

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

January 27, 2017

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: February 13, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	75,247	4.9	6,276	(3.1)	6,631	0.1	3,882	4.4
Nine months ended December 31, 2015	71,747	3.1	6,476	21.6	6,625	18.3	3,720	19.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	204.26		–	
Nine months ended December 31, 2015	205.39		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	109,048	51,726	41.8
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2016	19,005,639 shares	Nine months ended December 31, 2015	18,112,607 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	5,028	7,546
Notes and accounts receivable - trade	12,907	13,721
Merchandise	2	15
Supplies	90	101
Other	2,061	1,398
Allowance for doubtful accounts	(31)	(34)
Total current assets	20,059	22,749
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,554	29,912
Land	39,537	39,614
Other, net	10,528	10,418
Total property, plant and equipment	79,620	79,945
Intangible assets	1,944	2,001
Investments and other assets	4,328	4,351
Total non-current assets	85,893	86,298
Total assets	105,952	109,048
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,812	6,485
Short-term loans payable	20,650	19,497
Income taxes payable	1,663	562
Provision for bonuses	827	441
Provision for directors' bonuses	40	33
Reserve for loss on dissolution of employee's pension fund	6	6
Other	5,936	7,341
Total current liabilities	34,937	34,369
Non-current liabilities		
Long-term loans payable	10,308	9,601
Net defined benefit liability	5,694	5,675
Reserve for loss on dissolution of employee's pension fund	27	42
Other	7,099	7,631
Total non-current liabilities	23,129	22,951
Total liabilities	58,067	57,321
Net assets		
Shareholders' equity		
Capital stock	6,547	6,547
Capital surplus	6,466	6,466
Retained earnings	29,406	32,623
Treasury shares	(9)	(9)
Total shareholders' equity	42,411	45,628
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	178	238
Remeasurements of defined benefit plans	(298)	(260)
Total accumulated other comprehensive income	(120)	(21)
Non-controlling interests	5,594	6,120
Total net assets	47,885	51,726
Total liabilities and net assets	105,952	109,048

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

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Operating revenue	71,747	75,247
Operating cost	63,758	67,192
Operating gross profit	7,988	8,054
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	12	3
Directors' compensations	373	420
Salaries and allowances	321	363
Provision for bonuses	27	42
Provision for directors' bonuses	33	20
Retirement benefit expenses	15	19
Provision for directors' retirement benefits	6	–
Other	722	908
Total selling, general and administrative expenses	1,511	1,778
Operating income	6,476	6,276
Non-operating income		
Interest income	1	0
Dividend income	30	28
Gain on sales of non-current assets	138	80
Subsidy income	17	154
Electrical Sales Income	226	303
Miscellaneous income	181	216
Total non-operating income	595	785
Non-operating expenses		
Interest expenses	192	168
Cost of electricity sales	151	197
Miscellaneous loss	102	63
Total non-operating expenses	446	429
Ordinary income	6,625	6,631
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		
Loss on retirement of non-current assets	15	–
Impairment loss	4	26
Loss on transfer and closing of logistics center	–	45
Compensation for damage	–	51
Subsidiary transfer cost	–	61
Total extraordinary losses	19	184
Profit before income taxes	6,605	6,551
Income taxes - current	2,091	1,857
Income taxes - deferred	207	221
Total income taxes	2,299	2,078
Profit	4,306	4,473
Profit attributable to		
Profit attributable to owners of parent	3,720	3,882
Profit attributable to non-controlling interests	586	591

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	101
Remeasurements of defined benefit plans, net of tax	30	44
Total other comprehensive income	29	145
Comprehensive income	4,335	4,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,745	3,980
Comprehensive income attributable to non-controlling interests	590	639