

# Summary of Consolidated Financial Results [IFRS] for the Third Quarter Ended December 31, 2019

January 31, 2020

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): February 14, 2020  
 Date of the Start of Dividend Payment (Schedule): -  
 Creates Supplementary Materials for Quarterly Summaries: Yes  
 Briefing Held on Quarterly Settlement of Accounts: Yes (for analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

## 1. Consolidated Financial Highlights for the Third Quarter Ended December 31, 2019 (April 1, 2019 to December 31, 2019)

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

	Revenues		Adjusted operating income <sup>*1</sup>		EBIT <sup>*2</sup>		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	%
December 31, 2019	510,476	(4.7)	25,899	7.6	30,140	9.4	25,851	(3.9)	17,080	(7.2)	16,252	(6.8)
December 31, 2018	535,838	1.9	24,060	9.9	27,557	9.3	26,894	9.5	18,413	12.5	17,435	12.7

	Basic earnings per share attributable to stockholders of the parent company
	Yen
December 31, 2019	145.69
December 31, 2018	156.30

\*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	%
December 31, 2019	874,435	239,725	232,949	26.6
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	690,000	(2.7)	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 December 31, 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 December 31, 2019: 227,645 shares,

As of March 31, 2019: 227,265 shares

(c) Average number of shares during the term

Nine months ended December 31, 2019: 111,549,232 shares,

Nine months ended December 31, 2018: 111,549,690 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 supplementary materials on quarterly financial results on the Company's website promptly after the announcement of the quarterly financial results.

## Table of Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review .....	2
(1) Explanation of Operating Results.....	2
(2) Explanation of Financial Position.....	3
(3) Explanation of Future Forecast Information including Consolidated Financial Forecasts.....	3
2. Summary of Condensed Quarterly Consolidated Financial Statements and Major Notes.....	5
(1) Condensed Quarterly Consolidated Statement of Financial Position .....	5
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income .....	7
(3) Condensed Quarterly Consolidated Statement of Changes in Equity .....	9
(4) Condensed Quarterly Consolidated Statement of Cash Flows .....	10
(5) Summary of Notes to the Quarterly Consolidated Financial Statements.....	11
(Notes on Going Concern Assumptions) .....	11
(Changes in Accounting Policies).....	11
(Segment Information).....	12

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

### (1) Explanation of Operating Results

For the third quarter ended December 31, 2019, consolidated financial results of the Hitachi Transport System Group (the “Group”) are as follows:

	(Million yen)		
	Nine Months Ended December 31, 2018	Nine Months Ended December 31, 2019	Y on Y change
Revenues	535,838	510,476	95%
Adjusted operating income	24,060	25,899 [23,378]	108% [97%]
EBIT	27,557	30,140	109%
Net income attributable to stockholders of the parent company	17,435	16,252	93%

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

Revenues decreased by 5% year-on-year to ¥510,476 million. Adjusted operating income and EBIT increased by 8% and 9% year-on-year to ¥25,899 million and ¥30,140 million, respectively. Net income attributable to stockholders of the parent company decreased by 7% year-on-year to ¥16,252 million.

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

#### 【Domestic logistics business】 (Million yen)

	Nine Months Ended December 31, 2018	Nine Months Ended December 31, 2019	Y on Y change
Revenues	324,520	328,237	101%
Segment profit (Adjusted operating income)	16,862	19,495 [17,365]	116% [103%]

Revenues of domestic logistics business increased by 1% year-on-year to ¥328,237 million due to contribution of new projects despite a decrease in handling volume in automobile-related business.

Segment profit increased by 16% year-on-year to ¥19,495 million due to an increase in revenues and improved productivity, and the adoption of IFRS 16 “Leases.”

#### 【Global logistics business】 (Million yen)

	Nine Months Ended December 31, 2018	Nine Months Ended December 31, 2019	Y on Y change
Revenues	196,286	169,067	86%
Segment profit (Adjusted operating income)	5,722	5,389 [5,012]	94% [88%]

Revenues of global logistics business decreased by 14% year-on-year to ¥169,067 million due to a decrease in handling volume in forwarding business (including the effect of exclusion of Nisshin Transportation Co., Ltd. from the scope of consolidation) and exchange rate fluctuations.

