

March 1, 2019

(Progress report on the disclosed matter)

Announcement of Capital and Business Alliance with AIT Corporation

Hitachi Transport System, Ltd. ("**HTS**") hereby announces that, as announced in the news release dated on October 10, 2018*, a share exchange transaction between its subsidiary Nisshin Transportation Co., Ltd. ("**Nisshin Transportation**"), as a wholly-owned subsidiary, and AIT Corporation ("**AIT**"), as a wholly-owning parent company, (the "**Share Exchange**") was completed, and as a result, HTS acquired 20% of the total number of AIT's issued shares and AIT acquired all shares of Nisshin Transportation.

*The release dated October 10, 2018 "Announcement of Capital and Business Alliance with AIT Corporation"

As a result of the Share Exchange, Nisshin Transportation became a subsidiary of AIT, and AIT became a HTS's associate accounted for by the equity method.

[Reference] Effective date of the Share Exchange: March 1, 2019

Based on the review of business combination by Japan Fair Trade Commission ("JFTC") in accordance with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, HTS received a notice from JFTC dated November 20, 2018 to the effect that it would not issue a cease and desist order regarding the Share Exchange.

End

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