

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

October 27, 2016

Company name: HAMAKYOREX CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 9037 URL: <http://www.hamakyorex.co.jp>
 Representative: President Hidenori Osuka
 Inquiries: Executive officer Rikiya Yamada TEL 053-444-0054
 Scheduled date to file Quarterly Securities Report: November 10, 2016
 Scheduled date to commence dividend payments: December 1, 2016
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2016	49,292	6.3	3,844	(4.5)	4,031	(2.7)	2,342	0.5
Six months ended September 30, 2015	46,368	2.7	4,024	27.7	4,141	22.8	2,331	21.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2016	123.25		-	
Six months ended September 30, 2015	132.00		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2016	107,714	50,236	41.2
As of March 31, 2016	105,952	47,885	39.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	-	12.50	-	15.00	27.50
Year ending March 31, 2017	-	20.00	-	-	-
Year ending March 31, 2017 (Forecast)	-	-	-	20.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	101,000	6.1	8,800	8.5	9,000	8.1	5,000	5.8	263.08

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2016
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2016	19,012,000 shares	As of March 31, 2016	19,012,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	6,382 shares	As of March 31, 2016	6,342 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2016	19,005,650 shares	Six months ended September 30, 2015	17,663,641 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	5,028	6,978
Notes and accounts receivable - trade	12,907	12,771
Merchandise	2	18
Supplies	90	80
Other	2,061	1,682
Allowance for doubtful accounts	(31)	(31)
Total current assets	20,059	21,499
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,554	29,593
Land	39,537	39,563
Other, net	10,528	10,777
Total property, plant and equipment	79,620	79,933
Intangible assets	1,944	2,037
Investments and other assets	4,328	4,242
Total non-current assets	85,893	86,214
Total assets	105,952	107,714
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,812	5,918
Short-term loans payable	20,650	19,438
Income taxes payable	1,663	1,402
Provision for bonuses	827	880
Provision for directors' bonuses	40	22
Reserve for loss on dissolution of employee's pension fund	6	6
Other	5,936	6,403
Total current liabilities	34,937	34,072
Non-current liabilities		
Long-term loans payable	10,308	10,200
Net defined benefit liability	5,694	5,672
Reserve for loss on dissolution of employee's pension fund	27	27
Other	7,099	7,504
Total non-current liabilities	23,129	23,405
Total liabilities	58,067	57,477
Net assets		
Shareholders' equity		
Capital stock	6,547	6,547
Capital surplus	6,466	6,466
Retained earnings	29,406	31,464
Treasury shares	(9)	(9)
Total shareholders' equity	42,411	44,468
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	178	145
Remeasurements of defined benefit plans	(298)	(271)
Total accumulated other comprehensive income	(120)	(125)
Non-controlling interests	5,594	5,893
Total net assets	47,885	50,236
Total liabilities and net assets	105,952	107,714

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Operating revenue	46,368	49,292
Operating cost	41,359	44,239
Operating gross profit	5,009	5,052
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	4	0
Directors' compensations	240	277
Salaries and allowances	211	245
Provision for bonuses	33	38
Provision for directors' bonuses	22	8
Retirement benefit expenses	10	13
Provision for directors' retirement benefits	6	–
Other	454	624
Total selling, general and administrative expenses	984	1,208
Operating income	4,024	3,844
Non-operating income		
Interest income	0	0
Dividend income	24	22
Gain on sales of non-current assets	87	56
Subsidy income	8	10
Electrical Sales Income	169	235
Miscellaneous income	124	146
Total non-operating income	415	471
Non-operating expenses		
Interest expenses	126	114
Cost of electricity sales	98	131
Miscellaneous loss	72	38
Total non-operating expenses	298	284
Ordinary income	4,141	4,031
Extraordinary income		
Gain on sales of non-current assets	–	39
Gain on sales of investment securities	–	19
Gain on sales of shares of subsidiaries and associates	–	45
Total extraordinary income	–	105
Extraordinary losses		
Impairment loss	4	26
Loss on transfer and closing of logistics center	–	37
Compensation for damage	–	51
Subsidiary transfer cost	–	61
Total extraordinary losses	4	176
Profit before income taxes	4,137	3,960
Income taxes - current	1,433	1,270
Income taxes - deferred	18	(11)
Total income taxes	1,451	1,258
Profit	2,685	2,701
Profit attributable to		
Profit attributable to owners of parent	2,331	2,342

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit attributable to non-controlling interests	353	359
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	(28)
Remeasurements of defined benefit plans, net of tax	17	29
Total other comprehensive income	6	0
Comprehensive income	2,691	2,702
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,340	2,337
Comprehensive income attributable to non-controlling interests	351	365