Segment profit decreased by 6 % year-on-year to 5,389 million due to a decrease in revenues and incorporation of risks in forwarding business.

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

	Nine Months Ended December 31, 2018	Nine Months Ended December 31, 2019	Y on Y change
Revenues	15,032	13,172	88%
Segment profit (Adjusted operating income)	1,476	1,015 [1,001]	69% [68%]

Revenues of other services decreased by 12% year-on-year to ¥13,172 million due to the effect of exclusion of Hitachi Travel Bureau, Ltd.(currently known as HTB-BCD Travel Limited) from the scope of consolidation.

Segment profit decreased by 31% year-on-year to ¥1,015 million due to a decrease in revenues.

## (2) Explanation of Financial Position

### 1) Assets, Liabilities and Net Assets

Total assets as of December 31, 2019 amounted to ¥874,435 million, an increase of ¥261,900 million compared with the end of the previous fiscal year. Current assets decreased by ¥646 million due to decreases of ¥8,633 million in trade receivables and contract assets and ¥4,893 million in other current assets despite an increase of ¥12,300 million in cash and cash equivalents. Non-current assets increased by ¥262,546 million due to an increase of ¥292,028 million in right-of-use assets despite a decrease of ¥31,837 million in property, plant and equipment.

Total liabilities as of December 31, 2019 amounted to ¥634,710 million, an increase of ¥251,124 million compared with the end of the previous fiscal year. Current liabilities increased by ¥37,989 million due to increases of ¥32,337 million in lease liabilities and ¥11,989 million in other financial liabilities despite a decrease of ¥7,160 million in trade payables. Non-current liabilities increased by ¥213,135 million due to an increase of ¥264,624 million in lease liabilities, despite decreases of ¥40,609 million in long-term debt and ¥10,389 million in other financial liabilities.

Total equity as of December 31, 2019 amounted to ¥239,725 million, an increase of ¥10,776 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 26.6%.

### 2) Cash flows

Cash and cash equivalents (herein called “cash”) as of December 31, 2019 was ¥120,712 million, an increase of ¥12,300 million from March 31, 2019.

Cash flows from each activity for the nine months ended December 31, 2019 and their significant components are as follows:

Net cash provided by operating activities was ¥54,119 million, an increase of ¥32,164 million compared with the nine months ended December 31, 2018. This is mainly due to an increase in cash from depreciation and amortization of ¥38,966 million and net income of ¥17,080 million.

Net cash used in investing activities was ¥6,033 million, a decrease of ¥4,501 million compared with the nine months ended December 31, 2018. This is mainly due to a decrease in cash from purchase of property, plant and equipment and intangible assets of ¥9,255 million, partly offset by an increase in cash from proceeds from sale of property, plant and equipment and intangible assets of ¥4,659 million.

Net cash used in financing activities was ¥35,677 million, an increase of ¥59,607 million compared with the nine months ended December 31, 2018. This is mainly due to a decrease in cash from repayments of lease liabilities of ¥27,750 million and dividends paid to stockholders of the parent company of ¥4,686 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 October 30, 2019 as below in light of 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 October 30, 2019)	Million yen 700,000	Million yen 34,000	Million yen 40,200	Million yen 34,200	Million yen 23,300	Million yen 22,000	Yen 197.22
Revised forecast (B)	690,000	34,000	40,200	34,200	23,300	22,000	197.22
Changes (B-A)	(10,000)	0	0	0	0	0	—
Percentage change (%)	(1.4)	0.0	0.0	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 December 31, 2019
(Assets)		
Current assets		
Cash and cash equivalents	108,412	120,712
Trade receivables and contract assets	132,544	123,911
Inventories	1,145	1,226
Other financial assets	4,597	5,096
Other current assets	11,965	7,072
Total current assets	258,663	258,017
Non-current assets		
Investments accounted for using the equity method	84,009	88,238
Property, plant and equipment	182,400	150,563
Right-of-use assets	—	292,028
Goodwill	26,212	24,234
Intangible assets	28,556	25,129
Deferred tax assets	8,083	8,533
Other financial assets	18,241	21,889
Other non-current assets	6,371	5,804
Total non-current assets	353,872	616,418
Total assets	612,535	874,435

