impact of the protectionism and trade friction as well as geopolitical risks and the impact of natural disasters, etc. In Japan, especially in the logistics industry, the business environment is becoming severe due to intensifying competitions across industries caused by labor shortage and expansion of EC market.

Against such a backdrop, under the business concept of “LOGISTEED,” the Group will strive to strengthen our core logistics function through collaborative innovation with various partners and also execute collaborative innovation strategies leading to further expansion of our domains.

*[LOGISTEED]: A word that combines LOGISTICS with Exceed, Proceed, Succeed, and Speed.
It represents our determination to lead businesses to a new domain beyond the conventional logistics.

The Group revised the consolidated financial forecasts for the fiscal year ending March 31, 2020, released on April 26, 2019 as below in light of the impact of adoption of IFRS 16 “Leases” as well as our recent business performance and the future outlook.

[Consolidated financial forecasts for the fiscal year ending March 31, 2020]

	Revenues	Adjusted operating income	EBIT	Income before income taxes	Net income	Net income attributable to stockholders of the parent company	Basic earnings per share attributable to stockholders of the parent company
Previous forecast (A) (Announced on April 26, 2019)	Million yen 700,000	Million yen 31,500	Million yen 35,200	Million yen 34,200	Million yen 23,300	Million yen 22,000	Yen 197.22
Revised forecast (B)	700,000	34,000	40,200	34,200	23,300	22,000	197.22
Changes (B-A)	0	2,500	5,000	0	0	0	—
Percentage change (%)	0.0	7.9	14.2	0.0	0.0	0.0	—
(Ref.) Consolidated results for the fiscal year ended March 31, 2019	708,831	31,192	36,180	35,246	24,013	22,786	204.27

2. Summary of Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2019	As of September 30, 2019
(Assets)		
Current assets		
Cash and cash equivalents	108,412	121,535
Trade receivables and contract assets	132,544	119,276
Inventories	1,145	1,134
Other financial assets	4,597	4,093
Other current assets	11,965	6,409
Total current assets	258,663	252,447
Non-current assets		
Investments accounted for using the equity method	84,009	85,333
Property, plant and equipment	182,400	148,353
Right-of-use assets	—	302,972
Goodwill	26,212	25,280
Intangible assets	28,556	26,889
Deferred tax assets	8,083	8,564
Other financial assets	18,241	21,949
Other non-current assets	6,371	6,163
Total non-current assets	353,872	625,503
Total assets	612,535	877,950

(Million yen)

	As of March 31, 2019	As of September 30, 2019
(Liabilities)		
Current liabilities		
Trade payables	54,253	44,724
Short-term debt	5,850	4,968
Current portion of long-term debt	5,662	10,543
Lease liabilities	—	33,187
Income tax payable	3,362	3,253
Other financial liabilities	24,886	35,182
Other current liabilities	28,481	27,951
Total current liabilities	122,494	159,808
Non-current liabilities		
Long-term debt	191,198	150,639
Lease liabilities	—	274,454
Retirement and severance benefits	32,083	31,945
Deferred tax liabilities	10,712	11,044
Other financial liabilities	22,958	12,817
Other non-current liabilities	4,141	3,286
Total non-current liabilities	261,092	484,185
Total liabilities	383,586	643,993
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	16,803	16,803
Retained earnings	206,245	215,203
Accumulated other comprehensive income	(520)	(4,336)
Treasury stock, at cost	(182)	(183)
Total equity attributable to stockholders of the parent company	222,346	227,487
Non-controlling interests	6,603	6,470
Total equity	228,949	233,957
Total liabilities and equity	612,535	877,950

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

(Million yen)

	Six Months Ended September 30, 2018 (April 1, 2018 to September 30, 2018)	Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)
Revenues	352,385	340,755
Cost of sales	(312,166)	(298,797)
Gross profit	40,219	41,958
Selling, general and administrative expenses	(25,370)	(25,439)
Adjusted operating income	14,849	16,519
Other income	308	2,991
Other expenses	(1,119)	(2,380)
Operating income	14,038	17,130
Financial income	57	61
Financial expenses	(1,551)	(438)
Share of profits of investments accounted for using the equity method	2,280	2,836
Earnings before interest and taxes	14,824	19,589
Interest income	533	652
Interest expenses	(936)	(3,660)
Income before income taxes	14,421	16,581
Income taxes	(5,710)	(5,161)
Net income	8,711	11,420
Attributable to:		
Stockholders of the parent company	8,324	10,883
Non-controlling interests	387	537

	Six Months Ended September 30, 2018 (April 1, 2018 to September 30, 2018)	Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)
Earnings per share attributable to stockholders of the parent company		
Basic	¥74.62	¥97.56
Diluted	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Million yen)