(Million yen)

	As of March 31, 2019	As of December 31, 2019
(Liabilities)		
Current liabilities		
Trade payables	54,253	47,093
Short-term debt	5,850	4,090
Current portion of long-term debt	5,662	10,450
Lease liabilities	—	32,337
Income tax payable	3,362	3,726
Other financial liabilities	24,886	36,875
Other current liabilities	28,481	25,912
Total current liabilities	122,494	160,483
Non-current liabilities		
Long-term debt	191,198	150,589
Lease liabilities	—	264,624
Retirement and severance benefits	32,083	32,191
Deferred tax liabilities	10,712	10,933
Other financial liabilities	22,958	12,569
Other non-current liabilities	4,141	3,321
Total non-current liabilities	261,092	474,227
Total liabilities	383,586	634,710
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	16,803	16,803
Retained earnings	206,245	217,927
Accumulated other comprehensive income	(520)	(1,598)
Treasury stock, at cost	(182)	(183)
Total equity attributable to stockholders of the parent company	222,346	232,949
Non-controlling interests	6,603	6,776
Total equity	228,949	239,725
Total liabilities and equity	612,535	874,435



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

## Condensed Quarterly Consolidated Statement of Profit or Loss

(Million yen)

	Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)	Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)
Revenues	535,838	510,476
Cost of sales	(473,511)	(446,632)
Gross profit	62,327	63,844
Selling, general and administrative expenses	(38,267)	(37,945)
Adjusted operating income	24,060	25,899
Other income	475	3,876
Other expenses	(1,947)	(5,338)
Operating income	22,588	24,437
Financial income	449	86
Financial expenses	(988)	(205)
Share of profits of investments accounted for using the equity method	5,508	5,822
Earnings before interest and taxes	27,557	30,140
Interest income	815	936
Interest expenses	(1,478)	(5,225)
Income before income taxes	26,894	25,851
Income taxes	(8,481)	(8,771)
Net income	18,413	17,080
Attributable to:		
Stockholders of the parent company	17,435	16,252
Non-controlling interests	978	828

	Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)	Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)
Earnings per share attributable to stockholders of the parent company		
Basic	¥156.30	¥145.69
Diluted	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Million yen)

	Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)	Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)
Net income	18,413	17,080
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	(358)	176
Share of OCI of investments accounted for using the equity method	(33)	(76)
Total items not to be reclassified into net income	(391)	100
Items that can be reclassified into net income		
Foreign currency translation adjustments	(1,247)	(967)
Net changes in cash flow hedges	(3)	2
Share of OCI of investments accounted for using the equity method	(18)	(47)
Total items that can be reclassified into net income	(1,268)	(1,012)
Other comprehensive income	(1,659)	(912)
Comprehensive income	16,754	16,168
Attributable to:		
Stockholders of the parent company	15,952	15,387
Non-controlling interests	802	781

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Million yen)

Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 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		17,435			17,435	978	18,413
Other comprehensive income			(1,483)		(1,483)	(176)	(1,659)
Dividends		(4,127)			(4,127)	(150)	(4,277)
Acquisition and sales of treasury stock				(1)	(1)		(1)
Changes in liabilities for written put options over non-controlling interests		702	(72)		630	(377)	253
Total changes in equity	—	14,010	(1,555)	(1)	12,454	275	12,729
Balance at end of period	16,803	200,408	(222)	(182)	216,807	4,238	221,045

(Million yen)

Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 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		16,252			16,252	828	17,080
Other comprehensive income			(865)		(865)	(47)	(912)
Transactions with non-controlling interests		(6)	(1)		(7)	209	202
Dividends		(4,686)			(4,686)	(143)	(4,829)
Transfer to retained earnings		145	(145)		—		—
Acquisition and sales of treasury stock				(1)	(1)		(1)
Changes in liabilities for written put options over non-controlling interests		(23)	(67)		(90)	(674)	(764)
Total changes in equity	—	11,682	(1,078)	(1)	10,603	173	10,776
Balance at end of period	16,803	217,927	(1,598)	(183)	232,949	6,776	239,725

## (4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)	Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)
Cash flows from operating activities		
Net income	18,413	17,080
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	14,232	38,966
Impairment losses	29	3,978
Share of profits of investments accounted for using the equity method	(5,508)	(5,822)
Gain on business reorganization	—	(1,244)
Income taxes	8,481	8,771
Increase in retirement and severance benefits	149	6
Interest and dividends income	(1,221)	(1,016)
Interest expenses	1,478	5,225
Gain on sale of property, plant and equipment	(11)	(1,800)
Decrease in trade receivables and contract assets	3,068	9,464
(Increase) decrease in inventories	363	(82)
Decrease in trade payables	(2,807)	(7,270)
Decrease in other assets and liabilities	(6,855)	(4,130)
Other	386	653
Subtotal	30,197	62,779
Interest and dividends received	3,667	3,629
Interest paid	(1,279)	(5,042)
Income taxes paid	(10,630)	(7,247)
Net cash provided by operating activities	21,955	54,119
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(12,308)	(9,255)
Proceeds from sale of property, plant and equipment and intangible assets	1,079	4,659
Acquisition of subsidiary's shares	—	(666)
Decrease by a loss of control of a subsidiary	—	(384)
Other	695	(387)
Net cash used in investing activities	(10,534)	(6,033)
Cash flows from financing activities		
Decrease in short-term debt, net	(1,138)	(1,750)
Proceeds from long-term debt	49,749	—
Repayments on long-term debt	(11,286)	(603)
Repayments of lease liabilities	(3,608)	(27,750)
Purchase of shares of consolidated subsidiaries from non-controlling interests	(4,963)	(199)
Dividends paid to stockholders of the parent company	(4,127)	(4,686)
Dividends paid to non-controlling interests	(150)	(143)
Other	(547)	(546)
Net cash provided by (used in) financing activities	23,930	(35,677)
Effect of exchange rate changes on cash and cash equivalents	(174)	(109)
Net increase in cash and cash equivalents	35,177	12,300
Cash and cash equivalents at beginning of period	63,497	108,412
Cash and cash equivalents at end of period	98,674	120,712

(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)

Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)

(Million yen)

	Reporting segment			Other services <sup>1</sup>	Total	Adjustments and eliminations <sup>2</sup>	Amount recorded in consolidated financial statements
	Domestic logistics	Global logistics	Subtotal				
Revenues							
Revenues from outside customers	324,520	196,286	520,806	15,032	535,838	—	535,838
Revenues from intersegment transactions or transfers	—	—	—	8,741	8,741	(8,741)	—
Total	324,520	196,286	520,806	23,773	544,579	(8,741)	535,838
Segment profit	16,862	5,722	22,584	1,476	24,060	—	24,060
Other income							475
Other expenses							(1,947)
Financial income							449
Financial expenses							(988)
Share of profits of investments accounted for using the equity method							5,508
Interest income							815
Interest expenses							(1,478)
Income before income taxes							26,894

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.

Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)

(Million yen)

	Reporting segment			Other services <sup>1</sup>	Total	Adjustments and eliminations <sup>2</sup>	Amount recorded in consolidated financial statements
	Domestic logistics	Global logistics	Subtotal				
Revenues							
Revenues from outside customers	328,237	169,067	497,304	13,172	510,476	—	510,476
Revenues from intersegment transactions or transfers	—	—	—	10,195	10,195	(10,195)	—
Total	328,237	169,067	497,304	23,367	520,671	(10,195)	510,476
Segment profit	19,495	5,389	24,884	1,015	25,899	—	25,899
Other income							3,876
Other expenses							(5,338)
Financial income							86
Financial expenses							(205)
Share of profits of investments accounted for using the equity method							5,822
Interest income							936
Interest expenses							(5,225)
Income before income taxes							25,851

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.