	Six Months Ended September 30, 2018 (April 1, 2018 to September 30, 2018)	Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)
Net income	8,711	11,420
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	110	(14)
Share of OCI of investments accounted for using the equity method	3	(104)
Total items not to be reclassified into net income	113	(118)
Items that can be reclassified into net income		
Foreign currency translation adjustments	954	(3,651)
Net changes in cash flow hedges	1	3
Share of OCI of investments accounted for using the equity method	(19)	(24)
Total items that can be reclassified into net income	936	(3,672)
Other comprehensive income	1,049	(3,790)
Comprehensive income	9,760	7,630
Attributable to:		
Stockholders of the parent company	9,190	7,447
Non-controlling interests	570	183

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Million yen)

Six Months Ended September 30, 2018 (April 1, 2018 to September 30, 2018)							
					Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
	Common stock	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost			
Balance at beginning of year	16,803	186,373	1,333	(181)	204,328	3,963	208,291
Cumulative effects of changes in accounting policies	—	25	—	—	25	—	25
Restated balance	16,803	186,398	1,333	(181)	204,353	3,963	208,316
Changes in equity							
Net income	—	8,324	—	—	8,324	387	8,711
Other comprehensive income	—	—	866	—	866	183	1,049
Dividends	—	(2,008)	—	—	(2,008)	(138)	(2,146)
Acquisition and sales of treasury stock	—	—	—	(0)	(0)	—	(0)
Changes in liabilities for written put options over non-controlling interests	—	(79)	151	—	72	(186)	(114)
Total changes in equity	—	6,237	1,017	(0)	7,254	246	7,500
Balance at end of period	16,803	192,635	2,350	(181)	211,607	4,209	215,816

(Million yen)

Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)							
					Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
	Common stock	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost			
Balance at beginning of year	16,803	206,245	(520)	(182)	222,346	6,603	228,949
Changes in equity							
Net income	—	10,883	—	—	10,883	537	11,420
Other comprehensive income	—	—	(3,436)	—	(3,436)	(354)	(3,790)
Transactions with non-controlling interests	—	(6)	(1)	—	(7)	209	202
Dividends	—	(2,343)	—	—	(2,343)	(126)	(2,469)
Transfer to retained earnings	—	143	(143)	—	—	—	—
Acquisition and sales of treasury stock	—	—	—	(1)	(1)	—	(1)
Changes in liabilities for written put options over non-controlling interests	—	281	(236)	—	45	(399)	(354)
Total changes in equity	—	8,958	(3,816)	(1)	5,141	(133)	5,008
Balance at end of period	16,803	215,203	(4,336)	(183)	227,487	6,470	233,957

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Six Months Ended September 30, 2018 (April 1, 2018 to September 30, 2018)	Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)
Cash flows from operating activities		
Net income	8,711	11,420
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	9,483	25,833
Impairment losses	29	1,269
Share of profits of investments accounted for using the equity method	(2,280)	(2,836)
Gain on business reorganization	—	(1,244)
Income taxes	5,710	5,161
Increase (decrease) in retirement and severance benefits	365	(204)
Interest and dividends income	(589)	(710)
Interest expenses	936	3,660
Gain on sale of property, plant and equipment	(43)	(1,120)
Decrease in trade receivables and contract assets	836	13,547
Decrease in inventories	194	4
Decrease in trade payables	(2,120)	(9,051)
Decrease in other assets and liabilities	(2,768)	(2,625)
Other	155	535
Subtotal	18,619	43,639
Interest and dividends received	3,024	3,244
Interest paid	(904)	(3,580)
Income taxes paid	(5,450)	(4,151)
Net cash provided by operating activities	15,289	39,152
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(7,449)	(4,984)
Proceeds from sale of property, plant and equipment and intangible assets	323	3,577
Acquisition of subsidiary's shares	—	(666)
Decrease by a loss of control of a subsidiary	—	(384)
Other	315	(504)
Net cash used in investing activities	(6,811)	(2,961)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	118	(724)
Proceeds from long-term debt	49,749	—
Repayments on long-term debt	(10,602)	(402)
Repayments of lease liabilities	(2,237)	(18,375)
Purchase of shares of consolidated subsidiaries from non-controlling interests	(1,099)	(30)
Dividends paid to stockholders of the parent company	(2,008)	(2,343)
Dividends paid to non-controlling interests	(138)	(126)
Other	(397)	(361)
Net cash provided by (used in) financing activities	33,386	(22,361)
Effect of exchange rate changes on cash and cash equivalents	408	(707)
Net increase in cash and cash equivalents	42,272	13,123
Cash and cash equivalents at beginning of period	63,497	108,412
Cash and cash equivalents at end of period	105,769	121,535

(5) Summary of Notes to the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

None

(Changes in Accounting Policies)

Effective April 1, 2019, the Group adopted the following standard in accordance with the transition method and reviewed part of the accounting treatments.

Standard	Name	Outline of new or revised standard
IFRS 16	Leases	Revision of definition of lease and lessees' accounting treatment

In accordance with the transition method, the Group did not adopt IFRS 16 “Leases” retrospectively to its consolidated financial statements for fiscal year ended March 31, 2019. In adopting the new standard, the Group applied the practical expedients that do not require entities to reassess whether existing contracts are a lease or contain a lease at the date of initial adoption. Lessees adopted IFRS 16.C5 (b), under which comparative figures are not restated and the cumulative effect of initially adopting the standard is recognized on the date of the initial adoption (April 1, 2019). The weighted average incremental borrowing rate of the Group used to measure lease liabilities at the date of initial adoption is 1.9%. The table below shows a reconciliation of non-cancellable operating lease contracts accounted for under IAS 17 as of March 31, 2019 to lease liabilities recognized on the condensed quarterly consolidated statement of financial position at the date of initial application.

(Million yen)

Non-cancellable operating lease contracts (as of March 31, 2019)	97,068
Finance lease obligations (as of March 31, 2019)	35,270
Review of estimates for option to extend the lease	184,156
Lease liabilities (as of April 1, 2019)	316,494

As a result of the adoption of IFRS 16, the Group recognized right-of-use assets of ¥277,222 million and lease liabilities of ¥281,224 million at the date of initial adoption.

The Group adopted IFRS 16 to leases classified as operating lease under IAS 17 using the following practical expedients:

- apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- rely on an assessment of leases as to whether they are onerous contracts under IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” immediately before the date of initial adoption as an alternative to performing an impairment review; and
- exclude initial direct costs in the measurement of the right-of-use assets at the date of initial adoption.

As a result of the adoption of IFRS 16, on the condensed quarterly consolidated statement of financial position, finance lease assets, which were previously included in “property, plant and equipment,” are now separately reported as “right-of-use assets,” and lease obligations, which were included in “current portion of long-term debt” and “long-term debt,” are now separately reported as “lease liabilities.” On the condensed quarterly consolidated statement of cash flows, lease payments of operating lease were previously included in cash flows from operating activities, but adjustments mainly related to depreciation of right-of-use assets are now included in cash flows from operating activities and payments of lease liabilities are now included in cash flows from financing activities, and accordingly, net cash provided by operating activities and net cash used in financing activities increased, compared to those under IAS 17.

(Segment Information)

Six Months Ended September 30, 2018 (April 1, 2018 to September 30, 2018)

(Million yen)

	Reporting segment			Other services ¹	Total	Adjustments and eliminations ²	Amount recorded in consolidated financial statements
	Domestic logistics	Global logistics	Subtotal				
Revenues							
Revenues from outside customers	212,847	129,347	342,194	10,191	352,385	—	352,385
Revenues from intersegment transactions or transfers	—	—	—	5,782	5,782	(5,782)	—
Total	212,847	129,347	342,194	15,973	358,167	(5,782)	352,385
Segment profit	10,514	3,584	14,098	751	14,849	—	14,849
Other income							308
Other expenses							(1,119)
Financial income							57
Financial expenses							(1,551)
Share of profits of investments accounted for using the equity method							2,280
Interest income							533
Interest expenses							(936)
Income before income taxes							14,421

Note: 1. "Other services" includes information system development, service, sale and maintenance of motor vehicles, and travel agency service, which are excluded from the reporting segments.

2. Company-wide expenses which do not belong to any business segment such as corporate general administration expenses incurred in the parent company are allocated to each business segment in accordance with a rational basis.

Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)

(Million yen)

	Reporting segment			Other services ¹	Total	Adjustments and eliminations ²	Amount recorded in consolidated financial statements
	Domestic logistics	Global logistics	Subtotal				
Revenues							
Revenues from outside customers	217,522	114,586	332,108	8,647	340,755	—	340,755
Revenues from intersegment transactions or transfers	—	—	—	7,194	7,194	(7,194)	—
Total	217,522	114,586	332,108	15,841	347,949	(7,194)	340,755
Segment profit	12,138	3,706	15,844	675	16,519	—	16,519
Other income							2,991
Other expenses							(2,380)
Financial income							61
Financial expenses							(438)
Share of profits of investments accounted for using the equity method							2,836
Interest income							652
Interest expenses							(3,660)
Income before income taxes							16,581

Note: 1. "Other services" includes information system development, service, sale and maintenance of motor vehicles, and travel agency service, which are excluded from the reporting segments.

2. Company-wide expenses which do not belong to any business segment such as corporate general administration expenses incurred in the parent company are allocated to each business segment in accordance with a rational basis.